

MODERN DEMOCRACY
A STUDY IN TENDENCIES
BY BROUGHAM VILLIERS



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MODERN DEMOCRACY

A STUDY IN TENDENCIES

BY

BROUGHAM VILLIERS

(F. J. SHAW)

AUTHOR OF "THE SOCIALIST MOVEMENT IN ENGLAND" AND
"THE OPPORTUNITY OF LIBERALISM"

T. FISHER UNWIN
LONDON: ADELPHI TERRACE
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1912

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*Now light clouds passing o'er the April skies
Shed chilling showers,
Still on the grass from dawn the hoar-frost lies
Through morning hours.
Now summer seems at hand, now hail-storms fold
In fleeting white
The seedlings struggling through the softened mould
To gain the light:*

*Yet daily in the east the rising sun
Hath earlier birth,
Or views from higher heavens, his half course run
A fairer earth;
So watch we still, through passing clouds of hate
And dreary strife,
The slow unfolding of the Nobler State,
The larger Life.*



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PREFACE

ONLY a few words of explanation require to be said in introducing this book. It must not be inferred from the slight references made to the Irish party that I do not sympathise to the full with the Nationalist movement. The democracy of Ireland has set a noble example to our slower moving peoples on this side of the water, and nothing seems more certain than that the coming of Home Rule will be the prelude to a far more rapid advance in Ireland than anything we have experienced in the past. The progress of Ireland has been delayed, not by the Irish themselves, but by us. But the problem of Irish self-government should have been solved fifty years ago. In itself, it is a problem of the type facing politicians in the days of purely political Liberalism. As such it is not *typical* of the modern struggle, which is the true subject matter of this book. Thus it was no part of my task to develop the point of view which led the Nationalists into the Coalition, and I have dealt almost entirely with the other two bodies concerned—Liberalism and Labour.

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MODERN DEMOCRACY

CHAPTER I

INTRODUCTORY

THE present generation is witnessing the most important revolution in history. Looking over the civilised world, from China to the republics of the New World, we see the same conflict in progress—the struggle of the people against autocracies, aristocracies, and plutocracies of every imaginable type. In no two lands is the position exactly the same: in some the people seem almost on the eve of victory, in others the despotism of the past appears hardly shaken, however discredited. Nowhere, except perhaps in our Australian Colonies, have the people even entered into command; nowhere at all have they ruled long enough to give us an object lesson in constructive democracy, to enable us to say how the people deal with life when they fashion it politically after their own image and according to their own desires.

Yet in many lands at least it is hardly now in doubt that this very fashioning of society according to the will of the common people is the next stage in evolution, a fact that has become more apparent than ever each year of this young century. Even ten years ago it might have been doubted by friend or foe whether democracy

would ever become sufficiently real and widespread to reveal its essential character. In some lands, once leaders in the democratic movement, notably in our own, the reaction seemed likely to recover its old power. It looked as though, instead of further progress towards government by the people, the most advanced nations were to be enslaved by militarism. The century so far, however, has seen a notable revival in old countries, and the extension to totally unexpected regions of the democratic spirit. Democracy is not to fall without a trial; it is progressing both intensively and extensively. From the most unexpected quarters, from Turkey, Persia, Russia, and even China, the demand for constitutional rule, the first step towards popular rule, has been enforced with complete or partial, at least with some shadowy success. There are hopeful signs of a change in the spirit of Western civilisation just at the moment Western thought seems at last to be influencing the conservative East. The ways in which Japan and China have reflected the Western spirit perhaps illustrate most strikingly for us the change that has come over this spirit itself during the last decade. Japan was infected mainly by our military, commercial, and Imperialist ideas, the material side of our civilisation; China, a generation later, begins with the demand for a national government and republicanism.

Our own country, though in a less dramatic manner, shows perhaps the most remarkable, certainly to us the most interesting revival of democracy. Here, ten years ago, it almost seemed as though democracy was to die, that the Liberal movement could carry a nation almost into sight of the promised land, but that the inherent weakness, either of Liberalism or of the people themselves, could never establish it there. Had this continued, the friends of the people might have watched without faith or enthusiasm the beginnings of democracy

in other nations now taking the first steps in the road we ourselves so long pursued. After the "khaki" election it might well seem that all was lost. The Unionist party, not the old, cautious Conservative party, which is perhaps a permanent necessity of our political life, but an organisation reinforced and made strong electorally by the least constructive of Radical demagogues, were masters of the country; Liberalism was without ideas, altogether discredited, disunited, and weak; Socialism as yet had hardly any influence on national politics.

Almost at once, however, things began to change. So long as the war in South Africa was fresh and exciting, the party that had plunged the nation into it maintained its prestige almost unimpaired; but the later stages of the war, the prolonged, hopeless, undignified pursuit of De Wet, thoroughly sickened the British people with the whole business. If De Wet failed to save his country, he avenged her on her greatest enemies by bringing the formidable Unionist combination into contempt. Those long months of dreary marching and countermarching, mixed with petty, often disastrous actions, tore the glamour off Imperialism. The shilling corn tax and Chinese labour did the rest. From the moment the shilling tax was imposed on imported corn, and largely because of it, the Unionists lost touch with the nation, a fact that Tariff Reformers have not sufficiently noted. Democracy began again to assert itself, and it became evident that the next government would be a Liberal one.

For some years, we have been in the flood-tide of a democratic revival. It can now hardly be doubted that government by the people, here as elsewhere, is to be the next stage in human progress, whatever "government by the people" may imply, or however slowly it may develop its tendencies. Nay more, the

last few years have done much to throw light upon the essential character of democracy, to emphasise the point of view of the working men and women themselves, as distinct from those of their various middle-class friends and mentors. We have seen enough of democracy in its early stages to study it as a living thing, to see the direction in which it exerts its influence, and, what is of equal importance, the manner in which it does this. Much that might be in doubt about the character of the British democracy only a few years ago can now be known and understood. Though much still remains in doubt, for democracy is as yet only in the making, it is time that the friends of the people, whether Radical or Socialist, took stock of the position as it has been revealed, especially in the history of the last three years.

I have spoken of the Radicals and the Socialists as "the friends of the people" because these names stand roughly for two schools of thought, widely different in origin, that are now competing for the support of this nascent democracy. I am well aware that neither the average Radical nor the average Socialist of to-day can be tied down in practice to any hard-and-fast formula; but though both base their ideas on government by the people, the original idea of Radicalism is individualistic, of Socialism communistic. In their contact with the actual world, as will be seen, both are undergoing a constant process of adaptation to actual needs; but that does not alter the fact that we can trace the one back to Bentham and men of his school, the other to Sir Thomas More or further. But apart from Radicalism and Socialism as political doctrines, there is a third and far more potent force than either at work, the force of democracy itself. Radicalism and Socialism claim the people for their own, but the people remain themselves, something apart from either, accepting or

revising the programmes and ideas of their mentors into a new thing, neither the logical Radicalism or the Socialism of the study, but the often formless, hopelessly unphilosophical WILL OF THE PEOPLE or democracy. In the progress of democracy the sharp line dividing Radicalism and Socialism tends to become less distinct. Socialist members of Parliament sit on the Liberal benches, and a Labour party comes into being the majority of whose representatives are in political opinions, apart from their party ties, to all intents and purposes modern Radicals.

Radicalism and Socialism, then, cease to compete with one another as opposing theories of society, and instead we get a conflict between two parties in the constituencies, sometimes between men of almost identical opinions. Nor is the conflict at all a sham one. Liberal and Labour men oppose one another quite as fiercely as either would fight a Tory, even when, as may sometimes be the case, the Radical is more "advanced" than the Labour man. Only when an election is over, and the victors on both sides have reached the House of Commons, does there seem to be a truce, not greatly to the satisfaction of extremists in either faction, though greatly to the delight of a section of the Liberal Press.

"No doubt," wrote Mr. Churchill recently to the Liberals of Dundee, "you are entitled to assert that there is no good pretending that Liberalism is Socialism. It is not, and it never can be." The logical minds of Dundee Liberals had evidently realised that you cannot reconcile the principles of Herbert Spencer with those of Karl Marx, a fact which both philosophers would perhaps have thought of some political importance. Unfortunately, perhaps, its interest is purely academic. If Mr. Churchill, who is a practical politician, ever finds himself engaged in a straight fight with a Tory, I have no doubt he will appeal to Labour

voters to support him, and this irrespective of their opinions upon Socialism. At present, Dundee is represented by Mr. Churchill, Liberal, and Mr. Alexander Wilkie, Labour. Ostensibly because they were annoyed at the Labour candidatures in Kilmarnock Burghs, Keighley, and Oldham, but more probably because they believed, rightly or wrongly, that Liberalism in Dundee is strong enough to secure both seats, the Liberals of Dundee are anxious to find another candidate to run with Mr. Churchill at the next General Election. Mr. Churchill, I presume, is of the same opinion, and no one who values the independence of Labour will object to the Dundee Liberals finding out by experiment whether or not their faith is justified. It has taken them six years to find out how wrong they have been in tolerating Mr. Wilkie, but no one with a sense for the humours of politics will complain of the way in which they seek to justify their change of view. Nevertheless the conflict is not one over the political philosophies of the members for Dundee; it is a question of whose Whips they acknowledge in the House of Commons. Mr. Churchill is perhaps as near to Socialism as his present colleague, and quite possibly a second Liberal candidate might be an avowed Socialist. That would be no objection to him. If the Liberals can displace Mr. Wilkie by a man who will obey the Master of Elibank they will have gained a point in the party game. If they fail, Mr. Churchill's rhetoric will be laid aside till a more convenient season, or we may hear how essential to progress is a "good understanding" between Liberalism and Labour.

The truth is that, in spite of many protests, the politics of both the Liberal and Labour parties are controlled by a force stronger than either. The democracy itself, in so far as we have as yet got a democracy, is shaping politics, not after the fashion of any of the schools,

but after its own likeness. When women are enfranchised and the working classes in the country are organised, this policy, greatly modified no doubt by their influence, is bound to become the dominant force in politics. Whitman's "divine average" is becoming the sovereign power. The history of the future will, I doubt not, be shaped, not necessarily according to the wishes of the wisest among the people's friends, but as the average man and working woman feel towards life. The stream of ideas and proposals that steadily issues from the press or the platform, which shows how the political student *sees* the problems of the day, is being met by an advancing tide of popular influence formed by the way in which the people *feel* them. It is this second stream that will finally decide the general direction of the current, driving all Radical or Socialist philosophies along with it. It is important to study this democratic flood in order that we may show in what direction and to what extent we can aid and guide it.

Any State must, in the long run, be ruled after the ideas and according to the practical interests of the dominant class within it. The Imperialism of the Roman lawyers under the Caesars, the legal decisions of the judges under Charles I., are merely types of the sort of thing that must always be under a monarchy that is or aims to be absolute. When once the leading power has been placed in the hands of a king, nothing can prevent him making steady encroachments on what it may have been originally intended to reserve for the people or some other authority. Good kings as well as bad will encroach this way, perhaps even more rapidly, and this without any very clear intention of "liberticide" as Shelley phrases it. The good king will have a legal mind, he will not wish to be dishonest or aggressive; but at the same time, in any dispute with his subjects,

he will be at once advocate and judge ; only when he has become personally convinced that his own cause is unjust will the sentence go against him. The bad king, on the other hand, will decide every dispute promptly in his own favour ; but he will perhaps be too indifferent to the public interest, too lazy and self-indulgent to have many disputes. I imagine that the good Caesars were more formidable to the remaining liberties of Rome than the famous tyrants.

But monarchy, I suspect, rarely sets out with the conscious aim of absolutism. The Gothic warrior raised by his peers upon the shield and proclaimed war-leader of the host has no clear vision of the State in which he shall be supreme and his brothers enslaved. Once in the seat of power, he will constantly tend, and his sons and grandsons will continue the tendency, to assert his right to command in an ever greater degree, and in more and more of the affairs of the tribe. But, unless one of them be a man of commanding and Napoleonic genius, the conception of the autocratic State, the famous ideal of Louis XIV., will only slowly evolve. The earlier Popes no doubt tended steadily to assert the dignity of St. Peter, and to interpose more and more in the affairs of the world ; but we have to wait for Hildebrand before we get any clear attempt to assert a spiritual supremacy over Christendom. Nevertheless, kings never give liberty voluntarily ; while, unless confronted with a power at least equal to their own, they steadily tend to encroach upon liberty, generation after generation.

When we come to a nation in which a class is dominant, the progress of encroachment is more certain and calculable, for the personal equation counts for less. An ambitious monarch may aim directly at absolutism, even when a constitution and public opinion impose considerable checks upon him at the

outset. If custom and law have already given to the crown a strong foundation, and the king himself is a man of genius as well as ambition, a monarchy may become absolute in a few years. The majority of men in any class, however, share, to some extent at least, the general ideas of their age. They no doubt magnify the importance of the caste to which they belong, and tend to decide all questions in dispute between them and those below them in their own favour. But, broadly speaking, though an aristocracy, for instance, given the power to do so, will steadily tend to encroach on the rights and properties of other classes, it will generally do this in what I may call a conscientious sort of way. Each new aggression, each filching of popular rights, will be over some matter which the current ethics of the time regard as at least debatable. A new aggression, to be successful, must at least commend itself to the conscience of the average aristocrat, who, while sharing in the general bias of his class, still shares also in the common prejudices and beliefs of the nation. But given the general leadership of a nation, an aristocracy will ere long absorb to itself all the liberties and all the most valuable properties of a nation, gradually dropping its own time-honoured duties and responsibilities.

If the dominant power in a nation is a capitalist bourgeoisie the process of aggression will probably be more rapid, and this because the process of material development is faster in a commercial than in an agricultural nation. Thus the American trust magnate of to-day differs far more widely from the fathers of the republic or from the men of the Civil War than the Victorian Whigs and Tories from those of centuries earlier. In the lifetime of one generation plutocracy seems to have captured American politics, and to have overcome the rich American heritage of respect for the people and for democratic government. The rapid

industrial development of modern times tends to make inherited prejudices and beliefs less stable, and perpetually opens up new opportunities for effective aggression. In quieter times, before the modern developments of machinery and world-trade, the burghers of an ancient city would encroach more slowly, but equally surely, on the liberties of the people.

No class can ever make of politics anything but a reflection of its own life. What a man does from day to day, his daily thoughts and ambitions, must inevitably be reflected in his politics. Now a class is simply a larger or smaller body of men so placed in the social order that they have similar duties, similar opportunities, and similar difficulties. Their private actions and thoughts tend thus to be alike. Their politics also tend to be alike, and while at any given time greatly influenced by the general opinion of the nation as a whole, to show a marked bias in favour of their own order. If the mediæval squires and barons of England gradually threw over the burdens imposed on them by the feudal system; if, in later days, their descendants, supreme in both the Commons and the Lords, absorbed most of the common lands by law, this was merely doing in politics what the majority of them were doing each in his private life. The average squire found his feudal duties a burden, and though probably as conscientious as most men, tended to become more and more lax in fulfilling them. Without consciously shirking, it was easy, unless sharply reminded, to forget each feudal duty, while remembering each feudal right. It was not always easy to keep on enforcing duties century after century when it was not very clear whose business it was to keep reluctant vassals informed of their liabilities. A due or duty omitted for one generation was forgotten in the next. Sometimes a Parliament of landowners

would come to the conclusion that there was no real need to continue any irritating burden, and would excuse themselves collectively from bearing it at all! Thus our squires evolved into landowners, with only a sturdy instinct of "doing their duty by the land" belonging to the family surviving to remind them that at one time landowning had been anything more dignified than a business. Again, the individual landowner naturally desired to increase his estate, and his neighbours imposing a firm obstacle to encroachments on their private lands, this could only be done by absorbing unowned and therefore common lands. As rents rose with the improved farming of the eighteenth century, this became the readiest means to increased wealth and importance, and the individual landlord became exceedingly anxious to share fairly with the poor in schemes for reducing the common lands from public to private property. It is scarcely necessary to say that his notions of a fair division were influenced by this class bias, but there is no need to suppose that either unauthorised filchings of patches of common land, or the political counterpart of them, the Enclosure Acts, were conscious robbery of the poor. They were merely the private and public expressions of a consistent but biased way of looking at life, a way inevitable to men placed in a certain false position.

Similarly the manner in which the great capitalists of the United States have corrupted the legislature and politics of their country is at one with the doings of the same people in other departments of life. The maxim "our trade our politics" is merely a specially frank avowal of a thing inevitable anywhere. It is impossible to keep human life in water-tight compartments. What a person or a class aims to do in one relation of life will certainly be reflected in every other. The pressure of life, the peculiar difficulties and oppor-

tunities which the individuals composing each class in a community meet with, impose on all alike a more or less uniform attitude to life generally. There is imposed also, by inherited tradition and by the atmosphere of thought in general, certain accepted restrictions on the pure class view of any question, which the majority will always respect. Aristocrat, bourgeois, and proletarian will be influenced, to some extent at least, by the conventions of the other classes. Hence at no time will the average contemporary member of any class accept the logical aristocratic, bourgeois, or proletarian outlook, but some modification of it, not far enough from the centre of contemporary thought to be incredible or to appear ludicrous.¹

In the politics of any class it is the average man within the class that counts. Any member who sympathises to more than the average extent with the ideals of any of the other classes will either be a political nobody, or will find himself compelled to work with those outside his own order; while normally any aristocrat or bourgeois of genius who "sees the end from the beginning," and aims too directly and avowedly at class aggrandisement, will find himself not only opposed by the full strength of all other classes, but held in check by the "moderate" or average opinion even of his own.

The doctrine of the "class war," as believed in by many Socialists, while undoubtedly containing a great element of truth, requires careful examination in order to bring it into complete harmony with fact. What we have to deal with is a general, instinctive bias in a certain direction, very seldom indeed with any clear

¹ Perhaps the "Die Hards" of the summer of 1911 go as near to overstepping this limit as is possible. Usually, however, the majority of any class keep much nearer in touch with contemporary thought than the admirers of Lord Halsbury.

class-consciousness. The warfare of classes at any particular time is concerned, not with the very existence of one or other, but merely with immediate and practical extensions or diminutions of the privileges or powers of this or that class. Right throughout the struggle the immediate, practical view of the average man tells—the unimaginative man, whose ideas, however tinged with class bias, are never very far from the centre point for the moment of the social conscience.

What is true of the aristocracy and the bourgeoisie will, we may depend upon it, be even more true of the democracy, for the larger the class the less importance does it give to the exceptional man or woman. For reasons that will appear throughout this book, I am convinced that democracy is to have a genuine trial in this country, even though, as will also appear, democracy itself is still merely in the making. But though not yet grown to its full power, the working class has shown within the last few years its ability to impose its own ideal of legislation upon the State and the other classes, it has manifested the fact that it is, even now, the strongest power in the land. However slowly, then, it is the democratic ideal, whatever that implies, that will be worked out in the future, an ideal latent perhaps in the mind of the average man and woman. But this progress is strictly conditioned, not only by the resistance offered by other classes, but by the limitations of the average individual working man or woman. Democracy will impose its own method on its friends, its own ideal on its enemies. And this, as in the case of any other class, will be determined by the daily life of the individual man or woman, by his or her practical aims and ambitions. People of genius or insight who “see the end from the beginning,” however useful they may be in inspiring others, will have little practical influence on contemporary politics.

The key to the politics of democracy will thus be found in the lives of the democracy themselves; we shall find it soonest not by listening to what the rhetoricians and politicians say about it, but by considering what life conditions contemporary facts are actually imposing upon the people, what problems each individual unit of the working classes is being called upon to solve every day. The working-class elector will bring to politics what he brings to other things of life; he will do politically what he is now doing and has done privately and industrially. The late Lord Sherbrook, after the passing of the second Reform Bill, declared it essential to "educate our masters." We shall be wiser, at least more modest, if we allow "our masters" to educate us. Politicians of various schools have been so anxious to teach the democracy that they have seldom allowed democracy to teach them anything in return. But if we want to know where twentieth century politics are shaping themselves we must get to know what the average artisan or small shopkeeper consults his wife about from week to week; we want to know the way in which they plan the feeding, clothing, and schooling of their children, their pitiful attempts to put aside something for a "rainy day," the hopeless impossibility of providing for the family should any accident take away the breadwinner or his work.

Every year there are a number of people die, on whom the coroners' juries bring in a verdict of "death by starvation." This number, as any one who has devoted any attention to the subject knows well enough, bears no proportion to the vast multitude whose lives are shortened as the result of underfeeding, and who of course are in reality starved. Mr. Seebohm Rowntree tells us that 8.5 per cent. of the families in York have incomes of less than twenty-one shillings a week. These live in "primary poverty"—that is to say, however thrifty they

may be, it is simply impossible for them to secure adequate food, clothing, and house-room for full physical efficiency. They live, in fact, in a state of semi-starvation, and their lives must inevitably be shortened in consequence. At the same proportion—and there is no reason to suppose that York contains more than an average number of very poor—there must be about three and a half million people in the British Islands whose earnings will not suffice to provide them with adequate food. But this is not all. The members of the working class in this desperate condition of semi-starvation are not from year to year the same. The newly married couple, even on labourers' wages, may avoid actual hunger till the children arrive; but then, unless the family be unusually small, ensues for the home of nearly every unskilled labourer in the land a struggle through years of underfeeding and grinding poverty. Relief may come as the elder children, far too soon in life, begin to add each a few shillings a week to the family income; but this only happens after the parents have lost all zest for life in the struggle to live. It is important to realise that this state of things, while normal enough throughout the last century or more of Western civilisation, is quite abnormal in the history not merely of human but of animal life in the world.

But let us return to where we began, and take the case in which, the facts being known, and no possible loophole having been discovered whereby they can avoid the damning fact, the coroners' jury have brought in one of those rare verdicts "death by starvation." Here is a case of a man or woman whose life has actually been cut short because of the impossibility of obtaining plain food, the needed amount of edible carbo-hydrates to keep the human machine in motion. The unfortunate "is the last of his race," the scientist tells us the last of a very ancient race indeed. Any mathematician

can tell us how many thousands of ancestors this man had ten generations, how many millions a hundred generations ago, but no mind can conceive the infinite number of human and prehuman ancestors that must have lived and reproduced themselves before this life thus cut short could be. The whole sequence of prehuman evolution lies behind him, from the protoplasm up to the highest anthropoid age ; all history, from the rudest savagery to the twentieth century. Many things have happened, almost everything, one would think, that can happen, to one or other of this countless host, in all those ages of time, but this thing that has never happened before. The most primitive forms of life, without thrift, without provision for the evil days, at least managed to keep the flame of life alive until they had handed it on to others. Through history the savages of the Stone Age, the naked Britons, the serfs of the Middle Ages, the downtrodden peasants of the "hungry forties," at least managed to live and reproduce their kind, or this man could never have been. I am aware, of course, that in every century men and beasts have died of famine ; but in the line of this man's ancestry, human and prehuman, at least each lived and loved before fate ended their days. This failure at least was reserved for the twentieth century ; this never happened before. One strand of the great web of life has at last been snapped and will cease henceforth during the generations of mankind.

Nor is the newness of the thing entirely accidental, as would be the case with many other forms of premature death. It is not pure good luck that has preserved the generations so far through such a vast journey of progress to so futile an end. Starvation, even under-feeding, is something quite abnormal in the world, among all the varied conditions of life that crowd upon it. In the frosts of a long winter the birds grow lean,

but normally they are plump and well-conditioned enough. The fishes are in constant danger of being eaten, but until their time comes they seem to find little difficulty in obtaining smaller fishes to eat. The trawler brings in millions of fish, and there will be more underfed children among those who watch her unload them than there are badly nurtured fishes in the whole cargo. The savage may find his prey hard to capture, but there his difficulty usually ends. Once having made sure of his game, he can depend upon finding plenty of flesh on it. Nor does the savage himself generally find much difficulty in keeping in good condition. In starved, barren lands, among the Fuegians and other badly placed tribes, many of the people may look nearly as lanky and underfed as the arabs of our streets; but such a state of things is the exception, and not the rule. Even the Esquimaux appear to be fat enough, and indeed they could never face their terrible climate on the diet accorded to the sweated workers of East London. Travellers have told us many tales of famine, when Nature has been unkind, or wars have desolated the lands of barbarous people; but certainly the general consensus of evidence shows that among primitive peoples unsatisfied hunger is rare. Normally, barbarous man finds enough in his forests, and whatever other terrors he may have to face, is quite as well fed as the animals he hunts.

Nor has it been otherwise through most centuries of civilisation. Professor Ashley tells us that the serfs of Norman days lived in a state of "rude plenty." Indeed, there is abundant evidence to prove that they were very much farther from actual want than that vast majority of our people who die without leaving enough property to be charged with death duty. The "yardling" serf with his plough oxen, with crops and sheep and swine of his own, was farther from famine than four-fifths of the people of this country. In the later Middle

Ages there was less poverty still, and certainly the fifteenth century peasant was far better off than his successor to-day. Even then, famine occurred when harvests failed, but not as now, when they were abundant. Those Socialists are right who contend that the "proletarian," the man who depends from week to week upon his wages, and who is face to face with absolute destitution so soon as his uncertain employment stops for a week or two, is something quite new in the world.¹

The great majority of the people of these islands pass their lives in continual danger of poverty, of sinking below the level of the poverty line. This fact dominates all the serious activities of their lives. How to make the struggle of life a little easier by securing a rise in wages, how to put by something for illness, unemployment, or the death of the breadwinner, these are the things that occupy the minds of the men and women who are, in the near future, to be the effective rulers of our land. It is these things that are being debated by the fathers and mothers of millions of families, night and morning throughout the year. It is this vast debate among millions of domestic parliaments that is laying the foundation of democratic politics. The social question, as every other, appeals first to the people as an *individual* question. Each man has to solve the problem of his individual life, to find out how to maintain himself and those dependent upon his labour in an environment of social forces which he cannot control,

¹ Compare, for instance, the position of Chaucer's "povre widwe," who—

"Sin thilke day that she was last a wif
In patience ladde a ful simple lif,"

with that of a poor man's widow to-day. She kept three cows, as many sows, and "a sheep that highte Malle"—I suppose a pet lamb—besides her stock of poultry. Clearly this typical poor woman required no "destitution authority."

the changes in which he cannot calculate. It is no sentimental family skeleton that occupies the cupboard of the majority of freeborn Britons, but a very real terror indeed.

But though the social problem appeals to the workman as an individual one, in the first instance, he soon finds out that thousands of his fellow-men are faced with exactly the same terrors as confront him. Individually he can do next to nothing, collectively he and they can at least do something. The working man has found out that he can more readily obtain a rise or prevent a fall in wages when he is organised than when he acts alone, and hence two million working men have become Trade Unionists. He discovers that through Co-operation he can secure himself against adulteration and his wife can put by something against a rainy day. His wife, even more than he, is haunted with the dread of invalidity for him or of a pauper funeral for any of the family, and Friendly Societies and industrial insurance agents secure subscriptions from millions of people. The Post Office and Trustee Savings banks secure numberless working-class accounts, pitifully inadequate, when all are put together, to secure the people against destitution, but ample evidence, were such needed, of the struggle the working classes are making, wherever possible, to secure themselves against the abyss.

It is important to remember that the social problem must always appear to the poor first of all in its *individual* aspect. Though in the progress of working-class organisation the thing comes to present itself from other points of view also, the man and woman who are near to poverty, to whom destitution is an ever-present threat, can never cease to look at the personal side of the question. Middle-class Socialists or Radicals, themselves free from danger of poverty, can readily disregard palliatives and small improvements which mean much to

those actually struggling with poverty. They may consider some slight increase of wages, or an old-age pension coming into the home, as miserable instalments of social justice; but to the people who are actually engaged in the struggle to make both ends meet, it is impossible to look at these things in this way. A Socialist with thirty shillings a week may have exactly the same speculative opinions as one with ten times the income, but he can hardly view with the same scorn a "reform" that has the effect of making things ever so little easier than before.

But having found that through alliance with his fellow-workmen, say in a Trade Union, he can make his position a little easier and more secure, the workman gradually ceases to regard things *exclusively* from their individual aspect. The interests of his union and of his fellows come to take their part in his mind, often strongly enough to make him sacrifice his own individual interests to that of the body to which he belongs. His outlook becomes widened, and that not mainly by suggestion from without, but as a natural result of social action. All patriotisms and other social enthusiasms must have had their roots in social practice; we learn the law of social life by obeying it. The working classes of this and other lands have made vast progress in the sense of solidarity during the last fifty or sixty years; so that, in addition to the ever-present individual aspect of the social problem inevitable to all the poor, thrust on them whether they will or not by poverty itself, men had added loyalty to the branch, to the union, to the Labour movement itself, at home and throughout the world. Meeting the workman when he returns from his branch or political meeting at night, however, facing his wife night and day alike, never altogether to be shaken off, is their individual share of the social problem—how *they* are to meet the rent, how *they* are to clothe the

children, how *they* are to provide for sickness or unemployment.

It is utterly impossible for working-class politics to ignore the social question, for a class must make of politics what it makes of life. The class that has built up the Co-operative and Trade Union movements will certainly make of politics just what they have always been making of other things. The State more and more as it feels their power, will become co-operative, more and more will it insist on the maintenance of a minimum standard of life. This is all in accord with the hopes of social democracy, and indeed of advanced democrats generally. But what the more revolutionary section of the friends of the working classes have hardly realised is that the *method* of democracy is bound to be no less definite than its ultimate purpose. The method of democracy, in the things that have hitherto fallen into its hands, has been that of a steady, methodical building up, an adding piece by piece to its democratic organisation. Democracy has made few sudden and dramatic leaps ahead ; it has seldom stood upon theory or asserted any new principle ; but has dealt with every problem as it arises in a practical, rule of thumb, opportunist sort of way, just indeed as it is now doing and will doubtless continue to do in politics.

This, too, arises out of the nature of the problem facing the individual working man and his wife. If *laborare est orare*, it is certain that the average man is working, and therefore presumably praying, far more heartily, or at least constantly, for his daily bread than for the coming of the kingdom of God on earth. He can in fact do no other. His first cry is for help, practical and immediate, in his daily struggle for life. Even the revolutionary working man cannot escape this necessity, much more the many who lack the consolation of his dreams. Social betterment, however

trivial it may seem, is far too important for him to allow any instalment of it to slip by because it is inadequate, in hope of something greater when he is dead. By the very nature of the case he must look at the condition of England question from a realistic rather than an idealistic point of view, fighting for and obtaining every little concession that he can.

If, then, the working-class electors must regard the social question as the one subject matter of serious politics, they will look, and indeed are looking, at it from what, following Fourier, I have called a "Guarantist" point of view. Fourier, apart from his Utopism, seems to have been a man of marvellous insight into the conditions of social evolution. In particular he seems to have foreseen the coming of an age of universal insurance, in which, while the capitalist form of industry would remain intact, there would be an ever-growing, ever more elaborate organisation to guarantee all the members of society against the worst evils of poverty. And whether we look at the sacrifices made to cover the risks of life by middle-class people themselves, or the industrial organisations and present political tendencies of the working classes, we can see that, however fantastic the "phalansteries" by means of which Fourier sought to forestall this evolution might be, this anticipation of the natural trend of things was a piece of marvellous insight.¹ Mr. Lloyd George's Insurance Scheme, at the time of writing still the storm centre of discussion, is, with all its faults, typical to a great extent of the tendencies of the day. This tendency is inevitable with a democracy with whom the individual aspect of the social problem is ever present. The middle class or

¹ For a fuller account of this idea of Fourier's, see *Modern Socialism*, by Dr. M. Tugan-Baranowsky, translated by M. J. Redmount. The book is a very able review of the historical development of the Socialist movement.

wealthy democrat can easily regard the social problem from a detached point of view; he can look only to ultimate ends; he sees the matter from the outside. He can go down to his business, transact his own affairs, and in doing so switch off, so to speak, the whole social question from his mind. It is to him a matter of public or humanitarian interest only; he has no personal terrors, no personal needs demanding immediate attention bound up in it. It is, therefore, easy for him to preach doctrines of revolution and "class war," and natural enough to speak contemptuously of "reforms" and "palliatives." With the working man, however, as we have already seen, it is different. To him every gain counts, however small; every loss, however temporary or slight, means added personal worry and difficulty. He is not merely interested in the social problem, he is *in* it: he not only sees, but feels. There is hence and always has been a distinct clash between the middle-class revolutionist and his proletarian allies. Even if they agree with him in the ideal, they differ widely in the practical. The working man stands apart, not only from the mass of the bourgeoisie, but from those individuals among them who have abandoned their class ideals and would fain stand by his side. They are Socialists, revolutionists, "emancipated"; he is philistine, practical, Guarantist. He is so because he must be, because the very conditions of his life compel him to be. At a political meeting he may feel much as the revolutionary rich may feel—defiant, Utopian, class conscious, at war with the world of capitalism. But, unlike his wealthier comrade, he cannot leave the social problem aside after the meeting. His aged parents perhaps live with him, and he cannot afford to scorn the pensions by means of which alone they can be fed. However much he may be interested in the future perfection of the world, bread is too dear already, he cannot afford to let the Tariff Reformer make

it yet dearer. He must in fact consider not only the root principles of social disorganisation, but, even more, every phenomenal aspect of it that confronts him from day to day. Whether he is a Socialist or a Radical, a Liberal, or even a Tory, he must be first and last a Guarantist.

We have witnessed in our day the rise to influence of a new party, filled with a new enthusiasm, a new idea. We have seen, at the same time, the revival of an older party and its return to power, after a collapse that threatened its very existence. These parties, avowedly and even bitterly hostile to one another in the constituencies, have nevertheless before the eyes of all worked almost together for two sessions and part of a third in the House of Commons. Yet the one party can be traced back to commercial individualism; the other, to Socialism; two things which, according to Mr. Winston Churchill, it is "no use pretending" are one. How this came about and what I conceive to be the meaning of it are the subjects of this book.

During the stormy sessions of 1910-11 there was much talk among Conservative politicians of the iniquitous "Coalition" of Liberal, Irish, and Labour forces that was destroying landlordism and the British Constitution. Liberal journals, on the other hand, applauded the loyal way in which the Labour men supported the Government during the financial or constitutional crisis. Many Socialists looked on contemptuous and angry, while Socialists outside of Parliament spent much valuable time and a good deal of ink in denouncing Socialists inside of it. The purposes for which the Coalition worked are now accomplished, the controversies in which they were united have become history, and the matter can already be discussed in a different spirit. This being so, we shall try to do what none of the politicians seem to have thought of doing. We shall study the "Coalition" and endeavour to understand it.

CHAPTER II

THE MODERNISATION OF LIBERALISM

WHEN, in 1904, I wrote the *Opportunity of Liberalism* we were nearing the close of a long Tory Reaction, and the prospects of a progressive revival were already becoming bright. The Tory party had been in office, with only one short interval, for nearly twenty years, and had seemed, only a year or two before, likely enough to retain power for another twenty. With the imposition of the shilling corn tax, however, had come a change, and already since the Bury by-election of 1902 the Liberals and the young Labour party had been winning on almost every occasion on which the opinions of the electors was taken. It was becoming clearer every day that, after all, Liberalism was to have another opportunity, and the only question seemed to be "Will Liberalism use its chance wisely or will it simply mark time, and prepare the way for another Tory Reaction?"

The closing decades of last century were remarkable for the great Reaction with which I dealt in that pamphlet, for the apparent defeat all along the line of the democratic movement, the ultimate triumph of which had appeared, up to 1880, almost inevitable. Liberals, flushed with the great victory of that year, confident that with the enlargement of the county electorate they would receive yet greater accessions of strength in the near future, commemorated their triumph by founding

an institution the history of which could not be foreseen by its jubilant promoters. Born thus at the moment of triumph, the Eighty Club had attained its majority without again seeing the fortunes of Liberalism in as promising a state as at the moment of its birth. Even the administration then founded was in itself a disappointment, and, containing as it did the most capable statesmen of the day, steadily lost in prestige with each year of its existence. The gratitude of the newly enfranchised labourers in the counties saved Liberalism from defeat in 1885; but the short Parliament then elected gave place to a formidable alliance of Conservatives and Liberal-Unionists, and, except for a short period of three years, Toryism ruled the country till after the close of the nineteenth century. The dawn of the twentieth saw the same party in power with a renewed majority, and with as yet no sign of a changed feeling in the electorate.

Just as surely, however, as during the last years of the nineteenth century the Unionist party steadily increased its hold on the British people, so, from the death of Queen Victoria, its position has equally steadily become worse and worse. I say this advisedly. It is true that the elections of January and December, 1910, showed nothing like the abnormal anti-Tory majority of 1906; but the inference readily drawn from this, that 1906 marked the high-water mark of Liberalism, is, I think, fallacious. In 1906 the electors were heartily sick of the Tory Government, and would have voted for any party opposed to Mr. Balfour. To do this there was only one way—to vote for the Liberal or Labour candidates, and there is no doubt the electorate expressed their determination to get rid of Mr. Balfour in a very emphatic way. No doubt also many individual Liberals could rouse the enthusiasm of their constituents by their own personal abilities or their programmes; but to claim the elections

of 1906 as a definite endorsement of any specific Liberal policy would be unjustifiable. No party programme existed at the time. Home Rulers and anti-Home Rulers, Radicals, Socialists, Whigs, and Tory Free Traders all voted together with enthusiasm for the only object they could possibly have in common—the destruction of a thoroughly discredited party. It was a glorious stroke of luck for Liberalism, and gave the party the *opportunity* to regain its old place in the confidence of the electors. But that place had to be regained by definite, constructive effort; it was not conceded to Liberalism merely because its rivals had proved incompetent.

The two elections of 1910 were altogether different in character. The true Liberal revival dates from the introduction of Mr. Lloyd George's Budget of 1909. In the 1910 elections the Liberals no doubt lost the votes of disgusted Tories, and probably also those of many timid Whigs; but there can be no doubt that they found thousands of voters who heartily supported their constructive proposals. They aroused enthusiasm for themselves and their own policy. Broadly speaking, these two elections prove that an adequate majority of the British electors definitely approve of the Budget of 1909 and all that it implies. The second of these elections was the Sedan of the Reaction, far more devastating in its effects even than the rout of 1906. Everything that happened immediately before, during the progress of, or after that event, showed that Toryism at last recognised its defeat and its helplessness. I do not for a moment suppose that we shall never have another Conservative Government; Conservatism plays far too strong and indeed necessary a part in the English character for that; but I do feel confident that we shall not speedily have a reactionary one. The next Conservative Government will stand in wholesome fear of the electorate, will have recovered the old statesmanlike caution and respect

for the fact accomplished by which a long line of statesmen, from Wellington to Salisbury, secured for Conservatism the respect of the electorate and a due proportion of its favours.

Be that as it may, however, Liberalism has beyond question recovered its hold on a large part of the electors, and is believed in enthusiastically by its own particular followers. In the absence of a Labour candidate it can command the votes of large majorities in almost all the purely industrial constituencies, and even in three-cornered contests it can often win, and, if not, generally, at least, secure the second place. In fact, Liberalism has recovered a position which it would take a good many years of unpopular action on its part to destroy. It has *faith* in itself, and even if thrown again into Opposition, would be a far more effective opposition than that of the 'nineties.

How has this come about? The Liberal party of thirty years ago was the creation of the Victorian middle-class electorate, with an ideal of its own, somewhat indefinite, perhaps, but, on the whole, distinctly antagonistic to the Guarantist ideals of the electorate of to-day. Up to the enfranchisement of the working men, Liberalism of this class got on very well; in fact, no other sort of Liberalism would have been possible. With the extension of the franchise to the working men in the towns and in the country, however, though the Liberal leaders seem not to have expected such a thing, all these ideas became at once hopelessly out of date. It was quite true that, for some time, great Liberal leaders like Gladstone could arouse enthusiasm among the new electors, for, after all, Liberalism had round about it the tradition of democratic sympathies.

But what Liberals of the old school failed to realise was that working people looked at life from a totally different standpoint from theirs. The proletarian move-

ments of the past had been as purely Guarantist as is the Labour party to-day.¹ Chartism had no sympathy with Whigs, and very little with the Manchester Radicals. Behind the working-class demand for the franchise was an implied demand for better social conditions; and when at last the franchise had been won, social improvement was certain, sooner or later, and whether the middle-class Liberals liked it or not, to be the only thing vitally interesting to the new electors.

The Franchise Act of 1884 launched Liberalism on a strange sea, to which neither the great captain of the ship nor any of his officers possessed a chart. The old electors, to whom they had been accustomed to appeal, had no great quarrel with the workings of the social machine, which distributed to them at least a moderate share of the good things of life, with reasonable security that that share would continue. The new voters were in an altogether different position. So narrow are their means, so uncertain their continuance, that it is not easy to say what advantage many of the labouring classes derive from the existence of society at all. Co-operative labour is vastly more productive than isolated labour, and the product of society per head of the people is much greater than each unit could produce alone. But, as we have already seen, savages and even animals can generally secure quite enough food and other material necessities to keep themselves in good physical condition. But the share of a very large part of our working classes falls far below this. "Ye are of more value than many sparrows," but the sparrows of a city slum are often its only well-fed inhabitants. Food is spread in the sight of every workless inhabitant of our land, food and clothing in abundance in the shops of every street, but a wall as of brass surrounds them for the penniless

¹ In *intention*, that is, though the Guarantism of the Chartists, &c., was much less informed than that of the modern Labour party.

man. London is still "London Lickpenny," as in the days of John Lydgate; and in it are always thousands of human beings more utterly helpless, in the midst of plenty, than perhaps any earthly thing human or animal has ever been before the days of modern industrialism. We have the most wonderful organisation for the supply of food that has ever existed, so much so that as long as there are crops of corn anywhere in the world, it is almost inconceivable that there can ever be scarcity for the nation, yet never was the individual less secure. Even those of the wage-earning class who are not at present plunged in the abyss of poverty are always within measurable and terrifying distance of it, a fact which Marxian Socialists are quite right in seeing must ever be the shaping factor in working-class politics. The intellectual Socialist, however earnest and sympathetic he may be, grasps the social problem with his mind; he can take it up or lay it down and turn to other matters almost at his will. But the poor man does not need to grasp the social problem in this way. The social problem won't let him alone. It grasps him, so to speak, by the stomach, and forces his attention, almost to the exclusion of anything else.

Sociologists should recognise that there is no use talking of the "advantages" civilisation affords to any one from whom civilisation has stripped any of the simple material things normally secured to men and animals in a state of nature. If we were to construct, as on a thermometer, a scale of human well-being, the zero point should imply the possession, with security, of everything essential to physical health at least. Any state below this should be counted as so many degrees *below* zero. Only as we come to reckon up the advantages secured by civilisation to any man or woman in addition to this minimum have we any right to speak of "advantages" at all. And until we have secured this minimum

to each individual we have no right to expect from those excluded any respect for our conventions or laws of property and order at all. To them the social order itself is a monstrous injustice, which they would be much better without.

But all this and the ideas on which democratic politics must, in the long run, be founded were alien to the thoughts of the Liberal leaders of the Victorian era. I doubt whether most of them had got the wage fund theory out of their minds, or realised that industry is not a thing in which a certain fixed share must inevitably be accorded yearly to Labour in proportion to the capital in existence, a share that cannot be increased under any circumstances whatever. Certainly they never realised, what is becoming clearer every day, that no men ever are or ever can be satisfied with the position accorded to wage-workers in modern industry. Throughout the world, from Japan to America, whether his rate of wages be relatively small or large, the modern factory worker is nowhere content, a thing that was not true of men under serfdom, slavery, or any more ancient form of oppression. Wherever modern industry appears Trade Unionism, strikes, and Socialism follow in its train. Capitalism and the human revolt against Capitalism are inseparably bound together in the submissive East as in the rebellious West. The change from a middle-class to a working-class electorate meant no less than a transference of the driving force of progressive politics from people on one side of this struggle to those on the other. It meant the raising of entirely new issues in politics and the revaluation of every old one. Nobody understood this less than the statesmen who had most to do with bringing the change about. So long as the leading statesmen of the Cabinet of 1880 to 1885 continued at the head of the party, Liberalism could do nothing right. It was not a question of ability. Probably

Mr. Gladstone's Cabinet of 1880 was as able as any we have had, but they were beings fashioned to another environment. After 1884 at least they belonged to a bygone age. They could command the enthusiastic adherence of neither of the two real political forces of modern times—the people striving for better conditions of life nor the vested interests of those who exploited them. Front Bench Liberalism had no sympathy with the social movement, so the people steadily lost faith in Liberalism; yet the party had a democratic flavour about it that destroyed the confidence of the wealthy, and made them rush for security to Unionism in one form or another.

But the Front Bench was not the Liberal party. After all the party was a great organisation, firmly rooted in our national life. There were Liberal clubs and Liberal associations in every town. Wherever one went there were influential people whose ambitions and friendships were rooted in the Liberal party. The prosperous shopkeeper, anxious for a seat on the School Board, or to be mayor of his native town, had often already committed himself far too far to one party to expect to realise his ambitions in another. A political organisation has a vitality of its own; both the loyalties, the vanities, and the follies of human nature co-operate together to prevent its disappearing in adverse circumstances. Institutions, as well as men, manifest the "will to live," and are far more likely to adapt themselves to the most unlikely positions than to die. Much more is this the case with organisations on such a great scale as the Liberal party. For twenty years it was very nearly impotent; for twenty years the Reaction had almost complete control of things; but the fabric of the party was able to maintain itself while Liberalism was fashioned into a new likeness and provided with a new vitality. The Front Bench might know nothing about what was going on, but

the party as a whole was subjected, from within and from without, to ceaseless propaganda upon all sorts of social, financial, and economic ideas, alike only in one thing, that they were relatively modern. The average Radical of the 'seventies knew nothing of the various schemes of social reform that have become commonplaces in every Liberal club to-day. Probably, indeed, most of them would have denounced these ideas as opposed to the fundamental principles of Liberalism itself—an opinion that is right or wrong according to the definition given of "Liberal principles."

It is really not of much importance whether the actual ideas of the party to-day do or do not accord with the "principles of true Liberalism." If the Liberal party is to continue to be a force in the national life, it can only be by assimilating to itself all the ideals vital to modern progress, whatever the Victorian statesmen or philosophic Radicals might have thought of them. The notion of a party, or any human institution, for that matter, continuing to live and function anywhere, more especially in this land of compromise, without continually absorbing to itself all sorts of varied and often logically contradictory ideas, may as well be dismissed at once as impossible. The advent of the working-class electorate meant the ultimate supremacy of working-class ideas in politics. To the Liberal party it meant conformity or death. And there were always, in spite of the individualists, a good many Liberals who were not advocates of *laissez faire*, only at one time they had far less influence on the counsels of the party than men of the school of the late Henry Fawcett. The change within the party has been contemporary with a change in the social point of view as a whole—the outlook of the average man. It is purely a matter of academic interest whether it does or does not fit in with any philosophic conception of Liberalism.

Nevertheless, the old-fashioned conception of Liberalism as a more or less individualistic doctrine has not been without important effects, and is not yet without influence on the party. True, Liberalism is being forced forwards into "Guarantism," but the method of its progress is determined to a great extent by its past history and character. Liberalism was organised in days when men were jealous of any active social organisation by the State, and one of the most prominent characteristics of the older Liberalism was its sympathy with this jealousy. It was, too, the inheritor of that peculiar optimism of the eighteenth century, the belief that the mere abolition of foolish laws or conventions would lead to universal happiness. "Nature" was benevolent, and if we only let Nature alone the evils of society would disappear. I do not mean to say that such a belief continues to exist now ; but the consequences of it, and the habit of mind engendered by it, continue to haunt Liberalism even yet. Liberalism is assimilating the social ideals of the day ; but the process is being very greatly modified, and often retarded, by this inherited way of looking at things.

