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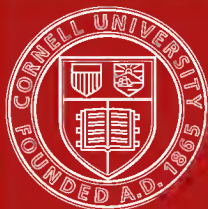
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**SOCIALISM IN THOUGHT
AND ACTION**



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TORONTO

SOCIALISM IN THOUGHT AND ACTION

BY

HARRY W. LAIDLER, PH. D.

Secretary of the Intercollegiate
Socialist Society

New York

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1920

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TO
MY GOOD FRIEND
MARY R. SANFORD

PREFACE

In the year 1900, a student would have searched American literature in vain for any adequate expression of socialism written by a sympathetic student of the subject in this country, and published by a non-socialist publishing house.¹ From that year until the outbreak of the European war, however, volume after volume issued from the press and, by the summer of 1914, practically every phase of socialist theory and tactics had been carefully treated.

Since the first of August, 1914, revolutionary changes have taken place in the socialist movement and philosophy. In many countries socialist theory, for the first time, under the most difficult circumstances, has been brought face to face with reality, and the socialist movement has evolved from a small, minority group to a powerful factor in the life of the people.

The war has given a great impetus to the guild socialist idea, with its emphasis on producers' control of industry and its insistence on the development of personality as the ultimate goal of society. It has afforded world-wide publicity to the soviet form of the state, with its demand for occupational representation and its temporary "dictatorship of the proletariat." It has witnessed the de-

¹The most noteworthy book on socialism at that time was *Socialism and Social Reform*, by Professor Richard T. Ely, an opponent of socialism. There were also Bellamy's utopian writings, Laurence Gronlund's *Coöperative Commonwealth*, pamphlet literature and a number of translations and importations.

PREFACE

velopment of the "revolutionary communism" of the Moscow International,—advocate of mass action and of the immediate transformation of industrial society. It has changed the attitude of many groups of socialists toward international warfare and toward scores of other problems. These new tendencies have been noted in innumerable pamphlets written in dozens of languages. This, however, is the first attempt to deal with these recent developments within the pages of one volume.

"Socialism in Thought and Action" aims to do more than to record the recent progress of the movement. Students of socialism have generally agreed that any comprehensive treatment of this subject should involve a discussion of the socialist criticism of present day society, the socialist theory of economic development, the socialist conception of a future social state and the activities, achievements, and present status of the organized socialist movement in various countries of the world. These phases are here treated as fully as space will permit.

During the last few years it has been my privilege to address scores of college classes under the auspices of the Intercollegiate Socialist Society, an educational organization formed "to promote an intelligent interest in socialism among college men and women." At these lectures certain well defined objections to socialism were continually urged. This volume states the most important of these objections and the socialist's answer thereto.

I have tried in these pages to express the thought of the organized movement and of its acknowledged spokesmen, rather than to record my own point of view. I have also endeavored to avoid abstractions and to connect socialist theory with the concrete life of to-day.

It is my hope that the present volume may serve as a

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textbook for college classes and other study groups and as a ready reference book for the thinkers and the doers who have come to realize that an intelligent understanding of this greatest mass movement of the twentieth century is absolutely essential to enlightened citizenship.

Among those to whom acknowledgments are due for suggestions I wish to express my indebtedness to Gregory Zilboorg, secretary of the Ministry of Labor under Kerensky, to Evans Clark and Alexander Trachtenberg for their helpful suggestions in regard to the chapter on "The Russian Revolution," and to Ludwig Lore and Traugott Boehme for their criticism of the chapter on "The German Revolution." Acknowledgment is due to Ordway Tead, Professor Paul H. Douglas and others for many helpful suggestions during the early stages of the manuscript.

I wish to convey my special thanks to Jessie W. Hughan and to Mary R. Sanford for their careful reading of practically the entire manuscript and for their invaluable suggestions.

HARRY W. LAIDLER.

70 Fifth Ave.,
N. Y. City,
December, 1919.

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**SOCIALISM IN THOUGHT
AND ACTION**

INTRODUCTION

ON July 29, 1914, the day after Austria declared war against Serbia, I attended the great "guerre à la guerre," ("war against war") meeting of the International Socialists in Brussels. That afternoon socialist leaders from all over Europe had gathered in *la Maison du Peuple*, the headquarters of the triple alliance of labor, socialism and coöperation, to determine the fate of the International Socialist Congress scheduled for Vienna on August 23. Socialists of all lands had been looking forward to this congress with great eagerness, for here they had planned to celebrate the fiftieth anniversary of the first International and here they expected to see staged the greatest of all debates on the procedure of the socialist movement in case of threatened war. The delegates in Brussels had decided to transfer the meeting place of the congress from Vienna to Paris, to change the date from August 23 to August 9, and to make the problem of war the chief subject on the agenda.

That night, before many thousands of workers who crowded the Royal Theater, the leaders of international socialism urged the workers of Europe to stand firm against the onrushing avalanche of war. And after the meeting, with cries of *guerre à la guerre, à bas la guerre*, with the ringing words of the *Marseillaise* and the *Internationale*—"the International Party shall be the human race,"—the great gathering marched down the *Boulevard du Jardin Botanique*, down past the *Gare du Nord* and finally dispersed in the stillness of the night.

The next day I lunched with the French Deputy, Jean Longuet, the grandson of Marx. He had been trying to get into communication with Paris. He was told that it would take hours before he could obtain telephone connections with that city, while telegrams and letters were being held up by the thousands. The last group of delegates to the Brussels conference left that day for their respective countries to assist in stemming the tide of war. All were looking forward to intimate exchanges of plans before the Paris Congress and to a concerted program at that gathering that would force their governments to preserve the peace. The French socialists, a few days before, had already gone on record in favor of a general strike in case of threatened war, provided the socialists of the Central Powers pledged themselves to the same line of action, but only in such case. They hoped to secure an agreement at Paris. This might save the situation.

But their hopes were in vain. As lightning from the sky, the war descended. After the Brussels gathering, it was practically impossible for the socialists of more than two or three countries to get into communication with each other. And within a few days the "comrades" of the various countries of Europe were pitted in battle against one another.

"The International is dead," "socialism is destroyed," were heard on all sides. But hardly had the word been spoken than other forces were let loose out of the flame of war destined to render socialism a far greater power than ever before.

Socialists for years had centered their attacks against the wastes of competition. Their arguments received scant attention. Then came the war. Millions of men were taken from normal industrial life and sent to the

front, to war industries. Vast amounts of property were destroyed. More economical methods of production and distribution must be devised in order that those remaining in industry might be enabled to supply sufficient necessities to the community. Forced by the exigencies of the case, many in all belligerent lands who had formerly scoffed at the inefficiency of collectivism, instinctively turned to collective control as the best method of reducing waste and exploitation. As a result, the railroads, shipping, telegraph, telephone, mining, food, ammunition, housing and innumerable other industries were placed under government control in various countries. In England, according to the economist John A. Hobson, the war advanced state socialism by half a century.

State socialism is not the democratic socialism toward which the socialists are striving. Socialists desire democratic control of socially necessary industries as well as public ownership. They insist that the industrial system that regards labor as a commodity and that lavishes unearned wealth upon the few, be abolished. However, they do not ignore the importance of this war-collectivism, which in many countries has smashed forever the old individualism and which is definitely shifting the ground of debate from that of individualism versus socialism to that of bureaucratic state socialism versus democratic socialism.

The war concentrated attention also on the evils of bureaucratic control. As a reaction against that control are found the recent development of the industrial councils and the shop stewards' movement of England, the growing popularity of guild socialism and the increased representation of labor on the boards of many public in-

dustries. Thus, democratic management in industry — a tenet of the socialist philosophy — is gradually evolving under our very eyes.

Furthermore, the war witnessed the development of the power and social purposefulness of the labor and socialist movements. During the stress and strain of war, Russia passed from black autocracy to a soviet republic; Hungary followed suit, only to be forced back into a temporary Hapsburg control by grace of Allied arms; Germany and Austria bade farewell to their strong monarchical governments and ushered in republics presided over by Majority socialists, and pressed increasingly by the demands of the masses for complete socialization of industry. In Great Britain, the British Labor Party ended the war the chief opposition party in Parliament, bent on a complete reconstruction of the present industrial order, with the labor movement on its industrial side ever more unified, ever more militant. In fact, in every nation where capitalism had obtained a foothold, the struggle of the masses for industrial democracy, for socialism, during this period gained increased momentum, while within the socialist movement a significant shift was evidenced in almost every country toward a more radical position than that held prior to the war.

The development of the trade union, coöperative and feminist movements during the war, the bringing of many of the reactionary peasants of Europe face to face with modern industry, the impetus given to the study of the causes of war and the necessity, following the coming of peace, of a fundamental program of readjustment if the problems of unemployment, of housing, of the high cost of living, are to be met with any adequacy, are among the

other factors which will inevitably turn increasing attention in the near future to the socialist program.

The war has likewise given encouragement to certain forces of reaction throughout the world. It has whetted the appetite of "big business" for the exploitation of undeveloped countries and for the adoption by their governments of a program of imperialism. It has temporarily strengthened the military machine, led to the sweeping aside of civil rights, accelerated the concentration of industries, amassed huge fortunes in the hands of a few and given unheard of powers to political bureaucrats. A reaction after the war against all of these conservative forces and a belief that only through a proletarian movement with a socialist vision can the evil effects of these tendencies be checked might well serve also to rally the forces of democracy in the future to the support of socialism.

PART I
SOCIALIST THOUGHT

SOCIALISM IN THOUGHT AND ACTION

CHAPTER I

THE SOCIALIST INDICTMENT: I. ECONOMIC AND HUMAN WASTES

The Motive of Socialist Activity.—The belief that socialism is destined to constitute the next step in industrial evolution has sustained the modern socialist in his struggle against present conditions. The passionate devotion of millions of men and women to the socialist cause, however, can be accounted for primarily by the profound conviction that socialism would eradicate the burning evils of modern civilization and usher in an era of equality of opportunity and of genuine brotherhood. No group of social thinkers has done more telling work than have the socialists in analyzing and exposing present-day evils.

Character of Socialist Indictment.—The indictment of the socialists has differed widely from that of numerous other critics. Socialists have never sought to call again into being “the good old days of the past.” To the extent that they have consistently followed their philosophy, they have refused to attribute fundamental social ills to the activities of “malefactors of great wealth” or to “the innate wickedness of human nature.”