Liberal and Radical clubs have generally been ready enough to listen to lectures from and hold discussions with competent men and women who come before them to advocate some new idea. Naturally, however, those who come to advocate some aspect or extension of accepted Liberal doctrine will receive the most attentive hearing and create the most favourable impression. To a large extent the opinions of the party, or at least of the rank and file, come to be formed by these discussions, especially when some doctrine or proposal is advocated with ability and persistence for a number of years. The revival of interest in the condition of England question in the 'eighties, the most abiding result of which was the creation of definite Socialist organisations, found the

average Radical club a good seed-bed for its ideas. The "permeation" policy adopted by the Fabian Society in London met with little opposition, and much was done by members of that society, who soon after its formation scattered themselves among the Metropolitan Liberal and Radical associations, to divorce London Liberalism from its old way of looking at politics. It does not seem to me, however, that the Fabians ever succeeded in making average Liberals and Radicals look at the world from a Socialistic standpoint; and far more impression was made by politicians who advocated, or seemed to advocate, mere extensions of individualist Radical doctrines. Radicalism inherited from the days of battle over the Corn Laws a special antagonism to landlordism, a wish in some way or other to weaken the power of town and country landlords. It had, moreover, in the struggles of early Victorian times been in close alliance with the middle class; and it was, in the first instance, by no means so ready to listen to criticisms of manufacturers as of landlords. There can be no doubt that when Henry George and Dr. Russel Wallace wrote *Progress and Poverty* and *Land Nationalisation* the average working-class Liberal or Radical was ready to receive their ideas, nor were the middle-class presidents and vice-presidents of their clubs especially likely to take offence at the study of such books. It is arguable enough whether those ideas were or were not in accord with "Liberal principles"; but at least the absorption of notions of public landownership formed the line of least resistance for Liberalism, compelled by circumstances to offer something to a hungry electorate of "have nots," and Liberal opinion among the rank and file rapidly absorbed the new ideas. The proposals of Henry George especially fitted very well into the general scheme of Radical idealism. Radical thought up to that time had, as I have said, been based very largely on a belief in the benefi-

cence of natural law if left to itself. It was disconcerting to find under Free Trade that economic laws, freed from the obstructions of Protection, still left many poor, and still enabled a few to become vastly wealthy; but it was much easier, to the Radical mind, to look round for some one simple reform which would put everything right, destroy all remaining monopolies, and give us perfectly fair and equal competition, than to realise that we can never establish a just society on the basis of competition at all. This was altogether too great a reversal of Radical thought to be taken all at once. Thus Henry George's rhetoric about the harmonious laws of the universe, which only required for their perfect working the imposition of a "single tax" of twenty shillings in the pound on all land values, made many Radical converts, supported as it was by much true thought and sympathetic eloquence on the side of the poor.

Progress and Poverty and the land reform literature generally familiarised Liberalism without shocking its prejudices with the problem of poverty. From without the party, however, a steady stream of influences had no doubt an effect almost equal to that of the land reformers. What appeared at the time a disaster to Liberalism, the defection of Mr. Chamberlain, was probably an advantage to it. Mr. Chamberlain was never a constructive statesman, and had the task been committed to him of carrying out any social reform programme the result would have been disastrous. But Mr. Chamberlain has at least always been singularly modern; and during the years when he had influence on Liberal thought, he certainly did much to break up the *laissez faire* traditions of the party, at least among the rank and file. The speeches of this "ransom" period no doubt set Liberals thinking on the social question, and the impression they made would not be entirely obliterated by his subsequent defection. But unless he

had developed a much more coherent idea of social reform than any we had ever had from him, it would have been quite beyond Mr. Chamberlain's power to frame such a measure as the Finance Bill of 1909.

Mr. Chamberlain was merely expressing the trend of democratic thought, however crudely. While Liberalism was passing from a belief in "leasehold enfranchisement" and peasant proprietors towards nationalisation of the land, the Socialist propaganda was influencing it from without. I think the Fabians only succeeded in their policy of permeating Liberalism in London; but there they certainly popularised municipal Socialism to such an extent that, when the London County Council was established, the Progressive party, while mostly Liberal in theory, were Socialistic in practice. Perhaps the success for so many years of the Progressives on the London County Council, so strikingly contrasted with the weakness of Metropolitan Liberalism in parliamentary elections, may have helped ambitious young Liberals to take the line along which alone they could hope for their party to come back to power. At any rate, it is quite certain that the new men of the Parliament of 1906 were widely different in their way of looking at things from the Liberals, or even the Radicals, of old. If the Fabians had permeated London Liberalism from within, the Independent Labour party had done the same duty by provincial Liberalism from without. The method of the Labour party was a good deal more effective than the other, even as an influence on Liberalism, apart altogether from its success in its main purpose of organising Labour itself.

Long before the Independent Labour party was able to do anything better than fight an occasional election, always with the result of placing its candidate at the bottom of the poll, it had become an important influence on Liberalism. A good Independent Labour party

branch in any constituency represented by a Liberal would naturally devote a good deal of time to pointing out to working-men voters the faults of the member from a Trade Union or general Labour point of view. Their Liberal comrades would find these criticisms very hard to answer ; for Liberal, Tory, or Socialist workmen have generally much in common, which the older and indeed newer-type of middle-class politician hardly understands. In this case, the sitting member would soon find himself " heckled " and his opinions demanded on a variety of things he had perhaps never before regarded as matters of political interest at all. It would probably soon dawn on him, or, if not, on the more acute of his supporters, that the safety of his seat depended upon his attitude on these questions. If he ignored the Labour problems altogether, or expressed the employers' views on the subject, the Independent Labour branch would soon be strengthened by disgusted Radical recruits, until at last the seat would become ripe for a Labour candidate. If the resultant three-cornered fight brought about a Liberal defeat, it is tolerably certain that the Association would choose a more " advanced " man for the next contest. And where Conservatives held the seats, and it was necessary to select new candidates, the insistent pressure of Labourism, the danger of possible three-cornered contests, was sufficient to secure a growing preference in most industrial centres for men whom it would be difficult for Labour to attack.¹

In fact, the rising young Radical, who is an enthusiast for the taxation of land values, who favours municipal

¹ This, apart from the need to prepare new ground for the future, is sufficient justification for an occasional " wrecking " candidature even now. It would be bad policy to allow Liberal associations to reckon safely on the absence of a Labour candidate, though, of course, I am no advocate of indiscriminate fighting on every occasion.

trading, and is prepared to vote for schemes of National Insurance or to restrain sweating, has every reason to thank the Independent Labour party if he is now in Parliament and on his way to office. He may be popular enough with his committee and his constituency now, and yet owe his original selection by his Liberal Association, in preference to some wealthy Whig, to the fear of what might happen if the Liberal party failed to show Labour sympathies. The deplorable position in which Liberalism found itself from 1895 to 1906 helped this process greatly. There were many seats held by Tories for which it was necessary to discover new candidates, and it was easy to replace old-fashioned ex-members by alert young Radicals who had read Henry George, and had a real sympathy with the problem of poverty. The formation of the Labour Representation Committee, its victories at by-elections in the Parliament of 1900 to 1905, and the knowledge that Labourism had now enough money at its back to carry on the contest at the next election on a far more extensive scale than ever before, doubtless quickened the process; while the growing determination shown everywhere to get rid of Mr. Balfour's Government created an unusual demand for new candidates. Peace men, Nonconformists, Free Traders, however closely associated with capital or land, were willing to condone any amount of Socialism or anything else which would aid a promising young journalist or lawyer to organise victory for them. The flood-gates were opened, and into the parliamentary circle itself, as accepted candidates, and afterwards as members of the House, rushed a collection of Liberal-Labour men, Socialistic journalists, active defenders of Trade Unionism, and economists of the most advanced and daring type. Generally these men were far superior in knowledge and intelligence to the more antiquated business men and old-fashioned

politicians who came in with them. The latter must have looked at their younger colleagues, the men of a new age, with a curious mixture of admiration, amazement, and occasional alarm; but whatever they might think of them, they were *there*, and would determine the character of Liberalism for the next generation.

Thus, working upward from the new electorate, the spirit of Guarantism had changed to a great extent, and very much for the better, the *personnel* of the Liberal party in Parliament. As yet, however, almost up to the eve of the General Election of 1906, it had done very little to influence the Front Bench. In Mr. Asquith's speeches on the fiscal question—and, for that matter, in almost all those made by members of Mr. Gladstone's old Cabinets—hardly a trace of the new spirit is to be found. Mr. Winston Churchill and Mr. Lloyd George, younger and not yet "Front Benchers," indeed showed themselves more in sympathy with the new ideas; but right up to the eve of the elections there was hardly a word to show that the new Cabinet would do anything better than defend the fortress of Free Trade. Perhaps it was, strange as it may appear, the fiscal issue itself that forced Guarantism even on the Front Bench. Speaking at Perth as early as 1903, Sir Henry Campbell-Bannerman had pointed out the cruelty of taxing the food of the 30 per cent. of our people "under-fed and on the verge of hunger." Sir Henry was evidently feeling his way, urged forward, no doubt, by pressure from the newer men, and soon after we have him raising taxation of land values as the Liberal alternative to Tariff Reform. It was not until he was in office, on the eve of the elections, that the Liberal leader made a speech that really told with the country, and convinced the new men that Liberalism would at least try new methods.

The Albert Hall speech of December, 1905, reads rather poorly now, though the promise to make the land "less

of a pleasure-ground for the rich and more a treasure-house for the nation" sticks in the memory. At the time, however, the speech created a profound impression. Men felt that, if the new Premier had his way, Liberalism would do something social as well as political. The effect is strange to remember. Till he became the leader of the party few people imagined Sir Henry Campbell-Bannerman would ever be Prime Minister. Even when he had been leader of the Opposition for several years he was by many regarded as a stop-gap; other men appeared more prominently in the public eye, and the claims to the next Liberal Premiership were discussed almost as freely as if Liberalism had no chosen leader in Opposition. He himself never seemed to take his position for granted; nay, rather he urged Lord Rosebery to return and claim his own place. But though his utterances during the years when Mr. Balfour's Government was slowly dying were not those of a great thinker, or of one who contributed ideas to politics, they struck a note of sincere sympathy with the formative ideas of the day, such as had not been heard from any Front Bench man for many a day. It was the note of Guarantism, the thing the people were thinking or rather feeling, and it made him at once a power in the land. Few British statesmen have had such singular fortune as Sir Henry Campbell-Bannerman. Without any of the arts that make other politicians popular, without any striking brilliancy, or anything likely at first sight to arouse either devotion or hostility, he suddenly became, almost on the eve of death, the most popular statesman of his day. Perhaps the man who at any rate had led Liberalism to such a victory as that of 1906 would have been beloved by the old guard of the party in any case. But Sir Henry, at first regarded with something akin to contempt by the outside public, lived to be looked up to by the nation,

by Labour men as well as Liberals. That he achieved this wonderful result is due to that late-coming but simple and genuine sympathy with the instincts of the common people evinced in the Albert Hall speech and in the short period of his Premiership. But at any rate Sir Henry gave the social reformers their first Front Bench encouragement. A "Liberal without adjectives," he was not so tied to any of the older schools of thought as to be unable to give a sympathetic encouragement to the new ideas. He did not hesitate to accord leading positions in his Cabinet to men who voiced most strongly the opinions that had developed in the party since last it was in power, and thus gave an opening to what we may call "Limehouse" politics. The result is curious. The present Cabinet is in effect an amalgamation of two parties which have fewer affinities with one another than the "right" have with their Tory opponents or the "left" with the Labour party. Yet the party has not, as might have been expected in a body whose members comprise men of such conflicting ideas, either broken up or remained idle and done nothing. On the contrary, the solidarity and energy of the Cabinet are remarkable. The Government has been very active, doing at one time exceedingly useful work ; at another has been spending vast sums of money in the way most calculated to injure its own policy.

On the whole, perhaps Liberalism deserves some credit for reversing the creed of Lowell's pious editor who believed in "freedom's cause" only "as far away as Paris is." By maintaining Free Trade, advancing "social reform," and defending the rights of the Commons the Government has certainly done much to correct the fatal tendency of recent years to meddle with the affairs of other people and neglect our own. The lack of equal moral inspiration in our foreign politics has perhaps tended to increase our national vice of insularity. A

generous enthusiasm such as that our fathers felt for the causes of Italian, Hungarian, or Polish nationality would have done our people no harm. It was not, however, to be, and Liberalism has virtually chosen to serve two masters : the Imperialist section calls for and obtains as much money as it wants for Dreadnoughts, connives at mischievous war scares, and adopts a craven and ungenerous attitude to foreign struggles for freedom. To gain this licence it is apparently compelled to let the social reformers, in their turn, do pretty much as they like. Mr. Lloyd George finds all the money asked for the Navy, provided he is allowed to raise it in his own way and add some extra taxes for more reasonable methods of expenditure.

But this is probably only a temporary phase. Were the threat of Tariff Reform once taken away, there would probably soon be a large number of secessions from Liberalism to the Unionist party ; for certainly the social reformers are by far the more numerous section among the rank and file of the party. A glance at the newspapers and political books in the reading-room of any branch Liberal club in the country will illustrate this. The regular daily papers are certainly there, and so are various interesting non-political journals, but alongside of them are generally the most extreme land reform and even Socialist publications. Contemporary " Liberal " literature is strongly Guarantist, a sure sign that book-buying Liberals are mainly Guarantist also. If we compare, for instance, Mr. L. T. Hobhouse's *Liberalism* with the *Socialism* of Mr. J. R. MacDonald contributed to the Home University Library, we realise how completely the most advanced Liberalism and the most thoughtful Socialism are becoming Guarantist. They are so because they can be nothing else ; because with a working-class electorate that is the only possible alternative to Toryism.

Thus Liberalism has been driven by hard necessity further and further away from theoretic individualism. It has been compelled to do this by the force of democracy itself, by the necessity of securing support from an electorate that cares nothing for individualist theories. Only in one place does individualist doctrine still endeavour to retain its hold. The propaganda of the Single Tax is a vigorous survival of old-fashioned Radicalism, and as such it is well worth considering in a chapter of its own.

CHAPTER III

THE SINGLE TAX

“NEAR the window by which I write, a great bull is tethered by a ring through his nose. Grazing round and round, he has wound his rope about the stake until now he stands a close prisoner, tantalised by rich grass he cannot reach, unable even to toss his head to rid him of the flies that cluster on his shoulders. Now and again he struggles vainly, and then, after pitiful bellowings, relapses into silent misery.

“This bull, a very type of massive strength, who because he has not wit enough to see how he might be free, suffers want in sight of plenty, and is helplessly preyed upon by weaker creatures, seems to me no unfit emblem of the working masses.

“In all lands, men whose toil creates abounding wealth are pinched with poverty, and, while advancing civilisation opens wider vistas and awakens new desires, are held down to brutish levels by animal needs. Bitterly conscious of injustice, feeling in their inmost souls that they were made for more than so narrow a life, they, too, spasmodically struggle and cry out. But until they trace effect to cause, until they see how they are fettered and how they may be freed, their struggles and outcries are as vain as those of the bull. Nay, they are vainer. I shall go out and drive the bull in the way that will untwist the rope. But who shall drive men into freedom ?

Till they use the reason with which they have been gifted, nothing can avail. For them there is no special providence."

With this striking illustration Henry George opens his book *Protection or Free Trade*; it might equally well have served as an introduction to almost any book written by an advocate of the Single Tax to express the faith of the author. Nay, more. Right through the history of Liberal opinion there has been a tendency to regard this or that reform as a sort a "law of nature," the right observance of which will make everything run smoothly, and to trace all social injustice to the direct or indirect effects of disobeying this law. *Laissez faire* as a philosophy of politics has struck its roots deeply into the thought of an age which in practice is travelling further and further from *laissez faire* every day. As Liberalism achieved this or that reform, sanguine as to the prosperity that would result when some hated barrier were overthrown from the free working of the laws of "nature" and competition, disappointment has always followed. Free Trade was the greatest and most far-reaching reform of last century, but even Free Trade left the social problem with us. We still have poverty, we still have unemployment, and by force of circumstances even Liberalism has been compelled to recognise that these evils must be dealt with by organisation, in spite of *laissez faire*.

Yet the inherent optimism that drove Liberalism in the days of *laissez faire* to hope for a solution of the problem of poverty in Free Trade alone still survives. A co-operative commonwealth must be a growth, it cannot be founded in a day by an unorganised people. Surely there is some shorter way? Some cure-all that will act by itself, and prove that the "laws of the universe are harmonious," so that if we only leave things alone they will work orderly and well? These ideas, inherited from the

deistic philosophers of the eighteenth century, haunt the minds of many Liberal thinkers, inclined by tradition or instinct to individualism, but compelled by the witness of their own eyes to see that poverty is still with us in the midst of rapidly increasing wealth.

Nor is this state of mind confined to Liberals. From the other side come various cure-alls, from bimetallism to Tariff Reform, which in their turn are to put everything right. Doctrinaire Socialists, unconsciously thinking on the lines of their opponents, imagine everything can be settled by a "social revolution," in which by acts of the people land and capital are made public property. Their idea is broader perhaps, but essentially similar. However some of their exponents might repudiate the charge, they all of them base their hopes on some one specific change, not on an organic development of society itself.

We are not concerned here with most of these ideas, nor to deny that there are many single proposals of theorists which, if put into practice, would do an immense amount of good or harm, directly and indirectly. Free Trade was an enormous gain, and a return to Protection would be a vast disaster to us. The taxation of land values¹ would, I am convinced, be an equally great reform, and would benefit the whole community, though I fancy capital would gain even more than labour. When such a reform is sound, then, we may perhaps condone the exaggerated promises with which it is apt to be heralded in view of the real benefits to be derived from it.

But there is another side to the question. It is well to possess a good idea, it is another thing to become possessed by it. It is quite possibly their sincere conviction that Free Trade would cure poverty that heartened the Manchester leaders of the movement in their oppo-

¹ Carried far enough to render it impossible for owners to hold land back from its most profitable use.

sition to the Factory Acts. As we shall see, Socialism of the revolutionary type is apt to blind men to opportunities for real advance, and to lead to futility and mere rhetoric. Lastly, and this is more to our present purpose, the doctrine of the Single Tax advocated by Henry George is apt to make his followers what, in spite of his moral and democratic enthusiasm, George himself was, singularly blind to everything not mentioned in *Progress and Poverty*.

I have shown how the Liberal party, while gradually absorbing the ideas of the New Democracy, has an instinctive tendency to turn its criticism against the landlord and to deal tenderly with the evils of capitalism. This is perhaps natural enough, for, even yet, the greater number of wealthy Liberals are business men, while nearly all landlords are Tories. When the evidences of poverty are flaunted before their eyes, it is human nature for the capitalist to make a Jonah of the landlord, while it is in accord with the traditions of Liberal individualism to lay all the blame for social injustice on one institution or another that is hampering the free play of natural forces. Doctrinaire individualism is nearly dead, and no one who desires to see politics treated in a modern spirit, open and alive to receive new facts, will wish to see it revived. Its most hopeful last refuge is to be found in the doctrine of Henry George. So far as there is any attempt to frame a doctrine of Radical individualism to-day, it is the advocates of the Single Tax that make it.

The Single Tax is a proposal to raise all revenue by the taxation of land values. To the Single-Tax "whole-hogger" all other forms of taxation are immoral, the economic rent of any country being by the law of nature public revenue, as it has been created by Society, while interest on capital, profits of trade, and wages of labour are equally by natural law individual property. Thus other taxes are not merely unwise, they are robbery

by force of law. On the other hand, the appropriation by the individual of any portion of the economic rent is, in like manner, robbery of the community. Public and private incomes are thus clearly marked off from one another, and any encroachment, either by the individual or the State, is immoral.

To talk largely about the "laws of nature," "the harmonious laws of the universe," &c., and then lead up to a proposal to appropriate all economic rent by taxation seems to me rather a choice example of bathos. If the Single Tax is the only "natural" one, the law of nature that makes it so must be of an unusual kind, for it is a "law" which hitherto all nations and times have contrived to disobey. Such "laws of nature" as that of gravitation are generally more despotic, nobody or nothing *can* ever disobey them. But of course Single Taxers are only employing a convenient but rather dangerous figure of speech. What they mean is that a study of economic laws makes them believe that such a form of taxation would be just and beneficial—in fact, that it would solve the problem of undeserved poverty and render Socialism unnecessary.

For Single Taxers, and notably Henry George himself, admit to the full the Socialist criticism of present-day society, with its extremes of wealth and poverty. *Progress and Poverty* and Marx's *Capital* are alike in this, that they proclaim and assert the increasing misery of the common people under the conditions of modern industry. No writer, perhaps, has put this contrast more eloquently than George himself, and, in the English-speaking lands at least, when we remember the vast circulation of *Progress and Poverty*, no writer has done more to arouse the conscience of the public.

But whereas Socialist writers mainly attribute these evils to the growth of capitalism, George virtually lays all the blame on the private ownership of land. He, and

most of his followers are like him in this, was temperamentally individualist, though it seems clear that he favoured the public ownership of railways and other monopolies, so that in the practical politics of to-day he would not have been opposed to most Socialistic proposals. Clearly, however, he believed that with free access to land poverty would disappear, and that if private ownership of land continued, poverty would grow with every advance of civilisation till at last society would fall back into the barbarism of the Dark Ages.

Now it is probably true enough that real poverty is impossible *in a young society*, so long as the people have free access to the land. In such a society most of the people are agriculturists, and can make their living on the soil. For the rest, the craftsman requires only a few tools, and as much raw material as will suffice for his own employment; he can only be reduced to poverty by being taxed or rented heavily. But in modern society the problem is not so simple. Millions of our working people have had no experience at all of work on the land, and it would be mere mockery to tell the unemployed shipwright or engineer that he could have the use of a small holding or allotment. Nor is it want of access to land that constitutes the sole difficulty of the artisan striving to find work at his own trade. The land laws were the same when the hand-loom weavers prospered as they were when the factories had ruined them, and no possible alteration of the land laws would have enabled them either all to become factory owners, or any of them to make a living in competition with the power loom. The displacement of the horse 'bus by the motor in London must have caused an amount of misery utterly undeserved and terrible to contemplate among the London drivers, but I cannot conceive any one believing that the taxation of land values would have prevented it.

Let any one read the fourth chapter of the *Minority Report of the Poor Law Commission*, Part II., where the unemployed are classified, and the problem dealt with in a concrete manner, and he will realise how utterly impossible it is to solve the unemployed problem by any one expedient like the Single Tax, as Henry George could relieve the captive bull. It is a question of social organisation, not of any fiscal expedient plus *laissez faire*.

Private ownership of land is the most obvious, and hence the most unjustifiable, of all our monopolies, but it does not follow from this that it is the greatest exploiter of labour to-day. George called the landlord "the robber that takes all that is left," and argued that the benefits of Free Trade, or any other reform which increased the productivity of society, ultimately benefited labour little or nothing under private landownership, as ultimately all such increase would find its way to the landlord in the form of enhanced rent. This idea arises from an unjustifiable inference from Ricardo's law of rent—"the rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use." The first settlers in a new country where there is more than enough of the best quality of land for all, will not need to pay any rent for it as long as any new-comer can get as much as he wants for nothing. When, however, population has grown to such an extent that all the best quality of land has been appropriated, or when a market has been established and there is no longer any of the best land available within a convenient distance from it, cultivation must be pushed forward either on less fertile or less well-situated soil. When this is the case, rent becomes possible, for the holder of good land near the market can make a larger profit on it than a new-comer can obtain from any of the land still unappropriated. Under these

circumstances, he can let his land for a rent not exceeding the difference between what could be obtained from the most favourable "free" land and what can be produced on his own. Rent hence arises when land, for any purpose, has become scarce in proportion to the demand for it. The greater the scarcity the higher the rent, so that true economic rent is in essence a measure of scarcity.

And of course it follows from this that with the progress of population and industry generally there is a strong tendency for economic rent to rise. In such a society it becomes profitable to invest in land in anticipation of this rise in price. This is especially common with land on the outskirts of growing towns, where land valuable for building sites is frequently kept for years either under the plough or altogether idle, in the hope that, some day or other, the builders can be compelled to pay an extravagant price for it. In these cases an artificial scarcity is added to the natural shortness of supply, and when the houses built on such land are ultimately let, a monopoly rent is added to the natural economic rent which would have to be paid in any case. The breaking up of this monopoly rent, and the consequent cheapening of housing in our towns, are the most important gains to be expected from the rating of land values.

All this, of course, is a commonplace with land reformers and must indeed be fairly understood by the general public. And if it were all the story perhaps Henry George would be right and the landlord would, in practice, be able to retain all the gains from increase of population, from invention, and from the general progress of industry. A glance at the following table, giving the amounts brought under review by the Income Tax Commissioners under the various schedules for the years 1895-6 and 1908-9, the last year for which the

figures are complete,¹ is an effective comment on this :—

| | SCHEDULE A. | SCHEDULE B. | SCHEDULE C. |
|------------|--|---|---|
| | From the Ownership of Lands and Houses, &c. | From the Occupation of Lands. | From Foreign and Colonial Securities. |
| 1895-6 ... | £210,616,473 | £18,642,872 | £38,583,850 |
| 1908-9 ... | 269,888,774 | 17,386,798 | 47,470,976 |
| | SCHEDULE D. | SCHEDULE E. | |
| | From Business Concerns, Pro- fessions, &c. | From Salaries of Government and Corporation Officials. | |
| 1895-6 ... | ... £356,619,843 | £53,306,812 | |
| 1908-9 ... | ... 565,601,321 | 109,588,057 | |

Thus in the same period during which there had been an increase of more than £59,000,000 under Schedule A, Schedule D increased by nearly £209,000,000.

These schedules cannot, of course, be taken as in any way representative of land and capital respectively in the economic sense, for there is a large amount of "interest on capital" coming under the heading of "Land and Houses," while a good deal of "economic rent" is concealed in Schedule D. It will hardly be disputed, however, that by far the greater part of the money actually received for the use of land is included in the first schedule. Henry George may be right in calling the landlord a "robber," but on the face of it it does not appear that he gets all the gains of civilisation. A closer examination confirms the impression that interest on capital is growing vastly faster than rent of land. Schedule A is subdivided into two sections, "land" and "houses," the former including agricultural land and the

¹ The rejection of the Budget of 1909 renders the figures for 1909-10 unreliable, while those of last year are not available at all.

latter mainly the land built over in towns and villages. Between the years 1900-1 and 1908-9 there was an actual decline in the former, the whole of the increase in Schedule A occurring under the heading of "houses." In these for the nine years there was an increase of nearly thirty-eight million pounds, from £178,963,147 in 1900-1 to £216,664,907 in 1908-9. In the same time, however, the number of premises charged or exempt from Inhabited House Duty increased from 7,833,775 to 8,946,100, so that in the above increase of taxable income from lands and houses we have to allow for the interest on the capital invested in more than a million buildings of one sort or other. This leaves a very modest amount for the increase of rent proper in the same period—at least in so far as it is taxed under Schedule A.

Henry George observed in his day a steady increase in rent, accompanied by declines in the rate of interest on capital. As California developed the price of real estate rose, while cultivation and industry were driven outwards to an ever more distant and less eligible margin of cultivation. From his observation of these phenomena he inferred that under the private appropriation of land wages and interest must always tend to fall with the progress of industry, rent rising at the same time. From this he derived the following laws of Rent, Wages, and Interest.

RENT depends on the margin of cultivation, rising as it falls and falling as it rises.

WAGES depend on the margin of cultivation, falling as it falls and rising as it rises.

INTEREST (its ratio with wages being fixed by the net power of increase which attaches to capital)¹ depends on

¹ This refers to a previous rather fantastic attempt to find a "natural" or ethical justification of interest, which is not of importance to us at present.

the margin of cultivation, falling as it falls and rising as it rises.

Thus, according to George, the rates of interest and of wages rise and fall together, while the tendency of rent is to rise as they fall and fall as they rise. During recent years, however, it is only too certain that wages have risen but slightly—not, indeed, enough to compensate for the increased cost of living due to enhanced prices. And there is little evidence to show that this is in any way due to an increase in rent. On the contrary, it is interest on capital that has been absorbing almost all the increase of production. Capital would appear, to adopt George's picturesque way of speaking, to be at present "the robber who takes all that is left." Had the whole increment of rent that has accrued to landlordism during the last ten years been added to the wages of labour I doubt whether it would have compensated the poor for the contemporary rise in prices. In fact, George's illustration of the tethered bull appears more accurate than he thought. The Single Taxer certainly proposes to untwist the tether and let Labour move more freely, but it will need something more than a mere tax to cut the rope.

Meantime it is necessary to deal with the curious superstition that regards the expropriation of land values by taxation as a sort of natural law, disobedience to which is the cause of all our poverty. A Single Tax on land values and no taxes on anything else is the panacea, according to some people, for almost every social evil. For instance, take Mr. Edwin Adam,¹ who courageously states that "the land value of any country always is sufficient to meet the cost of good government." Taking this statement just as it stands, it is enough to say that there are not only conceivable in theory, but actually

¹ See *Land Values and Land Taxation*, by Edwin Adam, M.A., LL.B. Social Problems Series.

in existence, countries where the land has virtually no value at all. Before land can have a value there must be land scarcity in proportion to the demand, whether that scarcity be artificial or natural. It is manifestly absurd to say, for instance, that the land value of the Sudan would be "sufficient to meet the cost of good government" among the Arabs. However, it is not fair perhaps to take Mr. Adam too literally, and we will suppose his statement only applies to nations under the conditions of Western civilisation. This is a sad fall from the confidence of many Georgians, who would almost lead us to believe that the Single Tax was a universal specific that should be applied everywhere and at all times. But there is another condition not so clearly announced, but logically implied, in the Single Tax propaganda. In order to maintain that land values and land values only furnish the "natural" revenue of the State, while all other income, however derived, is to be regarded as inviolable private property, not to be confiscated by taxation, it is necessary to suppose that this revenue will not only be enough but never more than enough for the purposes of good government. At present our methods of taxation are woefully arbitrary. Governments all over the world spend money as they think necessary or beneficial, and then charge the annual bill to the nation, raising the money in the way they think most convenient. Under the 'Single Tax' all this would be changed. The income of the nation would be determined then, not by the expanding and contracting needs of war and peace, but by the yield of a fund, the economic rent of the country, which would tend on the whole to vary inversely with the needs of the nation. If, for instance, Europe agreed to abolish its standing armies, the expenses of governments could be vastly reduced, but the release of so many able-bodied young men and their employment in industry would certainly tend to increase land values.

Were European finances based on the Single Tax, then, the abolition of standing armies would decrease the expenditure while increasing the revenues of the States. It is difficult to see how, if the income from land values met "the cost of good government" in the one case, it would not greatly exceed it in the other. Single Taxers would be well advised to drop all claims based on the "harmonious laws of the universe," the will of God, or the eternal fitness of things to recommend their proposals. They have an abundantly good case for the taxation of land values without elevating it into a superstition.

Assuming, as he is of course right in doing, that the £2,372,000 which the manorial, fishing, and shooting rights, tolls, &c., of the United Kingdom annually amount to as pure land value, and estimating half the income from lands and houses, canals, waterworks, mines, railways, &c., as economic rent, Mr. Adam estimates the amount actually received from rents of land in this country at about £170,000,000 annually. To this should be added the amount of local rates, at least on agricultural land, which come out of rent. If this estimate—it is admittedly rough—be accepted, Mr. Adam of course proves that the land values of this country are "sufficient to meet the cost" of the government we have, but that goes a very little way to support his general proposition. Of course, a vast part of our public revenue is wasted on the burden of militarism and in interest on the National Debt, but all our public services suffer from lack of funds, and many millions a year would be required to bring them up to a standard worthy of the twentieth century.

Mr. Adam claims only half the rental of agricultural lands as pure economic rent, and so far I should imagine is well within the mark; but his case really depends upon whether he is justified in claiming a similar proportion of the value of houses, canals, railways, mines,

&c. These account for by far the larger portion of the whole. Mr. Adams and other Single Taxers, notably the late Mr. Max Hirsch, made a great deal of the fact that in New Zealand and New York City the valuations made give about 60 per cent. to land and 40 to improvements. It is certainly a very astonishing proportion, and I shall be surprised if it works out that way in this country. Certainly land in the centre of towns and on good business streets is often of enormous value, but as soon as one leaves the centre the value of the buildings greatly exceeds the site. The value of the land on which a house stands in the residential parts of our great towns rarely, I think, exceeds one-fifth of the whole. Even in the centre, as soon as you leave a main thoroughfare, the price of land falls enormously. The acreage of towns where the land is worth more than the buildings must be a very small fraction of the whole, and it is scarcely credible that it can be enough to bring up the general average to 50 per cent.

But the Single Taxer relies very largely on the undoubted fact that the land around our towns suitable for building sites, but not actually built upon, is worth far more than the rent for which it is let. We have heard enough about "undeveloped" land recently, and everybody now is familiar with the case for taxing it. Nor do I doubt that $\frac{1}{2}$ d. in the pound tax on undeveloped land will reveal a vast amount of hidden value, but the question is whether that value is due to a natural scarcity which will continue in any case, or to an artificial one that will disappear with the progress of land taxation itself. Single Taxers are never slack to tell us that the taxation of land values will tend to make land cheaper, not dearer. In this they are right, and it is the chief reason why I for one attach importance to the reform. When we come to speak of raising *all* our revenue from land taxes, however, the question obviously arises, "How much

cheaper?" The Single Taxer is face to face with a dilemma like that of the Protectionist who hopes to raise a revenue by taxing foreign imports and at the same time keep out the imports. The more successful he is in one case, the more he must fail in the other.

We require to know how much of the present land values is true economic rent and how much is due to land speculation and monopoly. Certainly the latter have a great deal to do with high rents in towns, and all such artificial land values would disappear at once, so soon as we taxed or rated land heavily enough to prevent any one holding it back from its highest use. It is not possible to dogmatise about the extent of the "slump" in town lands likely to be caused by a heavy and impartial rate on all land values,¹ but something may be done to give the reader an idea of it.

Earlier in this chapter I gave figures to support my conviction that for some years past, while there has been an enormous increase in the profits of capital, a vast expansion of industry, there has been little or no corresponding increase in rents. This is a state of things that cannot in any way be made to square with the doctrines of *Progress and Poverty*. Henry George, however, never seemed to realise that there are other tendencies at work in an advancing society besides those that *enhance* land values. As we have seen, rent is a measure of scarcity, and as population and industry advance expedients are invented to minimise the inconveniences arising from such scarcity. On the whole, if we take a long enough period, rent probably always advances with progress; but even at the worst the checks on

¹ It remains to be seen whether the increase in the Australian land value taxes will cause such a "slump." The land taxes in the Colonies, however, are not "impartial," falling lightly or not at all on the small owner. They thus permit of the holding back of "undeveloped" land, at least to a considerable extent.

the growth of economic rent greatly retard its advance, while it is quite conceivable that, at least for a long time, rents may absolutely fall, in spite of an increasing population and expanding trade. This, I am convinced, is the case¹ in our towns at present, and were the "slump" not hidden by the instinctive combination of landlords themselves to maintain old rates, this would long since have been evident.

It will be well, perhaps, to divide our land into classes according to the highest use to which it could be put, in order to realise, as far as possible, what is likely, under present conditions, to be the "natural" rent of each. We have :—

1. Land only useful for sport, wastes, moors, &c.
2. Agricultural land.
3. Land suitably situated for small holdings and intensive culture.
4. Residential land.
5. Land for business premises where the business is not specially bound to one particular site.
6. Land sites for shops, &c., where the possible choice of site is narrowly limited to some particular street.

The first class need not concern us here, as no very large income will be derived from it in any case. Agricultural land can always be let at its true economic rent, and monopoly is virtually impossible, as will afterwards be seen, while I do not think that the taxation of land values would affect to any extent those sites that fall under Class 6. In the other classes, however, present conditions enable landlords, by holding up land, to exact rates far in excess of the natural value of the land, and all increments due to such monopoly must at once cease long before taxation absorbs the whole land value.

¹ In the country the reverse is probably true, because of the rise in the price of food-stuffs.

The rent of agricultural land is determined in this country by matters quite outside the control of British landlords. Take, for instance, the case of land growing wheat. So long as we continue our Free Trade policy, it can never be possible to maintain a higher rent for wheat land than will enable the farmer to make a living in competition with corn brought from the margin of cultivation in Canada or Argentina. The same, of course, applies to land devoted to the growth of anything else : competition from a distance limits the prices the farmer can obtain, and these again determine the maximum rent he can pay. This maximum is, however, a variable amount. Improved methods of cultivation, yielding larger crops at the same cost, or equal crops at a smaller cost, would, if generally adopted, merely increase rents ; in the long run the farmers would get no benefit from them. Similar improvements in methods of cultivation in or improvements in the means of transport from the corn-exporting countries would, by bringing down prices, ultimately decrease the rent of British agricultural land. But the important thing to remember is that the rent of agricultural land in this country is altogether beyond the British landlords' control. The amount of food-stuffs imported into this country is so great that no attempt to hold up agricultural land in order to exact an arbitrary or monopoly rent could possibly raise prices enough to enable the farmers to pay this. Consequently the monopolist instincts of many landlords make them desire a protective tariff as the only possible means to raise agricultural prices.

But, directly for all farm produce of which we cannot produce enough for our own requirements, and indirectly for those of which we can, there is a minimum rent fixed equally effectively. No possible extension of British wheat growing can possibly go far to reduce corn prices, and consequently rents. There will always be

plenty of men found willing to bid for land up to any rent at which a living can be made ; and while the landlord cannot by any action of his increase the maximum rent of his land for the farmer, there is no reason why he should take less.

There is a rather different story to tell about the third of our divisions. The small-holder and market gardener, working with the spade and cultivating the land intensively, can produce a vastly greater value *to the acre* than the ordinary farmer. He can thus afford to pay more rent, and is, in fact, frequently obliged to pay very much higher prices for land of the same or even poorer quality. Even on these conditions it is often very hard to obtain small holdings. Even with the aid of the Small Holdings Act very slow progress has been made, though the applications for land show the reality of the demand. That the small-holder has any difficulty at all in obtaining land, or that he has to pay a higher rent for it than the farmer are, I am convinced, entirely due to land monopoly, and not to any real scarcity.

This is so because no possible extension of small holdings could exhaust the supply of suitable land in the country. Unlike the farmer, who produces corn, beef, and mutton, food-stuffs of which we cannot produce an adequate supply in our own country, the small-holder deals, mainly at least, in things with which it will be perfectly possible to overstock our market, long before any considerable portion of the country is fully occupied by small-holders. The small-holder, with his intensive cultivation, will ere long find the home market strictly limited ; but for the majority of his products he ought, if given a fair chance, to make short work of foreign competition. Corn suffers nothing by transport, and, in the case of wheat, unfortunately foreign and Colonial grain is better than ours. English beef and mutton are certainly preferred to frozen, but we are not likely, for

a long time to come, to dispense with importation. But eggs and vegetables, cut flowers, and fruits are all much better when consumed near the place where they have been produced. When there are plenty of home-grown goods of this character in the market, the foreigner is at a great disadvantage. Freight and carriage must be heavy, for they cannot be handled in bulk, like corn, while every hour's journey deteriorates the quality.

But if the small-holder need not fear foreign competition, he will feel, long before any very large proportion of the population are on the land, that the market for his goods is limited. Including bacon, ham, pork, butter, cheese, and eggs, as well as vegetables and fruits, we import annually about £60,000,000 worth of such things as the small-holder is likely to produce, while, excluding woodlands and waste, there are nearly 48,000,000 acres of land in the United Kingdom. Considering the large value raised to the acre by intensive culture, and allowing for a considerable expansion of demand, it is clear that a very small fraction of our available land, if occupied by small-holders, would be enough to supply all our wants. Millions of acres, by far the larger part of our soil, would, even with the freest access to the land for the small-holder, be left to the regular farmers. I should say that four or five million out of the forty-eight million acres is as much as could possibly be absorbed in this way. The small-holder, therefore, under a system that really opened up the land to the people, would be in the reverse position to that in which he finds himself to-day. Now, he frequently fails to obtain land at all; then, he would be unable to take up all the land available.

This position virtually determines the true "economic," as distinct from a "monopoly" rent for the small-holder, and fixes the maximum amount it would be possible for the State to exact for his holding under Single Tax conditions. If the State endeavoured to

obtain more, it could only do so by entrenching on that which Henry George regarded as the rightful reward of labour or capital—that is to say, by disregarding the philosophy of the Single Taxer. That this is so is readily seen by reference to the law of economic rent itself. Rent is, for the simplest form of cultivation, the difference between the advantages of a particular site and those of the best that can be got for nothing: in this country, between the convenience for the London market of a farm, say, in Essex, over a similar area in Canada at the margin of cultivation, where land is to be had free. But if there be more free land equal for quality and situation than can be cultivated to meet the existing demand, there is no rent, no matter how profitable farming may be. With the small-holder here, if land monopoly were destroyed, this law would apply with some modification. Though the demand for small holdings could not overtake the supply, he could never get land for nothing, for the landowner could always let his land to an ordinary farmer at a price fixed, in the last resort, by the competition of imported agricultural produce from abroad. The small-holder, then, must pay as high a rent per acre as the farmer.

But, except under conditions of monopoly, he could not be compelled to pay any more, either as landlord's rent or national taxation, at least until the demand for small holdings rose to such an extent as to absorb the whole acreage of the country. When there is no monopoly it is a principle of economics that the price of a thing is measured by what the "marginal buyer" of it can afford to pay. A rich man can buy a loaf for the same price as a poor man, notwithstanding the fact that he might be willing to pay ten times as much rather than go hungry. Competition among bakers suffices to keep the price down to the lowest profitable level, and all, rich and poor alike, can get their loaves at the market

price. If any baker attempts to overcharge his richer customers, with the idea that they can afford more, he will soon find his business gone. When the price of an article rises, it rises for all buyers, and those who cannot afford the higher rate have to buy less or do without. Again, when prices fall, they fall for every one, a new and poorer class of buyers, perhaps, now obtaining what before was beyond their reach.

But if we were to grant a monopoly of baking to one or two firms, it is easy to see they might conduct their business on very different lines. If anxious to do as large a trade as possible they might sell their bread to those who were too poor to pay any more, at prices as low as those brought about by competition. But to customers who could afford more, they might hold up the price to an indefinite extent. In fact, assuming the possibility of a complete monopoly in selling, the millionaire might be compelled to pay away nearly the whole of his income for the first necessary of life itself. In this case the baker would be "the robber who takes all that is left," and no wealth or industry could have any other result except to increase his exactions.

And something of the same kind, though in practice not so complete, actually happens under private ownership of land. Strictly speaking, it no more matters to the landlord how much money a tenant can make out of the land he hires than it does to the baker how much his customer can afford to pay for a loaf. Let us assume that for a given quantity of land equally suitable for either purpose there is a market garden demand for one quarter, the gardeners being willing, rather than do without, to pay £5 an acre. When their demand has been met, however, there will still be three-quarters of the estate unlet, and for this we shall assume that there is no demand, except from farmers who are willing to take up the whole, but cannot afford more than

£1 per acre. Monopoly apart, there would be no possibility of exacting from the gardeners any higher rent than from the farmers, any more than it is possible to obtain a higher price for a loaf from a rich man than from a poor. But we know quite well what will happen in practice. The landlords, if they are good enough to permit any garden land at all, will exact from the gardeners rents in excess of those paid by farmers. Two rates will come into existence for the use of the same quality of land, and the gardeners will be charged what I may call a super-rent, due to monopoly, which has no economic justification whatever.

The same principle applies to land around our great towns. Here it is the builder who can afford—and charge to his customers—a higher price than the farmer. Owing to the conditions of monopoly which enable the owners of land round towns to hold up sites suitable for building, prices for building land are based much more on what householders can be squeezed into paying than on what the landlord's reserve buyer, the farmer, can afford as rent. But the scarcity of building land is purely artificial; for there is always far more suitable building land round a town than the builders could possibly use, even if they got it for nothing. As the borders of a town extend, certainly land nearer the centre will increase in value because of its greater convenience, but at *the margin* itself, at any one time, there is always plenty of land within a few minutes' walk of the tramway termini which would have to be let to the farmer in any case, even if the builders could get as much as they liked at agricultural values. Yet to buy land which the farmer hires for a pound or two an acre the builder will have to pay hundreds. If land values were rated or taxed to any considerable extent, no such thing could continue. So soon as the builder was prepared to pay a premium, however small, on the farm

value of any land, it would be in the market for building sites at once. There would be far more land *in the market* as well as in existence than could possibly be built upon. This abundant supply would have its inevitable result. Land for building purposes would fall so much as to be hardly appreciable in the rents of houses.

But the rent of a house, and the value of the land on which it stands, nearer the centre of a town, are governed by the rents at the margin. A tenant will pay something for the convenience of being near his business, for the saving of tramway fares and so on. If rents at the circumference fall, tenants near the centre will be tempted to remove, until rents are reduced proportionately in the older houses. The break up of land monopoly in the suburbs must come to mean a reduction of house rents in the cities. Thus taxation of land values or any other effective means for breaking up land monopoly would mean a sweeping reduction in house rents and the values of the sites on which the houses stand.

And we should remember that, while it is true that growth of population and industry tend to increase land values, there are always at work, with the progress of civilisation, forces which tend in the other direction. Generally the tendency to increase is the dominant one, and the others only act to retard and not to hinder the growth of rent. But during the last twenty years, in spite of the increase of population and wealth, the forces that tend to check the growth of urban land values would probably have got the upper hand altogether, were it not for the reluctance of landlords to reduce rents, even when refusal to do this means empty houses. To borrow the expression of Malthus, while population, and consequently the demand for house sites, in our great towns has been increasing in arithmetical the supply of suitable land has grown in geometrical ratio. It is,

of course, impossible to manufacture land, but it is a mistake to assume from this that the quantity of land *available for a particular purpose* can never be increased.

For all practical purposes this is exactly what the opening of a new tramway or of a railway station near a large town does as far as building land is concerned. The suitable building land around an industrial town is practically all within a moderately cheap and short journey from the centre. The substitution of electric for horse traction on our tramways, carrying people twice as far in the same time and for the same money, virtually quadrupled the possible area of our cities. The last fifteen years have seen this work begun and completed in every important town, while in the same period these very towns have only increased their populations, and consequently their demand for houses, by percentages. Such an enormous change in the relations between supply and demand in any other market except that for land would have produced a gigantic "slump" in prices. Up to now, however, the combination of landlordism has been too effective to allow the public to experience any solid advantage, though the old rents are even less representative of the real value of building land than before. In Glasgow, for instance, the commercial advance of which was never greater, the population within the municipal boundary only showed an increase of 1·1 per cent. between the Census of 1901 and that of 1911. There was, however, an enormous increase in the district around, the counties of Renfrew and Dumbarton showing increments of 17 and 22·2 per cent. respectively, while the neighbouring towns of Clydebank (79·7), Rutherglen (31·3), Motherwell (29·6), Partick (23·1), and Wishaw (21·0) showed the largest proportionate increases among the burghs of Scotland. The migration of the people from the city itself to the surrounding country is illustrated by the fact that while in 1901 there were 2·8

per cent. of the houses in Glasgow empty, the proportion had increased to 7·7 per cent. in 1905, and to 10·7 per cent. in 1910.

I am convinced that, so far as residential property is concerned, even in towns and under the present conditions, Mr. Adam's estimate of 50 per cent. of the rental of buildings as pure land value is an absurd exaggeration. In the highly rented provincial towns where I have been able to get any practical guidance on the subject, 20 per cent. would be nearer the mark. But the larger part of this is purely artificial, the result of monopoly, and would disappear if the monopoly were destroyed. Nor do I think things would be very different in the case of land wanted for factories or industries, where a certain amount of latitude is possible in the choice of a site. The fact that a Yorkshire woollen mill or a Clyde shipyard can produce more wealth from an acre than the farmer could, is no reason why their owners should pay more rent, so long as equally suitable sites for either purpose have to be let to farmers or lie idle. Yet if all the world wore garments only of wool, and all those garments were made in the West Riding, there would still be plenty of land left, after all the mills were built; and if all the world's ships were built on the Clyde, as already a goodly proportion of them are, there might still be cattle feeding by the edge of the river.

Only in the case of shops, and businesses that must of necessity be conducted in a busy street, has the progress of civilisation caused any real, as distinct from a monopolist, scarcity of land, except, as before mentioned, for ordinary farming purposes. In the case of shops, however, there is nothing to keep down the rent similar in effect to the import of corn from free land in the West. We must remember, however, that the telephone and motor-car are tending to reduce the pressure, by enabling some firms once tied to London or some great town

to emigrate to cheaper land in garden cities, and rendering it sometimes possible for shops, not themselves in the most expensive streets, to seek orders in the suburbs and deliver by motor. If this decentralising tendency continues, even the economic rent of the Strand might prove disappointing to the Single Taxer. Whether this is so or not, however, I see very little reason to expect that the true land value of this country "is sufficient to meet the cost of good government."