They have endeavored to evaluate capitalism rather than to indulge in wholesale condemnation, and have freely contended that the present economic order is a distinct advance over former industrial systems. Few more impressive testimonials to the achievements of capitalism have, in fact, been written than that of Marx and Engels in *The Communist Manifesto*, published in 1848. The capitalist class, they held in part,

“during its rule of scarce one hundred years has created more massive and more colossal productive forces than have all preceding generations together. Subjection of nature’s forces to man, machinery, application of chemistry to industry and agriculture, steam-navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground — what earlier century has even a presentiment that such productive forces slumbered in the lap of social labor?”¹

Socialists do not necessarily base their advocacy of a new social order on the ground that the lot of the workers is becoming *absolutely* worse.² They do believe, however, that capitalism is failing properly to utilize the marvelous productive forces at its command; that the hand and brain workers are sharing but inadequately in the increased productivity of modern industry; that capitalism retards the development of individuality among the masses of mankind and that, having largely performed its social function and outgrown its usefulness, it should yield to a more scientific and equitable industrial order than at present exists.

¹ *Communist Manifesto*, published by Socialist Literature Co., N. Y., 1912, p. 19.

² See discussion in Ch. IV under “Increasing Misery.”

WASTES OF CAPITALISM

Failure to Utilize Productive Forces.—There are many counts in the socialist indictment. One of the chief of these is that capitalism involves enormous wastes in material and in men, both in the realm of production and in that of distribution. Under capitalism, a lamentably small percentage of workers engaged in gainful occupations are actually employed as direct producers of essential commodities.³ This was illustrated during the war, when tens of thousands engaged in non-essential industries were transferred by government order into other occupations with little stoppage of wealth production.

Many of the goods produced for profit, furthermore, have but little merit. “*Twenty per cent. of the material used by the British woolen and worsted industries . . . consists of shoddy.*”⁴ “Sham, shoddy and make-believe—these are erected in the form of houses, sewn up in the form of suits, packed in tins to mock children as food, made the sole occupation of millions of quite honest people.”⁵

In the realm of food production, Dr. Lewis B. Allyn recently declared that between eight and fifteen per cent. of the foods sold were debased.⁶

³ See Chiozzo Money, in *Socialism and the Great State*, edited by Wells and others, p. 79.

⁴ Wells and others, *op. cit.*, p. 85.

⁵ Money, *Riches and Poverty*, p. 247.

⁶ Harris, *Coöperation The Hope of the Consumer*, p. 24. Among the useless or harmful occupations cited a few years ago, prior to the Pure Food Law, by social investigators—many of these occupations still continuing until today—are the dressing up of calicoes with paste, tallow, china clay and size, the freshening of peas with copper salts, the filling of cherries with glucose and crimsoning them with aniline, the concocting of lemon essence out of coal-tar dyes, the supplying of alum baking powder with pulverized rock, the adulteration of milk with formaldehyde, the touching up of tea

Diversion of Industry to Luxuries.—A large amount of labor also goes into the production of expensive luxuries and personal services which afford comparatively little additional happiness to their recipients, while diverting the energies of thousands from the production of the necessities of life for the many. Witness, for instance, the vast army of menial servants, lackeys, chauffeurs, caterers, governesses, private tutors, grooms, makers of expensive dresses, furniture and houses, and shopkeepers who cater solely to the peculiar tastes of the rich. The outlay of energy and money for lavish *fêtes* with their expensive menus, singers and vaudeville performers, their dazzling electrical decorations and expensive cotillion favors; the outlay for luxurious winter homes on Fifth Avenue and at Palm Beach, and for summer homes in Newport and the Adirondacks, for yachts and autos and studs of horses, and for an endless variety of other luxuries,—constitutes an enormous social waste in productive effort.⁷

with graphite, the selling of Brazilian peaberry for Mocha coffee. (See Ghent, *Mass and Class*, pp. 180–192, Rauschenbusch, *Christianity and the Social Crisis*, p. 269.)

W. M. McCann of the *New York Globe* estimated that probably 3,000,000 people were made ill in this country every year with adulterated foods. Gaston G. Netter, President of the International Pure Food Association, stated that 40 per cent. of the food entering New York should be thrown away. "The people here in New York City are being hourly poisoned by food labeled as absolutely pure." (See Harris, *Coöperation The Hope of the Consumer*, p. 24 *et seq.*)

⁷ Cleveland Moffitt's estimate in 1905 (*Success Magazine*, Feb. 1905), of the yearly expenditure of one of New York's multi-millionaires, is of interest:

| | Yearly estimate |
|--|--------------------|
| Running expenses of house in Newport and New York with wages and salaries to, say 25 people, with food, wines, etc., but no entertaining | \$ 30,000 |

Wastes in Manufacturing.— Even when labor is expended in producing actual necessities of life, many wastes are in evidence that could be eliminated under a co-operative system. This is indicated in the manufacturing industries. In 1914, according to the Bureau of Census, there were in the United States 275,791 manufacturing concerns — including 59,317 establishments connected with food and kindred products; 42,036 dealing in lumber and its remanufacture; 22,995 in the textile industry and 17,719 in the iron and steel industry. Each one of these plants demands separate buildings, space, machinery and other equipment and a separate labor force. Each requires the keeping of separate accounts and the dispatch-

| | Yearly estimate |
|---|--------------------|
| Expenses of entertaining, brilliant balls, dinners, <i>fêtes</i> , flowers, etc..... | \$ 50,000 |
| Steam Yacht | 50,000 |
| Expenses of stable and stud farm with wages of, say, 30 men | 40,000 |
| Grounds, greenhouses, gardens with wages of, say, 20 men... | 20,000 |
| Expenses of two other places, say at Palm Beach and in the Adirondacks | 20,000 |
| Clothes for husband and wife, daughters and youngest children | 20,000 |
| Pocket money for husband and wife, daughters and younger children | 50,000 |
| Automobiles | 10,000 |
| Traveling expenses with private cars, special suites on steamers, at hotels, etc..... | 10,000 |
| Total | \$300,000 |

“Three hundred thousand dollars a year, without counting gifts and charities, doctors and trained nurses, new horses and automobiles, new furniture and jewelry, pet dogs with fur-trimmed coats, talking dolls with lace dresses at one hundred dollars each, and numberless other things, not to omit various follies, possibly gambling with thousands of dollars risked by the ladies at ‘bridge’ and tens of thousands by the men at faro, roulette and baccarat.”

ing of separate corps of purchasing and selling agents to sellers and buyers. Each employs highly paid workers to obtain financial credit, to fix prices, to examine inventions, to gauge the future demands of the market, to sell stocks. Even though every one of these plants were thoroughly utilized and employed the best modern machinery, mere duplication of effort would involve enormous wastes.

However, a survey of these concerns indicates many auxiliary wastes. Over one-third (97,061) did a business each year of less than \$5,000; a slightly less number (87,931), a business of from \$5,000 to \$20,000 and but 3,819 sold \$1,000,000 worth of goods or over — although this last named group produced nearly one-half (48.6 per cent.) of the manufactured output of the year. These smaller industries in large numbers of instances fail to use the most improved of modern appliances. In some instances such inefficiency is due to lack of enterprise; in others, to lack of capital and to the small capacity of the plants; in still others, to patent monopolies of competitors. The smaller concerns must likewise buy and sell in moderate quantities. They are generally unable to utilize valuable by-products, to carry on subsidiary processes, to conduct investigating departments, to employ the best talent, to adopt the latest administrative devices, or to take advantage of many other economical methods.⁸

That society could easily dispense with many of them without a decrease in the social product is vividly illustrated whenever a trust is formed. Prior to the organization of the sugar "trust," of the forty refiners in the United States, eighteen had become bankrupt. Of the twenty-two remaining, eighteen combined. "Of the re-

⁸ Van Hise, *Concentration and Control*, pp. 8-17; Hobson, p. 28. *The Evolution of Modern Capitalism*, pp. 128-9.

fineries belonging to these eighteen, eleven were closed, leaving seven to do profitably the work which had previously been done unprofitably by forty.”⁹

Large, centralized concerns are also, under competitive conditions, inadequately utilized. Many are completely, others partially closed a considerable portion of the year. This is true during normal times.¹⁰ In periods of depression the situation becomes tragic. When the panic of 1907 swept over the country, even the steel trust reduced its output to a little over 40 per cent. of its capacity.

Wastes in Agriculture.—The wastes arising from duplication in competitive manufacture are repeated on an even larger scale in agriculture. In this country there are more than 6,000,000 separate farms, each requiring the upkeep of separate live stock, houses, barns, fences, machinery and other equipment; each demanding separate journeys to markets for purchases or sales; each necessitating separate haggling over crops. A very considerable proportion of these farms still use antiquated machinery, through lack of capital or enterprise, while the improved machinery is seldom used to full capacity.

The present system “requires that each farm should be a complete industrial unit. This means that several kinds of crops must be raised to maintain a proper ‘rotation’ and several varieties of live stock must be kept. When the calamities of nature are not averted by coöperative effort, but must be borne by the individual, the small farmer dare not ‘put all his eggs in one basket.’”¹¹ Soil is thus used that is frequently ill-adapted to particular crops.

⁹ Kelly, *Twentieth Century Socialism*, p. 61.

¹⁰ *Conditions of Employment, Iron and Steel Industry*, Vol. III, pp. 212-3; see also Wells and others, *op. cit.*, p. 93.

¹¹ Simons, *Wasting Human Life*, p. 21.

There is, moreover, little specialization on the average farm. To perform his tasks efficiently, the farmer should be an expert cultivator, chemist, veterinary, machinist, carpenter, painter, buyer, seller, investor, employer, etc. This is practically an impossible task. Most farmers are expert in none of these activities. They are content with being "practical" men and muddle along. Such lack of specialization spells enormous wastes. The yield per acre is generally far from the maximum.¹² Nor is there any guarantee, even granting favorable weather, that the crop finally produced will be adjusted to the demands of the community. .

Furthermore, after a crop has been gathered, the lack of transportation facilities, the high freight charges under private ownership, and the profits of speculators and middlemen frequently render selling so unprofitable that the product is destroyed or left to rot, while the poor of the city remain hungry. "In recent years," declared a Bulletin of the Department of Agriculture, "100,000 carloads of agricultural products went to waste in the United States."¹³

Nor are the food properties of the crop properly taken advantage of. H. M. Cottrell, Agricultural Commissioner, Rock Island Railroad, for instance, in dealing with the corn crop, declares that "at least 90 per cent. of the feed value of the stalk is lost under the present system of farm management — a waste with this crop alone of nine hundred million dollars yearly."¹⁴

¹² See Kropotkin, *Fields, Factories and Workshops*, p. 74 *et seq.*; Bertrand Russell, *Proposed Roads to Freedom*, p. 89 *et seq.*

¹³ C. E. Bassett and Others, *Coöperating Marketing and Financing of Marketing Associations*, Year-book of the Department of Agriculture, 1914, p. 198.

¹⁴ Quoted in Simons, *Wasting Human Life*, p. 28.

Municipal, state and federal governments, through agricultural departments, colleges and protective legislation, as well as coöperative leagues are reducing some of these wastes. They have not, however, affected the wastes inherent in the running of millions of separate, uncoördinate farm properties.

Social Losses in Natural Resources.—Nor are social losses evidenced only in private manufacture and farming. They are seen as well in the exploitation of natural resources for private gain. Billions of cubic feet of gas are wasted yearly in order to gain greater profits on oil. Oil is “recklessly squandered,” while thousands of tons of coal, copper, lumber and other natural resources are annually lost beyond recovery in the mines and forest, because their conservation would tend to interfere with the declaring of big dividends.

The yearly loss in natural gas is noteworthy. According to the Geological Survey, the statistics for 1910 showed that some 480,000,000,000 cubic feet of gas were turned into the atmosphere and forever lost.¹⁵

Professor I. C. White, the state geologist of West Virginia, declared a few years ago that the waste of gas in that state was equivalent to what the waste of coal would be if, at the rate of a car a minute, “not for one week only, or for one month, but for twenty years, a forty-five ton car of coal had been dumped into an abyss from which it could never be recovered”; and that “some unseen power . . . has so far thwarted and palsied every effort of the legislature to save . . . this priceless heritage.”¹⁶ As a result of this profligacy, it has been esti-

¹⁵ Van Hise, *Concentration and Control*, p. 94.

¹⁶ *Ibid.*, *The Conservation of Natural Resources in the U. S.*, p. 59.

mated that most of the fields worth while will have been exhausted in the next score of years.¹⁷

Wastes of Advertising.—The chief wastes dealt with by socialists, however, are generally those connected with the distribution of commodities. Competition demands the expenditure of enormous sums in securing a market, in “drumming up trade.” First come the voluminous correspondence with prospective customers, and the compilation and mailing of countless circulars, calendars, samples and prizes to induce the customer to buy. The one item of newspaper advertising is enormous and is growing by leaps and bounds. The Census of Manufactures, Bulletin of 1910, says:

“The income of newspapers and periodicals from subscriptions, sales and advertising was \$337,596,285 in 1909, as compared with \$175,789,610 in 1899, the rate of increase for the decade being 92 per cent. of the total income from these sources, that from advertising formed 60 per cent. in 1909 and 54.4 per cent. in 1899, having increased much faster than that from subscriptions and sales.”

The cost of brilliantly displayed “ads” in magazines is also becoming increasingly great.¹⁸ And besides all this, there are the ever present miscellaneous “ads” that besmirch the city and countryside. “The greater portion of down-town illumination, the multiplicity of electric signs, on side-walk and housetop . . . the desecration of

¹⁷ Van Hise, *op. cit.*, p. 60.

In dealing with the coal situation, Dr. Holmes has the following to say (see Van Hise, *Concentration and Control*, p. 90): “With all modern improvements not more than 50 per cent. of the anthracite coal in the areas mined is being brought to the surface. The remainder of it, now aggregating 80,000,000 tons a year, is being left under ground in such a condition as to make its future recovery difficult, if not impossible. . . .”

¹⁸ See Reeve, *The Cost of Competition*, p. 249.

cliff and field with thousands of hideous emblazonments; the sandwich man and the fake orientals who perambulate the streets; the inharmonious confusion of street signs," all figure in the merry game of advertising as well as in the price of the article to the consumer.¹⁹

Latterly the business of advertising is being regarded to an increasing extent as a highly paid profession. Special schools are established to teach this new art; colleges are giving extensive courses therein. Periodicals are vying with each other in the elucidation of its intricacies, and long volumes are describing the psychological methods whereby an unsophisticated public may be induced to purchase goods of plus and minus merit with joyful exaltation.

Diversion of Productive Workers.— These advertising campaigns involve the labor not only of those professionally engaged in the advertising business, but of a host of workers in a large variety of trades.

In the printing trades a considerable portion of workers ranking in the census as engaged in production are busy at printing "not books or newspapers, or magazines, but advertising matter, competitive price lists, wrappers, trade labels, bill-heads, account books, posters, etc., which are merely called into existence by the struggle of various competitive sellers to reach the consumer,"²⁰ and which could largely be eliminated under a coöperative system of industry. Much of this matter is misleading; some of it, issued for the purpose of deceiving. The reader must pay

¹⁹ See Van Hise, *Concentration and Control* (Revised Edition), p. 89.

²⁰ Wells and others. *op. cit.*, p. 82. Mr. A. M. Simons calls attention to a well known mail-order house in Chicago which, in a recent year, published two editions of a catalogue, of seven million copies each, and declares that "the labor expended in the printing of catalogues is greater than that expended on all books put together." (Simons, *Wasting Human Life*, p. 34.)

the price. "Many other trades give a considerable amount of their output to the use of advertisements. Iron, copper, zinc, enamel, color, ink, paper, string, gum, wood — the list of articles which are built up into advertisements to deface towns, despoil scenery, and confuse the traveler." ²¹

In recent years advertisements in foods have presented many absurdities.

"Enormous sums are spent by competitive firms to persuade the public that there are a number of different individual teas, butters, or bacons. Tea bought in the ordinary process in the London market is put up into special packets and labeled with fancy names and advertised in terms which suggest that it possesses individual quality like a Beethoven symphony." ²²

Evaluation of Advertising.—It is of course true that advertising possesses a certain economic and educational value. But, as Professor Jenks points out, its purpose "is not chiefly to persuade customers to buy more soaps or spices, but to use Pear's instead of Colgate's . . . or one favorite brand of spices instead of another." ²³ "We do not need to be begged to buy shoes when barefoot, nor to seek food when hungry," . . . declares Mr. Reeve. "If there were not an advertisement issued, not a soliciting salesman in the land, all of the current purchase and consumption of standard articles would continue. Only novelties would need to be announced." ²⁴ He adds that at present "there are no fields in which advertising is more frantic . . . than in the staple commodities." Its chief

²¹ *Ibid.*, p. 83.

²² *Ibid.*, pp. 83, 84.

²³ Jenks, *The Trust Problem*, p. 29.

²⁴ Reeve, *op. cit.*, pp. 171-2.

function, as Professor Veblen brings out, is to give "vendibility," not serviceability to the particular goods.²⁵

Referring to the effect of advertising on the price of the commodity, Professor Jenks declares that "it is not too much to say that in many lines it would be possible, if competitive advertising were rendered unnecessary, to furnish as good quality of goods to the consumers, permit them to pick their brands, and charge them only one-half of the prices paid at present, while still leaving the manufacturer a profit no less great than that now received."²⁶

Traveling Salesmen.—Another source of economic waste under competitive conditions is the system of commercial travelers. In 1910, 163,620 such salesmen were reported in the United States.²⁷ In every part of the country, highly skilled and highly paid salesmen from competing firms weekly make expensive trips over the same routes, stop at the same hotels and exhibit samples to the same store-keepers. Carfare, hotel bills and incidentals mount into the millions. Millions of hours are wasted in the endeavor to persuade weary merchants of the eternal virtues of particular lines of goods, and of the huge demand awaiting their purchase. Under a coöperative system, one salesman in the industry could exhibit the complete line of samples, while most of the staple articles could be ordered by mail. That the work of many of these travelers is superfluous from the standpoint of social production is indicated by the ability of combinations largely to dispense with their services.²⁸

²⁵ Veblen, *The Theory of Business Enterprise*, p. 59.

²⁶ Jenks, *op. cit.*, p. 29.

²⁷ *Abstract of 13th Census*, p. 250.

²⁸ According to Mr. P. E. Dowe, president of the Commercial Travelers' National League, 35,000 salesmen were thrown out of employment by the formation of trusts, while the earnings of 25,000 were reduced two-thirds. (See *Report of U. S. Industrial Com-*

Wastes from Producer to Consumer.—Nor does the waste of distribution end here. After the order for goods has been secured, and the commodity prepared in the factory, considerable loss is incurred in transferring the commodity to the consumer. Eastern factories, in supplying orders, ship bulky commodities to the west, while competing firms send freights from that section thousands of miles to eastern customers. The Tin Plate and Steel Companies saved no less than \$500,000 a year²⁹ by eliminating such cross freights through combination.

When finally the commodity arrives at the city of its destination, it is frequently handled by hosts of middlemen — jobbers, wholesalers, speculators, retailers,—before reaching the consumer.³⁰

mission, pp. 829–31, Kelly, *Twentieth Century Socialism*. p. 95. See also Jenks, *op. cit.*, p. 27, and Wells, *Tono Bungay*.)

²⁹ Jenks, *op. cit.*, p. 33. During the European war, the U. S. Fuel Administration instituted a zoning system, under which cross freights as far as bituminous coal was concerned were largely eliminated. The administration reported at the end of the first year a saving of over 160,000,000 car miles. (*Fuel Facts*, U. S. Fuel Administration, p. 19.)

³⁰ In dealing with the method of distributing food in the city of New York, the Committee on Markets, Prices and Costs of the New York State Investigating Committee declared that one store existed in New York City to every 250 inhabitants — about 20,000 stores in all. These included over 11,000 corner grocery stores, over 6,000 butcher shops, 2,682 bakeries and from 4,000 to 5,000 pushcarts in the food supply business. If 200 retail markets, situated in strategic places in the city, were substituted for the “chaotic, uneconomic, extravagant and wasteful conditions” of distributing food products then in vogue, the Committee declared that a saving of from \$50,000,000 to \$100,000,000 a year would be effected. (*Report of New York State Food Investigating Committee*, 1912, p. 35. John J. Dillon in 1916 estimated a possible saving several times as great.

Dr. Frederic C. Howe deals with the difficulty entailed by the farmers in getting goods to market. “The city is blockaded against them. Often their produce is taken by the commission men and

The losses involved in keeping up thousands of insignificant retail establishments, each with its separate clerical force, its inadequate stock and its individual accounts and delivery service constitute a big social waste. The anarchy of competitive delivery also involves much social loss.³¹ That which holds true of the distribution of food pertains to practically every other necessity of life.³²

sold and the farmers are advised that there was no market for it or that it had to be destroyed by order of the health department. At other times produce fails to realize enough to pay freight rates. Frequently food from a distance is permitted to spoil or is thrown into the river, to keep up prices. At other times, it is held up by railroad car shortage and lack of terminal facilities. . . . To such an extent have they discouraged the farmers of New York that of the total food bill of the city, amounting to \$800,000,000 a year, only 5 per cent. or \$40,000,000 goes to the farmers of the State." (Howe, *The High Cost of Living* (1917), pp. 65-68.)