CHAPTER IV

THE MODERNISATION OF SOCIALISM

LEAVING out of account the Irish party as one essentially existing for a single measure, and not naturally affected by any cross-currents of Guarantism or Conservatism, I have now to consider the influence of democratic tendencies on Socialism and its offshoot, the Labour party, the third constituent of "the Coalition." Here we have a strangely different story to tell. We find Liberalism as an old-established organisation professing doctrines antagonistic, or at best but slightly related, to the Guarantist instincts of the common people. Slowly at first, but as years go on with increasing rapidity, the purely individualist doctrines of Liberalism dissolve in the flood of democracy, and the party comes to adopt, not indeed a coherent new doctrine of Liberalism, but an empirical programme, more or less suited to the new conditions. Programme is perhaps too definite a word, for at present the word "Liberalism" probably more nearly implies an empirical state of mind, on the whole increasingly more favourable to social reform. Liberalism has preserved its existence by continually becoming more Socialistic.

With Socialism it is very different. Subjected to the same conditions, forced to struggle for existence in the same environment, Socialism could only gain influence by allying itself with the actual forces of democracy.

Like Liberalism, it has been compelled to become "Guarantist," only it approaches Guarantism from the opposite direction. As it becomes political, so it becomes more opportunist, to the great disgust of enthusiasts, who do not realise the inevitable character of the process.

The germ of all forms of Socialism is purely ethical. Ruskin somewhere tells us that the "law of competition is ever the law of death, the law of co-operation is ever the law of life." "Fellowship is heaven, lack of fellowship is hell" are the words in which William Morris expresses the same idea. In the acceptance of this universal law of co-operation and fellowship we may find the underlying unity between Socialists of every school, of every place and time. On this foundation the Socialist builds, wisely or unwisely, according to his capacity and knowledge, his conception of Socialism Utopian or scientific, authoritarian or voluntary. His purpose always must be to make the principle of the family prevail throughout the whole of human life.

And if any one turns to Kropotkin's great book, *Mutual Aid a Factor of Evolution*, he will find that right through life, from the animal to the human, these very principles of co-operation and fellowship constitute the law of society itself. Insects, birds, and beasts, savages, mediæval serfs, and guildsmen, are shown to us, compelled by the constitution of Nature herself to progress by "mutual aid" rather than by war and competition. The phrases of Ruskin and Morris receive their scientific corroboration, and the Socialist is justified in regarding human evolution as a long journey from individualism to co-operation and equality.

But this is Socialism seen *sub specie aeternitatis*, and there have been men and women of every place and time who have got as far as this. The Socialist, however, in order to be of any influence in the world,

has to learn how to apply his idea as far as he can to the actual world around him—a world in which the principles of fellowship are woefully violated in countless ways. Modern Socialism, then, consists of a series of attempts to translate this principle into a practical form, suited to the needs of the day. Hence the Utopians endeavoured to draw up model schemes of society, and to interest the rich and people in authority in them. The seed sown by Owen and the French Utopists before the advent of the democratic vote failed because it lacked deepness of earth. The rich were not anxious voluntarily to displace an order of society in which the prizes fell to themselves by one in which they would be of neither more nor less importance than other people.

Drawn up in the beginning of 1848, the *Manifesto of the Communist Party* by Marx and Engels is a document of the greatest historic importance. Throwing over all Utopian attempts to secure Socialism by the charity of the rich, the *Manifesto* calls on “the working men of all countries to unite,” to secure the overthrow of capitalism and establish a communist order. From that date Socialists everywhere have realised that Socialism can only come through the people themselves, whether or not they agree with the other ideas of Marx and Engels. I fancy, much as the authors of the *Manifesto* attached importance to the “materialist interpretation of history,” they too would have been on the side of those who to-day place most stress on the organisation of Labour as it is. Certainly they were not prepared to impose the doctrines of the class war or any special interpretation of history on the International, while some letters of Engels published in the first number of the *Socialist Review* show that he was willing and glad to see American Labour organised under any political creed.

When Socialism, armed with the weapons of Marx, came again to this country, it found the soil much better prepared for it. Individualist Liberalism had nearly run its course; and, as we have seen, the founders of the Eighty Club commemorated in that institution not only the greatest but the last important victory of purely middle-class Liberalism. On the other hand, the ideas of the new electorate stood in a strange, little understood relation to those of the Socialists themselves. At first sight, it was easy to believe that "Labour" and revolutionary Socialism stood for the same thing. The Socialist pointed to the very evils which the working men, the new electors, felt most grievous, which they most earnestly wished to remedy. Both took a "social" view of politics, then utterly ignored by almost all Liberal and Conservative politicians; while the simplest labourer would often applaud the universal aspirations on which, in the last resort, all Socialism is founded. It is not wonderful, then, that many Socialists believed, and indeed still believe, in the possibility of some great upheaval of the masses that will capture the State and take over the instruments of production at a blow.

The Socialist orator who dealt with the concrete difficulties of modern working-class life, pointing, as no other politician did, to the actual hardships experienced day by day by his audience, would soon find that he was making headway. Rounds of applause would greet him as he spoke of the low rate of wages, the long hours of labour, the uncertainty of employment, the bad housing and other conditions of the poor. Nor would he lose grip when he laid the blame at the door of capitalist or landlord. With the capitalist over labour conditions, with the landlord over rent, the town artisan was definitely in conflict already, and he was quite prepared to condemn both institutions. Nor would the applause cease when the lecturer, leaving particulars,

concluded with a peroration on equality and brotherhood. If only the speaker made it clear that he stood for better wages and shorter hours *now*, his audience would entirely sympathise with his aspirations for a co-operative commonwealth and universal brotherhood.

But for all that there was a profound difference between the Socialist and his audience. The working man might accept appeals both for immediate practicable Labour reforms and for the social revolution, but he and the lecturer attached very different relative importance to the two objects. To the working man, immediate betterment, some lightening of the heavy burden of poverty here and now, was, as we have seen, a matter of pressing and constant thought. To that end he made sacrifices to insure himself as well as he could against the risks of sickness and unemployment ; for that he had built up, in face of countless difficulties, the great organisations of the labour world, the Trade Unions and the Co-operative Stores. Such influence as he had he was even then using everywhere to the same purpose, urging Parliament and the local authorities for better labour conditions, for the abolition of sub-contracting and sweating in public contracts, and for the insertion of the Trade Union clause in all public works. He was about to do in politics exactly as he did in everything else, and was quite willing to accept Socialist or any other aid in doing it. Very likely there passed through his mind aspirations after a higher social order. Most men have probably felt these at some time or other, and even those most deeply sunk in materialism would hesitate to disclaim them altogether. Certainly not the poor ; they at all times have heard the message of the Communist gladly. But idealism can no more fill their lives than it can those of other people. For every moment they can give to aspirations after a higher humanity they must

spend hours over the trivial practical things of daily life.

To the Socialist, especially the Socialist who was not himself poor, to whom "palliatives" made no practical, personal difference, this order of things was reversed. He saw, of course, how the sordid conditions of modern life were degrading the people and the land in which they lived, and however much of a revolutionist he might be, he was perpetually being driven to fight commercialism, not at the centre, which he could not reach, but at its outposts. But his heart was chiefly concerned with the thing he meant to build upon the ruins of the present system; his eyes were fixed on the coming revolution; he had little faith even in the palliatives he himself proposed for immediate evils. In order that he might feel the importance of these, it was almost necessary that he should become a proletarian himself, and be compelled by force of circumstances to take an interest in the details of working-class life, for his own sake and for those dependent upon him. It was hard for him to realise that workaday politics, like workaday life, are always concerned with things of the moment. It cannot be otherwise, for all vital politics must reflect contemporary life. It was necessary that an order of interpreters between the middle-class Socialists and the working masses should arise, men with a message alike for the people and their enthusiastic mentors. These were found in the working-class Socialists, of whom so many sprang into prominence twenty or five-and-twenty years ago. Messrs. Hardie, Mann, Tillett, Curran, Burgess, and John Burns himself were all filled, like Messrs. Hyndman and Shaw, with the enthusiasm of Socialism, but the immediate problems of Labour were more familiar to them.

But the bridge so formed is not by any means a perfect one, and the history of the Socialist movement is full of the internal conflicts arising out of the inevitable differ-

ence in the point of view of Socialism itself and what Sombart calls the "Social Movement." The Social Movement, which, as Sombart also points out, is everywhere organising on the same basis of Co-operation, Trade Unionism, and political independence, grows by its power to palliate the present struggle for life. It lives by "palliatives," growing in proportion as it is able to dispense, so to speak, payments on account of the millenium in the form of increases of wages, Co-operative dividends, and improvements on Liberal or Tory measures. It is true that the very existence of these Labour activities is an illustration of the value, nay the necessity of mutual aid, while they are also displacing individualism by organisation; but it is natural enough that the Socialist, "seeing the end from the beginning," should be impatient with their slowness and with the spirit of compromise inevitable in the whole movement. But the Social Movement is necessary to him. Ideas dissociated from forces count for nothing in politics; and if Socialist politics are to be anything at all, they must be allied to the only force existing in modern society that has any affinity with them.

In consequence, ever since the days of the *Communist Manifesto* Socialism has aimed at an alliance with Labour, and has tried to inspire the Labour Movement. Generally it has endeavoured to impose upon Labour its own revolutionary conception of the class war between Labour and Capital. In this country at least it has entirely failed, not because the workers do not recognise this struggle, the very existence of their organisations is a proof that they do, but because with them the immediate battle of the moment for this or that improvement in their conditions is so vitally important that they can spare little time for dreams of what must come after it. And 'Labour,' as it is by far the stronger, is the determining factor in any

alliance with Socialism. Slowly and often reluctantly, with many secessions of disgusted idealists, Socialism revises its practical methods to suit the necessities of the case. There is no help for it, and it would be well if Socialists would recognise the fact. Either Marx was right in joining Socialism and Labour, or he was wrong. If he was wrong, there is no more to be said on the matter—Socialists must go back to Utopism and futility. But if he was right, the implications of the call, "Workers of all countries, unite," are inexorable. The workers may "unite," but it will be on their own terms, not on those of the Socialist. *Political* Socialism must become Guarantism.

The truth is, there is no certain middle course between the ethical view of Socialism, which expresses a man's personal conviction in the absolute rightness of fellowship and communism, and the realistic view that takes the Labour Movement as it is, and frankly works to help it. No possible statement of Socialism, no possible political method, can ever be final or perfect, can ever have the axiomatic force that goes with the universal moral appeal for equality and fellowship. Socialist schemes, "Utopian" and "scientific," are tentative attempts to fit the Idea into the thought and action of the world. But while the Idea is simple, the world is infinitely complex; while the one is fixed, the other is constantly changing. Even to arm Socialism with all the science of the day may be a doubtful blessing if, through some unexpected discovery, the view point of science changes. To harness Socialism, for instance, to the Ricardian law of wages, or to the doctrine that acquired characteristics are not inherited, may have awkward consequences if these theories in economics or biology go out of fashion. All Socialist thinking, "scientific," Utopian, or practical, is essentially tentative, needing constant revision in the light of growing knowledge and changing conditions in

the worlds of thought and action. Only the ethical is authoritative and final. Unfortunately too many Socialists do not recognise this, and constantly tend to elevate some secondary idea into an article of faith. The effect of this is to sterilise thought and paralyse action. It is a singular thing that nearly all the Socialist literature written in this country during the last twenty years that has had any real influence has been written by people who paid little regard to the Marxist tradition, by writers like Morris, Carpenter, the Webbs, Blatchford, Wells, Chiozza Money, &c. The revisionist spirit is, in fact, almost essential to constructive thought, which is invariably destroyed by dogmatism.

This spirit is equally essential in politics. Behind all the political activities of the day, behind the ebb and flow of popular opinion goes on the steady evolution of industrial life, bringing unforeseen opportunities for action, and closing in the most disconcerting manner many avenues for advance that once seemed promising. The Socialist in real life is trying to give expression to a perfect and eternal idea in an unstable and imperfect medium. There will always be forces in society which he will overlook, and for which, however great his breadth of view, he will fail to make allowance. And while he overlooks much, he will give disproportionate emphasis to the things he does see. Henry George, generalising from the experience of America, came to the conclusion that in a progressive society the forces driving land values upwards must always leave virtually all the surplus wealth of society in the hands of the landlords. Hence he found a panacea for all social injustice in State landlordism. His followers to-day fail to see the forces tending to depress landlordism, and to hand over the bulk of socially produced wealth, not to the idle landlord, but to the equally idle shareholder, though this latter movement is contemporary with themselves. In like manner, the followers of Karl Marx

repeat from day to day the dogma of the necessarily increasing misery of the working classes under capitalism, even when the ablest living Marxist, Karl Kautsky, has been compelled to admit that, under Capitalism, the position of the working classes has improved, though not in proportion to the increase in the wealth of Capitalism itself.¹ Some Socialists, again, notably in the United States, noting the centralising tendency of industries dependent upon steam power, base their case on the assumed gradual concentration of production and distribution into trusts and syndicates. On assumptions like these has grown a strangely unenlightened, doctrinaire political method which prevents those who

¹ Kautsky's view is that, though wages may and do rise, the *rate* of exploitation of the workers of necessity grows greater. Thus, while in 1860 wages amounted to 47 per cent. of the national income of the United Kingdom, this proportion had fallen to 43½ per cent. in 1891, in spite of a considerable rise in the rates of wages. With regard to the doctrine, commonly met within its crudest form even to-day, at least in this country, that Capitalism necessarily involves the increasing physical misery of the workers, Kautsky admits that the organisation of the working classes and the interference of the State are in a position to check and even reverse this tendency. In plain language, the "tendency to increasing misery" means that the capitalist, left to himself, will try to obtain labour as cheaply as he can. This is not a very brilliant economic discovery, nor an important one, unless it can be shown that the capitalist is likely to succeed. In the days before trade organisation the capitalist was only too successful in lengthening hours and reducing wages, and, in consequence, the theory of the *Communist Manifesto* is that the proletariat must be plunged into deeper and deeper misery before the day of deliverance. The modified belief in the necessarily increasing *rate of exploitation* of Labour, with a possible steady actual, though not relative improvement in its condition, renders it much more easy for Socialism to gain the practical support of the working classes, who are mainly striving to improve present-day conditions, but I doubt whether it has any deeper root in necessity than the older idea. Both are crude inferences from the facts of a particular time, and the one may prove in the long run as accidental as the other.

adopt it from seeing the right or wrong side in any controversy of the day.

The most important contribution of Marx to the active side of Socialism was his appeal for working-class unity ; his greatest gift to the world of thought was the materialist conception of history. The doctrine that the method of production, the economic process prevalent in each age determines its legal, religious, artistic, and political forms and ideals, may be overstated in Marx, but his followers are justified in claiming that this generalisation is one of the greatest contributions ever made to modern thought. Economic changes, whether they determine their character or not, are continually influencing politics and thought, even the thought of the Marxians themselves.¹ They do this almost from day to day, almost everything that happens in the world of industry being reflected, often in very fantastic fashion, in that of politics. But the thing that makes opinion is not what the thinker or theorists expects, but what actually does take place. The Guarantist tendency in working-class thought is, as I hope to show in a future chapter, a wonderful confirmation of Marx's general idea, however it may conflict with some of his inferences from it. At the moment it is only necessary to say that average working-class opinion to-day is a far more realistic reflection of economic fact than the view of any Marxian theorist.

However, Socialism in its endeavour to reach and gain the support of the masses has been compelled from time to time to propose palliatives to the present system.

¹ Thus, till recently English Marxians have generally been politicians, though of a somewhat impracticable sort. Since, however, we have entered a period when the cost of living is rising faster than wages, and Labour has become restive and angry, the newer Marxians tend to despise politics, and to look to Industrial Unionism and the general strike as the true revolutionary method.

Thus even the Social Democratic party has its "transitional programme." Of this it can only be said that it is all such a programme ought *not* to be. Of course, when you draw up a programme of legislative reform of any kind, you in effect admit two things: that "reform," at least of the kind you advocate, can be of some use without a revolution, and that you do not see your way to bring about the social revolution all at once. This being so, you propose to make a temporary compromise with Capitalism, to take something practical on account. Now for reason enough most Socialists have come to recognise, generally half an hour's thought on the matter will convince any one of this, that it is simply impossible to substitute Socialism for the present system of society all at one stroke. Fairly reasonable people may differ widely about the rapidity with which the change could be effected as well as about the means, but the preparation of a "transitional programme" of any kind implies the necessity of a period of transition. Now I can hardly imagine any one who has faced the difficulties of the immediate adoption of complete Socialism believing in the possibility of carrying out the Social Democratic party's "transitional programme" very much quicker. If all its provisions were put into force to-morrow Capitalism would be as dead as feudalism, and Socialism of some sort would have to be extemporised at once. If, on the other hand, we take it that the "transitional programme" is to be taken piece by piece, then this attempt to come to terms with practical politics is as absurd as ever. The programme includes, among other items, "the abolition of the Monarchy and all other hereditary authority, the repudiation of the National Debt, the Public Ownership of the land and all other monopolies, with the organisation of labour in agriculture and industry on co-operative principles, and the public ownership of

electricity, water-power, and new inventions." The proposal to insist on the abolition of the Monarchy during a "transitional" period is a fair example of the spirit that provokes opposition regardless of the importance of the end achieved. Monarchy in these islands of practical, opportunist politics has survived feudalism, and seems to be surviving the rule of the middle class. It may very possibly continue altogether or for ages under Socialism, and at any rate is no hindrance to any practical improvement in social conditions. To make a special point of its destruction is to invite hostility for no useful purpose. The proposed repudiation of the National Debt *in a period of transition* is even wilder. From the moral aspect holders of Government stock are neither worse nor better than other capitalists in the eyes of a Socialist. In the transition to Socialism they are entitled to exactly the same terms, neither better nor worse, than other exploiters. To victimise them and turn them loose penniless into a competitive world would be an inhuman act; and you could only repudiate their social claim provided you at the same time had prepared an honourable and useful place for them in an organised society. From the practical point of view, the proposal is as bad, unless you have at the same time determined to take over "the land and all other monopolies and public services" without compensation. For this purpose otherwise you will need to borrow money, which you will have no chance of getting after repudiating your liability to the previous creditors of the State. But the main fault of the programme was that it really offered, as the electors had sense enough to see, nothing whatever to the working people. At the time this programme was drawn up, and even to-day the same is true, the government of this country was in the hands of bourgeois parties, and the power

of any democratic organisation to help the people depended on the influence it could exert from outside on the real holders of power. One clear-cut, simple proposal having a direct bearing on industrial life, and capable of being immediately put into force, would have had much more effect, both with the people and their rulers, than all this revolutionary talk. Socialism had to come a long way further towards the people than this "transitional programme" before it could get into touch with the Labour Movement.

The most striking successes of the Fabian Society were due to its adoption of a method utterly different from that of the Social Democratic Federation. The Fabians, for instance, have never insisted on such doctrines as the "iron law of wages" or Marx's argument that the labour power embodied in a thing is the measure of its exchange value. To some Socialists the opening chapters of Marx's *Capital* form a sort of economic Bible, a "sound knowledge of economics" meaning absolute faith in the theories of value and wages contained in them, and "economic ignorance" being the correct term to apply to any alternative idea. I do not deny that this way of treating matters may be a very convenient form of "bluff," and may sometimes enable a Socialist with a very small store of economic knowledge of his own to conduct a discussion, if not successfully, at least without realising his own failure. But it is a great gain to clear the mind of the idea that Marxian economics are final, and to realise that even "bourgeois" economists like Jevons may occasionally discover truths, hidden from the Socialist but important for him to understand. This the Fabians realised, with the result that, from the first, they were far more able to apply Socialist ideas to actual contemporary life than the Social Democrats. From them came the first successful attempt to get in touch with

the Labour Movement generally. The series of pamphlets which they issued over many years were thoroughly Guarantist in method, dealing with such questions as Poor Law reform, education, sanitation, unemployment, the hours of labour, and like questions of contemporary interest to Labour men. The Fabians spared no pains to supply the people with accurate facts and figures; they treated each question on its merits, not dogmatically but helpfully. However much the Socialists of twenty years ago might blame their "permeating" policy, their opportunist Liberalism, however doubtful some of them might be about Fabian orthodoxy, I expect there were few in the movement who did not depend upon the Fabians for their information on most questions of the day. And to the Trade Unionists the Fabian Society was equally useful. Working men who wished to improve Labour conditions, to influence the local authorities, or to agitate for any scheme of social benefit, came soon to realise that they were more likely to get good information and sound advice from the Fabian publications, or on application to the Fabian office, than from anywhere else.

The "transitional programme" of the Social Democratic Federation is an attempt, though absurdly inadequate, to bring Socialism in touch with Labourism by compromise; it concedes the principle, but in so grudging a manner that the attempt might as well never have been made at all. The Fabian method constituted an immense advance on this, mainly because it placed no arbitrary limit on the principle of compromise. The Fabians went all the way to meet the Labour Movement, ready to lend a helping hand in any social reform work interesting to the people, without demanding that the people should come half-way to revolution to meet *them*. I doubt whether it was possible for a handful of mostly middle-class Socialists to do more,

or whether, but for their lead, British Socialism would ever have escaped from dogmatism sufficiently to form an alliance with Labour.

But it was reserved for the Independent Labour party (which, to avoid confusion with the Labour party, I intend for the future to call simply by its initials the *I.L.P.*) to provide a real method of union between Socialism and the Labour Movement. Its name implied an assertion of this necessity of Socialist politics, while from the first, though thoroughly Socialist, it was singularly detached from dependence on any special school of Socialist thought. Anarchists were indeed excluded at the second conference, but the earlier members included all sorts and conditions of Socialists, from the daughter of Karl Marx to Mr. Robert Blatchford. Indeed, it is a striking coincidence that Mr. Blatchford's *Merrie England* was written just about the time the party was founded. This book became, for a while at least, for the average member of the *I.L.P.* what Marx was to the Social Democratic party or *Progress and Poverty* to the Single Taxer. The members of the *I.L.P.* distributed it in thousands all over the country. It is easy enough to find fault with *Merrie England*, and indeed I doubt whether Mr. Blatchford himself has ever written such a hopelessly unmethodical work since, but it appealed throughout to the spirit of the new movement, to a Socialism as unmethodical as the book. The Socialist who desired to go "back to the land," he who wished for shorter hours or better labour conditions, the sanitary enthusiast, the humanitarian with the inveterate British love of preaching, could each find in *Merrie England* the thing he liked, without being tied down to any particular formula, or being in any way compelled to reduce his ideas into any coherent order.

In fact, *Merrie England* was just the thing for the young *I.L.P.*; it expressed its spirit without correcting its

apparent faults—faults that were only virtues in the making. Of all leading Socialists Mr. Blatchford is the least capable of co-ordinating his ideas, and the least able to avoid glaring contradictions of thought. He never thinks organically; his work in economics is worthy of a Tariff Reformer, and he has never, it seems to me, grasped the international spirit of the movement. The titles of his best known Socialist books, *Merrie England* and *Britain for the British*, illustrate this, the latter implying a denial of human solidarity, of the very ideal of Socialism. But what the young I.L.P. needed was just what Mr. Blatchford could give—an inspiration, a moral enthusiasm, and this is what they got. Certainly, if you could have analysed the opinions and ideas of any half-dozen average men and women of the I.L.P., fifteen years ago or even to-day, you would probably discover all the enthusiasms and contradictions of *Merrie England* among them. Nay more. Under the surface the very same ideas were stirring in the minds of the people everywhere. The democratic movement was a wider thing than any Socialist with a more orderly social philosophy than the editor of the *Clarion* realised. And without being reckless enough to approve, even in part, every idea in *Merrie England*, there was an amount of truth at the bottom of most of them, the overstatement of which did little harm to any one except perhaps Mr. Blatchford himself.¹

¹ I am thinking here of the incipient protectionism implied in his argument that we should grow our own wheat, and his obvious fear at our dependence upon foreign corn and cotton. Surely the Socialist welcomes the growing *interdependence*, not the economic *independence*, of nations and individuals. Mr. Blatchford apparently failed to see that the interdependence brought about by commerce has two sides, and that the growers of cotton in the United States have as much to fear from the loss of the Lancashire market during a war as we have a failure of the cotton supply. The more the nations of the earth come to depend on one another, the greater

It was not, however, by the written so much as by the spoken word that the I.L.P. grew and thrived. From the first, its speakers stuck mainly to their text of independence, the cry of the *Communist Manifesto*, "Workers of all lands, unite!" Many of the economic ideas uttered were no doubt crude enough, many of the speakers would have been puzzled to give a coherent defence of the Socialism they advocated in debate with an acute and well-informed opponent. The I.L.P. has been incomparably the most successful of the British Socialist organisations in the practical world; but this has certainly not been due to any dialectical superiority of its members. It is the fundamental rightness of a method, often thrown over by individuals, but always supported sooner or later by the bulk of the party, that has been the source of its strength. At bottom the Social Democratic Federation, the Fabian Society, the Socialist League, even Industrial Unionism were "bourgeois" in the sense that they represented, each of them, the intellectual revolt of small middle-class minorities against accepted middle-class ideas. The I.L.P. stood for something very different. It has never been widely popular with the "intellectuals," evolutionary or revolutionary, and probably never will be, for it is continually cutting across their preconceived ideas of what a proletarian movement *ought* to be by demonstrating what a proletarian movement really is. Tied down to no particular dogma, men and women bring to it the ready-made Socialism imposed upon them by their human sympathy and their personal experience; their further education in the movement itself is always true to the etymology of the word, a "drawing out" of

the prospects of peace. The idea of a self-sufficing nation is as much opposed to Socialism as that of a self-sufficing individual. Fortunately the I.L.P. absorbed the good of *Merrie England* without its insularity, though we can see there the seed of Mr. Blatchford's later excursions into something little better than Jingoism.

something already there, not the imposition of anything from outside. If any one will compare some of the cruder pamphlets published by the I.L.P. with the brilliant things issued by the Socialist Labour party, a Syndicalist organisation, his first impression will probably be that the I.L.P. is hopelessly inferior. But, if he is wise, he will come to realise that the simple work is an expression of the people themselves, the brilliant one only of the people's teachers. And as he studies both he will find, beneath perhaps a coating of sentimentalism and rhetoric, a kernel of sanity and practical realism in the utterances of the I.L.P. writers which is a true expression of proletarian Socialism.¹

Accordingly, while the economic theories of the I.L.P. are much less coherent and logical than those of the Social Democratic party, its immediate programme shows a notable advance in practicality. The Socialist conception of things is simply and calmly stated, but the programme is *thought out* by people who had a sense of reality, and who were in definite touch with average democratic feeling and contemporary need. It thus constitutes a possible bridge between Socialism and Trade Unionism, and has paved the way for the Labour party. It is true enough that, locally and nationally, the I.L.P. tends always to rush ahead of the main body of Labour, but the moment it does so it becomes impotent. And it never altogether loses touch with working-class feeling, at least in the towns, for the majority of its leading members are simply working-class men and women themselves, who meet or have met in their daily

¹ The I.L.P., however, would do well to exercise a stricter censorship in its publishing department. Speeches and debates are very seldom worth reprinting in pamphlet form, while every pamphlet issued by the party itself should add something definite and original to the information of the public.

lives with the same troubles and difficulties as other working men and women.

Thus the I.L.P. paved the way for the Labour party, which stands for independence only, the unity of the working classes, and has no authoritative programme at all. Holding itself entirely free to judge every contemporary question on its merits, the Labour party may pass resolutions at its conferences, but is content with a constitution, not a programme. In this it is entirely right. Events themselves and the evolution of industry impose the programme of democracy, and in conjunction with the active propaganda of Socialists and Land Reformers are shaping the ideas of the people. But the voter who to-day has most influence on politics is not the man who is committed to either Liberalism or Labour, not the enthusiastic party man, but the person who is prepared to vote on occasion for either, and, in any event, is determined to use his vote. I have before me as I write the list of Fabians who ran as candidates in the elections of January, 1910. They were twenty in all, and of these eight stood as Liberals, eleven for the Labour party, and one ran as an independent Socialist. Such a state of things would be impossible in any country where the boundaries of party were clear-cut along the lines of political doctrine. There are thousands of voters in most industrial centres who may be divided in a three-cornered fight, but will vote solidly together, either for a Liberal or a Labour man, in a straight contest with a Tory. The reason is that the people are interested not in first principles, but in first measures. They realise instinctively that anything for which the Socialist may stand that cannot secure at least a large amount of Radical support may produce a useful debate on a private members' night, but will not be the basis of immediate legislation. On the other hand, thousands of them are coming to realise that a

Labour party is the best guarantee for compelling Liberal or Conservative Governments to attend first and foremost to "the condition of England" question. The Labour party cannot go over to Graysonism and heroics without at once losing touch with these men ; Liberalism cannot recede to *laissez faire* or Nonconformity without a similar loss of influence. But theories count for little either way. The steady working man of the present day is not to be frightened out of his determination to have a better share of the good things of life by the outcries of the Anti-Socialist League ; but neither is he going to forgo any immediate improvement in his condition for the more distant prospect of Socialism. He is of neither party in so far as they fail to conform to his inherent Guarantism, or of both in so far as they do. And he is the autocrat of the day, or will be the autocrat of to-morrow. That is the ultimate fact of present-day politics, which it is well for every Socialist who desires to be of use to understand.

CHAPTER V

THE BUDGET OF 1909

WE now approach the event that has given the occasion for writing this book. Whatever differences there may have been and still are between Liberalism and Labour it is an undoubted fact that from the introduction of Mr. Lloyd George's Budget in 1909 till at least the outbreak of the Railway Strike in August, 1911, Labour as well as the Irish party backed up the Liberal Government in their double task, first of all of passing the Budget, and secondly of destroying the absolute Veto of the House of Lords. What is the reason of this unexpected "Coalition," so disastrous to the Tory party, between organisations which hitherto had been in open conflict?

The modern bee-keeper saves his hives a great deal of work by providing them with sheets of beeswax stamped with the framework of the honeycomb. The walls of the honey-cells are not completed, much less filled with honey, but by aid of this ingenious device the bees are able to complete their work much more rapidly than without it. Now Mr. Lloyd George's scheme carries us, as indeed any finance scheme, however drastic, could only do, a very little way on the road of social reconstruction, but it renders the problem much more simple than it was before. Of course, it is easy, from a democratic point of view, to suggest vast

improvements in the Budget as it passed the House of Commons; but any important amendments would, I think, necessarily take the form of or at least include extensions yet further of one or other of the Inland Revenue taxes which the Act imposed or increased. Regarding the United Kingdom as a land in which a steadily growing Guarantist movement had been forming for a generation, until at last it had become to some extent numerically and vastly morally stronger than Conservatism, the Budget must be regarded as a very successful expedient for achieving two objects :

1. It united, if not in form and permanently, at least substantially for a time, the agencies which, in one way or other, gave political expression to the new forces.

2. It avoided, either by means of a nice calculation of strength or more probably by sheer good luck, anything to cause division among the Guarantists themselves, or anything to frighten away the most timid of the genuine democrats.

With regard to the second of these objects, it was perhaps fortunate that the Whig capitalist section of Liberalism was fairly represented in Mr. Asquith's Cabinet and that the Cabinet Councils that discussed the Budget before presentation to the House of Commons must have brought sharply before Mr. Lloyd George the extent to which the older Liberalism would be content to go in laying an adequate financial basis for social reform. I do not doubt that the persuasive Chancellor succeeded in fully convincing his colleagues that his Budget was a reasonable and fair compromise between what they would consider the "rights" of vested interests and those of democracy, but I feel very doubtful whether the majority of them, faced with a deficit of £16,000,000, would have provided for it in the same way. It would be interesting if we could lift the veil of Cabinet secrecy and see how Mr. George's policy was ultimately defined

and limited in such a way as only to alienate from Liberalism the horde of non-progressives who voted in 1906 against Protection and Chinese Slavery whilst still retaining not only an adequate voting strength in the constituencies, but, what is unfortunately still essential to the Liberal party, the generous subscriptions of numbers of wealthy men. While the Finance Act of 1909 lays a basis for wide and even revolutionary social changes, it does this in a very conservative, English sort of way. It makes concessions to nearly everybody's ideas. While Labour and Radicalism get more than any responsible statesman had ever conceded to them before, the interests of Imperialism and Whiggery are conciliated, both in the raising and the spending of money. No Labour Chancellor of the Exchequer would ever have argued, as Mr. Lloyd George did, that *all* classes ought to bear any share in the new taxes or have imposed an extra 8d. in the pound on tobacco and raised the duty on spirits. The case of Labour—and it is unanswerable—is that as long as there are unearned incomes to tax there should be no taxes whatever on anything else. Labour would assert, and all that is really democratic in modern Radicalism would agree with this, that any tax that takes from men and women money needed to keep them or their families up to a standard of physical efficiency is an anti-social tax and should be abolished, not only in the interests of the taxpayers themselves, but of the community. Possibly Mr. Lloyd George was justified in making these concessions to the Whigs, but it is only necessity, the impossibility of carrying the really useful things in his Budget without them, that could justify them.

And while Whiggery was conciliated by Mr. George's acceptance of the doctrine that when new taxes are required *all* classes should contribute, whether they can afford it or not, Jingo Imperialism obtained money for

its Dreadnoughts. Over this I do not remember that the Chancellor displayed any of that unctiousness with which he commended the willingness of the poor to pay the new tobacco tax. Reading through the Budget speeches, one feels inclined to think that the naval vote was a pure concession to the panic-mongers, which the Chancellor would have resisted if he could, but that he really was convinced of the fairness of his indirect taxes. If so, he is yet a long way behind the thought of the day.

But the working class had a great deal to gain by the Budget. Even before Mr. George's reforms the Budget of the United Kingdom was potentially the best financial instrument in the world, while he vastly improved it as a basis for democratic finance in the future. And if as a whole the Budget was a gain, any part of it, however objectionable taken alone, that was really necessary under the circumstances to secure the acceptance of the remainder must be accepted also. Two things must be remembered in this connection: the Budget of 1909 only became law after provoking the most desperate political battle of our generation, and during the whole of the contest the very provisions that were least defensible in themselves became the most effective weapons for carrying the remainder. The eagerness with which the landlords cried out for more ships in the spring was, in the summer, contrasted effectively with their reluctance to do anything to pay for them and with the readiness of the working men to contribute their "fair share" to the treasury. The effect of the Limehouse speech depends not only on the arguments given in favour of the Budget proposals themselves, but fully as much on the shabby and ridiculous figure cut by the noble patriots who opposed them. In the eyes of the great mass of town workers the whole opposition to the Budget appeared sordid and contemptible. The 8d. tobacco tax and the concession of millions for Dreadnoughts suggest that Mr.

George was, after all, less the "people's David," slinging his stone straight at the forehead of the enemy, than a crafty strategist full of the most cunning devices for his overthrow.

But of course it is not by any indirect justification of this kind that the Budget of 1909 must stand or fall. The Super-tax, the national valuation of the land, even more than the land taxes, the inroad on the monopoly value of licences, and, less talked of but perhaps more important than all, the Development Grant are the outstanding features of the measure. On all these points it should be realised that there is only one line of criticism possible to the most extreme Socialist. The follower of Henry George might consistently oppose all but the land taxes, the individualist might object very strongly to the Development Grant, but the Social Democrat was committed to the principle involved in each of these proposals. If he desired to oppose he would have to take the line that the proposals did not go far enough, not that they were wrong.

Thanks partly to the enthusiasm of the land reformers among the Liberals, partly to the diverting and, to themselves, disastrous protests of the dukes, the land taxes, useful as they are in their way, drew far more attention than was due to their relative importance. The Budget as a whole was valuable because of the number of new principles it introduced, all capable of useful expansion in the future, rather than for carrying any one of these principles very far. And these, it must be remembered, included principles of expenditure as well as of taxation. The Budget provided money to finance and extend the Old Age Pensions Act of the previous year, and if Old Age Pensions were not introduced in the Finance Bill of 1909 they are at least an integral part of the general scheme of which it is the centre. If the land valuation gratified the advocates of the Single Tax the small

Development Grant established a principle equally important to those who realise that the vital problem is not one of mere taxation, but of social organisation. The Tory anti-Socialist said little about this, the most Socialistic proposal in the Budget, and a great deal about taxes which could quite consistently be defended by any individualist who admits the justice of any taxation at all. The grant of £200,000 a year and a promise of future surpluses in aid of such objects as "the institution of schools of forestry, the purchase and preparation of land for afforestation, the setting up of experimental forests on a large scale, expenditure upon scientific research in the interests of agriculture, experimental farms, the improvement of stock, the equipment of agencies for disseminating agricultural instruction, the encouragement and promotion of co-operation, the improvement of rural transport so as to make markets more accessible, the facilitation of all well-considered schemes and measures for attracting labour back to the land by small holdings or reclamations of waste,"¹ may seem to be a pitifully small beginning of State Socialism, but by what other name can it be called?

For the rest, probably the public mind was right in regarding the proposals for valuing land and taxing it when undeveloped as on the whole of most social importance. From a purely financial point of view, however, I expect much more from the establishment of the principle of super-taxation, coupled with Mr. Asquith's recognition of the distinction between earned and unearned incomes. Socially, too, the extension of these modifications of the Income Tax long overdue should be of vast use. Mr. J. A. Hobson has shown the evils that automatically result from the over-saving of millionaires, who accumulate money without effort or abstinence

¹ Mr. Lloyd George's speech on the introduction of the Budget into the House, April 29, 1909.

simply because their vast unearned incomes are greater than their needs or even their whims. The extraordinary development of trade during the ten years of the present century, providing as it does a far more rapid increase of opportunities for investment than existed in the 'nineties, has to some extent checked the over-capitalisation of industry, the gluts and depressions that this naturally tends to bring about. This unusually rapid expansion cannot, however, continue for ever, and will probably decline considerably so soon as the Canadian and Argentine wheat lands have been developed sufficiently to cope with the increased demand for corn. Capitalist industry has ever a tendency to overtake possible demand, a tendency due to the enormous mechanical accumulation of capital by the few who cannot spend their incomes, coupled with the restriction of demand by the poverty and consequent small purchasing power of the majority of the people.¹

The Budget of 1909, taking it as a whole, was neither Socialist nor anti-Socialist, but it formed an excellent framework on which the democracy of the future can build up virtually any system they like. If popular pressure is sufficiently strong and intelligent there are provisions in it which, gradually extended, may completely reconstruct society or rather aid it, in so far as national finance can do so, in reconstructing itself. But the Budget could equally readily be defended by any one who approached its consideration without any social theories at all, but wished merely to distribute the national burden of taxation in a reasonably fair manner. It can

¹ During the Budget controversy a noble duke complained that with the high Income Tax and the necessity to insure against Death Duties it was becoming very difficult to preserve the fortune of a great family intact from generation to generation. He did not realise that it was socially desirable to make this not only difficult but impossible.

be defended, as Mrs. Sidney Webb is wont to defend the Minority scheme for the break-up of the Poor Law, simply as an advance in common sense. It is neither Individualist nor Socialist; it conforms to none of the schools of current democratic doctrine, though it gathers something from most of them. In short, the Budget of 1909 was a piece of Guarantism pure and simple.

For two whole years the controversies over Mr. George's Budget and that aroused by its rejection by the House of Lords almost rivalled in the conversation of the man in the street such popular subjects as the weather and football. "Wild peers" who had married "stars" of the variety stage found themselves almost as important as their wives had been in former days as a sort of "comic relief" on the political platform. Certainly, from the first, the Budget produced consternation in the Tory camp, first among the Tariff Reformers, then among the landlords, and lastly, though indirectly, among the friends of the House of Lords. Whether it was Mr. Chamberlain himself or Mr. Louis Garvin who first voiced the alarm of the Tariff Reformers I cannot say, but certainly it was from that section of the Opposition that the first hint of rejection by the Lords came, from those who recognised in the Finance Bill a startling alternative to the unpopular food taxes. But the Free Trade Unionists of Glasgow were not slow to follow suit; for they were largely responsible for bringing Lord Rosebery to Glasgow to make his memorable speech against it.¹ From the most up-to-date Tory Democrat to the aristocratic Lord Hugh Cecil there seems to me no doubt whatever

¹ Lord Rosebery subsequently, in a discussion with Lord Curzon, denied that he suggested the rejection of the Budget. This is the most severe criticism passed on the speech. If Lord Rosebery did not intend to advise or suggest rejection, the speech was the idle talk of a man who had nothing to propose, a piece of meaningless rhetoric.

that the Conservative party honestly detested and feared first the Budget of 1909, and then the proposals to curtail the Lords' Veto. I say this while recognising the theatrical nature of many political controversies. Liberals may from 1902 to 1906 have played upon the indignation of Nonconformists against the Education Act, and the disgust of the people with the Chinese Labour Ordinance for party purposes, greatly exaggerating the anger most of their candidates felt. I am convinced that the Dreadnought agitation by the Tories in 1909 was a mischievous sham, engineered purely for party reasons. But in each of these cases candidates could at least hope to gain much and stood to lose nothing by giving way to or even leading the popular clamour. The opposition to the Budget was of quite a different order. From first to last Toryism was driven to do the most foolish and even ruinous things in support of a policy which it could only conceivably have adopted, or at least continued, because it hated the Budget so much as to risk heavy losses in order to secure its rejection. The Peerage lost most of its power and risked its rejection, while the Conservative party forced and fought at tremendous disadvantage two General Elections, and even offered to accept the most Radical proposal of doctrinaire democracy, the Referendum, rather than submit to a policy that was regarded in some quarters as a mere commonplace of middle-class politics.

Of course the whole thing was overdone. After all, even from a Tory point of view, the Budget was not the "end of all things," even if it was the beginning of the end. The wealthy people who cried out upon its exactions have not, I suspect, retrenched in their expenditure to any extent, except perhaps in charities and other things that do not minister to their own personal comfort. None of them has fled the country, and few probably have lost any sleep over the matter. But that there was a great

deal of real alarm and real anger is unquestionable. It is important to remember this. The anti-popular vested interests represented by the Tory party were genuinely hit by the Budget, and they knew it.

And within the ranks of the progressive parties the Budget was the storm-centre of controversy. In the earlier stages of the discussion in the House of Commons the Whig sections of the Liberal party were inclined to resist at least the land clauses, and as the controversy became keener the "moderate" section of the Liberal Press even advocated their withdrawal. I suspect we should have heard a great deal more from this side of the Liberal party had it not been for a new and startling phenomenon. In spite of the fact that it added more new taxes than had perhaps ever in living memory been imposed in one session when the nation was at peace, it soon became evident that the Budget was strikingly popular. From the time of the introduction of the Licencing Bill of 1908 down to the summer of 1909, every bye-election tended to show clearly the unpopularity of the Government. The summer elections, however, showed at once that it had recovered its hold on the people. Whiggery, in Parliament and in the Press, was forced into line, and by January virtually every Liberal member of the House of Commons who stood for re-election was prepared to explain to his constituents the manifold merits of the Budget which the Lords had wickedly rejected.

In face of the new policy, then, Toryism raged and the Whigs collapsed with hardly a groan; but the Budget had equally striking effects among the Radicals and Labour-Socialists. Needless to say, the Radicals were delighted with the whole thing; especially with the land taxes. There were murmurs here and there, and no wonder; but on the whole Radicalism accepted the Budget as an excellent financial basis for its ideas.

Nevertheless, Radicalism had quite as much reason to criticise as to applaud ; for there was hardly an individual member of the Radical Left who would have dealt with the deficit in Mr. Lloyd George's way. We have seen how advanced Radical thought tends to overestimate the relative proportions of the land question. There are not a few Radicals who are definitely opposed to any form of taxation except that on land values ; yet the Budget levied many other taxes besides those on land, and in truth did not propose to raise any very large proportion of the national revenue from what Single Taxers consider the only moral source of State income. The English and Scottish followers of Henry George had recently formed the United League for the Taxation of Land Values, the object of which was mainly to press for the inclusion, in the first Budget, of a tax on all land values. In return they obtained the legal valuation of all the land in the kingdom, and a set of taxes which will certainly have the effect of diverting part of the rent of land to public purposes. These things, no doubt, fitted in very well with the propaganda of Radical land reform, and Mr. Lloyd George had, on the whole, the hearty support of Radicalism. It is to me inconceivable that any follower of Henry George could have framed the land taxes of 1909, though I could quite well imagine a statesman who realised that "something must be done" with the land, and who was anxious to put difficulties in the way of the Single Tax solution, adopting Mr. Lloyd George's method. The Radical Left desire to tax *all* land values, yet the Budget of 1909 sent them all over the country proclaiming that it did not tax agricultural rent, and repudiating as malicious Tory slanders the often-repeated falsehood that it did ! How, then, after that, can Liberalism ever take up a project which it has emphatically repudiated, the Budget taxation of agricultural land values ?

The very complication of the land taxes, the fact that there are four, and not only one, is in itself strongly against a speedy modification of the scheme in the direction of Single Tax simplicity. In those parts of the country where land is increasing rapidly in value the State will, in a few years, be in the position of an expectant legatee, looking for "plums," in the shape of Increment and Reversion duty, which the Treasury will hardly be tempted to forgo for such an increase in an ordinary tax on land values as would be likely to pass a British House of Commons. Landowners who had just paid Reversion duty on the renewal of a lease would think it particularly unjust to be confronted with a new land tax which might have the effect of freeing from Reversion duty the leases of their neighbours that were about to fall in. Yet if we are ever to raise our revenue as the United League for the Taxation of Land Values would have us do, it seems clear that Mr. Lloyd George's taxation scheme will have to be re-cast entirely. His taxes are based on an entirely different set of principles, and imply first that private ownership of land is not necessarily wrong, but that it is subject to one striking abuse which needs to be kept in check—the speculative "holding up" of urban land for a rise in price; and, secondly, that increments in the value of land are fair subjects for taxation. To this view of the matter Mr. Lloyd George has gone far to commit the State and the Liberal party. The Land Taxers have, on the whole, hardly improved their position. Three years ago the Liberal party, as such, had no very definite policy in the matter, but only a general sympathy and belief in the taxation of land values. To-day this fluid mass of opinion has been cast into a mould and has taken definite shape. Liberal candidates, members of Liberal clubs, agents and speakers of the party, have come to consider land reform on the lines suggested by the Budget taxes,

which they have been compelled to study and to defend. While, no doubt—notably in the case of rating reform—the Budget has greatly improved their position, it has, I think, rendered the ultimate triumph of the Single Taxers vastly more difficult.

Not only the land taxes have had this effect. I have already said that I expect the Super Tax and Death Duties will be found in the future more efficient from a purely financial point of view than the Land Duties. In another way, however, they are awkward imposts for the doctrinaire who considers that all revenue should come from the land. The increased duties on large estates and the Super Tax fall entirely on a very small minority, who are obviously quite well able to bear them without privation. The plain average man will never come to think such taxes unreasonable, now they have been imposed, and those who resent them are far too few in numbers to have any great influence on elections. I think it utterly unlikely that they will ever be repealed, though they may be very greatly extended.

I admit that there are large sections of the Radical party that had every reason to be satisfied with the Budget as a whole; but these were not men whose Radicalism was founded on any coherent doctrine compatible with individualism. Men who, without being tied to any particular method, are nevertheless genuinely anxious to deal with the poverty problem, and are prepared to take the money needed to deal with it from any source where it can be spared, could support each and every proposal of the Budget, except the wasting of so many millions on the Navy. But this only marks the bankruptcy of individualism in all its forms. The only theory of government now before the British people from which the Budget taxes of 1909, taken as a whole, can be plausibly defended is that of Socialism. The man who defends the scheme as a whole must be pre-

pared to maintain that practically any form of wealth may rightly be compelled to pay toll—

1. For national defence ;
2. For the prevention of poverty, and that without the taint of pauperism ; and
3. For the development of the country.

The fact that Mr. Lloyd George carried each of his taxes on wealth only a small way hardly affects the significance of this.