Emerson P. Harris estimates that one-half the retail price goes for distribution. He quotes F. E. Ladd, Food Commissioner of North Dakota, who also complains vigorously of the high cost of distribution. "It costs more to distribute our food products than it does to produce the same," he declares. "Why should this be? Why, for example, should the producer receive 31 per cent. and the distributor 69 per cent. of the cost paid by the consumer for eggs? Why should the farmer receive but 36.6 cents on every dollar, and the distributor 63.4 cents on every dollar for turkeys?" (Harris, *Coöperation the Hope of the Consumer* (1917), pp. 40-1.)

³¹ "In Rochester," declared Professor Walter Rauschenbusch, "28 milk peddlers travel up and down one street to serve 79 homes. On another route 57 milkmen travel 30 miles to serve 363 homes; one man would travel two miles to serve them all. As a consequence of this waste of labor, milk is dear and its quality uncertain." (Rauschenbusch, *Christianizing the Social Order*, p. 170.) There are also other wastes too numerous to mention. See Grant, *Fair Play for the Workers*, Ch. IX, for further examples.

³² The U. S. Railroad Administrators claimed that, in the first year of its work, it saved, through the elimination of competition, \$23,566,633 on railroad ticket offices, and \$7,000,000 on advertising. There were also considerable reductions in the routing of freight, in legal expenses, salaries, etc. (See *Report to the President*, by Wm. G. McAdoo, Sept. 3, 1918.)

WASTE OF HUMAN LIFE

Translated into human terms, the foregoing economic loss means tragic waste of energy and life.

The evils of unemployment, of industrial accidents and preventable diseases, resulting from untoward industrial conditions, are but further indications of the manner in which modern industry fails properly to utilize its wealth of human resources.

Unemployment.— Unemployment of greater or less degree, due to the anarchy of present-day industry, to underconsumption, to failure of business concerns, to fluctuations of seasonal industry, to the installation of new inventions and administrative methods, to artificial stimulation of immigration, to industrial disputes, to the lack of adequate labor exchanges and to other causes, has been a persistent concomitant of the capitalist system.³³

³³ Prior to the war, numerous attempts were made to estimate the amount of unemployment in the United States. Dr. I. M. Rubinow, in summarizing the unemployment survey connected with the 1900 census, declared that, of the total number gainfully employed at that time (29,000,000), "on an average of 2,000,000 had been idle throughout the year." (Rubinow, *Social Insurance*, p. 445.) The Federal Immigration Commission in 1909 estimated that nearly one-half of the workers (46.8 per cent.) were out of a job two months during the year, and that, on the average, the male worker lost approximately three months' time each year. (See Lauck and Sydenstricker, *Conditions of Labor in American Industries*, pp. 76-78.)

After a survey of practically all the data available, Lauck and Sydenstricker maintained, in 1916, that the average wage-earner, employed in the principal manufacturing and mining industries which operate throughout the normal year, loses from 10 per cent. to 20 per cent. of his possible working time.

During periods of depression, conditions are far more serious. In February, 1915, for instance, the Federal Bureau of Labor Statistics estimated that the total number of unemployed in New York City alone approximated 338,000. Two months later the Metropolitan Life Insurance Company placed the number of jobless men in this city at 420,000. (Lauck, etc., *op. cit.*, p. 102.) During the war,

While labor exchanges and other social agencies are seeking to ameliorate this problem, certain modern developments are tending to make it more acute. One is the driving of workers from staple industries to those in which the demand is more irregular, and employment, therefore, more precarious.³⁴ Another development is the establishment of industries depending on casual workers and women and children who are willing to work for less than a subsistence wage.³⁵

Causes of Unemployment.—It is frequently urged that unemployment is due largely to laziness, not to inability to obtain work. The fallacy of such a statement, however, has been demonstrated in many investigations. According to trade union data secured during the five-year period, 1907 to 1911 inclusive, lack of work was the cause at the end of March each year, in from 66.8 per cent. to 89.6 per cent. of the cases.³⁶

Unemployment prevents efficient production. It generally means for the unemployed and his family a subnormal standard of living, untold anxiety, bitter discouragement, depleted efficiency and consequent inability to work regularly. It frequently leads to pauperism and to the tragic undermining of the best in the worker's character.

While unemployment can undoubtedly be alleviated there was little unemployment. With the coming of peace, however, the problem is again returning. The U. S. Employment Service on June 19, 1919, reported 241,046 unemployed in 100 cities, according to advices received by them. A further social waste, indirectly connected with unemployment, is the enormous labor turnover in modern industry. (See *Problem of Labor Turnover*, by Paul H. Douglas, *American Economic Review*, June, 1918, pp. 306-16.)

³⁴ Hobson, *The Evolution of Modern Capitalism*, p. 334.

³⁵ Lauck, *op. cit.*, p. 76.

³⁶ Parmalee, *Poverty and Social Progress*, p. 117. See also Bulletin of the Dept. of Labor, No. 109 (1912), pp. 31-2.

under the system of private ownership, the lack of any scientific control over production and distribution, the small purchasing power of the mass of workers, and the fact that individual capitalists find it to their economic interests to maintain a reserve army of the unemployed, make a complete solution of this problem under capitalism extremely difficult if not impossible.

Industrial Accidents.—A further waste, closely related to the profit system, is found in the thousands of unnecessary accidents occurring each year in the dangerous battle of industry. Dr. Frederick L. Hoffman, the statistician of the Prudential Life Insurance Company, conservatively estimated that 25,000 American wage-earners were killed in our industries in 1913, and that nearly three quarters of a million (700,000) were disabled for a period of more than four weeks.³⁷ On the railroads, the year 1916 yielded no less than 9,364 deaths and 180,375 injuries. Of the deaths, a minority (2,687); of the accidents, a large majority (160,663), occurred among the railroad workers.³⁸

While the carelessness of employees and the unpreventable hazards of industry are undoubtedly responsible for many accidents, the failure of the employer, in his race for profits, to place proper safeguards around the worker,³⁹ the greatly increased speed of modern machinery and the fatigue of the worker at the fag end of a long day are responsible for large numbers.⁴⁰

Stricter factory regulations, workmen's compensation

³⁷ Hoffman, *Industrial Accident Statistics*, p. 44.

³⁸ *Statistical Abstract*, 1916, p. 306.

³⁹ In 1906, it was stated that, in Illinois, 100 men were killed or crippled in the factories of the state by the setscrew, while for thirty-five cents this danger device could have been recast into a safety-device. (Brandeis, *Business, a Profession*, p. 59.)

⁴⁰ Rubinow, *Social Insurance*, Ch. V.

laws and other collectivist measures are forcing more adequate safeguards, but, hitherto, the profit system has placed immense obstacles in the way of adequate safeguards.

The money loss of such accidents to industry is apparent. The attending tragedy of pain, of broken hopes, and actual physical want which these industrial mishaps bring into the lives of tens of thousands is not so apparent to the cataloguer of cold statistics, but is no less real.

Disease.— A further social and economic waste is appearing in the startling amount of sickness and death due to present conditions. Professor Irving Fisher recently estimated that 630,000 preventable or postponable deaths and 1,500,000 preventable cases of serious illness occurred in the United States every year.⁴¹

While it would be absurd to attribute all these preventable cases of sickness and death to economic conditions, it is undoubtedly true that such sickness is primarily the direct result of unsanitary working conditions and the poverty of the masses, with its attendant "bad housing, inadequate diet, child labor, the employment of mothers in mills, factories and stores, the uncertainty of family income; inability to pay for proper medical attendance and care, alcoholism, the restriction of the natural desires for normal self-expression, discouragement and mental depression, physical deterioration, frequent and constant ill-health. . . . Even ignorance . . . is a more intimate companion of poverty than of financial competence or of wealth."⁴²

⁴¹ Fisher, *Report on National Vitality*, pp. 1, 119. Dr. B. S. Warren of the U. S. Public Health Services estimates (Report of Commission on Industrial Relations, p. 124), that each of the thirty odd million wage earners loses through sickness an average of 9 days a year.

⁴² Lauck and Sydenstricker, *op. cit.*, pp. 345-6.

Poverty and Disease.—Overcrowding, low wages and sickness have always been boon companions. The Federal Children's Bureau recently discovered, in a survey of Johnstown, Pa., that infant mortality in families where the father earned less than \$10 a week was three times as great as in those where the weekly income was \$23 or more.⁴³

In 1913 the tuberculosis rate in the Washington Street district, New York City, where over half the families live in two rooms, was four times as great as the rate generally prevalent.⁴⁴

Bad shop conditions are a prolific cause of disease. Sickness due to phosphorus, lead, mercury and arsenic poisonings, to metals, dust, heat, cold, confined air, overcrowding, compressed air, excessive light, undue strain on particular sets of muscles, nerves and senses, play havoc with thousands.

The International Association of Labor Legislation recently enumerated 53 classes of poisons and hundreds of branches of industry in which these poisons were ever present.⁴⁵ "There is hardly any line of modern manufacture free from the dangers of industrial poisoning."⁴⁶ While model factories exist, they are in the minority.⁴⁷ Conditions in such metal trades as the zinc industry are particularly bad.⁴⁸

So grave has been this problem that Dr. Hoffman concluded in 1908 that, by proper attention to factory conditions, an annual saving would have been effected of ap-

⁴³ *Ibid.*, 348.

⁴⁴ Lauck, *op. cit.*, p. 336.

⁴⁵ *Bulletin of the Bureau of Labor*, Nos. 86 and 100.

⁴⁶ Rubinow, *Social Insurance*, p. 212.

⁴⁷ Second Report, *N. Y. Factory Investigating Committee*, 1913, Vol. II, p. 416.

⁴⁸ U. S. Bureau of Mines, Technical Paper, 105 (1915), p. 832.

proximately 22,238 human lives. Such a gain would represent a total of 342,465 years of additional lifetime to the total population, and by just so much the industrial efficiency of the American nation would be increased.⁴⁹

While many forms of contagious diseases, through the health activities of the community and the discoveries of scientists, have been largely eliminated, many other diseases resulting from the strain of industry have alarmingly increased.

Increase in Sickness.— President E. E. Rittenhouse of the Life Extension Institute declared in a recent address that the mortality records indicated a marked decline in the power of the American workers to withstand the conditions of modern life, as witnessed in the extraordinary increase in the death rate from the breaking down of the heart, arteries, kidneys, and the nervous and digestive systems, which diseases, he stated, are reaching down into middle life and apparently increasing there and at all ages. Of the 410,000 lives annually destroyed by these “old age” diseases, 60,000 occur under the age of 40 and 105,000 between the ages of 40 and 60. In the last thirty years the mortality from these diseases has nearly doubled.⁵⁰

Occupational diseases, socialists contend, would soon be reduced to a minimum in a system where industry was conducted primarily for human welfare, not for private profit.