The Budget soon became amazingly popular all along the line with Liberals ; and if we may be allowed to suspect that some of the " moderate " men's enthusiasm was partly due to the discovery that Mr. Lloyd George had obviously hit upon a remarkably popular measure which it would be very dangerous, from a candidate's point of view, to oppose, at least he was assured of his party's active support. Liberalism, once the party of individualism pure and simple, accepted with delight a measure which their rivals, with some basic truth, though with great exaggeration, were proclaiming as Socialism. Among Labour men and Socialists, however, the new measure met with less complete success, a curious instance of how very little political doctrines count for anything in this country when they run counter to political hatreds. The inherent Socialism which Liberals accepted, almost without a murmur, a section of the Socialists denounced as a fraud. There could be no doubt that the introduction of such a measure by a Liberal Government was, from a purely party point of view, a most embarrassing thing for the Labour party. This party owes its existence to the utter failure of Liberalism, in the years immediately following the extension of the franchise to the working classes, to cater for the real demands of the new electors. The electors were Guarantists, caring first and foremost for some aid in their desperate struggle with poverty. Liberalism

on the other hand, was so completely absorbed in matters having no bearing on this problem that it was quite true to say that "where Labour questions were concerned, there was no difference between the parties." But even from a Labour point of view there was a great difference indeed between Mr. George's finance and 'Tariff Reform,' and these were virtually the programmes of the two "orthodox" parties in 1909. As compared with the days when the present Socialist organisations began, Toryism had become more reactionary and Liberalism more advanced, so that the once true phrase had become, as far as this particular controversy was concerned, a piece of mere rhetoric. On the programmes of all the Socialist organisations the abolition of indirect taxation and the substitution of a cumulative tax on unearned incomes had appeared for years. But Toryism now stood for a vast increase in indirect taxation, just at a time when Liberalism was laying the foundation of a cumulative income tax. As, just a few weeks before the Budget was introduced, the Labour party Conference had passed resolutions calling upon the Chancellor of the Exchequer to impose very similar taxes to those the Conservative party were now bitterly fighting, it is obvious that all opposition on the Labour side must be confined to the few increases in indirect taxation, or be purely factious and unreasonable. In fact, Mr. Lloyd George had adopted the flattering, but from a purely party point of view, embarrassing policy of adopting his opponents' programme. Certainly he had edited it so as to make it more acceptable to our slow and cautious British minds, but that hardly made it any better for the Labour party. Mr. Lloyd George had "dished" the Labour party as Disraeli "dished the Whigs."

The introduction of such a Budget was, however, itself a vindication of the Labour party and of the Socialist propaganda. But for the change wrought in public

opinion by Socialist activity, I think it most unlikely that either Mr. Lloyd George or his social policy would have found a place in the Liberal Government. Yet the Old Age Pension Act, the Finance Act of 1909, and, in spite of its defects, the Insurance Act of last year, when taken together are vastly in advance of any previous legislation. Party considerations are infinitely less important than the triumph of ideas, and no true reformer should care very much whether his own or any other party gets the credit of a good measure so long as it is made law. The Labour party were bound to support the Budget, in spite of the fact that the Liberals were likely to get all the credit for it, or stultify themselves altogether.

From a purely party point of view, however, nothing could well have been more unfortunate for the Labour party than the circumstances which, from the introduction of the great Budget to the passing of the Parliament Bill last summer, compelled Labour to support Liberalism. For the criticism within the ranks of their own party some of the Labour members were themselves partly to blame. The Government Licencing Bill of the previous session had many merits, and the Labour members were perfectly justified in voting for it, but it certainly did not justify the enthusiasm with which many of the party received it. At the time when the Guarantist forces among the people were rightly turning their thoughts to the depression in trade and the increasing unemployment many worthy members of the Labour group thought it a proper occasion to devote most of their energies to the support of a measure which had nothing whatever to do with the most pressing Labour question of the moment—unemployment. Most of the Labour members are strong “temperance” men, and indeed in provincial English working-class Socialism there is a strong leaven of Puritanism, alien to the “intellectual” Socialism of London. This fact has not yet

been duly appreciated by those who have given unselfish and brilliant service to the Socialist ideal. Socialism sallied forth from London drawing-rooms to conquer, not merely Capitalism, but Philistia ; but the Philistines have absorbed the Socialists, and are marching forward with their banners. Now it is easy enough to show that excessive drinking is generally a symptom, not the root, of social disease, and that "temperance reform," however excellent in its way, will not cure destitution, but the average advanced Trade Unionist has very strong views on the matter nevertheless. He has perhaps accepted Socialism ; but whether he has or not, he is, right down to the soul of him, a Guarantist, and generally a Puritan. To him it is far less easy to form a coherent generalisation in economics or social science than it is to the journalist or professional man who has had a University education. On the other hand, the actual, pressing evils of present-day society are incomparably more real to him, and one of the first in his opinion is this very problem of drink. Very probably he started as a public speaker for some teetotal organisation or other. He has the most vivid idea of the practical hindrance intemperance is to social progress and of the misery it causes in the homes of his fellow-workmen.

Not unnaturally he sees these things out of proportion, and is apt to become unduly enthusiastic over everything, from early closing to total prohibition, which is aimed directly at drinking itself, and not at the causes of drinking. A wise man might perhaps take a middle course between those who consider all temperance reform merely waste of energy, who take a very real problem too lightly, and those who are thus consumed with an intemperate love of "temperance"; but in judging working-class actions we must preserve some tolerance for those who are too close to the problem to see all round it. The average Labour man has been

engaged all his life in fierce conflict with the drink traffic; it is almost impossible for him to regard a "temperance" Bill as anything but a call to arms.

Certainly, however, the Labour men gave cause of complaint enough to those who realised that they were in the House of Commons, not to enforce the "temperance" leanings of Nonconformist Liberalism, on which the Liberal party itself could be trusted well enough, but to urge forward those purely economic reforms which official Liberalism had hitherto neglected. They rushed into the controversy with an enthusiasm sufficiently disconcerting, not only to that section of the Labour and Socialist forces that had no sympathy with Nonconformity, but even to the stronger-minded among those who had.

The result was that the more legitimate support given to Liberalism in the Budget and Veto controversies was suspect from the first. The Labour party was about to pass through a period in which, from sheer force of circumstances, it would be exceptionally difficult to keep clear the line that divides Labour and Liberalism; the fact that so many Labour members took such an active part in the Liberal licencing agitation made the task all the harder.

However, it is only fair to say that the Labour members stuck pretty closely to their own convictions, though not necessarily to those of the Social Democratic party. The element of Puritanism in the Labour Movement is a fact that will have to be accepted, however unwillingly, by its non-Puritan friends, though it involves something of the tragedy of failure to the man who sees Socialism only as the artist and the poet see it. The idealist Socialist is "emancipated" and revolutionary; the Trade Unionist shares the Philistinism of the average Briton, and takes a distinctly practical view of social reform. In economic doctrine there is, of course, much in common between the

typical readers of the *New Age* and of the *Labour Leader*,¹ but temperamentally they are as far as the poles asunder. The "intellectuals" of Socialism have done much to arouse the democracy; but now they are roused the people will fight for the Socialism of the democracy, not that of the intellectuals. Right throughout the Labour members have fought for their deepest convictions, on the unpopular side for the Licencing Bill, on the popular one for the Budget and the Veto, obeying now the promptings of Puritanism, now of social reform, and on the whole they are justified rather than their critics.

Nor did the advanced Socialists as a whole take up an attitude of unreasonable obstruction, whatever a section of them may have done. I have met extreme Socialists, indeed, who would have had the Labour party either oppose the Budget or at least abstain from all divisions upon it, but the cleavage of opinion in the matter was certainly not a clear one between "Labour" and Socialism; rather it was between what I may call the "anti-Liberals," the men with whom party spirit runs high, and who determine that the Jews shall have "no dealings with the Samaritans," and those who, however advanced, were prepared to leave Mr. Lloyd George and his Liberalism out of the question and to study the Budget proposals on their merits.

Nevertheless, looking over the wide and conflicting army of politicians who are agreed only on one thing—opposition to modern "Tariff Reform" Toryism, one sees on the extreme right and left wings groups discontented and hostile to the Budget. On the right, Lord

¹ These two weekly reviews may stand as representing respectively the points of view of the younger London intellectual Socialists and of the Labour Movement. It would perhaps be unkind to say that the one stands for government by undergraduates, the other for government by the people.

Rosebery and the Unionist Free Traders break the ranks and gallop over to the enemy, while the Whigs attempt to form a "cave" and threaten revolt; on the left, Mr. Victor Grayson and his friends would have the Socialists refuse all help in the conflict, and leaving the actual work of the moment aside, would fain have the people discuss German armaments, a "citizen army," the Referendum, or even Protection. How far either of these discontented sections might have succeeded had the matter been left to the politicians, no one can ever say. But it was not left to the politicians. Neither Whig nor Radical, Labour man nor Socialist was left to settle this matter as he pleased. For a generation the 'man in the street' had allowed politicians to discuss and quarrel among themselves over such matters as interested them very much as they pleased, taking for his part only a casual interest in politics; occupying the most of his time in the far more pressing business of avoiding bankruptcy or the workhouse, and devoting such leisure as he had to talk about football or some other equally exciting topic. Only at election times, when politics had become a fighting issue, or when under the influence of "khaki" fever, had he taken much interest in public affairs. But this was an entirely new matter. For once he saw a real connection between politics and life, between land and super-taxes on the one hand and Old Age Pensions for his father and mother, and some relief in his perpetual and sordid economic struggle for himself. He felt that this was a political issue in which he had a living interest, and that it was time for him to take his part in it. From the first, I believe, the people arrayed themselves definitely on one side or the other of the controversy. There were bitter and keen debates in the House of Commons and among politicians generally over the Budget of 1909; but, on the whole, I do not think it matters much what statesmen,

Tory or Liberal or Labour, said about the matter. The fight was a people's fight, and one that revealed the character of British democracy at every stage of its progress. The people made up their minds from the first, the majority accepting with enthusiasm, the minority bitterly opposing the Budget proposals through all the stages of the conflict. They took things as they came, adopting, as it appears to me, just the right attitude at every new turn of the conflict. If Waterloo was won "on the playing fields of Eton," one might almost say that the Budget-Veto controversy was first fought on the sixpenny side at the Oval and Old Trafford. At a county championship match one may see the same essential characteristics of the people reveal themselves as in this larger issue. They watched every point, seized every opportunity for humour or applause in the first exciting stages of the battle; and then settled down calmly, but, as each by-election showed, determinedly, to see the Budget made law, and the House of Lords deprived of the power to dispute their verdict again.

And as between the sections of the parliamentary majority who approved or hesitated over Mr. Lloyd George's policy, King Demos delivered swift judgment. The Whigs were quickly driven out of their "cave," and forced to fall into line or disappear. Nor did it fare otherwise with that section of the Socialist party who would have the British working man accept Utopia as a substitute for and not as the ultimate aim behind social reform. As in the Trade Union struggle everything turns on questions of hours and wages, on the little more or the little less, on the immediately practicable, not on that of who shall own the railway or the factory; as a Co-operative Store fails or succeeds not in proportion to the idealism but according to the business ability, the dividend-earning power of its committee, so, in politics, the eyes of the people are fixed on immediate, not

on remote things. To them life is a real battle. A 5 per cent. rise or fall in wages is far too vital a thing to let slip for any possible future, however splendid. They are social reformers, and therefore rejected the non-social Liberalism of the last generation, caring little for "reform" that was not social. But they will not take even Socialism instead of reform, for they have insight enough to know that Socialism is at least a good way off, and they need relief *now*.

Accordingly, at the General Elections of January and December, 1910, the electors rejected by enormous majorities those Socialist candidates who appealed to them on issues outside of the Veto and Budget controversies. To the Labour candidates they were more attentive, though even they felt the adverse influence of the fact that Liberalism at last meant something for which the people cared. Many voted for Liberalism who would normally vote for Labour, for on these issues it was obvious that the Liberals were the party who must take the lead, since they were the party of the Government. But though the Labour party lost a few seats in January, it did not lose as heavily as Liberalism, even in proportion to its numbers, still less was it submerged like extreme Socialism. That it survived I attribute to the fact that its policy during 1909 and 1910, while critical, had not been obstructive; that it had truly represented the central idea of democracy. Liberalism and Labour had been driven to take, for once at least, a common course by a power beyond and above themselves—the true masters of the modern world, the working-class electors.

CHAPTER VI

POLITICS AND "DRAMA"

WE saw, in the last chapter, Liberalism and Labour engaged for a moment in a common task, though by no means friendly to one another, yet at least compelled to keep the peace so far at least as would permit of its accomplishment. It was as if two streams starting from very different sources met at last in the same bed, to the great joy of advanced Liberals who read the *Daily News*. We saw also something of the reason for this, of the ruling force which had shaped this unexpected result. Two members of the Parliament which was dissolved at the close of 1909, who were defeated in January, typified very fairly the original positions from which Liberalism and Labour had set out. Mr. Harold Cox and Mr. Victor Grayson are, it must be confessed, more picturesque figures than average politicians of either party, yet neither exercised any real influence on affairs, and both were swept aside when the conflict came. We discern in the figure of Mr. Arthur Henderson perhaps the most "Liberal" of the Labour party men, the typical man of the Centre, the representative of the democracy that triumphed alike over reaction, over doctrinaire Liberalism, and over doctrinaire Socialism. It is between such "Reformists" and Toryism that we feel the real battle lies, and the faint cries of protest which reach us here and there from discomfited individualists or revolu-

tionaries sound futile and unreal. Mr. Cox and Mr. Grayson, however little they may like it, are out of the battle, and stand apart, shouting their protests, while the armies to which each is attached rush together into the fighting line.

The man in the street, the average workman, Unionist or non-Unionist, the man who cares little for party and much for some improvement in his material conditions, some security in his life, is the man whose influence has brought this temporary union about. Silently he has influenced the doctrines of Liberalism and the temper of Socialism into conformity with his own aspirations, his own narrow but rational and practical view of politics, for both Liberalism and Socialism have been compelled by circumstances to seek his vote. He had been selecting, election after election, those from each party whose general outlook most resembled his own, showing little enthusiasm for doctrinaires of either school. Thus the "survival of the fittest" has worked among the democracy, and the typical Liberal or Socialist *who gets into Parliament* becomes more and more conformed to the likeness of his master, the average British working man. Nor can we doubt that the same process will continue. Liberalism may try to turn back on the road it has travelled, but only at the expense of giving its Labour rival an enormous advantage. Before long it will have to retrace its steps, for the urge of democracy is stronger than any doctrine, and Liberalism at least has no more desire than Charles II. "to go on its travels again." Or Utopianism may revive in the Labour party, and the Socialists within its ranks resent the narrow limits within which they are compelled to work. The result will be the same. Over both Liberalism and Socialism the democracy is master. Democracy holds the bridle and the whip, and will allow neither to run away or to stand still. They must

travel, and by the king's highway, however slow their progress.

I shall deal later with the justification for all this ; for, as I shall attempt to show, I believe the view of the average man is fundamentally right, as against that of any school, from that of Mr. Harold Cox to that of Mr. Grayson ; for the present, it is my purpose to deal with this temporary community of policy between Liberalism and Socialism and the possibility, if any, of its permanence. This is to enter into one of the most heated controversies of the day—the vexed question of the relations of Liberalism and Labour, one that is especially difficult for any one to approach in a sufficiently detached and impartial manner. My work, however, would be incomplete, probably worthless, without it, and therefore the task must at least be attempted.

The first thing to note is that even in the General Elections of 1910, when the warfare between Liberalism and Labour appeared almost suspended in the House of Commons, it still continued nearly as fiercely as ever in the country. In spite of eloquent remonstrances from the Liberal Press, neither Labour nor Liberalism ever hesitated out of consideration for the importance of the Veto issue, still less of the convenience of the other party, to fight any seat where there was a reasonable chance of victory, even at the risk of letting in a Tory. The one real exception to this was in the election at North Manchester in January, when the Liberal candidate definitely retired in favour of the Labour man. True, there were many prospective Labour candidatures withdrawn ; but this, it is safe to say, was much more due to the suddenness of the election and the limited finances of the party than to any other consideration.

Liberalism wrested a seat from Labour at Jarrow ; and though it is pretty certain that where there was no third candidate in the field the enemy of the Lords received

the votes of both parties, this did not prevent three-cornered fights being as bitter and determined as ever.

Now it is evident either that this is, as the *Daily News* and *Morning Leader* appear to think, mere passing folly, or the original difference between Liberalism and Labourism still exists, in spite of the fact that both have become social reform parties. A vital difference can alone justify such tactics, and if no such difference exists, we must ere long see Liberalism and Labour coming to some working arrangement in the constituencies and the House of Commons. Is there such a difference, and in what does it consist? To answer this question it will be necessary, at the risk of some repetition, to refer to the history of the Labour party and of modern "social reformist" Liberalism.

First with the Labour Party. This party has come into existence through the union of avowed Socialists and the Trade Unions—as I have elsewhere called them, of "Ideal" and "Organic" Socialism. This union has only been rendered possible in proportion as Socialists have been prepared to become reformers, with an immediately practicable programme likely to be definitely advantageous to the living generation of Trade Unionists, not merely to revolutionaries proposing to establish Utopia some day. Socialists and Trade Unionists have discovered their greatest common measure of agreement in actual politics, and have formed an alliance upon it. This has been done not without many and bitter protests from Socialists themselves, but it has ample justification, and is indeed only a logical deduction from so old a document as the *Communist Manifesto*. So thoroughly political has Socialism become since that time that nowadays hardly any one thinks of Socialism as anything other than a great international movement to obtain control of land and industrial capital by the *State*. Coupled with this demand for State Socialism is another

for universal suffrage, for the abolition of all privileges of class or sex. But it should never be forgotten that this political aspect of Socialism is, however important, not primary and universal, but only secondary. Pre-Marxian Socialism was not, to any great extent, political, and could hardly be called democratic, except that it is hardly possible to conceive of a society in which land and capital were held in common and all incomes were equal, or nearly so, having other than a democratic constitution. The *Communist Manifesto*, indeed, marks a stage in the history of Socialism—the stage in which it definitely entered politics, and aimed at becoming a political force.

Now neither the Socialist nor any other movement can enter into politics without, however reluctantly, submitting to the limitations of politics. Up to the time the Socialist became a politician, he could be as Utopian as he liked ; he was subject only to the limits of his own imagination ; he could draw up plans of the ideal State, and either publish them for the applause of the world, or, if he had money enough, make experiments on his own account. Once, however, Socialism entered into politics, all this sort of thing became relatively unimportant, and there is little of Utopianism in the work of Marx and Engels. Indeed, there was all too little, and what there was of it was very poor Utopianism. But from the day when Socialists called on “the proletarians of all the world to unite,” through the *Communist Manifesto*, they had no longer only themselves and their ideals to consider, they had another, and a slower, set of people and ideas to take into account. In short, they had to get on terms with Whitman’s “divine average,” the man in the street.

The full implications of this have not yet dawned on many Socialists, while not a few of those who have begun to realise them are inclined to kick over the traces

and relapse into the mere impotence from which Marx saved the movement. For there is no use in being a politician at all unless you play the game. If Socialism is to ally itself with the man in the street, it can only do so on his own terms. The question to be decided first of all is whether it is worth while. I think it is, and hope to give my reasons for this belief later ; for the present, it is only necessary to say that it all depends on whether the working class have anything in common with Socialism, and to point out that, in any case, if such an alliance cannot be made, Socialism itself is mere futility. A group of poets, artists, philosophers, and economists, however brilliant they may be, are of no political account whatever unless they have behind them some actual force, and that force Socialists are certainly not going to find among the aristocracy !

During recent years a movement has sprung up, chiefly in France and Italy, among a set of Socialists who clearly perceive the inevitable tendency of politics to, as they consider it, degrade Socialism. Syndicalism, which, under the name of " Industrial Unionism," has spread to this country, would have the Socialist divorce himself from all politics, and confine the war to the industrial field. The strike, not the vote, is to be the weapon of the working man. Perpetual warfare in the industrial field, leading up to the universal strike of all workers, is preached incessantly, all politicians, from the mildest Fabian permeator to the editor of *Justice* himself, being merged in a common infamy.

Strikes, and again strikes, ending in revolution ! A pretty prospect this opens up to the man anxious to get through his share of the twentieth century in some comfort and a little peace ! But, however we may differ from the Syndicalists, we should not blind ourselves to the kernel of truth there is in their ideas. The Syndicalist Movement will not be without its uses if it teaches

the Socialists that politics are not everything, and that the social revolution, whenever or however it comes, will be something very much greater than anything that Parliament can bring about. For the present it is only necessary to state that the Syndicalist is entirely right in one thing : whether for good or evil, political Socialism must always tend to Labourism. The "reformist" tendencies of modern Labour and Socialist parties are inherent. The Socialist who would found a party must face this dilemma : either he can accept democracy as it is, and base his programme on "Social Reform," or he can insist on revolution, in which case his "party" will be a stage army utterly useless for any practical purpose. Now, however bravely a revolutionist may enter the field of politics, he is certain sooner or later to feel the force of this dilemma. He cannot, once he is face to face with the electors, avoid discussing the questions in which they are interested at the time. He may indulge in the most whole-hearted condemnation of all the measures proposed by his capitalist opponents, but this will in no wise help him. In that case he will be compelled to table his concrete objections, and before long to suggest some equally reformist and immediately workable alternative. In this way he will find himself committed to some more or less definite scheme of "reform." If by some chance he is elected to any public body whatever, he will at once find himself up to the ears in detail work, serving on committees, listening to deputations, arguing all sort of questions that have only a very indirect bearing on the general principle of Socialism. Nor can he avoid this without quickly losing the confidence of his supporters. The very people who encouraged him to "stick to Socialism" as a candidate will very likely be the first to press upon his immediate consideration all sorts of minor issues, local and national, and to condemn him if he neglects them. The progress

of Mr. John Burns from a revolutionary agitator to the Presidency of the Local Government Board is certainly an extreme instance of this tendency, but it is typical enough. There is no help for it; the man who enters politics will end—a politician.

But while the Syndicalists have correctly stated the tendency of political Socialism, it by no means follows that they have escaped the same dilemma. On the contrary, they have fled from the frying-pan into the fire. In politics, Socialism can at least form a guiding thread of principle through all the necessary compromises, the unavoidable details of practical things. But in industrial warfare the Syndicalist finds himself *entirely* absorbed in quarrels about increases of a shilling or two a week in wages, in questions of hours of labour and details of factory working, in practical improvements in the labour conditions of this or that set of men, all based on the supposition that the present capitalist method of production is to last. In fact, the Industrial Unionist is, as much as the politician, compelled to be a reformist, though in a different field, however his revolutionary soul may revolt at the necessity.

In fact, when Karl Marx, in the *Communist Manifesto*, called on the workers of the world to unite, he definitely harnessed the Pegasus of Socialism to the plough of Labourism. Only by this means could Socialism become a force in the world. But world-forces, however important, work under conditions vastly more onerous than those which govern the freedom of thought. The union of Socialism and Labour gave inspiration to the latter, but only on condition that Labour continually shaped and modified Socialism after its own likeness. The Utopian is like an artist forming free conceptions of ideal beauty at will; the Labour-Socialist is like the same artist struggling to give expression to those conceptions in a stubborn material having a very marked character of its own.

But as it is only the bad artist who quarrels with his materials, it would be well perhaps for the Socialist to make a study of this one presented to his hand before he rejects Labour altogether, and returns again to the region of speculation and impotence. What are we to think of this uncrowned king of the modern world, the working man who is now being sought after on all hands, by Liberal and Socialist alike, and who stands listening to their various ideas and projects, quietly but remorsefully shaping them after his own likeness? Is he the half-slavish, thoughtless, woefully undramatic politician his revolutionary friends seem to suppose? or has he something after all to be said on his side of the question, little as he may be able to say it, not being in the habit of speaking much in public?

As the average workman is certainly not gifted with greater natural intelligence nor with a higher humanitarianism than his Liberal or Socialist well-wishers, while his formal education is, from no fault of his own, incomparably worse, we must seek for an answer to these questions in circumstances that give him in some way or another a compensating advantage denied to middle-class politicians. The politician *thinks* about social problems; the average worker *feels* them. The social question is ever with him, though it presents itself to him in the form of a series of concrete grievances of which he personally is the victim. His wages are too low, his hours of labour are too long, he cannot afford a convenient and comfortable house, he is unemployed or fears to be so, the cost of living has gone up and is still rising, he has too little leisure and recreation; while all through his life poverty even worse than that he is actually suffering threatens, and, if he lives long enough, is certain to overtake him. He is not very apt at generalising, but he has an incomparably clear conception, born of bitter experience, where the

shoe pinches. He is hence permanently discontent, often despondently, but often also hopefully discontented, looking now to one agency now to another for some betterment in his position. It is this profound and well-nigh universal discontent, the discontent of millions of individuals with the evils of their own personal conditions, that is the root of all modern proletarian movements.

But the workman soon finds out that, except for the fortunate few who "get on" into another class altogether, there is no progress for him, except in association with his fellows. Whenever circumstances permit, then, and as far as they permit, the proletariat organises itself, in Trade Unions, in Co-operative Societies, in friendly clubs, and, last of all, in this country at least, politically. But the growth of association soon develops a new set of feelings, secondary perhaps, but of great importance. We get the germ of the communal feeling, the interests outside the individual himself, the feeling of loyalty to the Union, the Store, or the club.¹ But this growing

¹ This feeling is by no means always reasonable. Mr. Lloyd George had to take every precaution to secure the goodwill of the Friendly Societies, both for Old Age Pensions and for Insurance. Now obviously a Friendly Society, as distinguished from a profit-making Insurance Company, need only exist to secure certain benefits for its members. If a cheaper or better way of doing this can be devised, there can be no sound reason why the members should object to limit their operations or even disband their society altogether, just as a business man scraps his old machinery when he can get better. Yet it is tolerably certain that even the best public provision for the risks of modern life would encounter opposition from the "vested interest" of the Friendly Societies if it rendered their activities no longer necessary. The same applies to the private hospitals who feared they would be "injured" by the Insurance Bill. Logically it mattered nothing to these institutions if their subscriptions fell off, provided some one else did their work. But the moral value of the spirit created by any form of human association is too great to allow us to resent any manifestation of the "will to live" among institutions that are carrying on a good work, however unreasonable it may appear.

communal feeling still preserves the same practical character. We hear of the "Trade Union rate of wage," not of the abolition of the wage system in industrial affairs, and, in politics, of employers' liability for accidents, not of the expropriation of the employer altogether. In fact, organic Socialism makes the same kind of demand as the unorganised workman—a demand for some immediate and practical relief in the condition of the present generation of workers. Labourism attacks the fabric of Capitalism, not as a contractor attacks an old building with pick and shovel to remove it in a day, but after the slow manner of time itself, gradually wearing down first one part and then another, and leaving many things standing long after every one would have expected them to disappear. For even when the wage-labourer is a Socialist—and there are, in porportion at least, as many Socialists among wage-workers as in any other class—he is by the very fact of his position compelled to attach importance to questions which the Socialist in easier circumstances can afford to forget. He cannot be indifferent to immediate gains, however slight and, from the point of view of what ought to be, contemptible they may appear. These gains affect him and his personally; they form part of the business of daily life, as well as of his hopes for the future; he cannot help struggling for small improvements in his conditions under Capitalism, however strenuously he may maintain from the platform that "all palliatives are useless."

It is clear that without the working classes no Socialist revolution is possible, and hence some Socialists have concluded that the best work for the present is not to organise Labour as it is to-day, but to convert as many individuals to Socialism as possible, so that the Labour organisations, and indeed society generally, may gradually become ready for a revolutionary change.

This may very likely be good policy for those who have little aptitude for politics and much power of persuasion, for such men as William Morris or Mr. Robert Blatchford. Certainly no one need question the usefulness of this sort of work, provided always that its admirers stick to it, and do not waste too much time interfering with others who are doing equally vital work of a different character. Be that as it may, however, one thing is clear—the opinions and aims of the Trade Unionists, for instance, represent the high-water mark of possible progress at any given time. What these two millions of the most advanced workmen are not prepared to do the non-Unionist majority among the electors certainly will not do. Socialism, whether it comes in a lump or in stages, can only come, at the fastest, as the majority of the people approve.

But what is not so generally recognised is that Socialist progress is also dependent upon the progress of that Capitalism it desires to displace. The authors of the *Communist Manifesto* fully understood this. No one certainly was less likely than Marx to expect the proletariat to become Socialist faster than the development of Capitalism compelled them to be so. How could the author of the materialist interpretation of history expect a whole people living under one method of production to be converted to the ideas natural to a totally different one, and then in the enthusiasm of conversion to change its system as one changes a suit of clothes? Marx and Engels made no such mistake. They made it perfectly clear that they expected Capitalism to develop in a certain direction to its own destruction, and only when Capitalism had exhausted its strength could the proletariat take possession. Meantime Capitalism had a distinct mission to perform. It was its part to displace completely the small individual producer and trader by social production in large-scale businesses, to destroy the

middle class completely, and to divide civilised mankind into two classes only—millionaires on the one hand and proletarians or wage-workers, possessing nothing but their labour, on the other. Then, when the misery of the many was at its worst, when all the industries of the world were concentrated in large concerns owned by a few, when perfected machinery had reduced all processes to a matter almost of routine, the ragged and hungry proletarians were to rush in and seize the whole, using the means of production, now thoroughly social in character, to make things needful for themselves for social use and not for private profit.

At the time the *Communist Manifesto* was issued, and indeed for long after, this all looked much more plausible than it does now. At the commencement of *Progress and Poverty* Henry George draws a vivid picture of the astonishment of a man who at the beginning of last century was told of the inventions that were to take place before its close. And of course no man could have foreseen in 1800 the exact labour-saving inventions that actually were in existence when *Progress and Poverty* was written, or the many that have been added to them since. But almost from the outset of the Industrial Revolution enthusiasts had the wildest ideas of what science would some day accomplish. It is, indeed, a mistake to suppose that at the outset of a new thing people expect less from it than they do after. Edison's first invention of electric light created a panic amongst holders of gas shares, on which the slow progress of electricity during thirty years is a curious practical satire. In the same way, though the multi-millionaire had not yet appeared, and trusts and kartels were as yet unheard of, the greater industry had already sufficiently shown its general tendency to enable Marx to draw vivid pictures of the time when the middle class would have disappeared, and nothing should interpose between the

dispossessed millions and the usurping millionaires.¹ It was much less easy for him to allow for the enormous cumulative force of the various counter tendencies existing in society, tendencies which have sufficed to keep things very far behind Marx's estimate, in spite of the rapid developments in invention and organisation since his day.

Marx clearly considered the concentration of the instruments of production into the hands of a "few magnates of capital" as the essential prelude to a social revolution. This has not, however, happened yet, and on his own showing the world is not yet ready for the proletarian revolution, for the "Dictatorship of the Proletariat," the abolition of the State, or the somewhat nebulous Utopia which were to follow them. We can go further. Not only has no concentration of power at all equal to that outlined by Marx taken place, but we have very good reason to believe it never will happen. There are certainly richer men now than any who lived a generation ago, but the number as well as the individual fortunes of our capitalist magnates tends steadily to increase. The middle class does not tend to disappear, but, on the contrary, grows more numerous and more prosperous every year. Even in those industries which tend most to monopoly and concentration the monopoly is rarely the property of one man. The capital even of the great trusts and combines is subscribed for and owned by a multitude of shareholders, who thus have an interest in

¹ Along with the constantly diminishing number of the magnates of capital who usurp and monopolise all advantages of this process of transformation (*i.e.*, "the transformation of the instruments of labour into instruments of labour only usable in common") grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organised by the very mechanism of the process of capitalist production itself (*Capital*, English edition, vol. i. pp. 788-89).

Capitalism quite sufficient to secure their support against any revolutionary attempt at expropriation. Even, therefore, the greatest concentration of industry does not necessarily tend to decrease the numbers nor destroy the power of the middle class. And the concentration of certain leading industries does not necessarily imply the extinction or even the diminution in the numbers of the smaller traders. Side by side with the indefinite expansion of great capitalist concerns goes on a steady increase, both actual and relative to the population, in the number of smaller ones. The small capitalist does not tend to disappear even in manufactures; on the contrary, his class is steadily becoming more numerous.

In agriculture this is so to an even greater extent, for there the tendency is actually to a decline in the average size of a farm, at least in some countries. If our own country is an exception, it is only one of those exceptions that prove the rule. Our land laws have acted as a very effective check upon the natural tendencies of modern agriculture; but there can be no doubt that were this barrier broken down we should soon have a large increase in the number of small-holders. This, too, with the full approval and support of the great majority of British Socialists themselves. Only here and there does some severely logical follower of Karl Marx raise a vain protest against what he, quite reasonably from his own point of view, regards as a piece of reaction. The average British Socialist, however, treats Kropotkin's *Fields, Factories, and Workshops* as an authoritative text, and indulges his "back to the land" sentiment as freely as any Radical land reformer.

Nor can it be fairly maintained that Capitalism necessarily leads to the increasing misery among the proletariat themselves. With the great industries all requiring capital far beyond his means, the wage-worker of to-day

is necessarily worse off in many vital respects than his ancestor in the days before the power-driven machine had replaced the hand-tool. Nowhere is the proletarian secure; nowhere is he, or ought he to be, contented. The Industrial Revolution degraded the independent craftsman to a wage-worker, dependent from week to week throughout his life upon the fluctuations of trade and the goodwill of his foreman or employer. It made life full of dangers for him, and deprived him of any security beyond the current week and his daily work of the interest that is born of freedom. But once it had done that Capitalism did not necessarily tend to make life for *each new generation of men under it* harder than for their fathers. On the contrary, with many periods of reaction, the tendency of the last hundred years has been for wages to increase, for hours of labour to be reduced, and for the leading necessities of life, with the exception of rent, to become cheaper.¹

I shall return to this subject later; for the present it is enough to call attention to the bearing of this on the doctrine of economic determinism. According to this doctrine, the ideas, political, moral, religious, &c., of an age or of a class are mainly determined by the state of its economic development. In so far as this doctrine of Marx is true, the Labour Movement must reflect, in common with other contemporary social phenomena, the actual industrial development of the day. It is thus an expression of what has actually come about, though not necessarily of what Marx and Engels expected when they issued the *Communist Manifesto*. Engels, later in life, admitted that he and Marx had expected things to ripen much faster than they actually did. But while the reformist, practical opportunism of the actual Labour

¹ Unfortunately the years of this century so far have been an exception to the general rule.

Movement may conflict in a very marked way with their expectations, it does much to justify their general conception. Had they realised the modified form that capitalistic evolution was to take, their own theory would have compelled them to anticipate just such a proletarian movement as has actually come about. The actual development of industry justifies and explains the Labour Movement.

And if the Labour Movement is thus justified by facts, is not the Labour member who goes in for progressive social reorganisation, rather than for social revolution, justified as against his critics, who, going to him for drama, receive only—politics? After the scene in the House of Commons in 1908, which resulted in the suspension of Mr. Victor Grayson, one of the complaints made against the Labour party was that it lacked the sense of “drama.” The Labour members, it was thought, might have made a sensation in the country had they joined in Mr. Grayson’s protest and been likewise suspended. Middle class or rich Socialists, it was thought, would have made this protest, but the working man was too slow to realise his opportunity. Mr. Bernard Shaw even suggested, in a letter to the *Clarion*, the founding of a new Socialist party, to consist entirely of wealthy men, who, having been admitted into “society” and seen its hollowness, were prepared to surrender all on the altar of Socialism. Mr. Shaw named himself and Mr. Cunninghame Graham as two suitable candidates for membership. A third rather surprised me, for the founder went on to explain that Mr. Keir Hardie could be included. Now, Mr. Hardie has given as strong guarantees of his devotion to Socialism as any man I know, but this particular credential, an overdose of wealth leading to contempt for the poms and vanities of this wicked world, is the one qualification to which I think he can make no claim. On reflection,

however, I think I can grasp the idea. After all, a party must consist of more than two ; and if you are going to wait till any considerable section of the rich share the satiety of Mr. Shaw and Mr. Graham, it will be difficult to proceed any faster than the "undramatic" Labour party. So Mr. Shaw decides to stretch a point, and allow even a Labour leader or two to enter.

To the dramatist no doubt "all the world's a stage," and Mr. Shaw was naturally disappointed that the Labour members did not all get turned out with Mr. Grayson. In like manner he looked back on the Parliament of 1886-1892 as a dreary affair with only one "curtain." This Parliament was chiefly noteworthy to him because of the occasion on which Mr. Cunninghame Graham, then a member of the House, "damned" the speaker.¹ The working man is not a dramatist ; he is neither a saint nor a sage, but he is in touch with things as they are ; he is *in* the battle, feeling all the blows, while his intellectual friends look on, giving sometimes assistance, more generally—advice. Matters are generally quite dramatic enough for him without attempting anything that will bring more sacrifices in its train, unless he sees some immediate and tangible advantage by doing so. Hence he will not go on strike for Utopia, whatever he may do for an extra shilling a day ; nor will he squander hard-won Trade Union money in fighting every bye-election, simply because Fleet Street Socialists think he ought to do so. But though neither saint nor sage, he is in his own way a bit of a hero, and when once he sees some real chance to improve the position of his class, neither he nor his wife will grudge any suffering the effort involves—witness what they did and suffered so soon as they found out the effect of the sympathetic strike.

The Labour party is an alliance of Trade Unionists

¹ See preface to *Plays for Puritans*.

and those Socialists who, agreeing with Marx at least in their belief that the hope of Socialism depends upon the working classes, are prepared to take those working classes as they are, recognising that any legislation that cannot command the support of the Trade Unions is, however desirable in itself, for the present not practical politics. Between advanced working-class opinion and the industrial facts of the moment there is, in the nature of things, a close relation. For working-class opinion, though of course largely influenced by outside propaganda, is mainly formed by experience. In the constant conflict for better conditions the workman feels where he is weak and where he is strong; he finds out where advance is possible and where it is barred; all along, he strikes first at the greatest practical, not the greatest theoretic, evil, for he alone feels where the shoe pinches most. The Socialist gains as much by the alliance as the Trade Unionists, for they give him a constant means of measuring the possible. True, he has to leave over from time to time many things he would like to do at once. He must wait for the development of industry, for the spread, over an adequate area, of opinion; but, and this is the important matter, he need wait for nothing else. Once he has got the mass of Labour opinion with him, he knows that the formative force of modern society is on his side, and is prepared to take the next step forward; if he goes forward he will not be left alone.

To sum up, then, the application of Socialism to politics, and indeed to life, is in the nature of things a series of compromises. The pure Socialist who is not prepared to compromise at all counts for nothing. He is, in the phrase of Mathew Arnold, an "ineffectual angel," who may have the inspiration of the prophet, but can never make a statesman. But any Socialist who endeavours to come to terms with life is bound to

compromise : the only question at issue is not one of principle, but of the desirability or otherwise, from a practical point of view, of any particular compromise. But certainly Socialism resents the onerous terms on which it is compelled to get in touch with the world of fact. There is no logical point between the simple ethical statement of fellowship and the acceptance of such conditions as at any given time will ally Socialism with some actual living force, adequate in extent, in contemporary society. In the attempt to obtain a foothold on the earth Socialism has advanced to meet the people stage by stage :

1. It called on the people in the *Communist Manifesto* to unite, the Marxian section demanding that this unity should be established on a "class-conscious" basis, and should directly aim at the destruction of Capitalism and the substitution of a co-operative commonwealth.

2. But from the first even the revolutionary Socialist was obliged to adopt a "transitional programme" in order to make himself in any way comprehensible to the workers whom he wished to unite. Such a programme, however unpractical, is in effect a complete concession of the necessity for compromise, whether it be political, like that of the Social Democratic party, or forms the immediate demand of an Industrial Union.

3. But the "programmes" of doctrinaires are usually no more immediately practicable than their doctrines, and it became evident that Socialism would have to come a good way further before it could come to terms with Labour. Slowly it has come to be realised that the only way to effect anything is to meet Labour on its own terms. Hence we get the alliance of Labour and Socialism in the Labour party—a party with no programme, but only a sessional policy, determined by events from year to year.

4. At this point, having now a body as well as a soul, Socialism becomes a genuine political force, however strictly conditioned. But its ancient quarrel with political individualism loses almost all its picturesque and dramatic character. The dividing line between Liberal and Socialist tends to become blurred and indistinct. The two parties tend to find a meeting-point determined by the average working-class elector; they are compelled, however reluctantly, to concern themselves mainly about matters having a direct and beneficial effect upon his daily life. If Liberalism tends to revert to its old, middle-class Puritanism and tries to make it difficult for the workman to get a drink, the latter revolts, until Liberalism turns its attention to making it easier to get something to eat. And if Socialism wanders from things immediate to promises of things remote, the new autocrat of politics again asserts his authority, and where Labourism by its realistic methods can draw thousands of votes the Socialist who will not come to terms with things as they are will fail to obtain hundreds. The Socialist discovers that everywhere the working man is making the politicians revolve round himself in orbits controlled by his practical needs, and if ever any stray comets appear in the political heavens from the distant spaces of Individualism and Socialism, as did Mr. Harold Cox and Mr. Grayson, it is only to go back into the void again as quickly as they came.

5. So far the astonished Socialist finds his party actually aiding his rivals to pass "Liberal" measures. In spite of the fact that Liberalism and Labour are still at war in the constituencies, he hears the Liberal, Irish, and Labour parties freely spoken of as the "Coalition" within the House. Is he to go a step further? Is the "Coalition" to be a permanent affair? Will "Liberal" and "Labour" come to imply no more important a

distinction than that between "Conservative" and "Liberal Unionist"?

I shall deal with this question in the next chapter. After that there remain several important aspects of Guarantism which require special consideration—the influence of democratic politics on literature and thought, the contradictions of Guarantism itself and its relations to the movement for women's emancipation. Those once out of the way, I shall return to the interesting question partly touched upon in this chapter—Can Guarantism justify itself to the idealist? After all, Socialism is a study of perfection, and, whether perfection be ever attainable or not, it is at least the struggle for it that gives life and colour to politics. The detail work to which the Socialist to-day is condemned may seem to the idealist a shattering of his dreams, a thing altogether sordid and commonplace. To the ardent advocate of Syndicalism, politics seem a mere Valley of Humiliation, only to be escaped by violence. But if democratic politics be the Valley of Humiliation it may nevertheless be found to be the way to the Celestial City.

CHAPTER VII

LABOUR AND LIBERALISM

THE Labour party, then, is an alliance of eager Socialists and Trade Unionists agreed on a policy of pressing to the front those questions of social reform on which working men are agreed in sufficient numbers to constitute an effective political force. This alliance implies two things. While allowing the Socialist wing of the party a free field for propaganda, however much ahead of the age, in order that the way may be prepared for more advanced action in the future, it definitely excludes from the arena of present-day politics all those issues for which there appears at any given time no widespread working-class demand. Hence the Labour party itself has no programme, but only a constitution; it holds a watching brief for working-class interests. The essence of the party lies in its democracy, not in a programme, still less in its leaders. We cannot, then, expect an end to be put to the warfare of Liberalism and Labour through agreement upon a common programme or because of the inclusion of any number of advanced men in the Liberal party or even in Liberal Cabinets. A clear recognition of this would save a great deal of unnecessary rhetoric and bad feeling between Labour men and Radicals. It is not necessary for Labour men to pose as in any way superior to advanced Radicals nor to belittle the programmes or the social enthusiasms of

the latter ; neither is it of the slightest use for Liberal pressmen or candidates to protest against Labour candidatures on the plea that the Radical is in favour of everything for which the Labour man stands. Very possibly all this may be true ; indeed, it may be that the official Liberal candidate has a wider grasp of politics and a more advanced programme than his opponent. This makes little difference. No mere re-shaping of the Liberal programme or the Liberal creed can ever bring the parties together, for the schism lies outside creeds and programmes altogether.

The growth of a social conscience, the rise of a new generation of Radicals largely freed from the traditions of the older Liberalism, and the steady Guarantist influence of the working-class vote have, as we have already seen, had a wide modifying influence on the Liberal party. Within the ranks of the party are many avowed Socialists, some of them sitting as Liberal members of Parliament. With them are numbers of able young Radicals, rather inclined to devote their powers of criticism to a disproportionate extent to the evils of land monopoly, but as sympathetic in their general attitude to social reform as most Trade Unionist members of Parliament. Often these men are better read in economics and politics generally. There are probably about a hundred men in the present House of Commons, some of them in the Liberal and some in the Labour party, who are not divided from one another by any vital difference of opinion about the kind of measures it is right to support or to oppose. Some of the most advanced of these sit as Liberals, some of the more conservative as Labour members, though no doubt there is proportionately more Socialism on the Labour than on the Radical benches. The division is upon the independence of Labour, not upon any economic or political doctrine in the ordinary sense at all. Nobody

will ever come to understand modern democratic politics at all who fails to realise this. The presence of many advanced men in the Liberal party, even if they were far more numerous than they are, would in itself in no way lessen the need for an Independent Labour party. This would remain, even if the average Liberal member were more and not less advanced than the average Labour man. Nor does the spread of Socialistic ideas among Liberal writers in any way affect the position. The friends of the Labour party can frankly afford to admit that the works of such writers as Messrs. J. A. Hobson, Chiozza Money, the Rowntrees, L. T. Hobhouse, and J. M. Robertson have been quite as useful in moulding modern thought as the works of the Fabians themselves, without in any way weakening their case. The line that divides advanced Radical thought from constructive Socialist writing is as blurred as that between the representatives of Labour and Liberalism in the House of Commons.

There is evidently a great amount of sympathy among Liberals, not only for Labour, but for Socialism, and I do not think it would be true to say that this sympathy does not spread very far among the rank and file of Liberalism. The poorer middle class and most of the working-men Liberals generally respond to the same sort of appeals as arouse the Labour party supporters in the same ranks of society ; though of course here also we meet the usual tendency to over-emphasise the criticism of landlordism and the faith in specifics like the Single Tax. Substantially, however, contact with the rank and file of both parties has convinced me that the line between Liberal and Labour worker is very nearly as roughly drawn as that between Labour-Socialist and new Radical writers.¹

¹ Thus an active League of Young Liberals in Yorkshire was strongly anti-Socialist in feeling. Their speeches, however, would have gone down very well anywhere else on the Labour party platform.

For all that we must remember that though Liberalism and Labour may touch one another at the centre, the two parties radiate from that centre in very different directions. Mr. J. A. Hobson and Mr. Ramsay MacDonald, apart from the question of political independence, may have few but academic differences, the Radical engineer and the Labour miner may agree upon almost every question of the day; but if these meet at the centre of things Mr. Harold Cox and Mr. Grayson are as far as the poles asunder, and these men are at most just outside the pale of Liberalism and of Labour. For Liberalism as an organised force contains many representatives of every stage through which modern Radicalism has passed on the journey from *laissez faire* to constructive, Socialistic reform. And it is on what Liberalism is as an organised force, not on the convictions of individuals, however eminent and sincere, or even of the majority of the rank and file, that the character of the party depends. The general growth of opinion in the country, the political necessity for getting on terms with the average working man, and the dread of Tariff Reform among far-sighted capitalists, who see that Protection would injure their business, have combined to induce Liberals to modify the old individualism of the party. Sufficient of them have imbibed the new ideas to exercise an influence on the party as a whole. This has been seconded by two important things—the natural hunger of party men for some share of the honours and sweets of office, combined with the knowledge, in not a few cases, that even a Super Tax of sixpence in the pound will take less from them than a protective tariff, which would ruin their trade. In fact, Liberalism to-day is an alliance of many forces, from the Tory Free Trader to the middle-class Socialist. Making every allowance, then, for the very real improvement on the Liberalism of the 'nineties, and while contending that

each Liberal measure should be considered without prejudice and on its merits, it is not possible as yet to pronounce organised Liberalism as definitely Guarantist, still less Socialistic.

The last decade has not only shown us a strong revival of Liberalism in the constituencies, and a revision of a favourable character in current Liberal doctrine, it has shown us, no less clearly, a great increase in the financial strength of the party. In the early days of the 1892 election the *Standard* claimed that the electoral successes up to then obtained by Liberalism could do little to counteract the moral effect of the forty seats the party had been compelled to leave uncontested. I think it was in this election that the newspapers first issued those model ladders on which the figures of the Government and Opposition leaders were pinned from day to day, indicating the extent of their followings already elected to the House. Though Liberalism had a small majority at the close, I well remember it was a long time before the figure of Mr. Gladstone was placed as high as that of Lord Salisbury, and this merely because of the number of seats originally ceded to Toryism without any contest. In 1895 and 1900 matters were notoriously worse. The number of seats uncontested in these elections was so great as to bring us almost in sight of the time when Liberalism might be unable to fight an election to *win* at all. Obviously in no case can a party hope to hold office unless it is provided with adequate funds and a sufficient number of candidates to fight a great many more than half the 670 seats open to attack at a General Election. Liberalism seemed, ten years ago, to be rapidly drifting into this condition of impotence. A tendency like this, once setting in, is likely to grow at an increasing rate in any party where the prospects of titles or office play any part at all in increasing the subscription list. The further from office a party appears

to be, the less is it worth any one's while to "speculate in futures" by giving a big donation to the party war chest. At the close of the last century there seemed some possibility that Liberalism would clear itself of the charge often laid against it by the Socialists of being a mere wing of *the* capitalist party by becoming denuded of its capitalists.

The misdeeds of Mr. Balfour's Ministry and the threat of Protection changed all this. At once it became evident that the prospects of Liberalism were incomparable brighter than they had been for years. The wealthy man who cast his bread upon the waters of Liberalism might reasonably hope to find it again before many days. Cotton-spinners and shipbuilders were quite alive to the danger of Tariff Reform, and were willing enough to run as candidates or to subscribe their money in order to defeat it. In fact, quite apart from any real sympathy with the people, though I do not deny that this existed or was real enough, there was a genuine revival of capitalist interest in Liberalism. Since then, whatever else there may have been, there has been no sign of poverty in the party. The balance of wealth may still rest with Toryism, but Liberalism can always find candidates, wherever there is a decent fighting chance, while large sums of money can be obtained for organising and propaganda work. In one way, too, Liberals have an advantage, even over their aristocratic rivals. As far as honours are concerned, Mr. Asquith is in a much more hopeful position for dispensing them than Mr. Bonar Law, whose friends have to content themselves with very dim and distant prospects indeed.

Now nobody for a moment imagines that the funds of the Liberal party come to any extent from the working classes. Liberalism as a fighting force to-day depends entirely on the continuance of large subscriptions from wealthy men. I do not want to overstate the case. I

am well aware that thousands of pounds come from earnest reformers, whose motive is pure sympathy with the people, and who would make great sacrifices to obtain a better social system than we have to-day. But you cannot keep the Liberal machine at fighting-pitch on the means these men can place at its disposal; the cocoa trade, however honourable, bears only a small relation to the whole of British industry. For the rest, I am quite prepared to credit average Liberals with a genuine conviction that their subscriptions are given to the right side, at least with a belief that Toryism would be injurious to the country. No doubt the hope of honours or rewards plays its part—we are speaking of men, not of angels—in making the subscriptions more generous than they otherwise would be. But it is no part of my case to make out that the Liberalism of wealthy men is a mere sham; the point is that it is *their* Liberalism and not that of the man in the street.

For even supposing Liberalism were financed entirely by wealthy men of the purest sympathy and the clearest insight possible to humanity, the fundamental objection to a definite alliance between Liberalism and Labour would lose none of its force. Many wealthy men are ahead not only of their class, but of the age. Not to speak of the fathers of Socialism from Owen to Morris, I have no doubt whatever that there are many rich Liberals whose social idealism is far in advance of the average Trade Unionist member of the Labour party, who always votes for Labour. From the point of view of the practical politician, all advanced ideas beyond those that can secure adequate support from the electors are, for the present, outside the question. The opinion of organised Labour is not only a measure of the things that can be done, it is also a test of those that are for the present impossible. It is useless, for instance, to revive the controversy over the Licencing Bill of 1908; but

assuming that it was all its authors and the temperance reformers thought it was, that does not prove that the Bill was a wise proposal. Obviously, as the Liberal experiences at by-elections showed, the people were not prepared for such a measure. The time spent upon it was wasted, as is always the case when legislation is not based on the demand of the people.

But of course the effect of Liberal dependence upon Capitalism is not always or generally to bring the party in advance of progressive working-class feeling. When it does this it is impotent, but when it acts as a drag it is actively mischievous. Many instances could be given where the present Government have acted as no party controlled and financed absolutely by the working classes could possibly have done.¹ One will suffice. When the Labour disputes of last summer culminated in the threat of the organised railway servants to call out all the men on the lines, there can be no question that the Government were faced with a new and startling dilemma. The traditions of British statesmanship had imposed upon all Ministries at least the appearance of neutrality in all Labour troubles. Usually neutrality is interpreted to mean non-interference, and until recent years Governments, whatever their sympathies, generally allowed the combatants to carry on their quarrel as they pleased. For nearly twenty years, however, neutrality has not excluded friendly attempts at mediation, and the principle of arbitration has made great progress. But this attitude of impartiality has been rendered easy or perhaps even possible only by reason of the limited area covered by most strikes and lock-outs. The possibility of a general railway strike was a different thing. If that were once made effective and lasted for any length of time, it is almost impossible to estimate the extent of the mischief

¹ For several of these see an excellent booklet by Mr. H. D. Shallard, *Has Liberalism a Future?*

that would happen. The question of a general railway strike, then, is one of first-rate importance to the whole nation, and any Government responsible to the nation must be prepared to do everything in its power to prevent it.

It was trying enough to the mettle of any Ministry, just on the top of its triumph over the Lords, to find itself faced with this new situation. Precedent could give it practically no guidance, since no Government had ever before had to deal with such a crisis. And, in spite of what I am going to say, I admit that it was every way creditable to the Ministry that from the first they realised this. A weaker Government might possibly have let matters drift, or have waited until they were invited to assist; the Government at least realised that whether they could preserve neutrality or not, they were responsible at all costs to preserve the food supply of the people.

I think it was impossible to do this and preserve a strict attitude of neutrality. To keep the railways open it was absolutely essential to put pressure on *one side or the other* to the dispute. If they desired, and I believe they were quite right in desiring, to keep the lines open at all costs, it was necessary to do some "straight talk" to somebody, either to the directors or to the men. The Government had to make their decision and make it at once.

Now there cannot be any doubt whatever what decision the present or any other Labour party would have come to in the matter. If the meekest Liberal-Labour Trade Union leader in England had been in Mr. Asquith's position at the time, the unfortunate homily delivered to the railwaymen in August last year would never have been uttered. It is conceivable, of course, that a Labour Ministry might have failed to grasp the necessity for immediate action, just as a weak Tory or Liberal Govern-

ment might have failed ; but it is quite certain that if Labour did take action, it is Sir Guy Granet and the directors who would have come in for the Ministerial censure and threats, not the Labour leaders. Waiving for the moment, to be dealt with later on, the question of right or wrong, I want the reader to note that the decisive line between what they call abroad a "bourgeois" party and a Labour one is drawn at just such crises as this. Instinctively the party that depends on capitalistic funds turns to Capital ; instinctively the party financed by Labour turns to Labour. The thing takes on it the character of a revelation. "Wheresoever your treasure is, there will your heart be also."

We can readily understand the position of the two parties. "The Coalition" had just won its great victory, and the way lay open now to secure one by one each object which the two parties had in common. And as far as programmes count for anything there was much in common at least between the Left of Liberalism and the Right of Labour. Yet for weeks past men who had been voting together in the House had been fighting one another outside the walls of Parliament. As the Labour unrest grew in the country it had steadily become clearer that the alliance of Liberalism and Labour was an alliance *ad hoc*, not a fusion of two no longer hostile bodies. The Liberal members no more resembled the typical capitalists of Socialist cartoons than the Labour representatives are like the "British working man" of the comic papers. Very likely in their reasoned views upon progressive politics the difference between typical members of each party might not be very great ; nay, we might readily select a fair-sized group of Radicals more "advanced" than many of the Labour men. But one organisation depends financially, almost entirely on men whose interests are bound up with just such causes as that of the railway directors. The dispute

in question was the latest of a series in which the very men whose subscriptions alone make a Liberal Government possible had been fighting for their own hand against the rising tide of Labour unrest. Had Mr. Asquith taken any course to offend these men, Liberalism could no more have fought a General Election *to win* than it could have carried on a European war without a vote of credit from the Commons. The Labour party was in an exactly opposite position. To a very large extent the Labour troubles of last summer were a ferment among the constituent elements of the Labour party itself; the Trade Unionists who went on strike were the very men whose coppers accumulating in millions had rendered the Labour party possible. And the control of the men who finance a party is, in the last resort, as complete as the control of Parliament and the electors over the Executive, because it is based on the same thing—the power of the purse.

So far I have left over the question of right and wrong in the matter, in order that I might make perfectly clear the fundamental difference between the two parties, which some amiable progressives would like to see in permanent alliance. But this is not because I am not convinced that the Labour party's view of the matter was the right one from the point of view of society as a whole. It is, of course, perfectly possible in times of heated dispute like this for Labour to do an unwise or even an unrighteous thing, though the balance of probability is all on the other side. This is because the Labour party is itself an embodiment of the working man's demand for relief from very real and gross evils, and his errors will naturally be confined to those of unwise methods rather than of unjust demands. Capitalist mistakes will include both.

If we review the position, however, we shall see clearly that the Labour party was right and the Government

wrong. Not Mr. Asquith's Cabinet in particular, but the whole Government of the United Kingdom, ever since the invention of railways, was convicted by the crisis of last August of grievous incapacity. The case of the Government for interfering at all in the dispute, at any rate for exceeding the common course of offering merely friendly mediation between the parties, was based on the vital necessity to the nation to keep open the food supplies of the people. So important was this that Mr. Churchill contended, justly enough, that it was the Government's duty at all costs to see that food at any rate could pass freely over the lines. But Mr. Churchill has since made it equally clear that if the Government cannot in the last resort allow the railway employees the right freely accorded to other Trade Unionists, to bring their industry to a standstill, this imposes upon Government the duty of seeing that the railwaymen do not suffer therefor. It becomes the business of the State to see that railwaymen are fairly treated, that their conditions as to hours and wages are reasonable, and that they are not subject to petty tyranny or injustice. In fact, Mr. Churchill's position implies that the railway servant has, by virtue of his position, the responsibility of a public official. As the State cannot tolerate a strike among the soldiers, and refuses to allow the Post Office officials to suspend work, so it will interfere to prevent railway servants, whatever their grievances, from making their strikes effective. Of course Mr. Churchill is logical enough in seeing that this proposition implies another—that the Government is responsible for conditions under which railwaymen labour. The Home Secretary's position was utterly untenable unless he were able, from his own knowledge, to assure the nation that the conditions of railway service were just, or could pledge himself to rectify them immediately.

Obviously the Government were in no position to do

any such thing. The State had allowed certain private individuals to usurp its own position. It was not Mr. Churchill, with his honourable record of legislation against sweating, that counted in the first instance, but the notions of a set of directors so far behind the general level of business men that they would not even meet in conference the accredited representatives of the railwaymen's Unions. A position had arisen in which neither the railway directors, nor any one else not responsible to the electorate of the country, had any right to a voice at all. That, if anything, is the logical consequence of the Government's own contentions.

If, then, the Government proposed to organise the food supply, and thus very probably break the strike, it was their bounden duty *first* to make it perfectly clear to the directors that they would have to abandon at once their silly attitude of refusing to meet the Union representatives, telling them also that, if they failed to come to an agreement with their men, the Government would bring in a Bill enacting minimum conditions as to hours and wages on all railway lines, and compelling "recognition." This would almost certainly have ended the matter, whether the directors agreed to meet the men there and then or not. If, however, the Railway Unions had still persisted on drawing out the men, after knowing that Ministers had given an undertaking of that kind, then the Government would have had an impregnable case for organising the transport of foodstuffs, or whatever they considered vital to the nation.

But this, however important, is a digression from the subject of the present chapter. The point for our present purpose is that the organic structure of present-day Liberalism renders it an inadequate expression of the driving force of democracy, the life experience, the needs, the ideas and aims of the average working man. It expresses in the last resort, and can only express, his

feelings in so far as or when they happen to coincide with those of men, often broad-minded enough beyond doubt, who provide the funds of the party. It is quite conceivable that Liberalism might get ahead of the people; and indeed on this or that item of its programme it often is ahead. But it is no advantage for a party to be ahead of the nation, as, in that case, it is merely impotent. What we want is a party financed by the people, controlled by the people, in close touch with the people, and expressing the people themselves. Such a party, whether it receives subscriptions from rich men, however advanced, or not, must be in no way dependent financially upon one man or group of men. It must, in fact, be in a position to tell any man that it can do without him the moment it advances beyond his circle of ideas. This the Liberal party certainly cannot do.

Here we can see the essential truth of the Labour party's frequent contention that both the "orthodox" parties are capitalist. In reality Labour is not fighting against a thing called "Liberalism" or a thing called "Conservatism"; it is in arms against the power of wealth, even the wealth of wise and enlightened men, in politics. Once either of the old parties organises its finances on a basis as democratic as that of the Labour party, the mere fact that it may continue to call itself "Liberal" or "Conservative" should matter very little. But as distinct from temporary co-operation for a common end, alliance between Labour and Liberalism is not merely undesirable, it is simply impossible without this. At any moment an artificially constructed alliance might be broken up, whenever, as they would be bound sooner or later to do, the wealthy paymasters of Liberalism and the Trade Unionists who find the money for Labour representation disagreed.

But though I am convinced that Liberalism, as at present organised, is not adequate as an expression of

modern democracy, it by no means follows that it has not a place, and a very important one, in the work of progress. Unless this were so, indeed, Liberalism could never have made the very striking recovery it actually has done from its fall in 1895. Liberalism was certainly never stronger then it is to-day; and even if—and I see little sign of this—it has reached its zenith of popularity, it will take many years of failure to reduce it to impotence again. The Liberal party at the present moment fills an important place in politics, and one which no other party could supply.

I have said that Liberalism almost seemed in the 'nineties to be approaching a time when it would be unable to fight an election to win. It is obvious unless a party can find and finance a sufficient number of candidates to contest more than half the seats vacant at a General Election, that party cannot hope to return to power, unless at least it obtains the support of some other parties or groups. If there are only two parties in the field, the main result of the elections is a foregone conclusion; the party that fails to find candidates for half the seats will be in opposition. Only the Liberals and Conservatives can as yet fight to win in this way; the Labour and Irish parties virtually admitting from the outset of each election that for them opposition is inevitable. In the case of the Irish party there is, of course, no hope or no wish ever to change this. The Nationalists are a party *ad hoc*, and as soon as Home Rule is attained, Irish politics will inevitably be remodelled from top to bottom.

This is, of course, one of the cardinal facts of present-day politics. Formally each General Election is a fight between what Labour men often call the two "orthodox parties" for office, a contest in which the two newer parties take no direct part whatever. As long as this is the case it is perhaps more accurate to speak of the

Labour "group" than of the Labour "party." The Labour party, whatever their ultimate hopes, are for the present content to exercise an influence on Governments from outside, not to form a Government of their own. When, and only when, they challenge the other parties by placing sufficient candidates into the field to give the electors the chance to put them in power, will they have emerged from the position of a "group" and have become a full-fledged and responsible "party."

There is every reason, too, to believe that this state of things will continue for a long time yet. I see no reason to modify the opinion I expressed in *The Socialist Movement in England* that, in this country at least, "industrial organisation precedes political organisation."¹ The body of the Labour party consists of the Trade Unions, and the strength of the Labour party is therefore in the centres of Trade Unionism. The Labour party has hence little hold on the agricultural constituencies; though there, of course, the Socialist wing can and do carry on their propaganda. Now though the desire for better practical conditions of life is no doubt as strong in the country as in the town, it has as yet not succeeded to any extent in forming definite working-class organisations to express itself. Industrialism is to a large extent organised, agriculture remains scattered and helpless. Nor do I see how this can be speedily remedied. Neither the organisation of the towns nor the disorganisation of the country is the result of accident. The rural labourer lives apart, separate from his fellows; every action of his can be noted and punished by his employer; the agitation that is the beginning of organisation is to him almost impossible. If the Irish peasant has reason

¹ In Germany it is the other way round, but the philosophic German seems to start with an ideal first, and organises after; we organise for an immediate practical end first, and then slowly permeate the organisation with an ideal.

to complain that his landlord is an absentee, the English landless labourer may equally object that his is present and ready to interfere in the concerns of every one on the estate. Even, then, if the rural districts ever overcome the initial difficulties of organising on the lines of Trade Unionism, the process will necessarily be a slow one ; at all events, it will be a *process* and not a sudden creation. And it will be a process that must go far before it can bear the weight of politics. The rural labourer must organise first for the needs which press closest upon him, for better pay, for greater freedom, against the wrongs which he personally feels and knows. As he organises, no doubt his feeling of solidarity will grow. Organisation is in itself an education second to none. But organisation in the country will most likely take a form differing from that in the towns. Just complaints have been made everywhere of the slow working of the Small Holdings Act ; but it is in the changes effected by the widespread provision of allotments and small holdings that I see the best hope of an agricultural democracy. The associations of small-holders, and men rendered partly at least independent of the squires and farmers by the possession of allotments, seem to me likely to play the part of the Trade Unions in the towns. These organisations once formed, and necessity will compel their formation, must ere long find their way into politics. They will be led to formulate their own programmes and demands, based on their own experience and their own needs and circumstances. The Socialist who looks for anything revolutionary in these demands, when they are presented with the force of the rural organisations behind them, will be disappointed, as usual ; they will be reformist and practical to the last degree. But the Socialist who realises that we can only proceed as the organisation of the people proceeds need not trouble himself. The demands, however moderate, will be essen-

tially Socialistic. The law of human association is too universal, too all-pervading, to allow any group of poor men to demand anything that will not tend to bind them together, to replace isolated individual action by some form of mutual aid. But though organised rural Labour may well co-operate with organised urban Labour in many things common to both, it must be remembered that such co-operation can only safely be carried on if town Trade Unionists are prepared to incorporate with their own demands a country programme thought out and propounded in the country itself. The country programme, whatever else it may be, will be as technical, as definitely connected with specialised needs as the programme of Trade Unionism itself. The Trade Union members are admirably fitted by their training and experience to represent the working classes in the sort of constituencies to which at present they appeal. It is quite another matter if we consider them as representatives for rural seats. If, from one point of view, they have, even here, the advantage over the sympathetic Radical of means who happens to have made a study of rural conditions, they are generally behind him in specialist knowledge; for their general experience of life renders this impossible to most of them. As long as this is so, Liberalism and Toryism will continue to divide the rural constituencies. The party of the future, too, will have to draw its representatives from a far wider range of types than those at present available among the Trade Unionists. It should be remembered that a party which does not immediately aim at office, which seeks influence rather than power, will select its candidates with a view mainly to their efficiency as members of a group, to their knowledge of the special kind of work for which the group exists. For the kind of work before the Labour party to-day no more suitable member could possibly be found than a Trade Union expert. For a party, however,

hoping to have a "Front Bench" and a Cabinet, many other types are wanted. Before Labourism could become responsible for the government of the country it would have to gather to itself the abundant stock of intellectual Socialism and Radicalism having specialised knowledge in law, diplomacy, colonial and foreign affairs, finance, and economics. For the present, it has all too few Trade Unionists in the House, and its immediate need is to increase their membership.

But there is as yet no party in existence which is absolutely democratic in structure and spirit, and at the same time strong enough to win office and form a Government. Such a party would necessarily include the "Fabian" type of Socialists, who can realise that all effective progress must depend first upon the industrial development of the country, not as Karl Marx expected it to be, but as it actually is, and next upon the not altogether logical, and certainly neither revolutionary nor dramatic, but progressive and fraternal instincts which this development has implanted in the more intelligent type of working man. But it must also include those Radicals who have no sympathy with the money power, and who, though divided by party and often in ultimate ideals, yet foregather with Socialists in societies for land reform, for the "break up of the Poor Law," for Housing Reform, and against sweating and overcrowding. But such a party has not arrived yet; and, in spite of its capitalist basis, we must yet recognise the Liberal party as an essential factor in politics.

Probably enough the real progressive party needed—a party national in scale, constructed at least as to finance on the model of the Labour party—will not be so long in coming, after all. The real obstacle is the persistent way in which that Old Man of the Sea, Tariff Reform, clings to the shoulders of the Tory party.

Were this once dropped there would probably be a noted revival of Conservatism caused by the secession of wealthy Whigs who are wise enough to see that Protection would not only be ruinous to the poor but disastrous to our trade. At present they are being driven along a way they do not wish to go, in order to avoid a path yet more distasteful. But if Tariff Reform were out of the way the Liberal party would probably rapidly lose their big subscribers, and would escape from their influence. Incidentally, Liberalism would be driven back to the poverty of the 'nineties, and would be compelled to look elsewhere for funds. There is only one direction in which they can look—to the organised workers. A levy of one shilling per member per year on the Trade Unionists, means an income of £100,000, one per cent. on the profits of the Co-operative Societies means £80,000 more. That money, and more when the country becomes organised, will, I have no doubt, be available when the working classes control a party of their own large enough to fight every seat and to dominate Parliament. But, then as now, the people who provide its funds will control the party, only they will be a totally different set of people.

Meanwhile I believe that Labourism will go on gradually increasing its hold on the industrial seats until, as I said in *The Socialist Movement in England*, it, sooner or later, becomes supreme in them. No doubt the effect of its growing influence and the gradual spread of humanitarian ideas will compel or persuade Liberalism meanwhile to adopt more and more the Labour standpoint and the Labour programme. This tendency in Liberalism will naturally quicken the alienation of Whig Free Traders like the *Spectator* readers, and weaken Liberalism financially. This financial weakness of Liberalism will make the party more ready to abandon industrial seats, which are difficult to hold and expen-

sive to fight, to the Labour men, concentrating their funds and their efforts on those constituencies where organised labour is weak. Some idea of the effect of this on Liberal policy may be gathered by remembering that the course taken will certainly be that of following the line of least resistance. I conceive it to be this: Liberalism will be faced with two necessities—to conserve its diminished subscription list and to secure the votes of the country electors. Now, on the whole, the Liberal party contains very few wealthy landlords but, as yet, many rich capitalists. To offend the former would make no difference—Liberalism has not been withered by the frown of Lord Rosebery—but to expel the capitalists would mean party ruin. The line of least resistance, then, for Liberalism seems to be to make a Jonah of the landlord, a tendency fairly well marked already, and to come forward with a drastic programme of land reform to entice the rural voter, while accepting the programme of urban Labourism just in so far as it is compelled. But you cannot reform the landlords to any purpose without consequences. A rural revival means rural organisations, filled with the communal spirit. Whether they will or not, such organisations must ere long come into politics, and must ultimately take their places alongside the proletariat of the towns. Very possibly they may do this under the name of Liberalism; but, if so, it will be a Liberalism financed and controlled by themselves, a Liberalism naturally allied to Labour, simply because it derives all its inspiration from the same source—the need of the poor for better conditions and greater security of life.

The existence of a third party necessarily striving to increase its influence and representation of course involves a number of three-cornered contests in which both Conservative, Liberal, and Labour candidates take part. This is the storm-centre of progressive politics.

As soon as such a contest begins, the leading article and correspondence columns of the Liberal Press become filled with vehement protests against this new attempt to "split the progressive vote." The Labour party is roundly lectured on its folly ; the many things Liberalism has done for Labour, and the common interest both parties have in this or that measure now before Parliament or to be produced at an early session, are held up before the Labour candidate to scare him off the field. Nor from the more obscure position of unreported election meetings are the rhetoricians of the Labour party less eloquent. Almost every anti-Labour thing that the Liberals have ever done or been accused of doing is likely enough to be brought up against them. That the late John Bright opposed the Factory Acts or that Cobden hated Trade Unions may very likely do duty again. Each candidate, Liberal and Labour, will do everything he can to discredit the party and the policy of his opponent ; and we may be thankful if they do not descend to personal abuse of one another. In fact, the fight between Liberal and Labour men will be for all the world like any other election contest. Both combatants will fight to win if possible, and if they have no hope of that, at least to secure the largest possible poll.

Whatever non-partisan progressives, generally men with a leaning to one side or the other, by the way, may think about it, this is inevitable. Liberalism practically never concedes a seat to Labour, nor Labour to Liberalism, except when it is likely to pay better from a party point of view to do so, or unless a contest would be hopeless. There was hardly an exception to this at the height of the Veto controversy, when, if ever, there would have been a good reason for compromise. And the thing is not unreasonable. Presumably people join the Liberal or the Labour party because they believe

in it. They want a man of their own views to represent them, and they are perfectly justified in refusing to be contented with a member of another party.

Three-cornered contests, we may be sure, will continue, whether we like them or not, and unless we adopt the second ballot they will sometimes have the effect of electing a Tory as a sort of "minority member." Many good people are very horrified at this, and would fain have Liberalism and Labour come to some "arrangement" so as to avoid such contests. As we may be sure no such arrangement will take place, it is well perhaps to weigh up the extent of the possible "calamity," so as to see whether there are any compensating advantages to console us.

At the outset it is clear we cannot look at the matter quite in the same way as either of the defeated candidates. To any candidate, Liberal or Labour, the contest in which he takes part appears a vastly more important thing than it is in reality. He has just been assuring the electors, not without sincere conviction, that the eyes of the world are upon them, and he is naturally rather sore at the result. Rhetoric apart, however, what has happened is that a Tory majority in Parliament has been increased by two on a division, or that the majority with a Liberal Government in most divisions against the Conservatives has been reduced by two. It is very unlikely, at least until the Labour party can contest many more seats, that such three-cornered contests can do more at most than substitute for a weak Liberal majority an equally weak Conservative one. In other words, we should lose a Government that could do little good, and obtain one that could do little harm. Nor is there much likelihood of a Government with a small majority, obtained in three-cornered contests, lasting any great length of time. It would necessarily be a timid, halting, unaggressive Government, afraid of and

anxious to conciliate its opponents ; for the moral effect of victories of this kind is very little. The Tory candidate wins, as every one can see, not because he has the electors behind him, but because of the divisions among his opponents. On the only thing that really matters, from the point of view of the true progressive who is not a partisan, the actual progress of right law and good government, electoral incidents of this nature have but slight influence.

On the other side of the account, the independent thinker will realise that there can be no true democratic party in the long run that is not financed and constructed on a democratic basis ; and that though the Labour party, resting as it does on the Trade Unionists alone, cannot claim yet to displace Liberalism throughout the country, it is an admirable foundation for the party, national in extent and democratic in character, of the future. With this he will realise that no party can continue to exist, much less to grow, without taking advantage of every reasonable opportunity to increase its extent, and that irrespective of the convenience of other parties and groups. He will see also that the danger of opposition like this is one of the most potent means for compelling Liberalism to stick more closely to the condition of England question, by obliging them to prefer the most advanced candidates, to justify their measures against democratic criticism, and to bring forward and advocate measures that can face such criticism.

And, if he thinks a little further, he will see that it is not only the three-cornered contest that counts, but the ever-present possibility of one in any industrial constituency. Liberalism, filled with the justifiable "will to live," is compelled, even where Labourism has not yet got a foothold, to anticipate Labourism by becoming as like the Labour party as possible. The Labour party

is one of the most powerful factors tending to modernise Liberalism, and hence to render it possible for Liberalism to adapt itself to the atmosphere of the twentieth century.

After all is said and done, Liberalism as opposed to Toryism has certainly gained by the appearance of the Labour party. And this not merely because over forty Labour members, many of them sitting for old Tory seats, can generally be depended upon to go into the division lobbies against the Conservatives, and thus to keep the Liberals in office, nor yet because the salutary compulsion of Labourism has had the effect of compelling Liberalism to come to terms with the man in the street. The Independent Labour party for nearly twenty years now has kept up a continuous propaganda, not only in the minority of seats which the Labour party contests, but throughout the length and breadth of the land. Wherever there is no third party in the field the Radical candidate reaps nearly all the practical advantage of this, in so far at least as he advocates the same sort of measures supported by Labour. This for a very good reason. In all parties there are a small minority of men who would not give a vote outside their party on any account, and a still smaller one which might be got to vote at their party's call for the candidate of some party to which they are opposed at the bidding of their own caucus. But the great majority of voters, I think quite rightly, interpret loyalty as implying only the duty to vote for their party candidate *when there is one in the field*, and not as involving voluntary disfranchisement when there is none. The Conservative, the Liberal, or the Labour vote is quite inconsiderable when there is no Conservative, Labour man, or Liberal in the field. If there are many "Liberal" votes behind many Labour members, there are many more "Labour" votes that have been given to Liberals.

To sum up this long chapter, then, neither the Liberal

nor the Labour party can yet be considered as, both by its structure and its extent, fitted to take on alone the task of representing the new democracy. This new democracy, however, continually tends to modify both into the likeness of itself, and to prepare the way for the time when the industrial organisation of the workers, having spread from the towns over the country, shall have laid the foundation for a broadly national WORKERS' PARTY. Pending that, every measure brought forward by Liberal Governments should, and generally will, receive fair consideration, and be supported or opposed by Labour—on its merits. But though this, as was the case throughout the Budget-Veto conflict, will often lead to co-operation between the parties in the House of Commons, it is neither possible nor desirable that such co-operation should become a permanent alliance, even in Parliament, much less in the country. The two parties must remain opposed until the price of alliance has been paid—the complete democratisation of the Liberal party.

CHAPTER VIII

INTELLECTUAL REACTIONS

WHILE the conquest of the politicians is the greatest practical achievement of the new democracy, the working-class elector, or at least his spirit of Guarantism, has not been without its conquests in other fields than that of politics. It is not merely candidates, parties, and programmes that have been affected. A study of contemporary literature and thought, as compared with that of the last generation, will reveal the same tendencies. In the earlier chapters of this book I treated of Henry George's *Progress and Poverty*¹ and the *Communist Manifesto* as to a great extent the bases of middle-class Radicalism and revolutionary Socialism. These writers and others like them laid the foundations of much Radical theory with regard to land and Socialist theory on politics generally. Both Marx and George were clear, logical, and generally consistent thinkers, who saw things rather narrowly perhaps, but saw them honestly. One wonders what would have happened if they had ever met and discussed the social problem together! These two men could never have taught one another anything, for each

¹ It is a great many years since I read Dr. Russel Wallace's *Land Nationalisation*, and I have unfortunately no copy at hand as I write. In spite of its early date, however, it was much less doctrinaire than either of the above. Dr. Wallace himself has retained to a great age a power to absorb new ideas singularly lacking in most of the followers of Marx and Henry George.

would have been absolutely blind to the other's point of view.

In spite of their differences, however, the works of these men had one marked feature in common. Each of them generalised the evils of society as the result of one social wrong, and looked to their solution, in the one case as the result of one reform, in the other of one great revolutionary event. Each was a man of a fixed idea, a man pre-eminently of theory. Unquestionably their works have had a very powerful influence on many minds, producing followers who can see clearly within certain circumscribed limits, but who seem stricken with blindness whenever they are confronted with anything unaccounted for by their favourite theory.

But it was not only men like George or Marx that produced literature of this type thirty years ago. The late Mr. Auberon Herbert imagined that all social troubles could be solved by universal *laissez faire* and voluntary taxation! We were to be kept in order, if at all, by Pinkerton's police, and even our very lighthouses were only to be provided when shipowners and underwriters were willing to subscribe the money for them. On the other hand, temperance men saw the whole social question in the evils of drinking, and had only one remedy—Local Veto. It was the time of belief in specifics which would cure everything. We were told to get at the "root of the evil," and then all would be well.

Now, it is all very well to talk about the "root of the evil," provided you are certain that the evil has only one root, that you have found it, and that it is possible to bring it out with a wrench. But how if the evil has no root which you can cut out with a surgeon's knife, so to speak, from the body politic? How if even such things as private ownership of land and capitalist exploitation are only results of a low standard of social

consciousness, which can only pass away as that consciousness becomes strong? What if the maxim of Morris holds good as against any theory: we want, first and foremost, to create "a new reverence for the life of man upon earth"? What if there be no Morrison's pill that can cure all our ills, but that they can be remedied only by constant and patient thinking and working at every detail of social life—on housing committees, at sanitary conferences, in societies for small holdings and allotments, in Trade Union branches, and by attending to the business of the Co-operative Movement?

The general tendency, of thought, during the last twenty years or so, has been to seek the solution of the social problem by stimulating and furthering the progress of what I have elsewhere called "organic Socialism," rather than to seek in some definite reform or revolutionary movement a settlement of the social problem. Except Tariff Reform, I know of no proposal that has been advanced by any considerable body of people as a rapid cure-all during that time; Tariff Reform in this also belonging to the ideas of another age. More and more, advanced thinkers are taking to a method that bears a curious resemblance to the Guarantism of the democracy. The theorists of a last generation still command the enthusiastic admiration of their groups of followers, but no new thinker of the power of Marx or even of Henry George comes forward with a plan for simplifying the whole social question in the manner of the *Communist Manifesto* or *Progress and Poverty*.

Probably, if the truth were known, we owe this to nobody more than to Mr. Sidney Webb. I do not know whether Mr. Webb was or was not one of the original founders of the Fabian Society, though I believe he only joined it some little time after its formation. But if the genius of Mr. Bernard Shaw has since made the Society famous, the practical methods, first of Mr. Webb

alone and afterwards both of himself and his wife, have made it a powerful influence. I doubt whether any work of the type done by the Fabians had ever been attempted by any democratic organisation before. Of the long series of pamphlets which they have issued, notably of those published in the first twenty years of the Society's existence, very few were, strictly speaking, Socialist pamphlets at all, while there is hardly a rhetorical phrase in any of them. The most characteristic examples are simply appeals to the average man to deal in some common-sense and fairly humane way with such problems as poor relief, education, gas and water, tramways, or any similar question of public business. They might almost as fitly be called, to borrow a phrase of Bernstein's, "organising Liberalism" as Socialism, and could readily be, and often were, frankly accepted and approved by men who would never dream of calling themselves Socialists.

Their influence in inducing the modern way of thinking to which I have alluded must have been considerable. Even in the pages of the *Clarion* first Mr. George Haw and afterwards Mr. R. B. Suthers wrote articles and produced books more or less on the same practical, relatively untheoretic lines, though perhaps with more than a Fabian share of rhetoric added. As the years wear on, though the definitely Socialist pamphlet is as common as ever, the greater lights of the movement cease, with one exception to be noted later, to produce such books as the *Co-operative Commonwealth*, *News from Nowhere*, or *Looking Backward*.

But the output of books on Socialism becomes greater than ever; still greater that of works by Socialists on various practical problems of the day. The Webbs' monumental work on *Industrial Democracy* is the greatest achievement of this new spirit, just as Mr. and Mrs. Webb are its most characteristic personalities.

Two other names of avowed Socialists must be added to theirs, to illustrate what very different personalities are affected by the prevailing tendency, those of Mr. Chiozza Money and Mr. H. G. Wells, though Mr. Wells may seem at first sight an exception to the rule. Mr. Money based his Socialism on blue-books, on a careful and accurate study of the facts revealed in the statistics of the Inland Revenue Office and the Board of Trade. *Riches and Poverty*, if I remember aright, never mentions the word Socialism at all. The facts of poverty are laid frankly before the reader, and it is virtually taken for granted that it is the national business to remove this "poverty" by means of an adequate income tax on the "riches." Right throughout he is a Guarantist, as a politician, and, in addition to the enormous practical value of his immediate suggestions, his work sheds a curious light on the relations of Guarantism to Socialism. Let Mr. Money draft our Budgets for us, and in very few years the problems immediately facing the working people to-day—underfed children, destitute old age, poverty through illness or unemployment—will be settled; let him go on drafting them, and, sooner or later, everything the State can do to bring about Socialism will be done.

The Webbs and Mr. Money have this in common, both treat the social problem in the concrete; they keep their theories in the background, except the general propositions that poverty and disorganisation are bad things. They spend very little time in arguing such questions as whether interest is justifiable, or whether private ownership of land is in accordance with the "rights of man." Neither do they tell us of any Utopias; they deal little in imagination, and are content to spread the knowledge of facts. They are hence specially obnoxious to that type of Socialist that considers the late Oscar Wilde's *Soul of Man under Socialism*, because of its

literary beauty, an important contribution to Socialist thought.¹

Mr. H. G. Wells, whose books have been one of the most important of the influences recently converting a section of the middle class to Socialism, may seem, as I have said, an exception to this rule. Obviously his "kinetic" Utopia has many resemblances to the older school. In *The Food of the Gods*, one of the finest of his romances, there is what seems to me a parable that might be applied to Mr. Wells himself, where the Sons of Cossar are stopped in their road-making plans by all the forces of law and order. There follows a conversation with one of the objectors which illustrates my point:—

"'We're making a road,' the biggest boy had explained.

"'Make a road by all means,' said the leading lawyer on the ground, 'but please respect the rights of other people. You have already infringed the private rights of twenty-seven private proprietors; let alone the special privileges and property of an Urban District Board, nine Parish Councils, a County Council, two gas-works, and a railway company. . . .

¹ To avoid misunderstanding, let me say that I fully realise the literary beauty of this essay, and ere it appeared in book form used frequently to turn up in the library the old *Fortnightly* in which it first appeared. But Socialists of the type of Wilde might write and talk from now to the day of judgment without a single child being better fed or a single household secure a rise in wages. The essay of the man who took an interest in revolution not because of the "unlovely woes" of the poor, but because of a purely æsthetic admiration for their heroic champions, is tainted with the snobbery of decadent art. Compare his contempt for popular taste with the noble faith of Morris and Crane, and you see the difference between men who are Socialist through and through and the æsthete who is individualist in the thing he cares for most. The noble protest he wrote against the imprisonment of children, the cruelty of which he had seen and as a poet understood, is the noblest thing in the life of this strange genius, and for that at least all true lovers of the people must hold him in due honour.

“ ‘ Goodney ! ’ said the elder boy Cossar.

“ ‘ You will have to stop it. ’

“ ‘ But don’t you want a nice straight road in the place of all these rotten ruddy little lanes ? ’

“ ‘ I won’t say it wouldn’t be advantageous, but — — ’

“ ‘ It isn’t to be done, ’ said the eldest Cossar boy, picking up his tools.

“ ‘ Not in this way, ’ said the lawyer, ‘ certainly. ’

“ ‘ How is it to be done ? ’

“ The leading lawyer’s answer had been complicated and vague. ”

There is obviously no attempt here to argue out the “rights” of the various outraged private and public property owners, nor to substitute, as an older Utopist would probably have done, some more or less logical conception of property of his own. Nor does he advocate the abolition of private property, but evidently regards it as a bit of “social scaffolding,” not “sacred” in any way, but subject to public convenience. But if he regards no law of property as sacrosanct or final, neither does he treat with any reverence the Socialism of the Schools. One doubts if he has ever read Marx, whether he has anything to say about the “iron law of wages,” about surplus value, the materialist interpretation of history, or the inevitable proletarian revolution. He sees before him a chaos of maladministration, to be set right by organising common sense and “goodwill.”

And no doubt if we had been fed on “the food of the gods” this organising goodwill would come naturally enough. Private and public “rights” that stand in the way of improvement are relics of barbarism, and we are indebted to Mr. Wells for the social satires in which he has shown us this. The evils of the present day, however, are not to be removed solely at the bidding of the thinkers who are above average prejudices, but, slowly enough perhaps, by the “little people,” whose multitu-

dinous efforts are steadily building up in Trade Union and in Co-operative Store, on Parish Council, and in Parliament, an organised Co-operative Commonwealth. Even inside this world-movement, not to speak of the competitive world around it, there are constant cross-currents of conflicting interests, jealousies, ill-will. The "leading lawyer" is ever with us, and if his way of settling a difficulty be "complicated and vague," we have to unravel the complexity as best we can as we go along. All the way we have to take "the little people" with us, and can only succeed as we get sufficient of them convinced that what we propose to do will be of actual benefit to them. Therefore it is that the painful method of the Webbs is so supremely valuable. Through it we get to understand exactly what the people are doing, what organised means they have as steps to further progress, what we can reasonably hope to do now, and what must perforce be left over to some more convenient season.

The new, practical way of looking at things has brought into being quite a number of books, and been the origin of many societies and movements which appeal for the support of "social reformers," apart from their special individualist or Socialist opinions, who are anxious to deal with this or that aspect of the social problem. Their general character may be illustrated by comparing the methods of the older temperance organisations with those of the new. As against the proposals of the United Kingdom Alliance to "get at the root" of the drink evil by "the total and immediate suppression of the liquor traffic," we have the Temperance Legislation League with its elaborate scheme for the disinterested management of the traffic, and for providing counter attractions to the public-house. Without necessarily committing myself to all the ideas of Messrs. Rowntree and Sherwell, I must call attention to the vastly greater

amount of study, not to say intellect needed before their solution of the liquor question could be presented to the public than was required for the older methods. The authors of *The Temperance Problem and Social Reform*, and of later works on similar lines, had to consider the liquor question in all its ramifications, to make themselves acquainted with the legislation on the subject in many and various lands, to think out the social uses as well as the social evils of the public-house. They had, in short, to see the whole problem in relation to every other problem of the day ; to deal with the question as the enlightened humanist, not as the bigot deals with it, before their scheme could be laid before the public at all. Nor was it necessary for them to form or defend any general theory about the use of alcohol, or to decide whether it was "of the devil" or not. They attack the undoubted abuses of our system, leaving it for time to decide whether alcohol has its permanent place in Western civilisation or not.

Or take the books written by Miss Margaret Macmillan on education and child-life. Here we have a concrete study of the problem of education by a gifted lady, who, preserving her power to think freely, has escaped from the atmosphere of codes and grants, and studied the whole matter out as one of the all-round human development of the child. That the child has a "right" to such all-round development is taken for granted, and that the money needed must be found somehow. The present rights of property are not directly questioned, nor are any alternative ones formulated, but it is clearly assumed that life is in itself far more important than any possible right of property. Meantime the whole appeal is as far as the poles asunder from the plea of Robert Lowe, "we must educate our masters," and the crude cramming system founded on it. Every need of the child, physical, mental, and moral, is thoroughly considered ; the most

advanced systems of other countries are studied, not with the purpose of doing as little as possible to deal with what is recognised as a practical national problem, but rather with intent to go one better in guaranteeing to every child the very best possible foundation for a civilised life. In passing, I may say that I do not know how far Miss Macmillan has directly influenced the school teachers of the country, but whether it is entirely due to her books, to the spirit of the age, or to both in combination, it is certainly true that hundreds of elementary school teachers to-day take a most gratifying interest in the wider developments of education with which she deals. As a profession, indeed, the school teachers, whatever their political opinions may be, are becoming Guarantists to a man and woman. She only expresses with greater eloquence a widespread feeling, and from her original mind and wide study of the child question provides a larger stock of ideas.

Like these in modernity of method are the studies in poverty of Messrs. Booth and Seebohm Rowntree. *The Life and Labour of the People* and *Poverty, a Study of Town Life*, start from no theory of capital and labour; they propose no radical, much less revolutionary, change in things. Yet, far more than any theoretic books, they are influencing the thought of the age. One hears them quoted at every turn and by all sorts of people, from the Tariff Reformers to the Industrial Unionists, generally with the suggestion that "the only remedy" is the particular proposal in which the speaker of the moment believes. They have not, however, I think, really helped any one of these schools of thought; they have just fallen into the common stock of Guarantist feeling that is driving the nation forward to deal by various methods of reform with the problem of poverty.

But of all the various publications now permeating the minds of the nation, I think the most characteristic,

most far reaching and important are the widely read reprints of the *Minority Report* of the Poor Law Commission. The publication of this Report at a popular price was perhaps the smartest bit of tactics ever conceived by the Fabians. It must have taken the rather stolid Majority of the Commission a good deal by surprise when they found the special advantage they had in being a majority completely neutralised by the far wider circulation secured for the rival Report, and by the vigorous propaganda at once commenced in its favour. Immediately the Majority disappeared into the background, and hundreds of people—that is to say hundreds of times as many as know anything about most Government publications—were discussing the rival Report all over the country. It is worth while dwelling a little on this wonderfully able study of the problem of destitution, on account of the light it shows on the general tendencies of democracy. If any one will make a careful study of it, and at the same time follow Mr. Chiozza Money's suggested methods of raising funds for this and such like purposes, he will have got, I think, a very good general idea of what I mean by Guarantism. The Minority Report provides a carefully thought-out plan for preventing the most desperate evils of our age; Mr. Money's statistics of unearned wealth show the source to which the working class is looking to provide the necessary funds. The Minority Report supplies just about the amount of theory that is thoroughly in accordance with all working-class ideas—the theory of a “national minimum,” that human life shall, property conventions or “rights” notwithstanding, in no case be allowed to fall below a minimum standard in health, education, or comfort. As such, it may well form the basis of the Guarantist demand, and I believe it would be subscribed to without hesitation by nine-tenths of the working men and women of the country, Conservative, Liberal, or

Socialist. But theory, of course, plays a very insignificant part in the whole thing. As was inevitable in a publication of the kind, the Report simply takes the problem of destitution as it finds it, traces its various secondary causes in invalidity, widowhood, old age, childhood, unemployment, &c., and proposes specific methods of dealing with each aspect of it. There is naturally no attempt to trace these evils back to debatable points like private ownership of land or production for profit. It gives definition and shape to the vague demand of the people ; but that is about all it does. It is democratic in the sense that it in no way seeks to impose on the people ideas outside of their ordinary range of thought and sympathy.

A book that has had far more influence than many people recognise is Prince Kropotkin's *Fields, Factories, and Workshops*. This is perhaps mainly due to its popularisation by Mr. Blatchford, who referred largely to it in *Merrie England*, a million copies of the penny edition of which were sold nearly twenty years ago. At all events, this book has had incomparably more influence than Kropotkin's anarchist theories, because of its direct appeal to the Guarantist desire to make a secure living under decent conditions. It curiously illustrates the general trend of which I am writing. The average Socialist, to whatever organisation he may belong, accepts it with delight, though I suspect it would puzzle him to square the ideas he derives from Kropotkin with his notions about the inevitable concentration of industry and State organisation. In truth it is no more possible to reconcile Kropotkin's view of things with that of Marx than to accept consistently both *Looking Backward* and *News from Nowhere*. Yet many people seem, at one time or other, to believe in the whole lot, without apparently realising their contradictions. The truth is that the Socialist opinion of the day is more nearly allied

to Guarantism than many of its advocates realise. Logical doctrinaires exist here and there, but the majority are not definitely in favour of centralisation or of decentralisation ; they have no fixed opinions upon the form to be taken by political and social evolution, but they are quite open to accept any scheme which promises to produce order in the Commune or the State—in short, to make the condition of the working people more comfortable and secure.

Even when we come to works where theory plays a greater part we note the same recognition of the complexity of the social problem. Messrs. J. A. Hobson and John M. Robertson start, as Marx and Henry George did, with an analysis of blind economic forces. Mr. Robertson's *Fallacy of Saving* and the many able books in which Mr. Hobson treats of the subject point to the rapid, unregulated accumulation of savings and capital, without any definite relation to the rate at which the social need for capital increases, and trace to this cause the crises and depressions of trade, as well as much poverty and unemployment. At first sight, then, their theory of saving might seem to attach them to the old, theoretic rather than to the modern, practical school of democrats. Their method is, however, widely different. With their suggestions for the taxation of unearned wealth goes a far more definite and organic idea of social expenditure, while even Mr. Hobson's suggestions for taxation are much less cut and dried, involve far more thinking out in detail than the Single Tax of Henry George. Their reconstructive ideal, too, compares very favourably with Marx's programme of increasing misery for the proletariat, the social revolution, the Despotism of the Proletariat, and the nebulous Utopia that was to follow it.

In Germany a great controversy has now been in progress for ten years or more over Edward Bernstein's

work on *Evolutionary Socialism*. Revisionism, as the ideas of Bernstein have been called, is a movement to reconsider with a free mind and in the light of modern experience the doctrines of Karl Marx on which German Social Democracy is founded. The same spirit of Revisionism is influencing to an ever greater extent the democratic thought of the world, in this country more perhaps than in others. It is, I am convinced, a reflection in the world of thought of the actual mind of democracy itself, with which, since the extension of the franchise, politics are coming into touch. As such it will spread the more closely literature and thought come in contact with the world of action and politics.