Much of the sickness and death can be traced to present-day industry with its greed for gain, and its inevitable poverty. Disease leads to great economic losses. The human agony and misery following in its wake are beyond all power of calculation.

⁴⁹ F. L. Hoffman, *Mortality from Consumption in Dusty Trades*, in *Bulletin of the U. S. Bureau of Labor*, No. 79, Nov., 1908, p. 832.

⁵⁰ Lauck, etc., *op. cit.*, p. 319.

Summary.—The socialist then criticizes the present system on the ground of its wastefulness and inefficiency. Competition involves enormous wastes both in the realm of production and in that of distribution, while the waste in human life and energy resulting from unnecessary unemployment, industrial accident and illness — accompaniments of the present profit system — is of startling dimensions.

CHAPTER II

THE SOCIALIST INDICTMENT: II. INEQUALITY OF WEALTH

Inequality of Wealth.— We have thus seen that socialists criticize the capitalist system on the ground of its inefficiency. A further count in the socialist indictment is that the present system of private ownership leads to an inequitable distribution of wealth; that it means untold wealth for the few and poverty for the many; and that this inequality runs directly counter to the welfare and happiness of mankind.

That these inequalities exist few can deny. In this country, according to Dr. W. I. King, of Wisconsin University, two per cent. of the population own sixty per cent. of the wealth. On the other hand, the poorest two-thirds of the people possess but one-twentieth of the wealth of the nation, and the poorest four-fifths but one-tenth.¹

The Wealthy.— The country now boasts of several thousand millionaires. A few years ago one fortune was estimated at one billion dollars, “equivalent to the aggregate wealth of 2,500,000 of those who are classed as ‘poor,’ and who are shown . . . to own on the average \$400 each.”² In 1916, according to the Income Tax statistics, 292 people in the country received a return on their investments of \$1,000,000 or over; 524 of between

¹ King, *Distribution of Wealth and Income Among the People of the U. S.*, pp. 80-2.

² *Report of U. S. Commission on Industrial Relations*, p. 32.

\$500,000 and \$1,000,000; 6,127 from \$100,000 to \$500,000; 10,452 from \$50,000 to \$100,000; 23,734 from \$25,000 to \$50,000; 78,880 from \$10,000 to \$25,000.³

Socialists readily grant that very considerable differences in ability and industry exist among producers. They claim, however, that most of the large fortunes are based primarily on the ownership of machinery and natural resources and the receipt of rent, interest and profit flowing from such ownership. The owner of land or of stocks in a corporation may have acquired this property through dint of hard labor. He may, on the other hand, have inherited it or received it as a gift. He may know little or nothing about the conduct or of the location of the business. However, because of his ownership, and not because of his ability or industry, his income is assured.

Indeed, a recent analysis of 50 of the largest American fortunes shows that nearly one-half of these fortunes have already passed to the control of heirs or to trustees,⁴ and the business from which most of these yearly incomes are drawn is probably managed by executive officials on salary.

Wages.—Beyond a certain amount, increased income means little if any additional happiness. It often means increased burden. It frequently exerts a vicious influence on its recipient. At the same time, where the few gain, the many lose. Hand in hand with affluence is found the gaunt specter of poverty. Most of the estimates of wages and the relation of these wages to a minimum standard of

³ *Statistical Abstract of the United States*, 1918, p. 720. In 1910 the comparatively few who lived in whole or in part from property income received more than one-half of the total annual income (53.1 per cent., approximately \$16,225,900,000), while the many who lived primarily from service income obtained but 46.9 per cent., or \$14,303,600,000, according to Professor King. (King, *op. cit.*, p. 158.)

⁴ *Report of Commission on Industrial Relations*, p. 32.

living were made prior to the war, and do not hold good at the present time. These pre-war figures, however, are instructive. One of the latest estimates was made by Lauck and Sydenstricker in 1916. After examining practically all the authoritative data available prior to the war, these authors concluded that fully one-fourth of the adult male workers in the principal industries and trades who were heads of families earned less than \$400 a year, or less than \$7.70 a week; one-half less than \$600 a year (\$11.35 a week); four-fifths less than \$800 (\$15.40 a week), while less than one-tenth obtained the equivalent of \$1,000, or approximately \$20 for the weekly period. Eight hundred dollars was generally regarded at that time as the minimum required by the ordinary family for obtaining life's necessities. Many other estimates were of a similar nature.⁵ Women were, according to the various estimates, even more poorly paid than men.⁶

⁵ See Streightoff, *The Distribution of Incomes in the United States*, Ch. VI; Nearing, *Income*, Ch. IV, *Report of the Commission on Industrial Relations*, p. 31 *seq.* According to the 1910 census, the average yearly wage of wage-earners engaged in manufacturing industries was \$517.91. In the textile industries the wages were particularly inadequate. In this industry, a few years ago, nearly one-third of the men and nearly two-fifths of the women in the New England mills, and nearly one-half of the men and two-thirds of the women in the Southern mills, earned less than \$6 a week, less than \$312 a year; while over one-half of the men and two-thirds of the women in New England—nearly three-fourths of the men and over nine-tenths of the women in the South—earned less than \$8 a week, less than \$416 a year, in this industry. (See Laidler, *Boycotts and the Labor Struggle*, p. 276; *Report on Condition of Women and Child Wage-Earners in the U. S.*, Vol. I, pp. 310-11.)

⁶ In fact an examination of the earnings of women workers 18 years of age and over employed in the principal industries indicated that one-fourth received less than \$200 yearly—less than \$4 a week, while two-thirds obtain less than \$400, less than \$8 weekly. (Lauck, *etc.*, *op. cit.*, p. 61.) In the sweating industries of the great cities the situation among the women and child workers was even more tragic.

Standard of Living.— These pre-war wages were woefully inadequate as compared with a decent standard of living. Accepting the minimum family standard of \$800 set by numerous economists prior to the war, “it appears to be an inescapable fact that a very large proportion, possibly half, of the wage-earners’ families in the principal industries of this country,” according to Messrs. Lauck and Sydenstricker in 1916, “have been below that level during the past few years.”⁷

Recent Changes.— Wages have risen considerably since the beginning of the European war. However, the cost of living has also steadily increased. The Labor Research Department of the Fabian Society in Great Britain recently estimated that in that country wages increased from 1900 to 1917 approximately 40 per cent., while retail prices in London for food, drink, etc., rose during the same period 120 per cent.⁸ In June, 1919, the New York State

If we were to extend our inquiry of incomes to include farmers and such professional men and women as teachers and ministers, we would still find most unsatisfactory conditions.

Of the income of farmers, Professor Streightoff, commenting on the fact that “when all crops except cotton were normal, the [1900] Census should show the total value of products of 30.9 per cent. of the farms to be under \$250, and of 58.8 per cent. to be less than \$500, declared that it was a safe indication that, so far as money is the criterion, farming was not much, if any, more profitable than ordinary human labor.” He pointed out that in various Methodist conferences, 30.9 per cent. of the ministers obtained less than \$600 a year, 78.7 per cent. less than \$1,200, and but 4.6 per cent. received as much as \$2,000. Streightoff, *op. cit.*, pp. 128-32.

⁷ Lauck, etc., *op. cit.*, p. 376. In 1915, Professor Frank H. Streightoff set the minimum standard of living in New York City at \$876 for the family, and even then he was able to allot but \$7 for furnishings, \$5.63 for education, newspapers, \$20 for health, and \$40 for all such miscellaneous expenses as “tobacco, carfare, shopping, purchase of toys for the children, toilet articles, hair cuts for the men, washing and laundry, tools, moving, and the spending of money of various members of the family.”

⁸ *Labor Year Book*, 1919, p. 238.

Industrial Commission estimated that wages in that state had increased since 1914 78 per cent., while the cost of living had advanced from 90 per cent. to 100 per cent. The War Trade Board in the same months estimated a rise of 102 per cent. in the cost of living.

Effect on Family Life.—The industrial system, with its inequality of income, its anarchism in production and its greed for profits, means to large numbers of workers, as we have seen, uncertainty of livelihood, disease, accident and death through unfavorable living and working conditions. Modern industry also disintegrates home life. Low wages make it impossible for heads of families in many instances to provide adequate shelter, food and clothing to their wives and children, and the absence of these mere physical necessities of life makes for unhappiness and instability in family relationships.

Among the most deleterious influences on home life are the overcrowded and unsanitary dwellings in which masses of workers are forced to live. Three-fourths of the American-born wage earners' families live in rented houses.⁹ In more than three-fourths (77 per cent.) of the households investigated, in purely industrial cities, the Federal Immigration Committee discovered that there were two or more persons to a sleeping room; in over one-third (37 per cent.), three or more persons, and in nearly 15 per cent., four or more.

Absence of light, of air, of sanitary provisions,¹⁰ of proper space and of yards in which the children can play

⁹ Lauck and Sydenstricker, *op. cit.*, pp. 293, 302, 305.

¹⁰ *Fifth Report of the Tenement House Department of the City of N. Y.*, p. 75; *Committee of Fifty, Substitutes for the Saloon*, p. 211. A few years ago, 364,367 dark rooms were reported in the slums of New York City. Many of these rooms depend for air and ventilation upon outer rooms and air shafts. "The latter are really a well of stagnant foul air."

is the lot of tens of thousands of our industrial army, and is assisting effectively in the disintegration of real home life.

In Small Cities.—Nor does this condition prevail only in the largest cities. It is witnessed as well in many working-class sections of the smaller industrial towns. One cannot pass through such mining and factory villages and witness long, monotonous rows of small, dingy, shacks inhabited by wage-earners, without a feeling of profound pessimism.

In East Youngstown, Pennsylvania, for instance, the United States Public Health Service cited a case where 23 lodgers crowded into a four-room house, and declared that "it was by no means uncommon to find a single room occupied by from three to twelve workers. The lodgers, for the most part, slept two in a bed. In some of the lodging houses, where the men work on both 'day and night turns' the occupation of the beds is almost continuous, the night men taking during the day the places of those sleeping at night. The beds themselves are usually old and in filthy condition."¹¹

Home life is also being seriously affected by the forced absences from home of members of the family in search of work; by the labor of mother and children in factory or sweated home industry; by night work, and long hours of toil which make the home merely a place in which to sleep; and by many unfavorable economic conditions under which the worker is struggling.¹²

Effect on Marriage.—Modern industrial conditions impose compulsory celibacy on thousands of persons employed as lumber "jacks," as sailors, as domestic servants, as workers assisting in the building of railways, in re-

¹¹ *Ibid.*, pp. 337-8.

¹² Kelley, *Modern Industry*, Ch. I.

claiming waste lands, in water and power construction, etc.