For it is not only in books that this spirit is manifested. Philanthropy is justly suspect of all democrats, for most philanthropists have been mere "charity" mongers in the modern sense of the word. And of "charity" in this sense perhaps the best idea can be obtained by turning the eulogies of St. Paul the wrong way round. "Charity" insults and is unkind; though a man give his body to be burned, if he have "charity" it profiteth him nothing. Nevertheless, even Mr. Bernard Shaw could write a pamphlet on *Socialism for Millionaires*, and there is much social action by rich and middle-class people which is to-day full of the Guarantist spirit, and is playing its part in the movement as a whole. Little of it is revolutionary. Movements like that for building garden cities and for holding exhibitions of model houses do not start off from any theoretic assumption about the right ownership of land and capital, and demand the acceptance of no special political or social gospel from their supporters. So far as they have any, indeed, it is anti-revolutionary, since the very attempt to improve living conditions implies the belief that they can be improved under the present laws. Certainly Bournville was founded apart from any special doctrine of land or

capital, if, as I believe, the earlier inhabitants were permitted to *buy* their houses. This is no longer possible, and the Bournville Trust now retain the title to all land. An excellent point this, by the way, to land reformers, as it shows that Mr. Cadbury, acting only on practical experience in the work of improving living conditions, was compelled to apply their theoretic ideas. The whole housing reform movement illustrates well the modern tendency to look at the social problem in the concrete, to grasp the whole question as an endless series of particular demands, for higher wages, shorter hours, better education, improved sanitation, security from unemployment, &c., &c.—in short, for a higher standard of life.

Thus we see that, just as the politician, who seeks votes and power, is compelled, from whatever position, Liberal or Socialist, he may start, to become more and more practical, more and more immediate in his proposals, so too, whether from compulsion of the times' spirit or for whatever cause, are the thinkers who are in no need of votes. The movement of the age is in a certain direction, one that cannot be mistaken by the student who will clear himself of preconceived ideas and look at things as they are. Those who take part in any way in the progressive movement are being moulded into a common likeness. Even the most advanced thought of our generation, in so far as it has any influence, is, taken in the bulk, only a more informed and intellectual statement of the democratic demand.

CHAPTER IX

CROSS-CURRENTS

IF the reader has followed me so far he will, I hope, by now be convinced that progress under the rule of the people will not mean exactly what any school of thinkers has anticipated. The people, not their teachers, are really shaping their own policy, and we can only understand what that policy will be by watching the character of the people themselves. To many enthusiasts it will seem a very prosaic, opportunist sort of policy, this Guarantism which the working classes are silently pressing on their present rulers, and are slowly organising to carry out themselves. But, prosaic or not, the wise man will recognise that it is at least a policy with a large and growing force on its side. He will see that it *counts*, and will not be readily led away in support of merely sectional movements, more brilliant in conception, but less useful, because not rooted in fact. Perhaps, when he has thought out the matter fully, whatever the pre-conceptions from which he started out, he may come to the conclusion that, after all, the instinctive common sense of the people, their inherent realism, is wiser than the idealism of their most brilliant teachers. He may come to understand why it is that a nation's

" history is wrought,
Not as the loud have spoken,
But as the dumb have thought."

I hope to show reasons in the next chapter for believing that this is the right attitude to take. I believe that the people themselves are slowly and painfully building up the fabric of a greater civilisation, wherever circumstances give them an opportunity to do so, that with wider opportunities they would proceed much faster. The people are doing this, in obedience to felt personal wants, by the means that come most readily to their hands. It is the need of the individual, of millions of individuals, for higher wages, for more leisure, for increased comfort, for greater security, that is compelling men and women to organise, industrially and politically, for the bettering of their conditions. And though the political programmes they announce or support may appear opportunist, practical, experimental, woefully inconsistent with any logical idea of social reform or social reconstruction, I believe that at bottom Guarantism has a logic of its own. It only seems inconsistent to its critics because of its truth to facts. The movement of the people registers all the currents of social evolution; the doctrinaire, whose pet scheme seems lucidity itself, generally takes account of only one of them. But, though the general stream of Guarantism is flowing steadily and strong, there are many cross-currents for which we must allow. The democratic movement advances step by step, and each of the millions who take part in it tends to move in obedience to some more or less immediate need. He does not generalise; he sees that by certain changes, immediate and practical, his own position and that of those around him could be improved in some specific way. He knows little of the economic and other reactions which deeper students can easily foresee as the consequences of the reform he desires. He knows only how it would affect *him*, and with a fairly sound instinct he judges the whole by the part he knows, not by

the larger aspect of things, which is to him mere surmise.

“Working men of all lands, unite ! You have nothing to lose but your chains. You have the world to win.” Thus, slightly altering the words of the *Communist Manifesto*, the revolutionary Socialists have appealed to the working men. And the call would be telling enough if the dream of the catastrophic Socialist were possible, and the vast medley of trades, social and anti-social, we have at present could be swept away, and the new order set to work to-morrow. But though our complex civilisation might conceivably be destroyed in a few weeks, a new one is too vast a piece of architecture to be built up so rapidly. Reasonable people have come to see that any really profound change must necessarily be a gradual one. This implies, broadly speaking, that most working men will continue throughout their lives, or at least for a number of years, dependent upon the prosperity of the trades in which they are now employed. It may be the interest of *all* workers that the general rate of wages should be high, that food should be cheap, that there should be pensions for all when they are old, that children should be properly fed, that sanitation and housing conditions should be improved, that a “national minimum” should be maintained, but it is unfortunately equally the interest of the gamekeeper that our lands should be “preserved,” of the barman that there should be no reduction of licences, and of all trades engaged in making war materials that there should be no slackening in the race for armaments and preparations for war.

Every one of these interests acts on some section of the working class in the same way and for the same reason that the general demand for better conditions acts on the class as a whole. They are concerned not only for the general interests of their class, but even more imperatively for the interests of the trades at which they

work. If there be any slackening in the demand for an anti-social thing, the people employed in producing it will immediately suffer. There will be unemployment and poverty, all the weight of which will fall upon them; while even if the money saved be spent in some more useful ways, other people and not they will get the benefit of it. Their interests, their personal and immediate interests at least, are bound up with the evil thing; the success of their lives depends upon its growth and prosperity. When their daily bread is threatened, it is no use talking platitudes to them about the "interest of one being the interests of all." They see clearly how a change will affect them, only dimly the good it may do to the world as a whole. They know very well that if their trade is ruined, they and those they love will be ruined also; and the very strength of the Guarantist instinct within them, the instinct on which we must normally depend for the advance of democracy itself, will compel them to resist.

In this way many groups of working men are for one reason or another driven over to reaction. Declining trades, whatever the real cause of the decline, are apt to listen to the nonsense of the Tariff Reformer, even when "the foreigner" has nothing whatever to do with the matter, for drowning men catch at straws.¹ Every one knows the reactionary influence and power of the liquor traffic, and I fear that the employees in this trade side politically with the employers. Indeed, they would require to be more than human not to do so, until we have some tolerable social organisation for dealing with those flung out of employment through no fault of their own.

¹ Tariff Reformers, for instance, have blamed the foreigner for the decline in sail-making, windmills, and pearl buttons. Of course, steam applied respectively to navigation, milling, and laundry work, and not "the foreigner," has been the culprit in each case.

Men cannot usually be expected to realise the anti-social character of the trade to which they belong, for naturally it is generally those who do not object to a trade who tend to seek employment in it.

But the most important, menacing, and powerful of these sectional interests are those connected with the Army and Navy. Four or five per cent. of the total earnings of the British people are spent every year by the War Office and the Admiralty; and in spite of the protests of common sense and of the friends of peace, the expenditure is rapidly rising. The present Liberal Government is one of the worst sinners in this respect, in spite of its promises before taking office. As things are at present, there seems little likelihood of any improvement, unless some effective means are taken to check the panic-makers who at any moment are ready to cry out for a further extension of armaments. Year by year Europe spends more money on instruments of destruction, of which the best we can hope is that they will never be used—in other words, that the money spent on them is altogether wasted. In all lands, and among almost all parties, wails and protests go up against this insane and mischievous waste, but without effect. The very men who protest at one time are, at another, the first to urge their own Governments on to further expenditure. And the more of armaments we get, the weaker we are to resist further demands; for the greater is the capital and the larger the proportion of the labouring population dependent upon trades which are in their essence anti-social. Here, as in the case of the liquor traffic, we have a vast, well-organised “interest,” deeply and closely connected with politics. Consciously and unconsciously, it works for its own hand, playing upon the fears and hates of the peoples of the world, discounting the value of every reform and keeping poor the public life of every land.

The basis of liberty is the control of the purse, and the basis of true progress is sound finance. Unless we raise our money justly and spend it wisely, all "social reform" schemes resolve themselves into plans for taking money out of one of the labourer's pockets to put it into the other. It is essential that we should stick to our Free Trade system, reducing and finally abandoning our indirect taxes, and increasing those on large incomes and estates. This, throughout Europe, is the policy of all democratically financed parties.¹ It could not be otherwise. The political labour movement starts from the idea that unearned incomes should be impossible, that they are in their essence robbery. The people who work support not only themselves, but the non-workers also. The democratic movement, then, tends to regard unearned incomes as social property, the income of the nation, and rightly considers that all taxes whatsoever should come out of this vast fund, nothing being taken from the wage-earners, directly or indirectly, until every penny of this is exhausted.

And round this centres the great battle between democracy and plutocracy. Largely successful as the people must be, so long as we remain a Free Trade nation, in compelling wealth to pay at least a share in any new expenditure, democracy has to fight hard for every new encroachment on the incomes of the rich. Both the great parties depend, as we have seen, mainly on rich subscribers, and it is naturally with the greatest difficulty that the millions needed, even for the prevention of absolute destitution, will be obtained. Neverthe-

¹ See for the programmes of the German, Austrian, Belgian, and French Socialist and Labour parties as well as of the Social Democratic party and the I.L.P. in this country, Mr. R. C. K. Ensor's useful handbook on *Modern Socialism*. All these parties, except the French, stand absolutely for the abolition of indirect taxation, while the French demand the abolition of taxes on articles "that are primary necessities."

less, it is but the bare truth to say that, if naval and military expenditure stood to-day at the level of twenty years ago, there need be no destitution in the land. Nay more ; the millions of pounds of capital and thousands of workers now employed in making instruments of destruction might have been engaged in more useful occupations, providing food and clothing for those who are now hungry and half-clad. For every million that it wants for nation-building, the democracy will have to agitate, educate, organise, and, in the last resort, fight on the floor of the House of Commons, and when at last the fight is won, it is absolutely imperative that the money be ear-marked for the nation, and not for "fireworks." The history of Harcourt's Death Duties is a melancholy one. Financially productive beyond all expectation, it would, perhaps, have been as well for the people if they had never been imposed. Not one child has been better clad, one widow aided, or one unemployed man set on his legs again out of all those millions. The people have got none of it—except those of them employed in making weapons to kill their fellows.

Mr. Chiozza Money, whose services to the democracy I have already gladly acknowledged, seems to regard our swelling accounts for the Army and Navy with less concern than most of us. His idea seems to be that the nation can afford almost any expenditure on the Navy, since there is enough in the schedules of unearned incomes to provide amply for every one and still maintain far heavier armaments than we do at present. Unfortunately, it is not a question of what we could afford out of unearned incomes if the democracy framed the Budget ; the question is what we can afford out of the comparatively meagre millions to be squeezed out of reluctant landlords and capitalists, and it is vitally important that not a penny of those millions should be wasted. It is practically certain that every shilling spent

on armaments means a shilling less for those schemes of national and social development which Mr. Money has so much at heart and has done so much to popularise.

At the outset it is well to make it clear that this nation is all at one on the subject of invasion. Nobody in the land wants a foreign army in it, and it is morally certain that if a foreign foe landed in Britain every man, and woman, for that matter, would do his or her best to put the invader out. It is not only the horror of war itself, the material evils it brings in its train, though these would be more than enough to convince Englishmen that we must make all reasonable sacrifices for national safety. It is much more than this. Every nation is patriotic, is full of the instinct of nationality. Even if we could be better governed by some other nation than ourselves, none of us are willing to be so; we would rather "muddle through" in our own British way. Some of us are Imperialists and some are not, but as far as our own country goes we are all of us Nationalists to the core; that is to say, we are anti-Imperialists.

Now, the scaremonger has always the above fact to play upon. The nation would be prepared, in the last resort, to make any sacrifice whatever for the defence of its shores. In this we are by no means singular. The fearful burden of conscription to which the great nations of Europe submit is borne because it is conceived to be necessary, and were we not an island nation, so long as our neighbours had universal service we, liberty loving as we are, should, I doubt not, submit to the same burden. As it is, we spend more money on our Army and Navy than any other Power, and, wisely or not, are quite easily frightened or persuaded to add to our expenditure when anybody manages to organise one of our frequent panics about German, Russian, or French preparations.

Certainly to any one who looked only at our history in

times of peace, at the utterly unreasoning panics which spread over the land every few years, and not at the record of the nation in actual war, we might be put down as a nation of cowards. And as the years go on we get worse instead of better. Any one who reads Cobden's account of the *Three Panics* of French invasion will see the strong family likeness between them and the German scare of 1909. But these earlier panics had far more show of reason than the later one. Our naval superiority to France in those days was a trifle compared to our superiority to Germany now, while it is to the civilian mind far more thinkable that a French fleet might have crossed the Straits of Dover and landed troops in England, before the days of wireless telegraphy and long-ranged guns, without encountering our ships than to suppose that the Germans could come over the North Sea in the same way to-day.

And while the scaremongers can rely upon our national determination not to be invaded, they also have at their back the undoubted fact that most of us are not experts in strategy. Naval and military officers, who would never hesitate to dogmatise, in spite of their obvious unfitness, on their own showing, to express an opinion on our need for Tariff Reform or any other piece of political quackery popular at the moment, will stiffly repudiate any civilian criticism of their wildest claims as mere ignorance. Nor is it easy to resist the assumption. There is no reason whatever for believing that our Army and Navy men are wiser than their fellows, nor even, to judge by the experience of our wars, when it is nearly always the fighting quality of the common soldier that has to pull us through the disasters due to the miscalculations of "experts," to feel much confidence in their actual knowledge of military science itself. But it is clear enough that a general officer *ought* to understand war and, firmly determined as he is to keep our shores

inviolable, the mere civilian, whatever his doubts, generally feels it best to keep silence.

He does so the more readily because very few of us remember the alleged reasons for one war scare until another is upon us ; very few know the contradiction between "expert" opinion in the Navy and the equally strong opinions of equally "expert" Army magnates nor the contradictions between one school of Army or Navy men and another in the same service. A knowledge of how, in this matter as in others, "doctors differ" might, perhaps, hearten many a modest layman to use his own common sense and look at the matter for himself.¹ Navy men and Army men differ in their demands and statements as between the services, between authorities in each service, between the same authorities at various times. They agree only in one thing. Like the daughters of the horse-leech, their cry is "Give ! give ! give !"

All this would be bad enough even if the power of military "expert" opinion were the only thing we had to meet. But it is not. As we have already seen, the great formative force of democracy itself, the Guarantist instinct of thousands of the working classes, not to speak of the practical interests of vast and influential trades, is enlisted by force of circumstances on the same side. It is not without reason that the Liberal Government, pledged to "retrenchment," has been the means of swelling our Naval Estimates more rapidly than any other. Nor is it by a mere unreasoning freak that several of the Labour members have refused to go into the lobby against the Government to protest against Navy Estimates. An increased naval programme means good dividends to many of the large shipbuilding firms ; it means busy trade in the dockyard towns, on the Tyne and on the Clyde ; it means good employment, regular meals, family

¹ See for these contradictions of view *Invasion and Conscription*, by James Anson Farrer.

comfort, and freedom from anxiety, for the time at least, in thousands of homes. I have in my mind the state of things in one town in the North during the last depression in trade. Mr. Asquith, it will be remembered, as one of the meagre aids he promised to relieve the threatened unemployment, proposed, in the winter of 1908-9, to hasten the shipbuilding programme of the Navy. The new Dreadnoughts were to be speeded up—a promise that meant some real, though temporary, help in some of the most poverty-stricken districts. But this town of which I speak, entirely dependent as it is on the prosperity of one great shipyard, received no Dreadnought. For two years there was hardly any one working in the place, and, needless to say, the poverty and suffering were terrible. Virtually the whole population was reduced to a state of destitution, a destitution that would never have occurred if one of the warships had been built in the town. Under such circumstances it is asking too much of human nature to expect that these poor people should be very eager to see the Naval Estimates reduced. Like the general mass of the working class, they are, before anything else, neither Liberals, Tories, nor Socialists, but Guarantists, each one of them compelled both by duty and inclination to protect and provide for his own wife and family. Of this he is thinking from day to day in almost every serious moment he has. Whether pleasure-loving and selfish or thrifty and serious, the question of his own work and wages must always be one of the first considerations with each man of them. To ask him to agitate for peace an earth is to ask him to quarrel with his own bread and butter. The very instinct on which we rely for the progress of democracy elsewhere tells here, on one vital question at least, all against us. No man looking out on Europe to-day and considering the vast waste of human life, energy, and wealth implied in the “armed peace” but

sees the utter absurdity of it all. To whatever country he belongs he probably attributes all the mischief to the folly and rapacity of other nations and regards the equal folly of his own Government as a regrettable necessity from which, if other nations were only as wise and unaggressive as his own, all mankind might readily be freed. It must be obvious to any one what an enormous gain it would be to humanity if all this waste of wealth could be ended and the energies of our armies and all the trades that supply them with weapons of war could be turned into useful channels. Every one, in words at least, regrets this waste ; everybody sees it ; and yet the armaments continue to grow, the madness increases year by year.

But what is not so generally perceived as it should be is how deeply the canker of militarism has rooted itself in the framework of society, in the industrial organisation. While, in the long run, the fall of militarism would be a vast gain to the world, its immediate abolition, in a society so disorganised as ours, would cause an amount of destitution and suffering awful to contemplate. The sudden disarming of Europe would not only imply the immediate appearance in an overcrowded labour market of millions of soldiers and sailors, but it would upset the balance of industrial organisation. Whole towns would be left workless, many of the largest business establishments employing tens of thousands of men would have to be scrapped ; the equilibrium established by demand and supply under the present state of things would be overthrown. Ours has been fitly called the "iron age" because of the enormous development, out of proportion, as some people think, to the legitimate needs of humanity, of the iron, steel, engineering, and allied trades. This disproportionate development has been greatly stimulated by the naval and military demand for steel and its pro-

ducts. A vast number of men have been trained as engineers, boilermakers, and ship-wrights who but for this feature of modern life would probably, even now, be working to supply a much wider market for the things of peace, in the provision of food and clothing, in house-building, &c. But the same men, having learnt one trade, cannot in a moment change to another, nor migrate on a great scale from the iron and shipbuilding districts to the textile or other centres. Neither can a swarm of varied trades arise simultaneously on the Clyde or the Tyne to take the places of the naval shipyards now existing, and employ their workmen in more socially useful labour. The abolition, or even the considerable decrease of militarism as things are, implies a vast amount of human misery, and a tremendous outcry for "more work," *i.e.*, in this case the restoration of militarism.

And the worst of it is that matters are becoming worse instead of better. To reduce our naval and military expenditure to the scale of twenty years ago would cause almost as much trouble as to abolish it altogether would have done at that time. During that time, in proportion to the increased expenditure, more and more people have been induced to devote their capital and labour to the same wasteful end. If the money so wasted had been otherwise expended, it would equally have employed labour and attracted capital, becoming the means of training men in other pursuits, very likely in other districts from those in which they now live. In times of industrial depression, like that in which the last naval scare arose, these very trades seem to suffer first and most severely, preparing the soil of public opinion for the next scaremonger. The scare, however idiotic, will, I suppose, result in a further increase of armaments, a still greater number of men and masters interested in "the trade," and still greater difficulty in resisting further demands. If we should ever unhappily be

engaged in a great war, the result will inevitably be that this vested interest in potential homicide will be still further strengthened. The South African War gave employment to hundreds of extra hands at Woolwich Arsenal, to whom peace brought dismissal and poverty. This fact alone rendered it enormously difficult to bring matters back to their old footing; for militarism is a thing whose appetite grows by what it feeds on.

The whole thing is a vicious circle. The more you give to militarism, the more its demands, and the greater its power to enforce them. This must always be the case so long as we allow private interests to have any share in the matter. The claims of military and even naval men are self-contradictory and absurd enough to justify the civilian endowed with average common sense in using his own judgment in the matter. The average plain man, who will put himself in imagination in the place of one of the German soldiers who, in the dreams of recent scaremongers, might at any time cross the North Sea to invade our coasts, will, I doubt not, rapidly feel how preposterous the whole story was. A glance at the naval statistics in the *Statesmen's Year Book* would at once convince such a man of our great superiority to Germany at sea. He may then picture to himself the chances of the expedition on which he supposes himself about to embark. He will see at once that it will be necessary to mass a sufficient supply of transports to carry many thousands of men before the British authorities have any idea that Germany means to go to war at all. Nay, it will be essential first to embark all the men, and have the transports on the sea, or they will never have a chance to leave Germany at all. Assuming, however, a sufficient amount of fatuity on the part of our Government and our admirals to suit the would-be invaders' purpose, he can suppose that, after several days of preparation, he is on the sea in one

of the adventurous transports. It is agreed on all hands that the force must be comparatively small, for the embarkation of troops is not in any case a rapid matter ; and that the "success" of the expedition, if it attains any, will consist in effecting a large amount of internal damage in this country *before* the vastly superior forces we have at our disposal have killed or captured every man. He must, therefore, be prepared in any event to sacrifice himself in the cause of his country, glad only if he and his colleagues can inflict any damage before they are killed or imprisoned. It will be a risky journey across the German Ocean, even if he is favoured with the fog, which some people almost seem to believe that Providence holds ready to overspread the sea at the request of the Kaiser. There are many weary hours before the invaders as they cross the sea guarded by the greatest navy in the world, almost any one of whose ships, even the smallest fast-steaming gun boat, among the German transports would be like a terrier among a lot of rabbits. No ship must sight the fleet, at least until it is near the British coast, that is capable of sending a wireless message. Everything must, in fact, come off exactly as the Germans want it to—the weather must exactly suit, the newsagents must neglect for days to report the obvious, and our naval officers, from the greatest admiral to the smallest commander, must be the most complete and hopeless imbeciles conceivable—for the thing to have any other result than the utter destruction of the German forces. People are willing to charge the German Government with any quantity of rapacity and ambition. It may be true, though it is only fair to remember that no other first-class Power, except Austria, has been so consistently peaceful for forty years as this same Germany. But though there are foolish military men in all nations, it is surely reasonable to believe that the Germans are not going to attempt an

enterprise in which there are ninety-nine chances of throwing away an army corps for one of doing us any damage at all.

I feel convinced that we may wipe out altogether the absurd claims of the Army men anxious to bully the nation into conscription through compulsory service. Their alarms recoil upon themselves, and need disturb us only as Pitt was disturbed by the generals of his day. I do not know whether the military promoters of scares would be terrible to our foes, but it is disturbing enough to find so many of our officers unable to grasp the elements of our naval strategy. The admirals, differ as they may about the merits of different classes of ships, do not, to do them justice, seem in any doubt about their ability to keep the enemy from our shores provided we give them a fleet as strong as his with an adequate reserve. On them rests the responsibility for the defence of our island, and there is no reason to doubt that they have the courage and ability to do it.

The blue-water schools present to us a reasonable view of things, and I trust we are modest enough to allow our own experts who do not talk manifest nonsense to guide us in matters on which we ourselves can only take an outsider's view. We are, as I have already said, every man and woman of us, prepared to make such financial and other sacrifices as are necessary to keep our land free from invasion.¹ It is the part of our statesmen, not of our naval authorities, to consider what reasonably probable combination of Powers we may have to fight at one time, and to allow the Admiralty sufficient money to provide for such a combination, with some reserve

¹ Possibly Tolstoi and the Christian religion may be right, and we wrong; but as even the bishops would probably not allow the Sermon on the Mount to influence them in a case of foreign invasion, the mere laity may be excused if they act just as people always do under similar circumstances.

over. It is very unlikely indeed that we shall ever have to fight the two leading naval Powers of Europe, France and Germany, at one time, but even that contingency is one against which we have determined to provide. And, so far as the nation is concerned, we have never neglected to do this, and generally more than this. At the very time of the naval scare of 1909 this, on the authority of the *Statesman's Year Book*, was the relative position of these three navies :—

GREAT BRITAIN.

| | |
|-----------------------------|-------------|
| Naval Estimates | £32,319,500 |
| Men | 126,000 |
| Battleships (modern) | 41 |
| „ (older) | 13 |
| Armoured cruisers | 32 |
| Protected cruisers | 52 |
| Gunboats and scouts | 24 |
| Destroyers | 149 |
| Torpedo boats | 98 |
| Torpedo ships | 1 |
| Submarines | 57 |

GERMANY.

| | |
|-------------------------------|-------------|
| Naval Estimates | £16,966,186 |
| Men | 33,500 |
| Battleships (modern) | 20 |
| „ (older) | 4 |
| „ (coast defence) | 7 |
| Armoured cruisers | 9 |
| Protected cruisers | 31 |
| Destroyers | 81 |
| Torpedo boats (modern) | 47 |
| Submarines | 2 |

FRANCE.

| | |
|-----------------------------|-------------|
| Naval Estimates | £13,316,000 |
| Men | 25,000 |
| Battleships (modern) | 16 |
| „ (coast defence) | 9 |

FRANCE (*continued*).

| | | | | |
|---------------------------|-----|-----|-----|-----|
| Armoured cruisers | ... | ... | ... | 13 |
| Protected cruisers | ... | ... | ... | 12 |
| Minor cruisers | ... | ... | ... | 16 |
| Old cruisers | ... | ... | ... | 12 |
| Gunboats | ... | ... | ... | 14 |
| Destroyers | ... | ... | ... | 68 |
| Torpedo boats, Class I... | ... | ... | ... | 41 |
| Torpedo boats, Class II. | ... | ... | ... | 290 |
| Submarines | ... | ... | ... | 56 |

It would certainly appear to the lay mind that we had an ample reserve of strength, but the point to which I wish to draw the reader's attention is the amount of money spent in each country on its navy. The civilian knows nothing of the relative efficiency of a large number of small vessels such as appear in the French service as against the greater array of battleships in the other navies. But it does not follow that the civilian is helpless as a critic. He knows, or can know, that we can build ships more cheaply than either France or Germany, and while he may well leave the experts to decide in what way it will be best to spend the money Parliament votes for the Navy, he is perfectly justified in saying that, as long as the taxpayer provides a larger sum than Germany and France together for the Navy, he has done his duty, and the responsibility from that point rests with Navy men themselves. If, the money needed for the purpose being regularly provided, Navy men come to the nation with the story that our fleet is not good enough for all our needs, it should from the first be recognised that they condemn themselves. It is they, and not the nation, that are to blame, and whether extra money be voted to repair their neglect or not, a Parliamentary Commission should at the same time be appointed to inquire into the method in which the national money has been wasted, and to bring the culprits to a court-martial. I should allow naval experts a great deal

of freedom in spending the money allowed to them in the way they thought best, giving them a fair but definite surplus over the amounts voted by the two leading Powers ; but having done that, I should hold them absolutely responsible for the result. The amounts voted yearly in France and Germany for their navies are perfectly well known ; their Budgets are published as openly as ours, and there is not the least justification for any one taking part in this controversy without first informing himself of the easily ascertainable facts.

I am convinced that a strict rule of this kind once laid down would in itself do much to clear the atmosphere ; but the alarmist will never lose his hold of the nation until it is no longer the private interest of a large section of the people to go on from year to year piling up armaments. This is, before anything else, a trade that requires "disinterested management," and we may borrow from Messrs. Rowntree and Sherwell's able contribution to the liquor problem an idea for this other, equally important, one. Nobody should make any profit out of our Army and Navy, the provision of which should be a definite *cost* to every one having any stake in the country worth defending in proportion to his means. It should be clearly brought home to the big financial and business interests of the nation that every expansion of the Navy means a corresponding increase of the Income and Super Taxes. The steady effect of this was clearly realised by Cobden,¹ who tells how the first of his *Three Panics* vanished into thin air as soon as Lord John Russell proposed to increase the Income Tax to provide for it. At present the war interest ramifies so widely through high society that financial speculators,

¹ "There can be no doubt," says Cobden, "that the proposal to add 5d. in the pound to the Income Tax contributed to put an end to the first invasion panic." We are reminded of the cry, "We want eight and we won't wait," and the Budget that followed.

fathers and brothers of naval and army officers, bankers, and hosts of others have direct or indirect interests in panic promotion. It is imperative to bring sharply home to these people the cost of it all, and therefore we should stick strictly to Lloyd-Georgian finance, not only in the interests of commerce and the poor, but in those of peace and the reduction of armaments.

Secondly, we should give up altogether the practice of building warships in time of peace by private contract, leaving it impossible for any one to earn dividends by increases of naval or, for that matter, military expenditure. To this end the State should acquire a number of the leading shipyards on the Clyde, Tyne, &c., where war vessels are now built for the Navy, and put themselves in a position to fulfil all their own requirements, dividing Government work fairly among the districts to which it has been accustomed to go, and where, in consequence, a population has grown up dependent upon it.

Of course, in time of actual war it would be impossible to keep the private trader completely out of the business, however undesirable it may be that any one should make a profit out of what is, at the best, a great national calamity; but in time of peace it is before anything important to so arrange matters that all militarism comes as a definite and recognised burden on each unit of society.

In this way perhaps we might clear the capitalist private interest out of Army and Navy work. This would in itself be a great gain. Every trade naturally seeks expansion, and without suggesting that those men who are engaged in making naval vessels and military stores are selfish enough to desire war, in order that they may profit, they have the usual natural tendency to magnify their trades' importance, to believe that greater armaments, and, incidentally, more orders for them, are

a necessary precaution ; they are the readiest people in the world to believe in a war scare and the least likely to criticise it. They are hardly likely, to begin with, to be Quakers—or they would not be in such a business. In addition, they are an exceptionally influential trade, with more than the usual interest in politics, all of which tends to make their view of the nation's military and naval needs, naturally not a modest one, very potent with Governments, whether Liberal or Conservative.

Even, however, the complete elimination of private capitalist interest from Army and Navy work would not, in itself, get rid of our difficulties. During the South African War sixteen thousand men were busily employed at Woolwich Arsenal, at present there are only about nine thousand. Peace, which meant so much to the nation, was thus a disaster to seven thousand men, many of them members of politically powerful Trade Unions, to whom it meant loss of their posts, and in many cases long spells of unemployment. If, then, we open State works on a larger scale than ever for the building of naval and military stores only, there will still be a widespread working-class interest in naval and military expansion. A successful war scare will mean comfort and prosperity in thousands of homes where a saner public temper would bring destitution, or at least hardship. The plea of those Labour members who voted for the swollen Navy Estimates was founded on this difficulty. They were prepared to support a reduction in expenditure after the Labour party's "Right to Work" Bill had become law. That is to say, the dock-yard members and some sympathisers were not willing to allow a number of deserving men and women to go hungry, even if the expenditure that would give them the means to live were wasteful and mischievous. How, then, are we to deal with those employed in the new Government works proposed ?

Until we have put into actual operation some such scheme as that proposed by the Minority Report of the Poor Law Commission, we should engage makers of war material frankly as we engage our soldiers and sailors themselves. We should make them State servants, with a guaranteed minimum wage, whether there was full work for them or not, at least for a fairly lengthy period. Of course this means that if employment were slack at the yards, the men would be paid for little work. But it is not altogether necessary that the yards and factories should lack work simply because we were not at the time building Dreadnoughts or making many guns. When the Government shipyards had no work of their own, they should compete for orders for merchant ships in the open market, their mechanics and engineers should be available to make the engines for light railways, and any other work required by the Development Commissioners. There is plenty of peaceful work that requires doing in this country which private enterprise neglects, but which an energetic State Works Department might successfully undertake.

Then probably we should have fewer war alarms, and when they did come about we should be able to treat them in a calmer and more dignified spirit. Increased military or naval armaments would bring little grist to any private mill, while the certain increase in the Income Tax would exert its salutary and steadying influence. We should not, of course, be able to prevent foreign nations engaging in the foolish old game of beggar-my-neighbour, and building ever more and heavier ships in fear of each other and of ourselves. It would be our duty as a maritime nation, purposely keeping its army down to a level that would make a war of aggression by land on our part an absurdity, to retain our naval leadership intact. The clearly understood fact that we meant to spend yearly on our navy what France and Germany

together spent, with a balance over for contingencies, would be enough to prevent ere long any serious attempt to force the pace of shipbuilding, at least as against us. Military affairs must always be of far more consequence than naval ones to these nations. We flatter ourselves too much; we are much less in the thoughts of the foreigner than we think. Unless German statesmanship has lost all sense of reality, the Germans give ten thoughts to the Russian and French armies to one they give to the Navy of Britain.

Tariff Reform has failed, and is likely to fail, with the British working classes partly because of the able work of the Free Trade Union, of Mr. Chiozza Money, and of others who have put the case for Free Trade in a far more popular and simple way than at the beginning of the controversy I thought possible. Still more availing however, has been the popular hatred of food taxes, at which the Guarantist instincts of the working classes revolt. In so far, however, as Tariff Reform has ever captured working-class support, it has been by appeals to the Guarantist interests, or assumed interests, of sections. In those trades where the employers cry out for Protection, where foreign competition is really of much account, a certain section of the men tend to believe in this nostrum. Their living depends not so much upon the general well-being of the nation as upon the particular prosperity of the trade at which they work. Wherever, then, the Tariff Reformer can persuade the men of a trade or of a town that their employment would be better under Protection, however absurd his tale may be, he will make some converts. In times of bad trade and unemployment he gains some support, for the unemployed man is desperate and clutches at straws. But whatever support Protection has obtained among working men has, I am convinced, always been given for like reasons to those that make the people

support, with more justice, all forms of social or Guarantist legislation, from the Factory Acts down to Old Age Pensions and the taxation of land values—the wish to make the life of the poor more comfortable and more secure. And Tariff Reform, militarism, and all cross-currents of working-class politics find their main support, not among the comparatively well-paid and secure Trade Unionists, but among the unorganised, helpless inhabitants of our slums. The voice of *organised* labour is one of the most certain and consistent things in British politics. Certainly the Trade Union Congress of to-day includes in its demands many items not asked for by the last generation, and has ceased to believe in various “bourgeois” Liberal ideas. But such changes as there have been in Trade Unionist opinion have only gradually come about, after mature consideration and fair debate. Nothing has been done irresponsibly, nothing inconsistent with the steady characteristic outlook on life of the most intelligent section of the British working men. The *character* of our democracy, and the general method it will pursue in the politics of the future, in the age in which democracy will command, need not be in doubt. We may enlarge its ideas, and teach it better and readier methods for dealing with the social problem from day to day, but we will never make it “dramatic,” we will never persuade it to surrender or even to risk the first small chance of bettering the home for any Utopia, however tempting.

It is this stability of organised labour that is the hope of democracy. Those most deeply wronged of all by our social system are too crushed down mentally and morally to work out their own salvation. I believe that this country is now securely advancing towards a civilisation as wonderful in human as in material values, resting on the character, honest and simple, if as yet Philistine and unimaginative, of the organised workers and their

thrifty, heroic women. The greatest danger they have to face is not the opposition, steady as it is, of the vested interests to which they are opposed. The greatest difficulty to-day, as it was when I wrote *The Opportunity of Liberalism*, lies not ahead of the army, but in its rear. The slum dwellers may vote for revolution to-day, they may vote "khaki" to-morrow, but until they have been raised above the terrible position to which modern neglect has condemned them, they will always be that greatest of all dangers to society—a class whose politics are drama and not a reflex of life.

CHAPTER X

WOMEN AND DEMOCRACY

WE now see how the working man has moulded and is moulding politics after his own likeness, how Liberalism and Socialism have been compelled to find their greatest common measure in the needs of his daily life. The effect of this has been to compel parties and parliaments to discuss and, however slowly, legislate upon questions vital, not to a few hundreds or even thousands of the people, but of millions. The whole movement springs from one source, the needs under modern conditions of the average working man, and derives its momentum from his growing conception of the best manner in which to remove the most pressing evils from which he suffers, which limit his life. It is he who feels where the shoe pinches, and he who can, in the long run, decide between policies and programmes for reform put before him by men who, however clever and devoted, have only an outside experience of working-class life.

The modern social reform movement in politics speaks with the authority and gives expression to the needs of a very large portion of the nation. But even their united voice is by no means sacrosanct or final. It is evident that the authority behind any social demand must depend upon its catholicity.

The life experience, the practical needs of the male industrialists, however important, are not the sum of

national needs. The relations of Labour and Capital do not cover the whole field of national life. The working man has in a common-sense, instinctive sort of way a far better insight into his present-day needs than any of his political sponsors, but that is because every detail of *his* daily life is constantly teaching him lessons both of the direction in which he should move and the difficulties which limit the rate of his slow progress towards a higher life.

But he cannot speak for the life conditions and needs of any one but himself. The very reasons that lead us freely to accept his superior authority on his own needs forbid us to admit his authority in the affairs of others whose life experience is different.¹ The present electorate have the authority of a vast human experience; they speak for a vast variety of human needs. But they have no claim to catholicity, nor to any near approach to it. Their authority, therefore, is not and cannot be final; they speak, not for humanity, nor for the nation, but for themselves.

Now, it is obvious that of all the classifications of humanity by far the most important is that of sex. It is most important because it is the most permanent. The divisions of men into poor and rich, landlords and landless, employers and employees, are important so long as men continue to be divided into these categories. But there is no certainty that such divisions will always continue; all such differences have their origin in past history, and may disappear in the future. Nor are men,

¹“Woman’s place is the home.” This is usually an expression of narrow-minded obstinacy. Woman’s “place” is where the individual woman can be most useful. Emphatically, Florence Nightingale’s “place” was in the hospitals. But, properly considered, this saying, if true, would be no argument against the Suffrage. Surely the “home” is important enough to make us wish those who know most about it to have a direct influence on Parliament.

even at the present day, confined to any class by an absolutely immovable barrier. Men do pass, however hardly, from one class to another, rising or falling in the social scale according to their opportunities. But now and always there remains this impassable barrier ; now and always every question must of necessity be approached from one angle of vision by half the human race, and from another by the remainder. No programme by any party can have full authority unless it has the assent of both sexes, for only so can it be truly catholic and human.

The reader may have noticed that hitherto throughout this book I have generally used such terms as "the *man* in the street," the "average *man*," or some other phrase implying the masculine gender, when I have spoken of the democratic influence which is fashioning modern politics in the likeness of itself. I have done this advisedly. All the movements that compete for the support of the democracy to-day—Radicalism, Labourism, Socialism alike—necessarily appeal mainly from their masculine aspect. They appeal for the suffrages of men ; they come up for judgment before a masculine tribunal, impelled, whether it will or no, to commend chiefly those things that appeal to the needs of men, to pass over lightly or ignore altogether those measures or those aspects of any measure that have a direct and beneficial bearing on the lives of women. The reason for believing that the average man is likely in the long run to judge better about his own interests than even the ablest theorist is not, of course, that he is a better thinker. Such an idea would be absurd on the face of it. But he is in closer touch with the actual. He feels the effects of every change in the industrial world the moment it occurs ; he has not to wait until the theorists have adjusted in stormy controversy their outworn doctrines into confirmity with the new facts. His vision may

be narrow, but so far as it goes it sees things as they are, at least in their individual aspect. But if the working man is in touch with life, so too is the working woman; and unless her work lies in the industrial field, if she be married and have her "place in the home," she is best acquainted with a different aspect of it from the one daily presented to him. The case for women's enfranchisement is not only, therefore, different in degree, but also in kind, from that of such sections of men as are still left out of the franchise largely as the result of imperfect registration laws. The lodger or householder who fails to qualify may to some extent rely upon the votes of luckier individuals in a similar social position as a defence of his interests with which theirs are virtually identical. But nobody can finally speak for anybody except himself or herself; no one could even attempt to speak for a woman except—another woman.

The enfranchisement of women is not merely an incident, inevitable sooner or later, in the progress of democracy, it is a condition precedent to its very existence. The sanction of democracy is the life experience of the people, as expressed by the people themselves through representatives whom they have chosen for the purpose. Hence, as I have elsewhere said, the formula of democracy is not government of the people for the people by the *men*, but by the people.

I do not intend to deal with the Suffrage question itself in this book. At the time these words are written it is possible to hope that the summer of 1912 will see the end of that controversy and the victory of the Women's Movement. Even if the proposed Reform Bill is not so amended as to give votes to all women as well as to all men, at least it is likely that some women will be enfranchised. The enfranchisement of any portion of the sex would at least be a gain, for only as voters

can women exercise a definite, steady influence on the spirit of legislation. But of course no limited enfranchisement of women with votes for all men would in any way check the Suffrage Movement; only the enfranchisement of women on the same terms as men would remove the insult against womanhood that has filled the agitation with bitterness. And if no women are enfranchised at all this year the Suffrage Movement is now too strong and the subject too ripe for the reform to be delayed. Beyond reaffirming my conviction of its necessity, then, there is probably no need for me to go farther into the case for Women's Suffrage. My purpose in this chapter is rather to trace the connection between the Suffrage agitation and the general movement for better conditions of life, and to estimate the probable influence of the woman's vote upon the general tendencies of democracy.

In the first place, as everybody knows, the Suffrage agitation may be divided into two periods—that of steady, methodical spade work lasting from the 'sixties until the autumn of 1905. In the autumn of that year Miss Christabel Pankhurst and Miss Annie Kenny were imprisoned for disturbing a meeting in Manchester which was being addressed by Sir Edward Grey. From that time until the suspension of "hostilities" on account of Mr. Asquith's pledge to give due facilities to the Conciliation Bill in 1911, there was carried on throughout the country a most ably conducted, aggressive, and devoted campaign, by methods admittedly lawless, at first by the Women's Social and Political Union alone, and afterwards on its formation by the Women's Freedom League as well. This great agitation as well as the general progress of democratic feeling had a reflex influence on the older societies, and the National Union of Women's Suffrage Societies rapidly extended its operations. At every by-election women representing both

the militant and non-militant section of the Suffrage Movement appear, generally holding the largest open-air meetings of any organisation ; while for one Suffrage meeting held ten years ago, there must be twenty much larger ones conducted to-day. A stream of literature, from short leaflets to imposing volumes, steadily issues from the press, while the badges and colours of the various organisations are familiar to thousands.

All this is well enough known, but what is perhaps not so well understood is the pronounced Guarantist tendency that runs throughout the entire movement. Admirable as is Mills's *Subjection of Woman*, I do not remember any notice in it of the special economic evils from which working women suffer. I have not the book at hand, but certainly it deals very largely with the grievances of educated women. The tone of it is individualistic, not to say bourgeois. No such charge can be made against the present-day movement. The organs of the various groups—the *Common Cause*, *Votes for Women*, *The Vote*—continually call attention to scandalous cases of sweating and under-payment among women ; the speeches from the various platforms of the movement emphasise the same thing, books and pamphlets advocating the Suffrage constantly bring it to the front. On this subject, indeed, feminine democracy is absolutely at one with the Trade Union movement among men. Nor, to their honour be it said, have the rich women of the movement done anything, at least to my knowledge, to check this tendency, however much opposed it may be to their class interests. Even Conservative women have refrained from decrying the Labour Movement.

Nor is this solely due to the fact that Mrs. Pankhurst and her daughters had lived for so many years in the atmosphere of the Labour Movement itself. As I have already stated, the new influence is just as marked in

organisations over which she has no control as on the Women's Social and Political Union itself; in the Women's Freedom League perhaps more than any other. It is due to the spread of Socialistic ideas among working women themselves, to the growing tendency to organisation among them. Few people who know how hard it is to organise the women of the sweated trades realise how many women are actually subscribing members of the Labour party to-day. The majority of the great Cotton Operatives Federation, one of the largest constituent bodies of the party, are women, and women who have gone a long way to realise the economic value of the vote. The Women's Textile Committee and the Manchester and Salford Women's Trade and Labour Council, neither of them primarily Suffrage organisations, actually went so far as to run the first Suffrage candidate, in Wigan, at the General Election of 1906, and though opposed by both Liberals and Conservatives, managed to secure for Mr. Thorley Smith a good second place at the poll.¹

The new social politics have indeed taken a very strong hold of the women of this country. It could hardly be otherwise. As I showed in a previous chapter, the poverty and uncertainty of modern working-class life under a system which denies capital to all but a minority presses even more heavily on women than it does on men. The low wages or unemployment of her husband mean even more to the wife than they do to him; his death, which is to him a release from troubles, is merely the beginning of yet harder struggles for her. Bad housing conditions are worse for her, for have we not heard that "woman's place is the home"? There is no men's question that is not also the women's question, and if the working-man's wife is usually a stout defender of her

¹ See Miss Eva Gore-Booth's article in *The Case for Women's Suffrage*, an essay full of the Guarantist spirit.

husband's rights, she could give excellent reasons, beyond those of wifely sympathy, for her championship. But while it is true enough that working women are affected by everything that affects their husband's economic position, the converse is not quite so true. There is a permanent economic interest, common to the majority of the sex, shared only by a minority of the men, the economic claim of those whose social service, though vital to society, is not merchantable, and can under our present system of society bring them no economic reward of their own.

A lady friend of mine, a member of a provincial Fabian Society, objected to the chapter I wrote in *The Socialist Movement in England*, wherein I advocated the endowment of motherhood. Herself a professional woman, she contended that such a measure would virtually pauperise women. Strangely enough, the only other objection to the chapter of which I am aware came from the critic of the Socialist *New Age*, who seemed to consider that, because savage women not only bore and reared children, but worked in the fields as well, modern women should follow their example! I utterly repudiate both ideas. One of the inherent futilities of doctrinaire Liberalism is that it is continually trying to moralise the relations of men and women by moralising the conditions of the market, while preserving the cash nexus of human society. Hence Liberalism tends to look to Free Trade, the Single Tax, and other reforms of that nature to introduce equality of opportunity, by breaking up monopoly, and securing to each man engaged in production for exchange the full market value of his labour. And if all necessary work was expended in producing things for the market, you might conceivably arrive at social justice in this way. Even if the non-merchantable work of society were evenly distributed, so that all worked partly for the present market and partly for the

future generation, we still might arrive at some sort of justice by equalising the conditions of the market. As the world happens to be constituted, however, no such thing is possible. We are all of us in debt for our existence to society, in the first instance, and during all the earlier years of our lives we steadily increase that debt. Only when we come into the working world, either as producers of saleable commodities or as doers of any socially useful thing can we begin to repay that debt. Until we go back to the days of slavery and allow women to sell their children, it is manifestly impossible that the most vitally necessary social work of all—in fact, the reproduction of society itself generation after generation—can ever be rewarded by the market. It is not the pauperisation of women, but simple honesty, that demands that we should allow no one who is indebted for his existence and upbringing to the labour of society to escape his social liability, nor permit any woman performing her share of the social duty to lack adequate means to do it. Surely the precedents of barbarism should not be cited in the *New Age*!

It is not in some modification of Liberal individualism seeking to distribute rewards in proportion to the services rendered by individual to individual in a "fair" market, but in a commonwealth regarding all service as in the last resort social, to be estimated at its social value, that women can obtain justice. Present-day society is monstrously unjust to them. On them as much as on men rests the fabric of society; but as a vastly greater part of that work which society appropriates without reward falls to their share, this fact is recognised neither in the market itself, in politics, nor in general thought. "To him that hath shall be given," and as through the workings of our disorganised social life it is generally a "him" that "hath," society, taking things at their face value, decides, in effect, that women are less efficient than men because it finds

them everywhere poorer, dependent, in the shade. Only when motherhood is recognised as a supreme social service, when all the services for which women have special aptitude are recognised as professions worthy of equal honour and equal pay, when all professions are open to them, will we know for what work they are really unfitted as a sex, and by the working of natural law get rid of their competition. But by that time all the cobwebs that obstruct the workings of the average masculine brain on the subject of sex will have been swept away. Economic and political equality are, in the last resort, the basis of sound thinking. The demand for the franchise is a demand for fresh air, for power to dispel a vicious atmosphere of thought.

Meantime women meet men throughout the world, their equals in reality by virtue of their equal social value, their dependents, in effect, by reason of their economic helplessness. This is a moral and social evil of the first magnitude. A short time ago there was a furious outcry against Socialism as an enemy that threatened to break up the "home," and a good many English men and women, who had more or less comfortable homes of their own, were, I doubt not, duly alarmed. Husbands talked nightly of the danger—at the club; fashionable wives whispered the horror—between the acts; working men laughed at the anti-Socialist lecturers in the street; working women went on with the washing. The amazing thing is that all who took part in the agitation could practically assume that "the home" was the outcome, and the only outcome, of our present social arrangements. Socialism, if it ever comes, will be the creation of the people, and will certainly reflect *their* ideas and their limitations, not the view of life taken by any "emancipated" theorist of to-day. In short, it will be a natural development of what I have called "organic" Socialism, of the collective way of doing and controlling

things, the tendency to which is so marked throughout the democratic movement. As such it will be the work of those two most commonplace mortals, the man in the street and, for I may include her now, his wife. It is so far this very "home" that has been their main contribution to social institutions, as it is almost the only thing they have generally been permitted to make. I take it that they are the last people in the world to be likely to destroy their own handiwork, simply because they have at last been permitted to exercise their creative faculty on a larger scale. "The home" has not come into existence as the product of any particular order of human society, but simply because men and women like it.

But if competitive individualism has not created the home, it does not follow that it lacks creative power altogether. In addition to insuring that a very large proportion of the homes in our country shall be as bare of comforts or even necessaries as possible, it has been the direct cause of an institution, all its own—the brothel. The economic dependence of women upon men has not only been the cause for thousands of years of numberless unhappy, loveless marriages; but it is demonstrably the reason why, for all these ages, "Mrs. Warren's Profession" has been possible. I do not, of course, imagine that any social or political change will make all men and women chaste; but it is perfectly clear that the reason why thousands of women sell their bodies to men is that men are so much better off financially than women that even the money they can spare for dissipation is more than the women can earn by honourable work. When that state of things ends the brothel will disappear, to the great gain of the institution that will survive it—the home.

It is not to be wondered at, then, that there is a strong Guarantist feeling throughout the Women's Movement. As soon as women have votes this special tendency will begin to influence political thought; and, whether slowly

or quickly, legislation. It must be remembered that no candidate for Parliament, however well equipped, can possibly understand all the needs of his constituency when he comes before the electors. A well-conducted election is a political education, of the electors and of the candidate. If the latter is worthy to seek for their suffrages at all, he ought to have a far wider general knowledge of politics than the majority of them. Political theory, economics, current, social, and political proposals, the facts to be obtained from Government publications, should be widely familiar to him, while all ought to be digested and put in order by independent thought of his own. But when all is done, he will have a very general and abstract view of politics until he has come face to face with the people, been "heckled" on subjects which nearly affect them, and got to understand their special difficulties. This, as an election proceeds, an intelligent candidate will come to learn. He will soon realise that to succeed he must come to terms with sections of the electorate who insist upon him making up his mind on many questions of which he was at first totally ignorant. His politics will daily become more concrete, more closely related to life.

But as the candidate is only human, it will certainly be to the people with votes that he will pay most attention. The Temperance party, or the brewers, can hardly be ignored—they have votes, and his object is to obtain votes and secure the seat. Every trade and profession having votes behind it must be considered, and, if possible, satisfied. A rash or flippant word may offend some influential deputation and lose the election. He is forced, in short, to give a constant and considerate attention to the desires and grievances of every one *who has a vote*; he is not perhaps to be blamed very much if he finds little time to consider the claims of those who have none.

The process is entirely salutary. It is difficult for any one to realise the needs of another even when they are explained to him, and he listens with that attention only a candidate can give; it is utterly impossible for any man to *divine* the multitudinous ways in which such a measure, for instance, as last year's Insurance Act will affect people in all conditions of life. It is not surprising that an extension of the franchise immediately brings into politics a whole series of questions which hardly entered into them before. We are dealing in this book mainly with subjects that were regarded as outside of politics altogether until the working men received the franchise. Before working men had votes it is not too much to say that the character of a man as an employer of labour, for instance, hardly affected his prospects of election at all; now it is a matter of first-class importance that if a candidate, Liberal or Conservative, is an employer at all, he pays Trade Union rates of wages, or, at all events, that he is not known to pay less. The character, from a Trade Union point of view, of the firms that do his election printing, the record of his chairman and leading supporters tell considerably. Whatever he may feel he must pay lip-service at least to Labour; if he advocates Tariff Reform, it must be for the sake of the unemployed, not to raise manufacturers' prices; whatever his policy, he must make it appear like a piece of Guarantism, as a thing having some definite bearing on the working man's living.

Of course, this cannot go on very long without causing the principle of the "survival of the fittest" to act upon the personnel of the Liberal and Conservative candidates. Tories of the type of Sir Frederick Banbury, who are flatly opposed to Labour all along the line, get relegated to such constituencies as the City of London, from the security of which they can exercise all the forms of obstruction permitted to them

by the House without fear of the consequences at the next election. In areas where the working-class vote predominates such men are impossible for any party. The same applies to the old Gradgrind type of Liberal employer, who believed absolutely in his right to buy labour in the cheapest market. These men get quietly dropped, generally by the party caucus, when selecting a candidate ; if not, by the electors on polling day. Every man who stands for Parliament has at any rate to consider and be prepared to answer questions on all sorts of matters that interest the working man as Trade Unionist or Co-operator, as workman, or merely as citizen. And though there may be a good deal of insincerity and a good deal of imperfect understanding left in the mind of the average candidate after an election, it would be mere cynicism to assert that all this compulsory attention to the grievous needs of the poor breeds no real sympathy. I have no doubt whatever that most members of Parliament to-day at least know more and feel more the problem of poverty than their predecessors twenty or thirty years ago. It is just such an influence as this, now for a generation exerted on candidates by working men, that I want to see women enabled to use and use at once. Some women who rightly demand not merely the vote, but what lies behind the vote, the ultimate freedom of their sex, have, somewhat inadequately, called the franchise itself a 'symbol.' I do not like the word. The result of many struggles between force and justice is that the wrong side attains the reality, and the right is put off with a symbol. But the vote is not a mere symbol ; it is power. With all the slowness to avail themselves of their power with which they have been taunted by their best friends, the working-class vote, sometimes silently and almost automatically, sometimes by rendering possible vigorous protest and aggression, has succeeded in transforming the

whole subject matter of British politics, so that now the condition of the working classes is willy-nilly the topic of every election address, the constant study of every politician, in so far, that is, as he is capable of studying any question, and the motive of a very large proportion of the Bills introduced into Parliament, and of a still larger share of the Acts ultimately passed by it.¹ I look forward, and look not with apprehension but with pleasure, to a similar effect as the result of women's enfranchisement. One tolerably certain effect of it will be to clear the avowed anti-Suffragist out of public life. Candidates will at least be obliged to pay lip-service to the women voters whose suffrages they ask for, just as every candidate nowadays professes to take a deep interest in the working man. Occasionally we hear of Colonial statesmen, like the late Mr. Seddon, who admit that they made a mistake originally in opposing Women's Suffrage. Since they have seen the franchise in operation they say they have become convinced of its justice and expediency. I have no doubt that most of them are converted, for certainly the working of the Suffrage in Australia and New Zealand has been an emphatic success. But the position has its unconscious humour. If there are any parliamentary representatives in Australia who regret the days of man's undisputed rule we shall never know it. Their doubts will be hidden as a precious secret, like old Tories' dislikes of Household Suffrage, lest by any chance the women electors should come to suspect it.

From the first, therefore, there will be a tendency to weed out the most pronouncedly anti-feminist politicians,

¹ For the House of Lords, the Budget of 1909 excepted, which meant that their Lordships would actually have to pay money, have been far more chary of rejecting Bills helpful to Labour than "Liberal" Bills of the old-fashioned individualist Radical type. After all, the electoral prospects of their Opposition allies in the Commons cannot altogether be disregarded.

first from the party lists, and afterwards, if they succeed in becoming party candidates, by the electors at the polls. This will in itself be a great gain, as it will insure a more sympathetic spirit among candidates and members to the neglected problems with which they will now be steadily compelled to deal. It will no longer be possible either for candidates or the party press to ignore the woman's aspect of every question of the day or to refuse to include among such questions anything interesting to the new electors. I fear the task will be long. Men who have formed their political ideas in one set of conditions change them slowly under another. Before we can realise the full value of the woman's vote a generation of parliamentarians may have to pass away. The task of harmonising British politics with its present task, the bringing of better conditions and greater security into the lives of the common people, has already taken half a lifetime, and is yet far from complete. But just as the vote of the working man is telling on politics, so the votes and needs of women will tell in time, and it will be possible for democracy to form a real People's Party, in touch with the needs of the whole people. For no such party is possible now. The Liberal party has, as we have already seen, done perhaps as much as any party, financed and organised as it is, could be expected to do to get in touch with the people. To a large extent it is democratic in form, the electors at least, though not the women, having a very real control over the choice of candidates. But it cannot be representative of the progressive democracy until it is financed by them, for no organisation can act independently of those who provide its funds. Liberal Guarantism is hence imposed on it largely by outside pressure; it is a thing permitted, rather than demanded, by the dominant forces of the party; it is external, not organic. As such it tends to give way at moments of pressure when the wills and instincts of the

working class many come in conflict with those of the wealthy few. It acts, and may for some time continue to act, as a stopgap, doing very useful work meanwhile ; but if it is ever to become a thoroughly modern People's Party it will have to reorganise itself from top to bottom. This it may do, it is not our way in this country to scrap any institution or organisation which we can modify to suit new conditions, but the process will take time, and is one of great difficulty.

Meantime, however defective, Liberalism shows no sign of collapse, for the Labour party is not yet ready to take its place. It is now virtually coextensive with Trade Unionism—that is to say, with Labour organised industrially. But it rests, and must rest, on organised Labour, and Labour, in the rural districts at least, is hardly organised at all. Nor is it likely to be until we have a new land system. If it were possible for Trade Unionism to thrive in our villages it would have flourished long ago. It is the nature of men to combine for mutual aid when they have a chance, and the absence of any strong working-class organisations among any people is strong presumptive evidence that the conditions essential to combination do not exist. But the small-holder can and does combine, though not in Trade Unions. That is not important, for it is organisation that matters, not the particular form of it. One of the essential conditions for the People's Party of the future is a rural democracy, organised and free from the petty tyrannies of squire and farmer, adding the contribution of its subscriptions, its votes, and, above all, its specialised thought, arising out of its specialised life-experience, to the common stock of organic Socialism.

And though the Independent Labour party and the Fabian Society, the Socialist wing of the Labour party are thoroughly democratic in the sense that they freely

admit women,¹ not only as members, but as absolute equals with men, neither party, Liberal or Labour is as yet, or for that matter, can be for years to come equally controlled by women and men. It is not merely difficult, it is practically impossible in the every-day work of a party to keep continually in mind the needs of the non-voter. A party and its candidates are compelled continually to think of the voter, to consider his needs, to conciliate him in every way. Party success is success in doing this ; party failure is failure to do this. Women cannot, however democratic a party may be in theory, exercise their due influence upon it until they are enfranchised like their male fellow-members. Nor is this all. The Labour party, though equally open to men and women, is composed mainly of Trade Unionists, members of the party by virtue of their membership of the Union. Until the foundation of the Women's Labour League this necessarily kept out vast numbers of working women, who, though in sympathy with the aims of the party, were neither avowed Socialists nor members of Trade Unions. As, taking the country as a whole, there are far fewer women than men eligible for membership of Trade Unions, this means that a vast majority of the party are men. The *structure* of the party, then, which, as we have seen in the case of Liberalism, is even more important than its programme, is defective, not through the fault of Labour, but because of the position of industrial organisation to-day.

The People's Party of the future, the party that can express the Guarantist instincts and tendencies of the democracy, must be like Liberalism in one thing—it

¹ The women members of these organisations are in a very different position from the dames of the Primrose League or members of the Women's Liberal Associations. No business of whatever kind is undertaken without their knowledge, no candidate can be chosen without being first accepted in a meeting at which they attend as well as the men, and they are eligible for any office.

must be great enough in size and rich enough to face the enemy in every constituency. It must be able to fight a General Election in such a way that victory will mean, not only influence, but office and power. It must be a national party, strong in the country as in the town. But, like the Labour Party, it must be independent of capitalist money; it must be financed entirely, for in that way only it can be controlled, by the men and women whose practical daily needs it has come to express and translate into acts of Parliament, in whose interests and according to whose ideas the various departments of State are to be administered. But it must be more than this. Right throughout its structure, virtually equal in numbers, equal in influence on thought and plan, must be the women of the party. Only so can it be the party of democracy; only so can it give full expression to the will of the people.

But this party, like every other great human institution, must be a growth; it cannot be the creation of a moment. The steady development of the people's influence on thought and politics is the most striking feature of our time, and already we see in every direction the beginnings of such a party. The great Reaction is broken; it is now the Tory party that is discordant and depressed. As far as I can see progress is secure, and the people are beginning to forge a fitting instrument for their will. I have here nothing to say in criticism of those earnest reformers who see fit to remain inside the Liberal party, and do their best to modernise its ideas. I acknowledge the work of those who have laid so well the foundation of the democratic method, and have made the workers see that if Labour wants Labour politics Labour must pay for them; and I hail the Woman's Movement as a thing without which the work of neither of these could have availed to give us anything but a sham democracy, no true expression of national life.

CHAPTER XI

THE JUSTIFICATION OF GUARANTISM

ALL theories of democracy tend to lose their logical consistency, and to become merged in Guarantism, so soon as they attempt to express themselves in politics. The theorist, like the Christian, finds it hard "to keep himself unspotted from the world." It would be well, then, for the friend of democracy, to whatever theoretic school he may belong, to look this insistent Guarantism of the Labour Movement fairly in the face. Is there, after all, anything to be said in its favour? Can the people justify their attitude, altogether or to any extent, as against their critics, who have so much more logical and coherent a conception of things than they?

It is clear that for such an indefinite thing as the democratic movement no such clear-cut, logical justification can be given as those set up by Marx and Henry George for their doctrines of social revolution and the Single Tax. The justification for the Social Movement as it is must be found, in something the schools have overlooked, which perhaps any thinker, however brilliant he may be, is bound to overlook.

The method of theory is well enough understood in economics, and I suppose in any other science. Briefly, it is a method of abstraction. The thinker in economics and social science observes some general tendency at

work, producing or intensifying evils which he feels keenly. He singles out and studies this tendency in order that he may find a remedy. Inevitably he adopts a method of abstraction; he eliminates in thought all counter tendencies assumed to be of minor importance, and looks at that which he is studying almost as though it stood alone among the forces of the day. Nor can he help himself; the disciplined use of this method is a necessary mode of human thought, in spite of its dangers. Thus the early economists created the abstraction of the "economic man," thus doctrinaires of various schools, generalising the social problem, have come to find its solution in the suppression of the liquor traffic, in the nationalisation of economic rent, or in "taxing the foreigner."

This method is invaluable and indeed necessary, but the theorist should never lose sight of the fact that he is, however necessarily, leaving many known, and probably more unknown, things out of account. That way madness lies. Round the fringe of politics are numberless cranks and faddists, many of whom are ingenious and able enough, but who see everything out of perspective because of one hasty generalisation. Even the most valuable generalisation is, after all, only a generalisation, and when we attempt to construct any definite policy upon it, we are immediately brought face to face with the actual facts and tendencies which, in the world of thought, it was possible and perhaps necessary to leave out of account. The social problem is not abstract at all. Karl Marx might pass over in silence the special problem of economic rent, Henry George might ignore the special evils brought into existence by the private ownership of industrial capital; but the thing ignored was still there; though unconsidered by the teacher, it was felt by the people.

The individual thinker is of necessity an artist. He

must select and classify, leaving out of account, purposely or in mere ignorance, the greater part of the vast sum of things actually affecting life. Thus his picture of society remains an impression, however candid, however realistic it may be. But the politics of the people are a reflection, however distorted, of the *facts as a whole*. As we look around over the social movement, with all its confusions and all its limitations, we see a reflection of life such as the camera gives, not such as an artist would draw, of the forces from which it has arisen. Not only the general aspiration for improvement, the general proletarian struggle, but the special difficulties of each sub-class of workers, the special conditions of country and of town, of sex and age, of petty trader and of industrial wage-worker. And the influence of *every* real tendency discovered and insisted on by the schools is there also, only in due proportion, controlled and limited by the counter tendencies which the limitations of each school have compelled it to leave out of account.

It is the failure to recognise this that turns the thinker into the doctrinaire or the faddist, producing even in many devoted friends of the people a spirit hostile to the spirit of democracy itself. The doctrinaire, finding the people slow to follow his lead, or, what is more exasperating, silently and unconsciously "editing" it so as to destroy its logical perfection, does not attribute this to his own limitations, but regards it as a moral defect of the people themselves. They are being "led off the track" by some "red herring," they are "not alive to their own interests," they are "undramatic," ignorant, and altogether disappointing. The doctrinaire seldom realises that in politics teaching and learning are one continuous process. No man is so wise that contact with the people cannot make him continually wiser; he has always at least as much to learn from as to teach

them. The fault of a fixed theory of politics is that people forget that the things they have been compelled by the limitations of thought to leave out of account in framing it are still there. Not only is this the case, but new forces, unallowed for because unknown, are continually coming into operation in society, limiting and perhaps reversing previous forces. But all these are registered on the sensitive plate of democracy, though the impression may often be faint and blurred. Certainly the people are too often apathetic, but the main fault quite as probably lies with their mentor as with them. The people fail to understand him quite as much because of what he has left out of account, the things they *feel* of which he knows nothing, as because of that which he understands and explains.

Let us apply this to the doctrines of the Land Reformers and of the revolutionary Socialists. The Land Reformer starts off with the perfectly sound doctrine that land, being the gift of Nature, should not be the property of individuals, but should belong to society. Forthwith Land Reformers drift apart into two schools, virtually over the practical question of compensation to existing landowners. One school proposes to buy out the landlords, and make the land national property, while the other aims at securing the economic rent for the nation by imposing all rates and taxes on the value of land. The first idea implies for its success some method of compelling landlords to sell to the State at a reasonable price, as of course the enhanced prices at which railway companies and public authorities obtain land by compulsory purchase would mean a monstrous overcharge for the nation. With the high hopes of the Single Taxers, and what I conceive to be the limitations of their movement, I have dealt in a previous chapter. Both proposals leave out of account the question of social development. An un-

organised individualistic community *cannot* socialise land, as only an organised people are capable of exercising real control over anything.

So much, in brief, for the schools of Land Reform. Answering to them there is undoubtedly a growing demand among the people for an improvement in our land laws ; but this demand arises less from any doctrine of land-ownership than from the practical hindrances which various sections of the people find imposed by present laws to their development. Individuals or public bodies find difficulties in doing things they have planned or would like to do—difficulties which arise from the powers of landowners. The special kind of difficulty each finds in his way suggest some special solution, one that would probably at least have the effect of enabling some corporation or group of individuals to make a good deal of further progress. At this stage, possibly, the theorist may come to the help of the practical man ; who, if he finds the doctrine of a school fits his own case, will take it up with enthusiasm. This perhaps generally happens, though it by no means follows that a discontented people cannot find their way out of a difficulty without the aid of any economic expert.

Now, regarding the Land Movement throughout the United Kingdom as a whole, we find that it is following at least three main lines, each with a very different theoretic basis. In the towns, practically everywhere, the problem facing the people is a dual one—monstrously dear land and the burden of rates. The working men find a very large share of their wages taken up by house rent, they are crowded together in dreary streets, allotment gardens and even reasonable breathing space are out of the question. The middle-class householder grumbles at the growing rates, no share of which is paid by the owners of land next door to his house held up for building sites. Probably, as in most towns

nowadays, there is an enterprising and public-spirited town council in the place which is perpetually striving to improve the health of the town, to provide parks and open spaces, and at the same time to hold in check the steady advance of the borough rates. To the towns, then, the propaganda of the United League for the Taxation of Land Values appeals with real force, though rating rather than national taxation is the form most appreciated. The theoretic and the practical movements are here truly allied, and the English, and still more the Scottish, towns are so strongly in favour of acquiring power to rate land values that candidates for such constituencies hardly dare oppose it.¹ But in the English rural districts the popular movement tends to take another form. Here the progressive element is a rural proletariat, the agricultural labourers, who neither own land nor hold it as tenants, but work for wages under capitalist farmers. The labourer's condition is one of dependence and narrow poverty, worse in many ways than that of the peasantry of most civilised countries. This position is entirely inexcusable. England is the great market for the produce of such countries as Denmark or the Channel Islands, and neither the climate nor the soil of Southern England is any way inferior to either of these lands, where the peasantry are prosperous and contented. The applications for land under the Small Holdings and Allotments Act suffice to show that tens of thousands of English agricultural labourers desire to follow the example of the Danes, and acquire the use of as much land as they can cultivate with their own labour.

¹ The Tory Parliament of 1900-1905 twice passed resolutions in favour of a rate on land values, the urban Tory members voting largely in favour. Even Mr. F. E. Smith, the fierce opponent of Mr. George's land taxes, was pledged to the *rating* of land values.

The farmers, taking them as a whole, are Conservative, and look for Protection, not for land reform. They have an unreasoning fear of the national taxation of land values and no particular wish for a local rate upon them. This position is due to blank economic ignorance, I fear "invincible" on the part of the farmers, for certainly they stand to gain by either reform. Be that as it may, however, the present position is something like this, in so far as practical politics are concerned :

1. The rural labourer, if he takes a direct interest in the problem, desires first and foremost to secure a holding at a moderate rent with fixity of tenure, and secondly to obtain a more roomy house to live in. Taxation of land values as a more or less indirect way of attaining these ambitions appeals little to him. He thinks in the concrete, and would much prefer his Parish or County Council or the State to acquire land at reasonable prices and lease it to him, than see land values taxed, and take his luck with the landlord.

2. The farmer is not wishful to see the present system of landlord, capitalist farmer, and labourer changed in essentials. He dislikes the idea of small holdings or allotments as means of making the labourers independent of him. As far as he is a land reformer at all, then, it is generally on old-fashioned, individualistic lines.

3. In this way it is rather the propaganda of the Land Nationalisation Society than of the United League that is most likely to succeed in forming an alliance with the actually progressive forces in English rural life. The land taxes of Mr. Lloyd George follow closely the natural development of popular demand. Here, as generally throughout the Budget controversy, the party struggle turned on the real social conflict behind it. The Tories tried with all their might to persuade the people that the Budget taxed agricultural land, while the Liberals spent much of their time exposing the falsehood. Party candi-

dates and caucuses may not be very strong on first principles, but they know fairly well where they are likely to gain or lose votes, and it is fairly certain that at present, while the Budget taxation of undeveloped land is politically possible, a tax on rural land values is not.¹

In Scotland and Ireland we are met with a third aspect of the land question. In the towns, indeed, especially in Scotland, the United League and its policy are popular enough. Glasgow is the centre of the agitation for the rating of land values, and there the works of Henry George are the law and the prophets to many. In the rural districts of both countries we meet with by far the strongest popular land reform movements in the United Kingdom. The peasantry of Ireland and Scotland practically never commit the mistake of sending their landlords to Parliament. Nevertheless, to those who look only to the distant end, and cannot grasp the crude beginnings of things in the needs of the average man, the Scottish and Irish rural movements are disconcerting

¹ I think, however, a proposal to levy *local rates* or part of them on land values would be more possible. Here there is a very strong feeling to work upon at the outset—the hatred of rates as at present levied. I think one of the best reforms possible at present would be an adoptive Act permitting local authorities, in town or country, to choose their own method of rating. Most of the towns would rate land values almost at once, and some of the more enlightened country authorities would follow suit. In many parts of the country we should then have a valuable series of object-lessons, and I have little doubt that the method would ere long become general. In writing *The Opportunity of Liberalism* eight years ago I left the question of a *rate* on land values out of account. It was obviously no use sending up to the House of Lords, for certain rejection, any measure to impose a rate on land values. Experience has shown that they were prepared to reject anything of the sort, even at the risk of disorganising the national finances and of their own ruin. The result of the Veto controversy has changed the whole position, and a Bill to enable local authorities to rate land values is not only urgent but practicable.

enough. The typical English rural labourer is a wage-worker, without any hold on the land whatever; in Ireland and many parts of Scotland the bulk of the people are not proletarians at all, but small-holders. In consequence, the land movement is not so much aimed at *attaining* as at *retaining*, under more reasonable conditions and in security, a hold on the land. The question of the right ownership of the land, whether this should be individual or collective, sinks here into the background, and the popular demand becomes in practice one for fixity of tenure and fair rent. The Irish land question has been so exhaustively dealt with by those who have far more acquaintance with the subject than I, that there is no need for me to do more than remind the reader of this characteristic. The movement for the permanent public ownership of the land seems to have made no progress whatever in Ireland.

In the Highlands of Scotland I do not think it is quite the same. Here the problem is one of the displacement of men at first by sheep¹ and now by deer. It is hard to speak with patience of Highland landlordism, with its

¹ England had her turn before Scotland. Thus Sir Thomas More: "Your shepe that were wont to be so meke and tame, and so smal eaters, now, as I heare saye, be become so great devowerers and so wylde, that they eate up, and swallow downe the very men them selves. They consume, destroye, and devoure whole fieldes, howses, and cities. For looke in what partes of the realme doth growe the fynest and therefore dearest woll, there noblemen and gentlemen, yea and certeyn abbottes, holy men no doubt, not contenting them selves with the yearly revenues and profytes that were wont to grow to their forefathers and predecessours of their lands, nor beyng content that *they live in rest and pleasure nothinge profiting, nay much noyinge the weale publique*, leave no grounde for tillage, thei inclose al for pastures; thei throw doune houses; thei plucke downe townes, and leave nothing standynge, but only the church to be made a shepe house." The position and functions of a landed aristocracy were never more admirably defined than in the words I have placed in italics.

ruthless clearances, at one time to make room for sheep-walks and later for sporting purposes. English landlordism has many sins to answer for, while the absentee landlords of Ireland have been as ruinous to that country as the noble families of the North have been to the Highlands. Probably the brutalities recorded in Mr. Thomas Johnston's book, *Our Scots Noble Families*, could be equalled in Ireland and approached in England; but there is a tragic element absent in both these cases, only perhaps to be found in Scotland. The relation of the English squire to his serfs, and afterwards to the tenants and labourers on his estate, was always one at best of friendly feeling between superior and dependants; that of the Irish landowner to the peasants on his estate was almost nakedly that of exploiter and exploited. But in the Highlands, till far later times, the relation of the Chief of the Clan to his followers was a spiritual fellowship. When the Clan Chiefs took advantage of the power placed in their hands by the modern State to convert themselves into landlords of the Lowland or of the English type, and then cleared vast areas for the, to them, more profitable rearing of sheep and cattle, or afterwards to preserve deer, their actions involved the blackest treachery to the fellowship of which they were the chief members. There was a Judas-like element in their brutalities, absent in either of the other countries, which has not lacked its due reward. They have obtained wealth and exclusive "sport" at the expense of destroying for ever the old Highland spirit of loyalty to the chief and to the clan, which they ought to have treasured as they did their souls. In the days of the '45 any Highlander would have died for his chief, where now hardly one will be found to vote for him as a member of Parliament—and that one is a flunkey. Nevertheless, over a great part of Scotland the proletarian agricultural labourer is not so common as in England, and the Land

Movement is a crofter, not a wage-labourers' movement. Consequently, its most insistent demand is for security of tenure, and for power to check the growth of deer forests. Coupled with this is a desire for State afforestation, where the land is not fitted for crofts. The nearest approach I have seen in the popular demand to that of the Single Taxer is the proposal to levy a tax of sixpence an acre on land devoted to "sport," and that, it must be confessed, is a woefully unscientific proposal in the eyes of any one who realises that almost every single acre has a land value of its own differing from that of any other acre. The land question in the lonely Highland glens, however, is very different from that of the densely peopled English Lowlands, and needs to be thought out by itself, in the light of local conditions. The Single Tax would be a ruinous thing in the Highlands from a human point of view, if the "demand" of millionaires, English or American, for deer shooting induced them to outbid the crofters for the lands they hold. State purchase on a large scale would not encounter the same opposition, and might be made the basis of a new development, which, meeting the demand for crofts in full, and encouraging voluntary co-operation among the crofters, would bring new industry to the Highlands by a large scheme of afforestation. But, in any event, while the "intellectual" land reformer may have a far clearer vision as to the ultimate possibilities of life in the Highlands, there is one "expert" who knows far better than he what is wanted *first*, the man who has been all his life in touch with the actual conditions—the Highland peasant himself.

Turning now to the question of industry. Here we find, just as Marx anticipated, a true proletarian movement, more or less in conflict all along the line, if not with modern Capitalism, at least with the manifestations of Capitalism. But it is not, as many Marxians hoped,

a definitely class-conscious movement aiming directly at the destruction of Capitalism itself and at establishing "the despotism of the Proletariat." Conflicts of classes, though real enough under the surface, have never, I think, in our history taken any such character. Disputes between the King and the Parliament do not for long appear as struggles between Monarchists and Republicans. The King himself is treated by his rebellious subjects with the utmost conventional respect, their efforts being devoted to removing "evil counsellors" from about him. In the Middle Ages an unpopular king is removed, and the honours of Monarchy handed over to some member of his family who is likely to use the prerogative less oppressively. But right throughout the constitutional struggle the aristocracy and the rising middle class have a strong bias towards their side of every question. Even when, in effect, a movement was revolutionary, it was seldom consciously so. The Social Movement of to-day is developing in a similar way. Instead of a "class-conscious" proletarian movement embracing vast numbers of men and women who definitely aim at overthrowing the Capitalist system, we have a party, numbering hundreds of thousands, having nothing in common but the Guarantist determination to improve the immediate conditions of life. In close alliance with them are the I.L.P. and the Fabians, Socialists who see the end from the beginning. Guarantists, as well as Socialists, they acquire influence because of their Guarantism and know how to use it because of their Socialism.¹

¹ I must not be understood to mean that the Socialist wing of the Labour party all understand both the ultimate aim of the movement and the immediate necessities of the position. Many Fabians are but slightly in touch with proletarian feeling, while with many, both Fabians and members of the I.L.P., Socialism is very imperfectly thought out. Nevertheless, for Socialist propaganda the Labour alliance has given the finest platform we have ever had in this

But not only is the movement of the wage-workers not consciously revolutionary, but, as we have already seen, industry itself is not taking quite the line of development anticipated by Marx. In Germany, highly as its industries have been developed, Sombart estimates that only about one-third of the population are employed as wage-workers in industry. With us the recent Census of Production accounts for seven million industrial workers, including a large proportion of women and boys. To these must be added the transport workers, and the majority of those working for wages in the distributing trades, before we arrive at the true numbers of the British proletariat, while the English peasant has, nearly everywhere, been long reduced to a wage-worker. Even so, however, the proletarians are a long way from being coextensive with the democracy. Nor does there seem to be any likelihood that they ever will be. Those who regard modern industrial evolution as entirely a movement towards concentration take far too crude a

country, as witness the size of I.L.P. demonstrations as compared with those possible before the party had won the confidence of the Trade Unions. The alliance has given great offence to British Marxians, but as I read the *Communist Manifesto*, I cannot believe it would have been displeasing to Marx himself. Take these sentences from the *Manifesto* itself :—

“The Communists do not form a separate party opposed to other working-class parties.

“They have no interests separate and apart from those of the proletariat as a whole. . . .

“The Communists, therefore, are, on the one hand, practically, the most advanced and resolute section of the working-class parties of every country, that section which pushes forward all others ; on the other hand, theoretically, they have over the great mass of the proletariat the advantage of clearly understanding the line of march, the conditions, and the ultimate general results of the proletarian movements.”

To suppose that Marx would have insisted in imposing, as a dogma, this “clear understanding” on the whole working-class movement is, it seems to me, to reduce the above passages to nonsense,

view of things. While the great industry grows year by year greater still, the small and moderately large industry continue to flourish alongside of it ; and while with the progress of trade work that at one time was carried on, first by hand in small workshops, then by machinery in independent factories, comes ultimately into the hands of mammoth businesses or even of a single trust, industrial evolution is continually bringing into existence new processes of manufacture, which frequently start off on the small scale. We are only too familiar with the pathetic story of the small shopkeeper or manufacturer whose trade is ruined by some large branch store opening in his street, or by a great joint-stock enterprise that, taking advantage of large-scale production and expensive machinery, destroys all smaller rivals. We are apt to lose sight of the fact that, either for the same trade in quieter and less accessible neighbourhoods, or for new trades in the same place, there are constantly coming into existence new places of business in which the small man may still prosper. And on the whole there is actually a net increase, both actually and relatively, to the increase of the population, in the proprietors and employees of these smaller factories. The *number* of business premises of one sort and another in this country seems to be increasing at least as fast as the average size, while the numbers and prosperity of the middle classes of all grades are steadily rising.¹ Things seem nowhere tending to a universal massing of industry in the hands of a few wealthy plutocrats ; but, on the contrary, present a countless series of trades, in various stages of evolution, from the handicraft stage to that of the international trust, all going on at the same time.

¹ Bernstein has collected many interesting statistics to prove this point. See especially the figures analysing the scale of industrial undertakings from the Prussian Census of 1907 (*Evolutionary Socialism*, p. 57, note).

And if in manufacturing industry the tendency is nevertheless on the whole towards concentration, in agriculture it is rather the other way. Readers of Kropotkin's *Fields, Factories, and Workshops* will find this tendency illustrated, certainly in an extreme case, in his account of the change in wheat-growing methods in Iowa owing to the harvest failure of 1878. Up to that time farms were of enormous size. "Spaces of from 100 to 150 square miles in one block could be given to wheat culture. . . . In the autumn whole studs of horses were brought, and the tilling and sowing were done with the aid of formidable ploughs and sowing machines. Then the horses were sent to graze on the mountains; the men were dismissed; and one man, occasionally two or three, remained to winter on the farm. In the spring the owners' agents began to beat the inns for hundreds of miles round, and engaged labourers and tramps, both freely supplied by Europe, for the crop. Battalions of men were marched to the wheat-fields, and were camped there; the horses were brought from the mountains; and in a week or two the crop was cut, threshed, winnowed, put in sacks by specially invented machines, and sent to the next elevator, or directly to the ships which carried it to Europe."¹ But this farming by large capitalists came to an end, so far as Iowa was concerned, in 1878. The small-scale farmer took the place of the large, and "the Iowa farmers took to a more intensive culture." The "mammoth farms" travelled westward, but seem anywhere only a temporary expedient, giving way sooner or later to smaller scale production. This is a curious inversion of Marxian teaching with regard to capital, yet it is merely an extreme instance of what is generally going on in agriculture. The average size of agricultural holdings throughout the world, as Bernstein has shown, tends

¹ *Fields, Factories, and Workshops*, p. 77. There is surely some strange confusion in the seasons here!

to decrease. In this country it is notorious enough that the progressive demand is for small holdings, Socialists, quite as much as Radical land reformers, being anxious to extend them.

In spite of the enormous trusts and syndicates of to-day, the progress of industry is very inaccurately generalised as a tendency to concentration. Side by side with the centralising tendency are others almost as marked for decentralisation. No Socialist theory, then, can be "scientific" that assumes the universal concentration of industry into a few hands, nor the growth of an industrial proletariat relatively greater than we have at present.

And this dual character of industrial evolution, towards centralisation in some things and decentralisation in others, is likely, it seems to me, to become much more marked in the near future. Industries tend to be larger in scale according to the extent to which, at any given time, they obey the law of increasing returns. Before the days of the submarine cable and of steam navigation the owner-captain might be able to work his ship as cheaply and profitably as any one, going from port to port as cargo offered, and making his own bargains for a new cargo with shippers on the spot while he was leisurely discharging an old one. But it is impossible for such a man to save the money necessary to buy a large modern steamer, or, if he could, to compete with great firms owning fleets of their own, and booking new freights by cable long before their vessels arrive in port at all. Thus, up to the extent to which, taking the contemporary development of shipbuilding and world-communication into account, concentration is, at any given time, an advantage—the large firm displaces the small. But this is not inconsistent with the continuance or even the extension of smaller concerns doing special trades in narrower waters and in shallower harbours. Even, then, within the bounds of one industry, there may be

room for small, large, and gigantic enterprises ; though generally there tends to be a minimum capital without which a manufacturer cannot hope to succeed, and a maximum above which further concentration would yield no economic advantage.

And these maxima and minima of economic production have been largely determined by the power which has for so long been at the root of production. Steam-power, on which industry is dependent, involves in itself a large amount of concentration. One steam-engine will provide employment for a great many spinners and weavers, besides involving the presence of the engine-man, and probably fitters and other mechanics. The scale of production and the extent of the business it implies render necessary a certain number of salaried officials, clerks, &c. There may be a growing economy in building larger factories, with more powerful engines, but there never can be any tendency to concentrate more *power* in one particular place than can be used there. The local production of steam-power is limited by the local consumption of it.

But if, as certainly seems probable, electricity supersedes steam as the driving power of industry, I can see no clear limit to the possibilities of centralisation in the *production* of power. Electricity, generated in a central power-station, can be used any distance away ; and already power produced in one place is driving railway trains, tramcars, machinery, as well as providing light round whole districts. Electricity, generated in enormous quantities at the pit-mouth where coal is cheap, if we continue to depend upon heat for our primary force, or, more likely, where there is abundant tidal or other water-power, seems to be the motive power of the future. If so, there must inevitably be an enormous centralisation in the production of power. Factories and workshops will scrap their steam- and gas-engines, and will purchase

their energy, as they generally do their water, from some central supply serving perhaps many hundreds of other firms.

But if the coming of electricity implies great centralisation in the production of power, it renders possible a vast *decentralisation* in its use. There are limits below which the use of steam-power is not an economy, for a steam-engine requires the constant attention of a skilled man, while where space is limited it takes up a good deal of room. For these reasons the gas-engine, which does not require a fireman, has already invaded its monopoly for light work, and has created a new field for itself. Gas motors of only one or two horse-power are now commonly used for work which, a generation ago, was done by hand. But even the gas-engine has its limitations, since gas cannot be distributed at any great distance from a moderately large centre. The gas-engine is a valuable aid to the small industry in the towns; but it can never penetrate far into the country. With electricity it is otherwise. Already tramways are penetrating miles into the country, and every tramway is a potential artery for the distribution of power all along its length. We shall soon be able to procure cheap electric power almost anywhere, and before long the inventors will provide us with machines for its use in every imaginable way. It is probable that there will be a large reversion to the household, as distinct from the large factory, industry. It proved impossible for the cottage weaver to compete with the factory when he was forced to do everything by hand. But successful competition may be a very different thing when the small man also is assisted by machinery. Electricity promises to disperse a very large proportion of our manufacturing industries over the country again, and to create a series of power-aided peasant industries, to be carried on chiefly in the winter when work is slack in the fields.

Taking production as a whole, then, instead of a universal tendency towards concentration, the abolition of a middle class, and the division of society into a small group of capitalist magnates and a vast army of hopeless, propertyless, and enraged proletarians, who have the "world to gain" and "nothing to lose but their chains," we find the small industries persisting and even extending with the development of capital alongside the great amalgamations. In agriculture, the tendency is actually to decentralisation, and that all over the world. It is not the natural development of economic forces, but out-of-date land laws and aristocratic traditions that prevent the vast extension of small holdings and allotments in this country. Lastly, we see a new motive power coming into use—one of which Marx had, of course, no idea—the tendency of which must be to increase this dual development. The small-holder and the workshop will be immensely helped in their competition with the large farmer and the greater industries by the possibility of obtaining power at virtually the same price per unit. But this cheap distribution of power involves an enormous concentration of capital in the centres where power is generated. In fact, it can hardly be doubted that with the development of electricity, the primary thing in the industries of the future, the *power* that drives it must become a monopoly, either private or public.

When, therefore, Kautsky, the ablest modern defender of Marxism, tells us that "small production is doomed to perish" and condemns as "reactionary" all attempts to revive it, he is making confident assertions about a very doubtful matter. It is "reactionary" to check the progress of a new and more efficient process of production, or to endeavour to restore an old and, under existing circumstances, less efficient technical method. But whether the promotion of small holdings, and the revival along with them of peasant industries, be reactionary or progres-

sive depends entirely upon whether such industries, as things are now or become in the future, are more or less efficient than concentrated production. There is room within the democratic movement both for the centralisation of the State Socialist and the small associations for "mutual aid" of Kropotkin. It all depends upon the circumstances of the individual industry.

One of the evil effects of fixing the mind too exclusively on one tendency of the day and stigmatising anything that counteracts it as "reactionary" is that one is apt to become reactionary in reality. Thus both Kautsky and Kropotkin, centralist and decentralist, fail to realise the enormous value of international trade, both give countenance to the reactionary idea of the economically self-sufficing nation. The fiscal controversy in this country has at least called attention to the vital importance of the distribution of coal on the development of industry. Great industrial centres gather round great coal-fields, a fact that accounts for the manufacturing supremacy of the United Kingdom, Germany, and the United States, the great coal-producing countries of the world. Kropotkin, writing before the days of Tariff Reform, anticipated Mr. Chamberlain's pessimism; but, in the light of the expansion of international trade since *Fields, Factories, and Workshops* was written, his argument in the first and second chapters of that book falls to pieces.

Kautsky, after approving the "economic independence and security" of the various commonwealths of the future "if each produce all necessities themselves," tells us that "in order for a Socialist commonwealth to produce all that is necessary for its subsistence it would for the present be quite sufficient for it to assume the proportions of a modern State."¹ "A certain kind of

¹ What "modern State"—Denmark or Russia? One might as well talk of the proportions of a modern business firm.

commodity exchange," he grudgingly admits, "between the various commonwealths will have to continue, at any rate at first," and he instances coffee as one of the few things which the European nations would require to import.

All this is pure reaction. The "self-sufficing commonwealth" is, in the long run, as impossible as the self-sufficing man. It is evident that Kautsky has no conception of the extent to which the gifts of Nature are variously divided over the globe. To each nation its own coal, or iron, or copper, or cotton, or wool, even its own corn,¹ would mean that all the peoples of the world would go without some one or the other of these necessaries. Nor is there any gain, but mere loss, in confining exchange to raw materials only. Different regions have differential advantages in working up various materials, and a Socialist State would be just as foolish in making its own machinery, for instance, if it could get better by exchange as a manufacturer would be who persisted in making for his own use a product which he could buy at an advantage from others. But in all this international question Kautsky is hopelessly at sea. It is not before time that Mr. Norman Angell has written *The Great Illusion* when so able a man as Kautsky believes that the trade and prosperity of a country depends upon its area. "Nothing," he says, "can injure the interests of the capitalists of a nation more seriously than a diminution of their territory. The French bourgeoisie would long ago have forgiven Germany the five milliards, but it cannot get over the annexation of Alsace-Lorraine."

¹ British wheat, for instance, is generally inferior in quality to that obtained in drier climates. Hence it commands a lower price even in our own market. It is much less important that we should grow our own wheat than that we should have the best possible food.

Enough, however of the schools. The men who worked out the economics of rent, the Marxians who have so ably analysed the tendency of modern production to make millionaires on the one hand and helpless proletarians on the other, have done invaluable work. But however useful their generalisations may be, there are always tendencies at work which limit their validity. The progress of industry is always too complicated to come within the scope of any one economic generalisation, and it is the actual progress of industry, not the conceptions of Socialists, that fashions the democratic movement.

And if we survey the democratic movement as a whole, we can see how true it is to fact. Where, in the industrial field, modern capitalism develops at all on the lines anticipated by Marx, there you have the growth of proletarian organisation, co-operative, industrial, and political. The various Labour organisations, arising first of all for the defence of small sectional interests, and based on the need for mutual assistance in the difficulties of daily life, tend to become more and more conscious of their solidarity. But even when the workers are organised by the million, they still refuse to declare immediate war to the death on capitalist industry. They are met with an obstacle not anticipated by Marx, the continued vitality of Capitalism itself. Instead of one vast movement to concentrate industry under a "few magnates of Capital," we find a middle class increasing in numbers, while new competitive industries are developing every year as the result of invention and the growth of foreign trade. The concentration of industry shows no special tendency to coincide with the proportions of a modern State. Some industries, as indeed Kautsky realised, tend to overleap the boundaries of States and become international in character, others may conveniently be owned and administered by the

State, others again by local governing bodies of various sizes, while at any given time there is always a large residuum of trades which may have to be left over to some system of voluntary co-operation.

The absence of any marked tendency for agriculture to concentrate in large capitalist undertakings has its counterpart in the slow development of the characteristic proletarian organisations—Trade Unionism, Co-operative distribution, and Labour politics—in rural districts. Here the democratic demand has only a slight connection with State Socialism, though, and this is very important, the need for voluntary and assisted co-operation in buying and credit are strongly felt. In each part of the United Kingdom the agrarian movement takes a form of its own, strictly determined by the local conditions. Only where the immediate interests of Labour are at one are the forces of democracy throughout the country, organised and unorganised, at one also. The thoughtful working classes throughout the land agree in claiming a reasonable standard of life, in seeking security against accident or unemployment, and in their willingness to tax super-wealth in order to supply the needs of poverty.

No section of the intellectual friends of democracy taken alone has as yet supplied us with a theory that will cover the whole problem of democracy, in anything like so complete a way as the indefinite, yet realistic, programme of the people themselves. Yet if we look at the conscious Socialist Movement *as a whole*, we shall find no contradiction between it and the democracy. The essence of Socialism is the substitution of organised, co-operative, and communal production and distribution for the anarchy of competition. With this in common Socialists have differed as widely about methods as William Morris and Edward Bellamy. There is perhaps less difference between the political ideal of the most reactionary Tory and that of the most advanced Radical

than there is between the polity of *Looking Backward* and that of *News from Nowhere*. Yet, whatever else might be said of them, nobody doubts the Socialist orthodoxy of the authors of both these books. Socialism implies the social ownership of the means of production, the economic equality of the people; but whether that ownership be vested in the whole human race, in the State, in the commune, or in some voluntary association, so long as there be equality and democracy, is a matter of expediency, not of principle. And when we look at the Socialisms of the schools, no longer singly, but as a whole, we can see that they, too, can be fitted as readily to the technical evolution as the unconscious strivings of democracy itself. The Syndicalist Movement, so prominent last year, in spite of its wildness, will not be without its uses, if it convinces Socialists generally that politics are not the whole movement. State Socialism has its place, for modern industry actually has developed many industries to the state in which national monopoly or private monopoly is the only alternative. It would be madness to ignore the State, or to slacken our efforts to obtain complete democratic control of it; for if the people neglect to control the State, the enemies of the people will not. To the direct ownership and control of the State, then, we must look for the Socialisation of railways, electric power supply, and many other things which tend to become or already are monopolies of national extent. Again, we must look to the State, as the highest authority for the preservation of a NATIONAL MINIMUM standard of life, as the means through graduated taxation of rendering impossible the accumulation of fortunes large enough to enable individuals to live in luxury and idleness. But the sphere of politics is strictly limited: Socialism must be the work of the people, not of the State. Nothing strikes me so forcibly about the more violent revolutionists as their wholly inadequate

idea of the tremendous revolution really necessary. "A new reverence for the life of man upon earth"—England has perhaps produced no greater man than him who coined that phrase!—a completely new spirit, a new and changed method, must penetrate every phase of social life, transforming every institution in the land, before the Social Revolution is achieved. And the material force to attain this end is only to be found in the universal organisation of the people. It is not this or that doctrine that matters in the last resort, this or that change in the law, but the growth of the Labour Movement itself. "To me," says Bernstein, "the movement is everything, the ultimate aims usually nothing." And though this may overstate the case, it is nevertheless true that the most important thing in the democratic movement is just the growth of democracy itself—the organisation of the people.

CHAPTER XII

PARTIES AND DEMOCRACY

“To me the movement is everything, the ultimate aims usually nothing.” These words of Bernstein’s, though, as I have said, they overstate the case, contain an important truth for the Socialist. The ideal, indeed, is an inspiration, without which in the workaday tasks of social reconstruction, it would often be impossible to proceed; but the every-day work of Socialism, in so far as it is not mere waste of energy, consists of the patient development of the working-class movement towards organisation, a thing perhaps partly inspired and enlightened, but not created by conscious Socialism at all. To this day the most typically perfect social organisms owe nothing to theory. The life of bees has become social, not because bees have had an education in scientific Socialism, but because the pressure of the ages has compelled them to live in the way they do. Co-operation is more efficient than competition, and when circumstance give to men and animals the opportunity to co-operate, they are certain, sooner or later, to avail themselves of it. But any one who studies the early chapters of Kropotkin’s *Mutual Aid*, dealing with co-operation among animals, will realise how secondary a part the great man plays in the evolution of Socialism. With the animals certainly the “final aim” was nothing, the “movement” in which, generation after generation,

each played its unconscious part was everything. And yet how often does the solidarity of a tribe of animals put to shame the anarchy of civilised life!