“Worn-out freight cars and vermin-ridden bunk houses,” writes Florence Kelley, in describing how impossible it is for many to assume the obligations of home life, “are not fit homes for wives and children. But these are the dwellings afforded for rapidly increasing thousands of working men, for years at a time, a group being moved from one section to another of some great undertaking, the quality of their quarters varying little.”¹³ Housing and sanitation laws are beginning to improve these conditions in some parts of the country, but that improvement is a slow one.

It is thus seen that from the economic point of view — from the standpoint of economic efficiency, and from the standpoint of wealth distribution — the present system, with its economic and human wastes, its unearned luxury and its tragic poverty is subject to severe condemnation.

EFFECT OF CAPITALISM ON THE ETHICAL LIFE OF THE COMMUNITY

Poverty Not Chief Evil.—Socialists condemn the present system, however, not only on account of its effect on the physical well-being of the community, but also because of its reactions on the intellectual and ethical life of society. Indeed most socialists contend that, even though poverty were entirely eliminated, under capitalism, even though each man and woman willing to work were assured of safe employment, of reasonable hours, of healthful surroundings, and of a wage which would permit him to supply his family with decent food, decent clothing and decent shelter; even though all employers were enlightened and

¹³ *Ibid.*, p. 8.

adequate labor legislation passed and enforced; in fact, even though the workers no longer suffered any of the physical ills which capitalism now brings in its wake, nevertheless the present system would be condemned because of its disastrous reactions on the intellectual, the æsthetic and the ethical life of the masses.

The Profit Motive.— Business under capitalism is conducted by the average business man primarily for profit, only secondarily for service. The profit instinct permeates all business relationships, and difficult it is for the average man to decide on a line of business conduct, either in relation to the consuming public, to his employees, to the government, or to his co-workers, if that line of conduct seriously interferes with his accumulation of profits. It is, furthermore, difficult for him to see the extent to which his conduct in the pursuit of profits may, from the standpoint of human welfare, be anything but ethical. "There is a spiritual alchemy," declares W. J. Ghent, "which transmutes the base metal of self-interest into the gold of conscience; the transmutation is real and the resulting frame of mind is not hypocrisy but conscience." This self-interest, he continues, "modifies or even negatives his acceptance of the ethical code embodied in his professed religion."¹⁴

The Business Man and the Consumer.— We have already seen how the race for profits has led to adulteration and similar practices.¹⁵ The race for profits also has led in thousands of instances to fraud in regard to weights and measures.¹⁶ The Osborne Commission, in 1912, revealed the fact that "the amount of water in canned goods makes a difference of 10 per cent. to 20 per cent. in their value.

¹⁴ Ghent, *Mass and Class*, pp. 96, 140.

¹⁵ See *supra*, pp. 11, 12.

¹⁶ Harris, *op. cit.*, p. 33.

The weight of food in a package is usually reduced so that 10 ounces or 12 ounces is given for an alleged pound." ¹⁷

Indeed, a survey of these practices leads such thinkers as the American sociologist Lester F. Ward to declare that "deception may almost be called the foundation of business." ¹⁸

Business and the Worker.—The profit motive has likewise led to most unethical conduct upon the part of large numbers of employers toward their workers. As has been shown elsewhere, in order that the few may accumulate vast fortunes, workers have been forced to toil inhumanly long hours, under unsanitary conditions, speeded to exhaustion. When they have endeavored to organize, they have been discharged, blacklisted, hounded from industry to industry. Spies have been employed to ferret out their activities. Company guards have brutally attacked them. Special deputy sheriffs, armed and paid by big business, have deported them from their homes and landed them in desert places. The military and con-

¹⁷ Report on Markets, Prices and Costs of the New York State Food Investigation Commission, August, 1912, p. 32. See also Ghent, *Mass and Class*, Ch. VIII.

Prof. Walter Rauschenbusch in *Christianizing the Social Order*, pp. 205, 246, elaborates upon these practices as follows: "The inspectors in New York City confiscated 3906 falsely adjusted scales in three months of 1910, and Indianapolis totaled 13,000 of them in four and a half years. . . . During a special investigation in 1910 the city sealer in Harrisburg, Pa., could not find a single wooden berry box in the city that would hold a quart. Prints of butter are often short of weight. The creamery people say they shrink by the evaporation of the water in the butter, but when the New York State superintendent visited 30 creameries throughout the state and weighed 252 prints dripping wet from the molds, he found 124 short. Those intended for sale in Massachusetts seemed to evaporate least; that state has stringent laws."

¹⁸ Ward, *Pure Sociology*, p. 487.

stabulary have been induced to shoot them down. The controlled press has concentrated its avalanche of abuse upon them and clubbed them with its headlines into submission. And the pulpit and courts have too often aided in this work.¹⁹

The Business Man and His Competitors.—Those familiar with the history of such corporations as the Standard Oil Company need no rehearsal of the ethical code so frequently adopted in the business world. A strong example of unethical practices in business is contained in the specifications in the indictment against the National Cash Register Company, on the basis of which twenty-seven officers were sentenced, in 1913, to jail sentences. These specifications charge the company with bribing employees of competitors, of express, railway, and of telegraph and telephone companies for the purpose of securing information regarding competitors' shipments; with instructing salesmen to spread false rumors regarding the competitors' character, financial credit, etc.; with

¹⁹ The use of these weapons is dealt with in some detail in my book on *Boycotts and the Labor Struggle*, pp. 274-329, and will not be here repeated. Also see Hunter, *Violence and the Labor Movement*, especially Chap. XI, pp. 276-326. The most illuminating material will be found in the Final Report and Testimony of the Commission on Industrial Relations (Volumes X, XI), especially *Conditions of Labor on Pennsylvania Railroad*, Vol. XI, pp. 10,067-10,449; *Coal Miners' Strike, Colorado*, Vol. VII, pp. 6,345-6,990, etc.; *Commercial Telegraph Companies*, Vol. X, pp. 9,291-9,451; *Mining Conditions and Industrial Relations at Butte, Mont.*, Vol. IV, pp. 3,681-4,095; *Labor and Law*, Vol. XI, pp. 10,451-10,928, etc. The testimony before the Senate committee on conditions in Paint Creek, West Virginia, during the miners' strike is most illuminating. The "spy" system in industry as worked by one of the detective agencies is also strikingly described by the Sherman Service, in their booklet, *Industry, Society, and the Human Element*. Upton Sinclair's novel, *King Coal*, gives a vivid description of conditions in the coal mines of Colorado.

inducing customers to cancel the orders for competitors' goods; with exhibiting competitors' machines as "junk"; with ordering salesmen "secretly to weaken and injure the interior mechanism and to remove and destroy parts of competitive cash registers"; with threatening legal suits for alleged patent infringement and with numerous other practices.²⁰

The Business Man and His Fellow Investor.—The driving force of profit-making has led also to a shameless exploitation of fellow investors. The history of many a modern corporation is the history of the attempt on the part of those "on the inside" to squeeze out and exploit those unfortunately not within the "inner circle." The issuance of false prospectuses, the withholding of dividends until the discouraged investor sells his stock, the paying of high salaries and huge commissions for services of little value, the arranging of fictitious sales of stock with friendly parties with the design of boosting prices, and the unloading of the stock on gullible buyers at the higher market price are all practices too well known to need elucidation here.²¹

The Business Class and Corruption.—The profit motive has led also to constant corruption of the forces of government. After an extensive investigation into the relation of business to government, Lincoln Steffens pointedly declares:

"My gropings into the misgovernment of cities have drawn me everywhere, but always, always, out of politics into business, and out of the cities into the state. Business started the corruption of politics in Pittsburgh; upholds it in Phila-

²⁰ See Seager, *Principles of Economics*, pp. 453-55.

²¹ See Lawson's *Frenzied Finance*.

delphia, boomed with it in Chicago and withered with its reform: Not the political ring, but big business—that is the crux of the situation.”²²

The manner in which this corrupting influence has been at work was strikingly brought out in the investigations into the affairs of the New York, New Haven and Hartford Railroad. According to the testimony, the railroad gave \$100,000 for campaign purposes in two political campaigns, besides devoting other sums to local purposes, in each case making an effort “to get under the best umbrella.”²³ It contributed \$1,200,000 for corrupt purposes in an effort to secure amendments to one of the railroads in which it was financially interested. It employed a political boss of one state and a chairman of the Republican committee of another state at salaries of \$7,000 a year and \$5,000 a session respectively to look after its interests, “as a *negative retainer*.” It placed others on its pay roll before they went to and after they returned from the legislature. Some of them still retained their positions while sitting on legislative committees.²⁴ It scattered passes among those legislators and families who were friendly to its interests, “like the leaves of the fall.”²⁵ And, to accelerate public opinion, it bought newspapers and spent thousands of dollars in securing favorable publicity in other periodicals.

And this is but one instance of the many in which big business has sought to impose its imprint on legislation. It is, of course, undoubtedly true that legislators have in

²² *McClure's Magazine*, April 1904; see also Steffens, *The Crime of the Cities*.

²³ *Financial Transactions of the New York, New Haven and Hartford Railroad*, 63rd Congress, 2nd Session (1913-1914), *Senate Documents* 19, Vol. I, p. 30.

²⁴ *Ibid.*, pp. 608-9, 614.

²⁵ *Ibid.*, p. 947.

many instances not hesitated in the least to accept bribes and have at times taken the initiative in demanding money payments. But this fact, while making officers of the government equally guilty with corporations, in no way exonerates the corporations from blame.

Perhaps the most serious attempt to corrupt the government has been made by those elements who have invested in undeveloped countries or who desire to exploit those countries and who bring pressure to bear upon their governments to safeguard their investments even though such action involve a titanic international conflict.

It goes without saying that many business men, either as a result of social pressure, of the actual or potential demands of labor, of state legislation, of enlightened selfishness, of humanitarian motives, or of a combination of these reasons, have adopted a higher ethical code than has been illustrated in the foregoing pages, but the evils mentioned still persist to a remarkable extent in this and other countries.

Inequality and Personality.— The spirit of superiority which the present system develops among those who have succeeded in the economic struggle, or are the recipients of special privileges is detrimental to the moral fiber not only of the possessors of economic power, but also of every stratum of society. This attitude of aloofness, of superiority, of snobbery, as Professor E. A. Ross declares,

“ shows itself first in the highest class, but presently the intermediate classes become infected with snobbery, and each grade shrinks from all below it. In England the wholesale tradesman looks down upon the retail tradesman, the latter looks down upon his clerk, the clerk looks down upon the woman who lets him lodgings, and she in turn looks down on the man who cobbles her shoes. In reverse, the man who

works with his hands looks up to the petty shopkeeper and he looks up to the big tradesman. This one looks up to the banker or manufacturer, who looks up to the landed gentry, who look up to the peers, while at the apex of the whole organization stands the throne.”²⁶

Effect on Victor.—The absorption of the days and nights of many thousands of business men actively engaged in the competitive struggle absolutely precludes their development along the lines of the intellectual, æsthetic and ethical outside of their narrow economic groove. In many instances the autocratic control forced upon the captain of industry, increasing in magnitude as he grows older, proves far too heavy for one man to bear.