But co-operation, like invention, implies not only necessity, but opportunity. Though, in the world of nature, those animals that have most of Socialism have also most intelligence, the intelligence is probably as much the effect as the cause of the Socialism; life in community has developed, not only their social instincts, but their mental powers. It is impossible to say how low in the scale of intelligence combination for mutual aid may originate. In order to find a place at all, however, the opportunity must be there, and even the highest animals and man himself may be driven backwards into individualism by stress of circumstances.¹ It has been the policy of undemocratic States to prevent the combination of the people, and only as the hold of the classes on the State weakens does it become possible for the people to organise, without danger of having their Unions broken up by the authority of the State. The Taff Vale decision and the Osborne Judgment are but survivals of the methods natural when the State was definitely hostile to combination as such. Bad as they were, they were mild compared to the shameless use of Royal Commissions to raid the parish guilds, obtained by noble "Reformers" in the days of Edward VI. The State, thanks to the influence of the workers' vote, is now friendly towards established methods of combination, though suspicious of new departures; when Government has become thoroughly democratised it

¹ Thus, in the case of bees, the most social of insects, Kropotkin tells us that lapses occur. "When there is little to gather in our meadows and fields robbing bees become of more frequent occurrence," while "in sugar refineries, robbery, laziness, and very often drunkenness become quite usual with the bees." Thus even with bees scarcity and superfluity have their inevitable anti-social results.

will be actively helpful to both. It is the organisation of the people, not the teaching of the schools, nor even the part, important as it is, of the State, that will make the free Socialism of the future. In this the Anarchists of Kropotkin's school and the Syndicalists are right; and however much we may dissent from the negative side of their gospel, it forms a useful antidote to those who believe that the State can *create* as well as *foster* Socialism.

The curious attempt of Mr. W. H. Mallock to justify the wealth of our dukes and hereditary millionaires by treating it as the reward of their "ability" has so amused the Socialists that it has tended to hide some of his other errors. Indeed, Socialists themselves are in some danger of sharing, at least one of them. Mr. Mallock has never realised the truth of the adage that "Necessity is the mother of invention," and I may add Opportunity is its father. All men are *inventive*, if in very various degrees, though it is perfectly true that all men do not actually invent. When a man's work in life consists of doing something, however simple, the best method of doing which has already been discovered by experience, he is likely enough to content himself with the method thus established. But it does not follow that he has no natural initiative. He invents nothing, he modifies nothing, because the opportunity and the need are not there. But if we put the same man in another position, where he has got no established tradition to guide him, and where he *must* work out a method for himself, in nine cases out of ten he will do it. A new invention is bedded into its place in the industrial organism, not by the mere genius of the patentee, but also by a constant series of modifications of existing things, made by employers, foremen, and even labourers. The best way of working the new machine in each factory where it is to be used has to be discovered,

and, generally speaking, those who will most easily discover this are those who have to use it.

Again, there are two kinds of inventors, the man who invents things and the man who is always going to invent them. Generally the latter has more genius—in fact, he is nearly always at least clever, but the former is more useful. The man who is always on the point of inventing something is probably indifferent what he invents, so long as he can obtain money or fame by it. In consequence, he turns his attention from photography to motor-cars, and from both to electricity, never learning enough about any of these things to do anything really new. The genuine inventor, on the other hand, finds out by his practical experience of something he really understands and takes an interest in for its own sake some distinct improvement of which he sees clearly the need and utility. Perhaps he only makes one invention, possibly not a very ingenious¹ one at that, but it is the thing that is wanted. It takes its place in industry, and adds its quota to progress. The life-experience of the nation obtained in industry is the groundwork of farther industrial improvement. Thousands of minor improvements, suggestions, adjustments, the work of thousands of people, many of them quite ordinary people, go on from day to day preparing the ground for some one who can generalise the knowledge so formed and patent some device suggested by them. A change of any importance once made, innumerable minor adjustments, all requiring powers of initiative or invention of some kind or other, are set in motion, until the method of working the improvement has been

¹ The amount of *cleverness* needed for an invention bears, of course, no definite relation to its utility or the influence it may have in the world. The steam-engine, as first designed at least, involves only a simple enough idea. Many a good chess-player has probably as highly organised a brain as Watt or Stephenson.

reduced to routine, and people, who under stress of necessity or given the opportunity would be quite capable of initiating some new thing, go on patiently perfecting an accepted method. But it is not because the present generation of Chinese and Japanese are naturally more inventive or adaptable than their forefathers that the changeless East is now belieing its reputation. Obviously, it is because European influence has disturbed the old adjustments of life for them, and both the necessities and opportunities of the position are making these stagnant nations adaptable and inventive. But, right throughout, the advance of a progressive period is a *social* advance; all classes and races engaged in industry take part in it; people of all degrees of ability, from the simplest to the most brilliant, contribute, not in tens but in thousands. And, however trivial individually, it is impossible to say that the accumulated mass of the small improvements, the things not worth patenting, not great enough to be reported in the press, is of less importance than the contributions of genius.

But most people, like St. Paul, are prone to "magnify their offices," and though perhaps most teachers of democracy would probably assent to the above, they are apt enough to ignore the contribution of the people themselves to the cause of democracy. The people are constantly tackling in detail and on the spot the concrete evils with which social disorganisation has confronted them; they are often failing, sometimes succeeding in finding temporary expedients or solutions for questions that could never have been decided theoretically. Their way is the way of experiment; they are perpetually discovering the weakness and strength of their own forces, the strength or weakness of the enemy. From time to time some phase of the struggle suggests to a brain capable of it a valid and useful doctrine.

At best it is only tentative, a half-truth, but numbers of the people come to hear about it. The few, only less able than the original thinker, accept his doctrine as final, failing to realise that no one mind, were it as great as that of Karl Marx, can grasp all the conflicting forces in a world-movement. But the many in the long run are wiser; they are content to take careful suggestions from the new propaganda and test them in the school of experience, rubbing off the angles, so to speak, of the master's theory, until at last it also is fitted into its place in the vast aggregate of things that make up the Labour Movement. Thus political action did not, in spite of the protests of some earlier Marxians, supersede, it merely supplemented, Trade Unionism, nor will the sympathetic strike and "direct action" supersede politics. The Labour Movement is a great organic growth, drawing to itself what is availing, and rejecting what is merely rhetorical or premature in all the democratic doctrines of the day.

Politics and the State, then, are not everything, but no more foolish counsel has been given to Labour than that which would have it ignore them. The State is, after all, by far the strongest organ of the social will, and one which has its root as deep as any other and deeper than most in the necessity of things. The State can do vast harm to the people; it can, in the hands of the people's enemies, render useless any popular effort at social reconstruction within its area. And though the State cannot create Socialism, it can, if democratically controlled, do a vast deal to foster it. The State can become the agent of the people in directly administering certain leading industries, and it can open up and protect avenues for the creative power of the people themselves.

The extension of the franchise, as far as it has gone, illustrates this. The possession of the franchise by the

present electors, or even the extension of it to all adults, does not in itself create democracy. I doubt, for instance, whether there is any civilised country in the world where there is less democracy than in the United States of America. The political interests of corrupt corporations and the tricks of political bosses have combined to deprive the people of any real share in the control of their own affairs. With us, though the Constitution is on the face of it less popular, things are not quite so bad. But the grant of the franchise in the first instance only implied in practice the right of the people to decide whether they would be ruled by Whig capitalists or Tory landlords. Even that, as we have seen, was a great gain, for it compelled the politicians to pay some attention to Labour questions. A further stage was reached when organised Labour took up politics for itself, and selected the candidates who should come before the electors. But this process has gone only a very little way. In the great majority of constituencies the most the working men can do is to choose which of two or three middle-class men shall stand as Liberal candidates, and then vote as between him and a Conservative in whose selection they have had no voice at all.

Thus the grant of household franchise was not the coming of democracy ; it was merely an incident in a general movement. In this movement it has been both effect and cause ; effect because the growing political consciousness of the working classes rendered it impossible permanently to exclude them from all direct influence in the State, and cause because of the way in which, once in operation, the influence of the new voters compelled the attention of politicians to Labour as well as to Liberal and Conservative questions. But even Adult Suffrage would not imply the triumph of democracy ; there would still be an immense amount

to do. Democracy cannot be *granted* at all; it must be built up by the people themselves, until the people control, not merely the things of State, however extended the functions accorded to the State may be, but the whole of life. Democracy, then, should be regarded as a new social organism, growing and developing out of the older order which ultimately it is to displace. Certain specific *opportunities* may indeed be granted to the democracy, but it entirely depends upon the development of the democracy itself what use is made of them. Right throughout the life of the nation, industrial, political, and social, democracy is slowly organising and pushing its way into everything.¹

And, right throughout the whole of life, wherever it is not building up something entirely new, but is displacing an established order by a modern and democratic one, democracy has to overcome a steady resistance. It is not so much a conflict of principles as of forces, whether it be a House of Lords in politics, a Federation of employers in industry, or Mr. C. B. Fry

¹ Thus, in the realm of sport, Mr. C. B. Fry complains of the democratic element—"mob influence" I think he calls it—in county cricket. He would have county clubs think less of the "gate," engage fewer expensive professionals, and depend more on the subscriptions of the country gentlemen. But, alas! the country gentlemen retire before the advancing democracy, and go in for golf and motoring, if they do not go abroad for their sport. Even when the "infamous" land taxes have left them able to help any *social* form of sport at all, they cease to take any personal interest in the village or county eleven, and become mere honorary presidents or vice-presidents, grudgingly subscribing as little as they think decent. Even the sport of the classes is losing its organic relation to that of the masses; it is shedding its social character and becoming purely personal. Democracy fills up the gap, and it is utterly unlikely that any county club will follow Mr. Fry's advice and ignore the sixpenny side. The Rugby Union tries to stem the democratic flood, with disastrous result to itself, when we consider the vastly greater progress of Association football,

in athletics. The battle turns on forces; the Trade Unionists and employers weigh up the forces of their opponents; they take the measure of their strength and of their own, and base their demands not merely on their conceptions of what is right in the abstract, but from their estimate of the possible. As the forwards in a Rugby "scrum" feel the weight of the opposing pack, so the combatants in an industrial struggle become conscious of one another. It is the same in politics: the immediate demands of Labour are conditioned by a recognition of the relative strength or weakness of their party. But the urge of Labour is continuous, and any discovery of a new and effective method, any increase of strength in its organisation, immediately alters the whole balance of things, and leads to new and effective demands. Labour is not supine or indifferent and will avail itself quickly enough of any real opportunity.¹ The efficiency of the sympathetic strike, as revealed last summer, revolutionised the spirit of Trade Unionism; the discovery of the value of independent Labour politics has drawn virtually the whole Trade Union world into the Labour party. But the movement is never dramatic, never doctrinaire; it is realistic and practical.

Now, any adjustment of politics, if it is to be real, and not merely a seed ground for aimless rhetoric, must be founded on the actual struggle in society. And this struggle, however manifold it may be in appearance, is always in essence one and indivisible. At present the struggle is between the growing organisations of Labour and the established things of commercialism.

¹ Conversely, any new accession of strength, any new way of fighting, is promptly seized by the employers. Thus federated Capital fought and defeated the engineers by means of the "sympathetic" lock-out in 1898; thus since the bias of the Law Courts was discovered employers and politicians have rushed to them for help.

Properly speaking, nothing that has no bearing on this struggle is at present politics at all. Home Rule and Welsh Disestablishment, indeed, are vital in the first case and interesting in the second to the Irish and Welsh peoples for special reasons; but they do not greatly attract or genuinely alarm the forces of poverty and wealth. Liberalism may be enabled to deal with these questions in virtue of the stock-in-trade of popular goodwill it has earned by taxing undeveloped land and by limiting the Lords' Veto. But the battle must be joined again on Guarantist issues if Liberalism is to retain that goodwill. Politics under democratic conditions must swing back to its old centre, the economic condition of the democracy.

And politics though not the whole of democracy is a vital part of it. The duties of a democratic State may be divided under two heads : the extension of democracy, social and political, in all things committed to its own charge, and the continued fostering of the social movement in all things too local for administration by the State. The bias of a bourgeois or aristocratic State towards the few must be frankly turned into a bias towards the many. This is not cynicism. The thing that matters more than anything else, by comparison the only important thing in public life, is the well-being of the millions. Art, science, philosophy, literature, even the highest culture for the few resting upon a foundation of sordid poverty for the million, are no less vulgar and perhaps more cruel than luxury itself on the same basis. But the establishment of such a State implies the creation of a national democratic party, and this we have not got as yet.

The Liberal party is national in the sense that it is capable of finding candidates for and is permanently organised in so many constituencies that it fights in each General Election not merely to increase its outside

influence on other parties, but to gain office and power. But the Liberal party is not a democratic party, rightly understood. Liberalism is no doubt influenced both from within by its advanced members and from without by the electors ; but so long as it depends financially on the subscriptions of wealthy men, it cannot be finally controlled by the democracy. The Labour and Irish parties, on the other hand, are democratic in so far as they go, but they are both too limited in extent, the one resting on the Trade Unionism of the English and Scottish towns, the other extending only to Ireland. In addition, the Irish party is almost entirely concerned, and will be until the promised Home Rule Bill becomes law, with one question that belongs to another political age. The Home Rule question should have been settled in the days of Kossuth and Garibaldi—by the Victorian Liberals who waxed eloquent over the woes of Italy and Hungary.

Nevertheless, within the membership of these three parties, the "Coalition" of the Budget-Veto controversy, are to be found many of the elements which should go to found a great democratic party in the future. The two things that are chiefly needed to complete it are the growth of democratic organisations among the rural workers and the enfranchisement and organisation of women. It is impossible, I think, to complete the work begun in 1884 of handing political power over to the country workmen until those workmen are in some way or other organised apart from politics. There are common interests of Labour all over. It is important to all workmen that the standard of life should be kept up, therefore such schemes as that outlined in the *Minority Report* of the Poor Law Commission should form part of the general programme of Labour. It is important to the poor that the burden of taxes should be taken off their overlaiden shoulders, and that direct should entirely

displace indirect taxation. But any one who considers the variety of ways in which the land question, for instance, presents itself in different districts will realise that it is impossible for a Trade Unionist party alone to evolve the general land policy of Labour. The land problem, as it affects the country, must be thought out in the country, by men who are as familiar with the technical side of the question, the detailed conditions of the problem, as the Trade Unionist is with the difficulties and technicalities of his own trade. And what applies to Labour generally applies to the rural labourer—nobody can act satisfactorily for him, not even, with the best of wills, his brother of the town. Here, as elsewhere, the State may be the means of granting opportunities, but the people must organise themselves. Free access to the land is the first need of the agricultural labourer. He cannot organise, as he is—a proletarian too scattered, too overworked and too poor—even the efforts of Joseph Arch could not achieve that. But associations of small-holders and of labourers who had allotments independent of the farmers would be driven to associate, and such associations would soon do one of two things, both essentially if not nominally the same—either democratise Liberalism or supersede it.

I hope we shall see the enfranchisement of women this year. If so, it will be the greatest moral reform of the century ; for such a change will inevitably transform the whole outlook of society, and penetrate with a finer spirit not only politics, but the whole of life. But their enfranchisement cannot be more than the beginning or at least a stage in the Women's Movement. Women, too, must be organised if their political influence is to be equal, as it ought to be, in the guidance of the State with that of men. That which inspires the opponents of the Suffrage with something like terror, the transformation of politics through the influence of the women's votes,

is to me the main hope of the movement. The fear, nay the certainty, is that for long after they have as many votes as men, women will have far less than their due, their equal influence on events. For this reason, if for no other, it is most important to have an early triumph for the Suffrage agitation ; there will be so much leeway to make up afterwards. I profoundly hope, therefore, that the splendid organisations formed to obtain the Suffrage will not dissolve after it is won. Unorganised women cannot exercise the same influence on politics as organised men. It would be a very wise step on the part of the Labour party to offer affiliation to any Suffrage organisation that cared to join it, thus making itself more representative than ever of the actual democratic forces in the land. But whether so invited or not, the National Union of Women's Suffrage Societies, the Women's Social and Political Union, and the Women's Freedom League should never disband ; rather, if there is no other way, little as I like to see a political division of the sexes, it would be far better for them to form a Woman's party, draw up a woman's programme thought out by women, and run candidates to press it to the front, than run any risk of allowing the newly won franchise to fail of its due influence.

The formation of a great PEOPLE'S PARTY is thus no light matter, and certainly the time has not arrived for people who belong to the nucleus we already have to break away and play at party-making on their own account. The organisation of the party itself will be no less a task. It is a mistake to suppose that the payment of salaries to members of Parliament and election expenses will or should cheapen politics. It is desirable that politics should be pure ; it is not to be wished that they should be cheap. *Elections* in the future may be cheaper, but actual fighting at elections is by no means the whole work of a great party. For the PEOPLE'S

PARTY the scheme of education carried on between each election would be a far more important portion of the work. During the last twenty years, notably since the fiscal controversy and Militant Suffragist movements began, there has been a vast increase in political propaganda in the open air. The Independent Labour party took the leading part in this movement, and still perhaps holds weekly more meetings than any other organisation. Now, however, there are more organisations, on one side or other of politics, than one can remember, existing each for the propagation of some special political idea. The Free Trade Union and the Tariff Reform League and the Suffrage organisations have been the most prominent of these. New leagues appear and old ones dissolve with every session, dealing with the special questions brought to the front by the Government's sessional programme from time to time. I think this tendency in politics will be permanent. We want specialism in politics, men who can thrash out before the electors each particular question on its merits. Had it not been for the work of the Free Trade Union, it would have been impossible to expose the absurdities of Tariff Reform as effectively as has actually been done. "What is everybody's business is nobody's business," and the politician who has the whole ground to cover must deal superficially with much of his matter. I am not sure that it would be well even to exclude such "side shows" from actual participation in elections; I am confident that it would be most undesirable to check their activity in the intervals between them. If this be so, even the reorganisation of present progressive parties, so as to form a great democratic alliance, depending not upon the guineas of the rich, but the coppers of the poor, will not make politics less costly. The PEOPLE'S PARTY will be itself a vast organism, bound together by a common spirit, but having

specialised organs dealing with every phase of Guarantism. And by various means the Social Movement is tending to bring about such an adequate organisation to express its meaning. The coming of it will necessarily change the whole aspect of party politics. There will be large secessions of wealthy Whigs from Liberalism, and after the passage of Home Rule those among the Nationalists who are temperamentally Conservative will find their places in other organisations. The tendency to form independent groups, so marked a feature in recent politics, was due at bottom to the unfitness of the old Liberal *organisation* to the new conditions brought about by Household Franchise. The times' spirit required a party of the poor ; Liberalism offered it a party financed, and therefore mainly controlled, by the rich. But with the readjustment of the financial basis of progressive politics in accordance with the new conditions the fissiparous tendency of the last generation should disappear. In the long run there can only be two parties in any country, and the main advantage of our two-party system was that it frankly recognised this. But the parties should actually express the genuine progressive and conservative forces of contemporary society, and until they do that, rhetoric, sectionalism, and hypocrisy are bound to appear. Nominally, but not really, the representative of democratic tendencies, Liberalism has been compelled to pose as that which it was not ; in proportion as it becomes democratised from within this need will disappear. The programmes of a true democratic party will be organic, the inevitable expressions of its inner spirit.

And the development of such a party, however slowly it is proceeding, must react upon Conservatism. The coming of Household Suffrage, and the emergence of Guarantism as the determining force in politics, disorganised the Conservatives as much as their rivals.

Any movement in society necessarily divides the people into those more and those less favourable to it. There is a clash between vested interests, the things established, and the new things that are growing up to take their places. This clash of interests forms the *material* basis of parties ; but fortunately there is a spiritual as well as a material basis of politics. Material interests apart, men are cautious or enterprising, conservative or progressive in various degrees. New ideas become acceptable, more rapidly to some, more slowly to others. And both these spirits are necessary, both to the body politic and to the parties with which they tend to ally themselves. The special principles at the root of the Progressive and Conservative parties are both human and necessary ; neither has any reason to apologise for its existence.

But from whatever standpoint a party may set out, it is before all things necessary that it should be true to itself. This, in the crisis brought upon them by the growth of democracy, was the case with neither of the British parties. Liberalism failed, as we have seen, to express the real progressive tendencies of the age at all. Conservatism forgot to be conservative, and evolved Tory Democracy. Conservatism and Toryism are not one and the same. And Conservatism is naturally a criticism of the tendency of the age ; in this generation it should express the defence put up by wealth against the caution with which the less modern type of mind views the progress of democracy. I am not undervaluing the place of Conservatism in saying that it cannot be truly democratic. But Conservatism cannot afford to degenerate into mere reaction. The spirit of progress, as I said before, infects some people much faster than others, and any new idea has to go through a long period of probation before it becomes acceptable to a sufficient number of people to be carried out in face of the opposition of vested interests and inherited

traditions. During the whole of that time the Conservative party is the natural expression of this social resistance, and can only gain strength by a critical opposition to the progressive movement. A new idea once having won its way to victory, however, it is not Conservatism, but mere Toryism, to attempt to revive the battle. Such a course does not strengthen but ruin Conservatism, because it splits the forces on which Conservatism normally relies. Conservative statesmen should realise the great truth, that while they are sure of the votes of the reactionaries, they can only be strong as a party when they gain the support of the moderate man, the man of the centre. The position of this man is, however, constantly changing. More slowly than some, more rapidly than others, he feels the influence of new ideas. The power to resist of Conservatism, the power to advance of Progressiveism depend upon him. As in an election contest the canvassers are told to leave the certainties alone and "look after the doubtfuls," so Conservatism to be strong must avoid extremes and secure the moderate man.

And the Conservative can never in the long run do any good for itself by playing the progressive game and trying to start new ideas. To begin with, it is certain to do this badly. Any idea brought into national politics by a progressive party has run the gauntlet of fierce criticism for years before it gets even so far; the subsequent criticism to which it becomes exposed so soon as it has become a party cry is merely supplementary. Its relation to life, its power of accomplishing the thing promised, and its probable reaction on things already established have thus been often discussed, and the probability is, however startling its appearance may be to the Conservative party, it can make out a very good case for itself. But the Conservative party is not in touch with the democratic forces, and if, like Liberalism

or Labour, it looks out for a novel election cry, it has no means of ascertaining what is likely to meet with the approval of the people. If, for instance, the working classes in this country had been particularly anxious to have a duty on corn, their wishes in that respect would certainly have found expression at the Trade Union Congress, while candidates for industrial constituencies would have had the idea brought up to them by "hecklers" at every election. That nothing of the kind occurred is proof in itself that the Tariff Reform Movement owes its strength, not to democracy at all, but to the survival of old-fashioned Toryism within the Unionist party.

And, consequently, when Mr. Chamberlain took over the bankrupt stock and goodwill of the old Protectionist firm, and launched the business again with capital derived from the new Imperialism, he failed to capture the people and only succeeded in splitting up the interests at the back of the Unionist party. Capitalist cotton manufacturers and shipbuilders had no wish to see their trades destroyed, nor was the cautious man of the centre any more wishful for dangerous experiments in going backward than in advancing. Nothing was gained. Mr. Chaplin and the old Protectionists possibly generally voted with a little more enthusiasm than before; but enthusiasm does not make one cross into two and these people would have voted Unionist in any case. Mr. Chamberlain and the Tory Democrats have imported into Conservatism an element alien to its spirit and destructive of its strength.

From one point of view the history of Conservatism seems to be a record of defeats. Measure after measure is brought up and is strenuously opposed by the party, only at last to become law, and to be accepted by everybody. An Act of Parliament is a fact of historical importance, and the mind readily goes back to many

occasions in which defeated Conservatism had to give way with as good a grace as possible before the popular advance. But this is only half the question. A new proposal seldom, perhaps never, comes before the country in the first instance in anything but a very crude form. I have dealt, for instance, in this book with the land question as it stands in various parts of the country. That our land laws are vicious in principle and thoroughly unsuited to the needs of the age is true enough, but it has taken a generation of almost constant discussion to evolve a land policy really suited to the times. The Radical proposals of the 'eighties—peasant proprietorship in the country and leasehold enfranchisement in the towns—were absurdly inadequate. The Reformers were right in their dislike of our land laws; they were hopelessly crude in their proposals to reform them. Thirty years' discussion of the subject has, it is true, given us a very much better idea of how to deal with the matter, but that should not prevent us recognising the valuable service performed, from whatever motive, by Conservatism in preventing a too hasty settlement. However indefensible a vested interest may be on other grounds, it is always entitled to remain in possession until its critics have definitely evolved some workable alternative. The burden of proof, both that society is ripe ¹ for a new system, and that it will be a definite improvement on the old, rests with the innovating party.

The work of compelling progressives to think out thoroughly any attractive proposal, therefore, falls upon the Conservative party. This in itself is an important function, but leaves it open to the critic to say that a party which only delays legislation for a while, which it is afterwards compelled to accept, plays only an inferior rôle in politics. Conservatism is, however, by no means always defeated, even in the long run,

¹ "Ripeness" can perhaps only be proved at the polls.

though the successes of Conservatism are not so public as its defeats. In exercising its function of delay Conservatism sifts out from the mass of pseudo-progressive proposals all those fads that *cannot* be made workable, proposals which probably nobody ever hears about in the next generation after they have been brought forward. In this way, if everything were remembered, it would probably appear that the Conservative party is really more often victorious than defeated.

In fact, the Conservative spirit in the nation is the true House of Lords, the real safeguard against hasty legislation. Conservatism gained a feverish strength by encouraging Mr. Chamberlain and the Tory Democrats, in the days when Liberalism had completely lost touch with the people. It attempted to gain the support of the democratic forces by a grotesque parody of democracy itself. It relied not upon an intelligent criticism of Liberal measures before and during their passage through the House of Commons, but blindly upon the party character of the House of Lords itself. Now that the Veto of that House has been virtually destroyed, we may perhaps hope to see Conservatism go back to its historic policy. If so, it will not be long before it becomes strong again. At present, and since the Unionist Free Traders left Mr. Balfour's Cabinet, the brains are out of the party, but the Conservative forces in the country are as powerful as ever. Many are sulking, hating Liberalism and all its works, and yet not willing to assist in the destruction of British industry. They would soon be back in the ranks if the party leaders would only recognise that there cannot be two democratic organisations. It is not their part to seek out "cries" and "programmes"; they are critics of cries and programmes. The impotence of Liberalism for twenty years has left legislation so far behind the

economic development and the consequent growth of democratic ideas that it may possibly be some years yet before that regulator of politics, the man at the centre, the voter who turns the scale, goes back to Conservatism, but when he does strange things will happen. If the victorious Conservatives are foolish enough to hand the reins over again to the reactionists, "Tory Democrats," or whatever else they may call themselves, we may see another 1906 very shortly. If, however, they realise that "their strength is to sit still," they may stay in office until the PEOPLE'S PARTY, of which I spoke earlier in this chapter, has absorbed Radicals, Labour men, and Irish in one great party of Guarantism.

CHAPTER XIII

NATION-BUILDING

AFTER what I have written in this book and elsewhere on the limitations of theory, it will not be expected that I should close with a new theory of land and capital of my own. It is the movement itself that matters. The best way in which we can aid democracy now is not by giving it a new theory, not by finding fault with the organisations it has already formed, but by helping it to organise. No man, however great his knowledge, can gather up into one generalisation all the material forces of the day. Many things must of necessity be overlooked, some perhaps of the last importance. But organic Socialism, the growing institutions of the people themselves, feels *everything*—the strength of the young life within it, the pressure of the resistance without. It is conscious of everything by experience, allows for everything, and will, I believe, ultimately conquer everything.

But if we cannot adequately generalise the complex material things of the movement, we can sum up its simpler spiritual things. The poetry of Socialism still rings true when the prose of it seems inadequate and unreal. To create a "new reverence for the life of man upon earth" and aid the Labour Movement in realising its consequences is the true task of those whose education has given power to grasp the spacious possibilities of

life. A prominent Fabian recently, in my presence, pleaded that even if intellectual snobbery was bad, it was at least more pardonable than the snobbery of wealth. I deny it. The snobbery of wealth is always vulgar, but at least it is simple, and may be amusing; the snobbery of intellect is damnable, because it is rooted in a dangerous spiritual pride. The deepest thing in Socialism is also the most democratic thing, because it can be understood by all—the belief in human brotherhood.

But, without laying down any new theory, it may perhaps be worth while to attempt some estimate of the possibilities of the Guarantist Movement, to outline some of the things that we may hope to see carried out in this generation. Such an outline, it will be understood, is purely suggestive. I am quite aware that ten years hence any one looking over my suggestions will find much to modify. But the Labour Movement is advancing, not exactly in the direction laid down by any school, but with the gathering momentum of the tide, filling up or overflowing first those places that lie lowest. It finds its own way, not that of its teachers; but as we watch its progress we may perhaps see something of the direction it is most likely to take, and even sometimes remove an obstacle to its advance.

The development of the democratic State will involve three¹ main lines of advance. The first of these need not detain us long. Ever since the influence of democracy was first felt in government there has been a general tendency to increase direct and decrease proportionately indirect taxation. And except in the case

¹ I assume here for convenience the completion of the franchise movement. Until we have Adult Suffrage and a true People's Party of national extent, however, there is, of course, a fourth line of advance, proceeding step by step with the others, towards *political* democracy.

of our Australian Colonies, where the Labour Movement has not realised that protective taxes fall in proportion far more heavily on the poor than on the rich, the working class and Socialist parties throughout the world stand for direct taxation. As soon as the Labour Movement is strong enough to enforce it, there can hardly be any doubt that Parliament will be compelled to sweep away all our indirect taxes, with the exception of those on intoxicants. Though these are probably the most objectionable of all our taxes, as they give the State a vested interest in the consumption of liquor, they will, I fear, remain. British Guarantism is strongly Puritan in sentiment, and the Labour Movement itself will probably object to their removal as much as the payers of Income Tax will dislike providing a substitute for the revenue derived from them. Fiscally, then, Guarantism implies the raising of national revenue entirely by direct taxes and the profits of socially owned monopolies. Such a method of finance is essential if we are to make any certain progress along the second line of advance, the establishment and improvement of a **MINIMUM STANDARD OF LIFE**. If you tax the commodities which the people buy, and then provide them with pensions or other benefits with the money so raised, you merely take, so to speak, from one pocket of the working man what you put into the other. Generally, indeed, and always when there is a protective element in the tax, you take more than you return. There is no real progress that way. Only in proportion as you raise money from unearned wealth can you really benefit the workers.

We may illustrate this by taking the case of Mr. Lloyd George's Insurance Act. Frankly, in so far as this Act in practice gives to the workers "ninepence for fourpence," and only so far, is it any use at all as a means of raising the standard of life. As it is, the Act can

only be justified as a temporary makeshift, to be completely recast so soon as the Labour forces have become strong enough to do so. Critics of the Act from the democratic side should in fairness have kept this aspect of the matter in mind. Mr. Lloyd George had just come through a great conflict with all the forces opposed to the Social Movement, and had come off victorious. But on the issues of the Budget and the Veto millions of the British people had voted against him, and nobody can possibly say what would have happened had the new imposts of 1909 been carried far enough to alienate any more people. Mr. George was fully justified in refusing to impose any more taxes last year. Had he done so, it would have been impossible to carry any scheme for dealing with either invalidity or unemployment. The fact that the funds at the disposal of the Treasury were strictly limited is vital to any fair criticism of the Act.

That being said, however, it is none the less true that no contributory scheme can be anything but a makeshift. I think it very probable that, in the long run, the employer's contribution will not be deducted from wages. If workmen receive better food and attention when they are ill, they ought to return to work more efficient. I do not doubt the Insurance Act will prevent a great deal of physical and even mental degeneration among the workers, and in the long run repay the capitalists as a class for their share of the premiums.¹ It is not a good arrangement in any case to tax employers in proportion to the number of men they employ. If

¹ This point was brought up to me in a rather amusing way by a Syndicalist workman. He objected that Insurance benefits, by keeping the workers stronger, would make them more efficient "wage slaves," and thus increase employers' profits. It seems to be carrying the feeling of "class war" too far to object to health because it pays the capitalist.

they succeed in shifting the burden on to the public in extra prices, or on to the workmen by squeezing wages, then the capitalist pays no share at all. If the employers, for any reason, cannot do this, then the burden falls upon them, not in proportion to their ability to pay—lightly, for instance, on the banker who employs few, far more heavily on the coalowner who has many hands, though the banker may have more capital and be making larger profits than the coalowner—but in proportion to their outlay on wages. The cost of invalidity and unemployment is a social obligation, and should be made a charge upon society as a whole.

The contribution of the employees is even more of a makeshift. Probably nothing in our fiscal system is sounder than our refusal to tax incomes under £160 a year. To make any charge on incomes inadequate to maintain a healthy and civilised life is anti-social, because it is the first interest of the community that nobody's means should fall below that standard. If under the conditions of modern industry the incomes of any class do fall below this minimum, then either by anti-sweating legislation or by some other means it is the interest as well as the duty of the nation to alter those conditions. All taxation, then, direct or indirect, for whatever purpose it may be imposed, that falls upon people whose wages will not produce adequate food, clothing and shelter, that is to say, on the vast majority of the working classes, is unsound, and can only be justified, if at all, on the ground that public opinion and social organisation is not yet advanced enough to render anything better possible.

I am afraid it is but too probable that Mr. George's scheme can be justified on these grounds. I hope and believe that it will mitigate a great deal of human misery, and that being so, it is not necessary to examine its faults of detail. Probably, however, the Insurance Act of 1911

will work for good or ill, in the long run, in proportion as its provisions aid or hinder the far more radical and effective proposals proposed by the MINORITY REPORT of the Poor Law Commission. To my mind it would be well for the Labour forces in this country to concentrate on this Report, and not rest satisfied until the series of Acts necessary to carry it out have been placed upon the statute book. Real destitution at least would then be virtually impossible in this country, and on this, humanitarian, side of a Democratic State's activity there would be little left to do except steadily to force up the NATIONAL MINIMUM STANDARD OF LIFE guaranteed by it.

Thirdly, the work of democracy involves the gradual extension of public ownership and control over industry. I have no space in this short summary to go into details, but can only deal with what appear to me the three most important directions for the development of State control, viz. :

1. Electric Power Supply,
2. Banking, and
3. Land.

I have no doubt the order in which I have placed the three will appear very heterodox to those who consider the social problem as solely a land problem, but I am prepared to justify it.

In an earlier chapter of this book, as well as in *The Socialist Movement in England*, I have called attention to what I consider the most striking difference between steam and electricity as industrial motor powers. Steam-power must be generated on the spot where it is consumed ; electricity can be generated almost anywhere, and distributed to the places where it is required for an indefinite distance. Another characteristic seems to be that the economy of large-scale production in the

case of electricity is enormous. Thus, in a northern city, I discovered that power cost the local Tramways Committee $\cdot 36d.$ per unit. Producing on a smaller scale for their own use, a private enterprise could generate electricity at $2d.$ per unit, while the Electric Lighting Company of the town were charging customers $3\frac{1}{2}d.$ per unit for house lighting. The cost to the great lighting Company was probably no greater than to the Tramways Committee, for they, too, would have the advantage of large-scale production; but the cost of laying connections, sometimes to only one or two houses in a street, is very heavy, and will continue to be so until electricity has supplanted gas. The Lighting Company, then, was not making very heavy profits in spite of the enormous difference between the cost of power per unit and the price at which it was sold.

We have here the Tramways Committee, through the economy of larger scale production, generating power at about one-sixth the cost to the private concern. But obviously, in the case of anything so easily distributed as electric power, the possibilities of concentration are not exhausted, even when all the power required in a town or district is generated at one centre. It may in the long run be found economical to generate all our power in a few great centres where coal is cheap or where vast tidal force is obtainable. If so, those who hold the power-stations will dominate production in so far as it depends on electric power.

It is difficult to over-estimate what that means. It is a bare platitude to say that "electricity is only in its infancy." The inhabitants of most cities who have their houses lighted by electricity are as yet a small minority, and in order that municipal or private electric enterprises should make any profit at all the cost of laying the connections in each street must be charged over a very small consumption. The same applies to electric power

for manufacturing purposes. But once the main connections are complete it seems to me an indefinite increase in the supply should be obtainable at a far cheaper rate. In fact, I have very little doubt that in the next generation electric power will be distributed to every village, will be driving every railway, and turning almost every machine in the land. And it will be doing this by virtue of its greater cheapness and more convenient distribution.

It is far more important to Socialise the things that are coming than those that are departing. A great mistake was made by this country when at the beginning it allowed its railways to become private monopolies; it would be worse to repeat it in the case of electric power. The growth of electricity means a second industrial revolution. As soon as the State or some gigantic power company can supply our manufacturers and railway companies with power at less than it costs them to raise steam they will scrap their steam-engines, stationary or locomotive. If the State acquire an adequate set of power-stations it can develop a national supply of electricity in the same way that it has developed the postal and telegraph services. And I contend that this is far more important and urgent than the nationalising of any individual industry already established. Electricity is coming; they, many of them, are going, at least in their present form. There has been much Socialist and Radical argument over the question of compensation for existing rights when any injurious monopoly shall be taken over by the nation. But with a new thing there is a third and easier alternative to compensation or confiscation—its development *from the first* as a public enterprise. Capitalist enterprise grew and developed with the spread of steam-power, making hideous the land. It would be well if Capitalism died out with the smoke of its engines, and the new power

and the new order came in together to deliver us from dirt and anarchy.

The possession of a national electric power supply will be a useful aid in the process of Socialising exchange. The restrictions on the amount of deposits in our Savings Banks should be abolished, and they should be turned into ordinary banks of issue, varying their rate of interest according to the market, while accepting deposits up to any extent. I fully agree with those who contend that gold is an unscientific basis for money, but hitherto it has been to my mind impossible to discover any other so convenient and not open to the same objections. The world's supply of gold bears no definite relation to the current trade; it expands not according to the growth of commerce generally, but according to the number of new gold-fields that happen to be discovered at any particular time. But when the State is supplying wholesale the power behind industry, the demand for which must necessarily expand or contract with the general volume of trade, it appears to me that notes or tokens which would be taken in payment for a given number of units of power would be a far better medium. Such a form of money, too, would give the nation something like the same control over exchange that the power supply gave it over production. The extension of State enterprise in any direction found convenient would by these means be vastly simplified.

The problem of land reform has generally been approached far too much from a theoretic standpoint. In the third chapter of this book I classed our land economically in six divisions, but in considering the question of Socialisation I think three will be enough :—

1. Waste, Mountain, and Moors,
2. Country land, and
3. Town land.

The simple division into town and country is not enough : there is as marked a difference in character between lonely mountain land and that of a cultivated lowland parish as between the latter and a city street. Our towns are governed by the most advanced elected bodies in the land, and, generally speaking, the best thing the State can do for them is to extend the powers of their corporations, and then leave them alone, subject to reasonable control from the Local Government Board. Given powers to rate land values, and to purchase land on its rateable value, our towns would probably deal pretty effectually with the land problem within their own borders. Nor would they need much help from the State. They have credit and wealth enough to carry out any schemes of municipal development they desire to do. British industrialism has been well developed ; it is prosperous, public-spirited, and ready to work out its own problems almost unaided. A very large part of the work of a town council, too, deals with matters of almost purely local interest. Only one or two of the streets are main thoroughfares made use of by those who are merely passing through the town. Its tramways are local also, not light railways connecting different parts of the country. It needs less help from the State which, in its turn, can more readily afford to let the town authority alone without injury to the national as distinct from local interests.

It is altogether otherwise in the case of the country. The land in our country districts—I am speaking, be it remembered, of good agricultural districts only, like the Southern and Midland counties of England, and the Lowthians in Scotland—has not been developed like our industries in towns. I have contended that it would be much better for us to continue to import most of our wheat, because, as any one who knows the corn trade will agree, English wheat is generally “soft”

and of poorer quality than that which we can procure abroad. But with other foodstuffs the case is very different, and we are far behind Denmark and Belgium in our development of the dairy and the market-garden. This is not the fault of the people, for there is an abundant demand for allotments and small holdings. The main difficulty, of course, is the opposition of the landowners; but, in addition, there is the lack of transport facilities and many other hindrances to development arising out of the poverty of the country itself. I do not think the rural counties can or will be developed without the active assistance, financial and otherwise, of the Central Government.

Nor are the affairs of the various counties so purely local as those of the towns. Their roads are many of them main roads; their tramways are really light railways, and should be linked up with a national light railway system connecting all parts of the country. For this the State and not the County Councils should find the money, and this, of course, the State should control. The State should undertake in the country districts to develop an adequate system of light railways, provide wherever possible a cheap supply of electric power for lighting and driving machinery, and of water for irrigation and domestic purposes. It should, on the other hand, compel the County Councils to meet the demand for small holdings and allotments, and encourage them to become, as has been lately suggested, the great landowners of the future. The State should be, for a generation yet, an active partner, finding much of the money and initiating much in the work of developing the country.

But at this point we come across a rather startling idea. We had so long been accustomed to take it for granted that, as the phrase went, "England could not feed herself," that the chapters dealing with the possi-

bilities of agriculture in Kropotkin's *Fields, Factories, and Workshops* came as a revelation to many. They were, indeed, received in many quarters in too uncritical a spirit. The growth of interdependency among nations is a good and not an evil thing, and as long as Russian, Canadian, and Argentine corn be bought of better quality than our own there is no need for us to insist upon growing our own cereals. We cannot, of course, always remain the "workshop of the world," but our abundant coal supply gives us a great advantage as a manufacturing nation. In all states of society "buying in the cheapest market" is sound policy, for the phrase simply means that wealth of all kinds should be produced where it involves the least waste of human labour, and labour is life. What, taking quality into account, we really can produce more cheaply than we can buy from abroad, it is bad economy to neglect. "Man does not live by bread alone" is true, even in a purely material sense. We may be at a disadvantage compared with lands having drier climates in the production of first-class wheat, but the reason we are behind Denmark and other lands in the production of many other foodstuffs is inferior development, not defective natural advantages. With adequate rural scientific training, cheap and rapid transport, co-operation and security we should drive the foreigner out of our market by superior quality and lower prices without the aid of any protective tariff.¹

But Kropotkin has proved far more than many of his enthusiastic followers realise. A very small proportion of the area of these islands would suffice to supply our present population with all they could possibly consume

¹ The small-holder is generally a Free Trader ; the large farmer, in Europe at least, often Protectionist, sure sign that the former is the growing and healthy form of industry. The small-holder desires cheap grain for his cattle and poultry food. Hence the Danish dairy farmers are staunch Free Traders.

of anything which it is really to our advantage to produce at home. The progress of intensive agriculture abroad makes that perfectly clear. We are not stinted for land ; we have enough and to spare. Even when we have developed small holdings to the full extent of the market, millions of British acres must still be left over to the ordinary farmer. I consider this a fact of the greatest human value. The idea of an intensive agriculture carried to the summits of the hills by transport of soil and the scientific production of an artificial climate does not appeal to me. A great nation requires space as well as food ; silence and solitude as well as industry and enterprise. When, therefore, we approach the consideration of the third division of our land, I am glad to realise that democracy can afford to treat it mainly from other than economic considerations. Our mountains, moors, and wastes I excluded from consideration when examining the purely economic question of land values. Their money value can never be great, but their human value as an asset in nation-building is hardly less than that of the fertile lowlands or the busy industrial lands.

But if we agree to a wide local autonomy in the towns, and to County Councils becoming landlords, with a more limited autonomy, in the fertile lowland districts, the highlands and the wilds call for another method of Socialisation. The permanent population of the mountain lands can never be very numerous, and the value of their country to the development of national civilisation is far too great to allow those few to determine exactly how they are to be used. The State should own the mountain lands itself, and develop them directly for the use and benefit of the whole people.

For fifty years now the towns have been painfully acquiring recreation-grounds and parks for the people. Even at their best, these are generally inferior to the

pleasure-grounds of the country gentlemen. Our largest cities cannot afford parks equal to those of the greater nobility. They are overcrowded, only slightly fresher than the streets, but nevertheless, in the general poverty of our public life, they serve an invaluable purpose. The town park is a place of rest for the people on evenings and half-holidays for those who are too poor or have no time to go to the country, and they are one of the most popular forms of municipal enterprise. But we have not yet risen to the idea of a *national* park; we have not yet placed at the disposal of the million anything finer than can be purchased by the mere millionaire; we have made no adequate provision for the longer holidays, more general, I hope, in the future.

Right through from Aberdeenshire, over Inverness and a great part of Perthshire to the wilds of Argyll, stretches a great wilderness of mountains, which I hope one day a Scottish Home Rule Parliament will acquire for the nation. The Cumbrian mountains, the long chain of hills from the Cheviots to the Peak in the North, and the Devonshire moors in the South make a smaller but still splendid heritage for the English people. Wales has proportionately a larger area, and Ireland less, but each of them have ample breathing space for their peoples.

But though the mountains should be treated as the parks of the nation, it does not follow that they would be valueless in the ordinary economic sense. In the glens no doubt much the same sort of development of crofter agriculture could proceed under the control of the State as elsewhere under the County Councils. On the lower slopes of the hills national forests would be planted, to provide for the day when nations as improvident of their timber now as we were in earlier days can no longer provide for our wants. And each great mountain range would be a gathering ground for water.

It is from these great national pleasure-grounds that the State would provide, not a local water supply for a few great towns, but a truly national service, reaching the villages as well as the cities, and providing for irrigation in such summers as that of last year, as well as for household and industrial purposes.

The resident population of the hills would be much more numerous than at present. There would be crofters and sheep-farmers as now, foresters and workmen engaged at the water-works, but in addition to these there would be a small army of men and women brought there to attend to the proper work of the national parks. There would be guest-houses large and small to receive those who desired to come in companies; sanatoria for those sent to recover from illnesses; coachmen, motor men, guides, enough to provide for the wants of a large population.¹ And there would be the gamekeepers of democracy, men charged with "preserving," though not for slaughter, the wild animals and birds native to the hills. Democracy can afford to preserve the red deer and the eagle, so long as the former is not allowed to displace men and women. And it would be part of the duty of the keepers to introduce such other wild but harmless animals from abroad as could live in our climate. The parks, in fact, would become a sort of glorified "Zoos," where herds of animals could live and breed in freedom.

All these, of course, are mere suggestions, but they fit in with what I conceive to be the general trend of democratic ideas, as well as with the probable economic tendencies of the near future. Everything, as the Marxian Socialist would expect, seems now tending towards a vast concentration, national and international, of certain leading branches of production and exchange. Transport

¹ Larger perhaps than at Blackpool, but not *quite* so crowded.

comes into a few hands, syndicates buy up the crops of whole provinces, banks amalgamate; the motive power of all seems likely to come into the hands either of the nation or of a trust. But, on the other hand, the very forces that are tending to concentrate power supply, transport, finance, and distribution in a few hands point to a coming decentralising movement in many other things almost equally marked. Cheap and rapid transport, the telegraph and the telephone, lessen the necessity for living near the centre of industry. The gas-engine and the motor tend to enable the small producer who requires only a few horse-power to compete in many trades with the large manufacturer. The small holding comes into demand where the large farmer complains of evil times. As electric power invades industry and the small-holders increase, the tendency which Kropotkin noted, and over-emphasised, towards integration of industry will doubtless increase, and the man who works a garden in summer and a home trade, with the assistance of a light motor, in winter will in many cases be able to hold his own against, and perhaps ultimately displace, the factory. The main work of the day in this respect is to secure for the State the framework of future industry, shaping our policy of national or municipal ownership, of voluntary co-operation, or even of pure individualism, as opportunity or expediency determine. And along with this should go a steady levelling up of the minimum standard of life, and an effective check, by super taxation and limitations on the power of bequest, on anti-social aggregations of private wealth. With such an evolution I believe the mischievous superstition implied in the words "the sacred rights of property" would tend to die out, and the way be prepared for a true co-operative commonwealth. The fear of poverty and the hope of riches being removed, people should come to realise the truth of Ruskin's phrase, "there

is no wealth but life," and regard laws of property, not as sacred at all, but as matters purely of social convenience meant to tempt by greed or coerce by fear of hunger those too barbarous to realise the value of labour for its own sake. But all this depends, not upon the idealists, but upon the people. It is the growing organisation of democracy that is forming the new world, and forming it in its own way. We may give honour to Karl Marx as a pioneer in thought, as a mighty thinker who has shed light on many dark places. Even of his philosophy, however, the simplest part is the most abiding and the best. When much else that he has written is forgotten or superseded this at least will remain of his message—"Workers of the world, unite! You have the world to gain, you have nothing to lose but your chains."

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