“To see these great workers,” declared Rauschenbusch, “breaking down under the strain is one of the pathetic spectacles of our system. They are like the axis of a driving wheel that is getting fragile while the wheel grows in weight and speed. . . . Even for their sake we need a decentralizing of responsibility through industrial democracy.”²⁷

The present system, which leads to the accumulation of vast wealth in the hands of a few, is creating a class of non-producers who may spend their lives in luxurious idleness, and yet find themselves at the end of their career far richer than at its beginning. In hundreds of such lives, this situation has developed an irresponsibility, a self-conceit — unrebuffed by others — a profligate thriftlessness, an immorality, a disregard for the sacredness of other personalities, that is tragic in its wide-spread effects.

And in many instances, where the possessors of great wealth, moved by a feeling of altruism, have endeavored to

²⁶ Ross. in *American Journal of Sociology*, May, 1917, pp. 750-1.

²⁷ Rauschenbusch, *Christianizing the Social Order*, p. 296.

use part of their wealth in philanthropic enterprises, the pauperization of the masses resulting from these efforts has caused still further social tragedy.²⁸ Among both men and women of the leisure class, pleasure, unmixed with useful endeavor, degenerates into a hollow mockery. Its inspiration ceases. It becomes a monotonous round of duty, and, in order to put new spice, new thrills into what, to normal, productive human beings, would afford genuine delight, new, expensive, ludicrous inventions are resorted to, only to be cast aside when the momentary excitement wears away.

Crime and Social Evil.—On the working class, the moral effect of the present system is anything but elevating. Much of our crime is directly or indirectly traceable to involuntary poverty with its overcrowding, its lack of proper means of expression, its ignorance, the inability to obtain the necessities of life, and the resulting desire to secure some of the “swag” so patently displayed by the aristocracy of wealth.

That special form of immorality known as prostitution is intimately connected with poverty and the commercialism of the present system. Low wages, long hours of exhausting toil, overcrowding, absence of the pleasures of life, “the atmosphere of idleness, ease, pleasure, and luxurious habits created in social life by those who live on unearned wealth,”²⁹—all are effective in augmenting this evil. Jane Addams attributes the increasing nervous energy necessarily expended by girls in modern industry, and “the speeding up constantly required of the operators,” as among the most important causes tending to overcome their powers of resistance.³⁰

²⁸ *Ibid.*, pp. 295–304.

²⁹ Rauschenbusch, *Christianizing the Social Order*, p. 267.

³⁰ Addams, *A New Conscience and an Ancient Evil*, pp. 72, 77.

In dealing with the relation of vice to the "beggarly" wages given to Chicago working girls, the Chicago Vice Commission in 1911 pertinently asked: "What is the natural result of such an industrial condition? Dishonesty and immorality, not from choice, but necessity — in order to *live*." ³¹ It is while "under-fed and hungry — hungry not only for food, but for a decent shelter, for a home, for friends, for a sympathetic touch or word; tired from a hard day's toil even to the point of recklessness — starving for honest pleasures and amusements," remarked the Commission, that the girl so often succumbs. ³²

The present system, by forcing celibacy on large numbers of young men, through low wages, unemployment, and other unfavorable economic conditions, also leads to a far greater demand for prostitutes than would exist under more normal conditions. The profit system, furthermore, is ceaselessly at work stimulating the business of prostitution through the medium of its well organized international "white slave" traffic, its army of procurers, its proprietors of dance halls and saloons, its landlords who gain enormous rents from leasing houses of ill-fame, and its legion of grafters, large and small. The amount of such prostitution it is impossible to state. ³³ The serious injury — physical and spiritual — suffered by society is too well known to require proof. Something of the extent of the physical injury to the young manhood of the country was indicated during the European war.

³¹ *The Social Evil in Chicago*, p. 44.

³² See also Flexner, *Prostitution in Europe*, p. 85.

³³ Years ago (1895), the number of public prostitutes in this country was estimated at the National Purity Congress, as 230,000. (*Social Evil in Chicago*, p. 96.) "A not unreasonable calculation of 330,000," has been estimated for Germany as a whole. (Flexner, *Prostitution in Europe*, p. 28.)

Socialists do not contend that such vice is caused wholly by unfavorable economic conditions, nor that it will wholly cease under socialism, but that "mass prostitution, such as we know it at the present day, is inseparable from poverty and class difference,"³⁴ and that it may well be expected to pass away under a fairer economic system.

Intemperance.—Intemperance and other vices are, furthermore, augmented by the discouragements of the worker in modern society, by the environment which denies him the opportunity for normal physical, mental and moral development. The effect of such conditions on character is vividly portrayed by Sidney Webb:

"When we have bound the laborer fast to his wheel, when we have practically excluded the average man from every real chance of improving his condition, when we have virtually denied to him the means of sharing in the higher feelings and larger sympathies of the cultured race; when we have shortened his life in our service, stunted his growth in our factories, racked him with unnecessary disease by our exactions, tortured his soul with that worst of all pains, the fear of poverty, condemned his wife and children to sicken and die before his eyes, in spite of his own perpetual round of toil — then we are aggrieved that he often loses hope, gambles for the windfall that is denied to his industry, attempts to drown his cares in drink, and, driven by his misery irresistibly down the steep hill of vice, passes into that evil circle where vice begets poverty and poverty intensifies vice, until society unrelentingly stamps him out as vermin. Thereupon we lay the flattering unction to our souls that it was his own fault, that he had his chance, and we preach to his fellows thrift and temperance, prudence and virtue, but always industry, that industry of others that keeps the industrial machine in mo-

³⁴ Rauschenbusch. *op. cit.*, p. 268.

tion, so that we can still enjoy the opportunity of taxing it." ³⁵

The Spirit of Democracy.—The dependence of masses of people on the few for their economic livelihood, likewise deals a body blow at the spirit of democracy, the spirit of self-esteem which is absolutely necessary if the intellectual and manual workers are to rise to the full height of their manhood and womanhood. Professor Ross described a condition that is too little recognized when he declared:

"All about us we see how the constant immediate dependence of one human being upon the favor of another blights native self-respect and self-assertiveness. The 'tip' in lieu of fixed wage, by making the servant dependent upon the served, fosters obsequiousness in the one and a patronizing spirit in the other. . . . The dependence of professors of the ethical or social sciences upon governing boards composed of wealthy men or reflecting, perhaps anticipating, the wishes of politicians or donors, jeopardizes that vigor and character and candor of utterance essential to their largest service. The dependence of the clergyman upon the financial 'pillars' in his church leaves him less free to apply the touchstone of Christian principles to current business practices. Advertiser or 'interest' control over newspapers is making many newspaper men feel like helots." ³⁶

Artists and Capitalism.—Many artists and poets have also condemned the present system of profit-making because of the ugliness it entails—the ugliness of the streets, the hovels, the workshops of the poor; the ugly-

³⁵ Webb, *English Progress Toward Democracy*, Fabian Tract, 15, p. 7. See Rauschenbusch, *op. cit.*, p. 242.

³⁶ Ross, in "Caste and Class," *American Journal of Sociology*, May, 1917, pp. 757-758; see also Veblen, *Higher Learning in America*.

ness of the dress, the abode, the pleasures of the rich; the ugliness of its screaming advertisements, the ugliness of the spirit of gain that makes human welfare and beauty subservient to dividends.

Conclusion.— The social legislation now proposed and, to some extent, now being enforced on all sides will undoubtedly eliminate some of the worst evils of our present system. Through workingmen's compensation laws, social insurance against sickness, accident, old age and unemployment, employment agencies, minimum wage legislation, eight hour laws, stricter factory and tenement laws, the extension of public education and public health activities, the increase of taxation of incomes and inheritances, the regulation of prices and profits, the public ownership of the more important public utilities, etc.,— the criminally low wages, the long hours, the high prices, the insecurity of employment, the ignorance of the masses may conceivably be, in large part, eliminated, and a well fed, fairly well educated working class living above the starvation line, may evolve.

However, so long as the profit system, the wage system, lasts, so long will those in control of industry receive an unearned increment, so long will the workers be dependent on economic masters, so long will the vitiating spirit of arrogant lordship on the one hand and dependence on the other prevent that highest moral development which only a free and economically democratic society can bring about.

CHAPTER III

SOCIALIST THEORY: I. ECONOMIC INTERPRETATION AND CLASS STRUGGLE

INTRODUCTION

The Utopians, the Forerunners of Marxian Socialists.

— As has been indicated, socialists have analyzed the system of private ownership of the means of production and distribution, and have contended that it is inefficient, that it leads to an unjust distribution of wealth, and that it fails to afford an opportunity to the masses for the proper development of personality.

While the socialist criticism of present conditions differs from that of other students of social problems, their conception of the future industrial state ¹ and their theory of social evolution constitute their chief points of departure from other schools of social thought.

A school with which modern socialists have often been confused, but from which they sharply separate themselves, is that of the utopian socialists. Social prophets have written their versions of their ideal state from time immemorial — Plato, Campanella, Sir Thomas More are but a few of the social dreamers of past centuries. That school of thought, however, which is usually referred to as the utopian socialists, a school composed of such writers

¹ The socialist advocates, as will be seen more specifically in Chapter V, the collective ownership and democratic management of the socially necessary means of production and distribution.

as St. Simon (1760–1825), Fourier (1772–1837), Louis Blanc (1811–1882), Proudhon (1809–1865), Cabet (1788–1856), and Robert Owen (1771–1858),² did not arise until the latter part of the eighteenth century. These utopians portrayed in minutest detail the workings, as they conceived them, of a future coöperative state, wherein liberty, equality and fraternity would prevail, and inspired their followers to organize communities in Europe and America for the purpose of demonstrating the practicability of their dreams. In the United States the most spectacular of these communities was the Brook Farm experiment in West Roxbury, Massachusetts, undertaken in the forties by the followers of Fourier, and supported for a time by such brilliant American writers and publicists as George Ripley, Horace Greeley, Albert Brisbane, Charles A. Dana, Nathaniel Hawthorne, the Channings, and Theodore Parker. This and hundreds of other experiments, while interesting sociological studies, all failed to realize the aims of the founders, and were soon but memories.

Mistakes of Utopians.—The utopians made several mistakes. They regarded society to too great an extent as a mechanism, rather than as a social organism. In order to attain the ideal society, they believed that the chief thing necessary was to construct a detailed mental picture of a utopia and to induce a few enthusiasts to build this utopia in small isolated communities. The success of one experiment would lead to further attempts, and, finally, their dream would be universally adopted. They failed to see that the realization of social ideals depends to a large extent on whether society has reached a certain stage of industrial development; that an industrial sys-

² All of the writers mentioned, with the exception of Owen, were natives of France.

tem cannot be made to order irrespective of social world forces. They did not realize the almost insuperable obstacles in the way of establishing in an isolated community an economic system founded upon economic and ethical ideals in direct conflict with those of the outside world.

Utopians also depended for the realization of their dream too largely on a few beneficiaries of special privilege. They did not give due importance to the necessity of organizing the world's producers, if society is to be reconstructed on a coöperative basis. Finally, many of their experiments failed because they did not confine their ranks chiefly to those who had the ideals of the colonies at heart, but welcomed too freely adventurers and others with little ability for the work that needed to be done and with the desire for private gain uppermost in their minds.³

With the demise of the distinguished school of French and English utopians, and the failure of the communistic experiments in America, utopian socialism, as a vital movement, ceased to exist, although, as is inevitable, individual writers have, for many years past, engaged in the fascinating adventure of drawing word pictures of future states, and here and there may still be found isolated communities organized for the purpose of demonstrating to the world newly discovered truths concerning social phenomena.⁴

³ For a description of the utopians see Kirkup, *History of Socialism*, Chs. II, III, IV; Guthrie, *Socialism Before the French Revolution*; Allen, *Adventures in Socialism*; Ely, *French and German Socialism*; Hillquit, *History of Socialism in the United States* (Revised Edition, 1910), Pt. I; Noyes, *History of American Socialism*; Hinds, *American Communities*; Nordoff, *Communistic Societies of the United States*; Commons and Associates, *History of Labor in the United States*, etc.

⁴ See Edward Bellamy, *Looking Backward*, and *Equality*; H. G. Wells, *A Modern Utopia*; William Morris, *News from Nowhere*; Wm. Dean Howells, *A Traveler from Altruria*, etc.

Marxian Socialism.—The successors of the utopian school — and the school which is still in the ascendancy among the organized socialists today — is that known as “scientific” or Marxian socialism. This school may be said to have had its beginnings with the appearance of the *Communist Manifesto*, published in 1848.

“Scientific” socialists are sharply separated in their theories and tactics from their utopian predecessors. They spend little time in picturing the details of an ideal state of society. They concentrate their chief effort on the analysis of industrial conditions and tendencies, and predict, as a result of this analysis, that the social forces set to work by capitalism are leading to a coöperative state of society. They depend little on those who enjoy special privileges under the present system to install socialism; but they put their trust largely in mechanical changes in industry and in the growing power of labor. Their analysis of this evolution toward a coöperative system, as first formulated by Marx and Engels — an analysis which is still accepted with certain modifications by the present organized socialist movement,— is substantially as follows:⁵

Industrial systems — like every other human institution — are undergoing constant evolution. After centuries of evolution, slavery became the predominant form of industrial development. With the destruction of the Roman Empire, slavery gradually gave way to feudalism, which existed throughout the middle ages.

INEVITABILITY OF SOCIALISM

Development of Industry.—The discovery of America

⁵ The following passages are taken chiefly from Marx and Engels' *Communist Manifesto* and Engels' *Socialism: Utopian and Scientific*. One or two passages come from *Capital*, by Marx.

and the establishment of trade with the East and the West led to the destruction of the feudal system. Manufacturing took its place and steam and electricity revolutionized industrial production and forced modern industry on the world. Modern industry has established a world market, and this market has given an immense impetus to commerce, to navigation, to communication by land, and, concomitantly, has led to a great increase in the power of the bourgeoisie,⁶ and a decrease in the strength of every other class.

With this increased economic strength has come greater political power until at present "the executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie."

Achievements of Modern Capitalists.—Wherever the bourgeoisie has obtained the upper hand, it has ruthlessly torn asunder the old feudal ties of personal loyalty and "has left no other nexus between man and man than naked self-interest, than callous 'cash payment.'"

At the same time, it "has accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts and Gothic cathedrals." It has established a world market; it is constantly dislodging merely national industries. It draws its raw materials from the remotest regions. It is continuously developing new wants. It is bringing out a universal inter-dependence of nations. As in the material, so in the intellectual creations, it is abolishing national one-sidedness, and from local literatures is producing a world literature.

⁶ "By bourgeoisie is meant the class of modern capitalists, owners of the means of social production and employers of wage-labor; by proletariat, the class of modern laborers who, having no means of production of their own, are reduced to selling their labor power in order to live."

It is likewise piercing into the barbarian nations and forcing them, on pain of extinction, to adopt the bourgeois mode of production. It "is creating a world after its own image."

It has agglomerated population and subjected the country to the rule of the town. It has formed strong nations from scattering provinces. It has centralized the means of production, and has concentrated property in a few hands.

Development of Crises.—However, as the feudal system of production became incompatible with the already developed productive forces, and finally burst asunder, so is modern industry outgrowing its confines. "Modern bourgeois society . . . that has conjured up such gigantic means of production and exchange, is like a sorcerer who is no longer able to control the powers of the nether world whom he has called up by his spells."

For capitalistic production demands the perfecting of machinery. Such improvement displaces more and more of the machine workers themselves. This leads to an industrial reserve army, which means not only idleness for those disemployed, but the reduction of wages for those still retained.

The workers, securing but a portion of the social product, can repurchase but a portion of that which is produced, and the capitalists can increase their own consumption only to a limited extent. Foreign markets are developed for the purpose of unloading the unconsumed surplus, but their extension cannot keep pace with the extension of production. Crises become inevitable. "Commerce is at a standstill, the markets are glutted, products accumulate, as multitudinous as they are unsaleable, hard cash disappears, credit vanishes, factories are closed, the mass of the workers are in want of the means of subsist-

ence; bankruptcy follows upon bankruptcy, execution upon execution. The stagnation lasts for years; productive forces and products are wasted and destroyed wholesale, until the accumulated mass of commodities finally filter off, more or less depreciated in value, until production and exchange gradually begin to move again. Little by little the pace quickens. It becomes a trot. The industrial trot breaks into a canter, the canter in turn grows into a headlong gallop of a perfect steeplechase of industry, commercial credit and speculation, which finally, after breakneck leaps, ends where it began — in the ditch of a crises.”

These crises, furthermore, return ever more threateningly, bringing in jeopardy the very existence of the system. The bourgeoisie manages each time to overcome them by the destruction of a mass of productive forces, by the conquest of new markets, and by the more thorough exploitation of old ones. It is, however, thus paving the way for more extensive and destructive crises, and wars, and diminishing the means whereby crises can be prevented.

Concentration of Industry.—These periodic panics, with their resulting collapse of capitalistic enterprises — as well as the periods of industrial high pressure, with their unbounded inflation of credit,— result in concentration of capital in huge stock companies, in trusts, in the state itself. Trusts tend to limit output, but “no nation will put up with production conducted by trusts, with so barefaced an exploitation of the community by a small band of dividend mongers.” Furthermore the limitation of output is accompanied by the discharge of employees, an increase in unemployment, and a consequent decrease in the purchasing power of labor.

Decrease of Capitalist Class: Disappearance of Middle

Class.—The crises demonstrate that the capitalists are incapable longer of managing the productive forces. The joint stock companies, the trusts and state production show that the capitalists are unnecessary for that purpose. For under these forms of industrial development, the social functions formerly performed by the capitalists are now performed by salaried employees. “The capitalist has no further social function than that of pocketing dividends, tearing off coupons, and gambling on the Stock Exchange. . . . At first the capitalistic mode of production forces out the workers. Now it forces out the capitalists, and reduces them, just as it reduced the workers, to the ranks of surplus population, although not immediately into the ranks of the industrial reserve army.”

Modern industry is at the same time hurling into the proletariat the lower strata of the middle class — the small tradespeople, shopkeepers, handicraftsmen and peasants.

Increasing Misery of the Workers.—The bourgeois system is also forging the weapons that will bring death to itself by calling into existence the modern working class. The modern worker, with the development of machinery, is losing individual character. Instead of benefiting by the increased production he is becoming ever more burdened, either through “the prolongation of the working hours, by increase of the work enacted in a given time, or by increased speed of the machinery, etc.”

These workers are being organized in ever greater masses; modern industry is regimenting them under the command of the overlooker, making them the slaves of machines, superseding their work with that of women toilers. Frequent periods of unemployment and low wages add to their suffering. “Accumulation of wealth at one pole is, therefore, at the same time, accumulation

of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole."

Increase of Class Antagonism.—Modern industry is likewise creating class antagonisms which are destined to assist in the undermining of capitalistic society. For the bourgeoisie could not transform the "puny means of production into mighty productive forces, without transforming them at the same time into *social* means of production only workable by a collectivity of men. The spinning-wheel, the handloom, the black-smith's hammer, were replaced by the spinning-machine, the power-loom, the steam hammer. . . . In like manner production itself changed from a series of individual into a series of social acts and the products from individual to social products."

Under individual production, where the worker owned the tools with which he worked, he naturally appropriated the product. When the means of production and production itself, however, became socialized, they were subjected to a form of appropriation which still presupposes the private production of individuals. "This contradiction, which gives to the new mode of production its capitalistic character, contains *the germ of the whole of the social antagonisms of today*," and inevitably leads to struggles between the worker and the bourgeoisie for a larger share of the social product.

Industrial Organization of Workers.—The proletariat goes through various stages of development in this struggle. At first the contest is carried on by individual laborers, then by work people in a factory, then by operatives of one trade in a locality. Oftentimes the fight takes place not against the exploiting bourgeoisie but against the instruments of production. And at times the workers are used by the bourgeoisie to support them in their battles against the landed aristocracy.

As the workers become concentrated in greater masses, as their conditions of life become more equalized, as their livelihood — with the unceasing improvement in machinery and commercial crises — becomes more precarious, they exhibit greater solidarity, and the struggles with the bourgeoisie take on more and more the character of struggles between classes.

Political Organization of Workers.— Every class struggle is also a political struggle. The proletarians become organized into a political party which is being continually upset through competition between the workers themselves, but which rises up again ever stronger, firmer, mightier. It secures fresh elements of enlightenment from that part of the middle class which is precipitated into the proletariat, and from a small section of the ruling class who are shocked at the violent character of the struggle, and who “have raised themselves to a level of comprehending theoretically the historical movements as a whole.”

Breakdown of Capitalism.— The increasing industrial crises, the growing inability of the system to assure an existence to the workers, and the ever greater power of the producer on the political and economic field, cut “from under its feet the very foundation on which the bourgeoisie produces and appropriates products. What the bourgeoisie therefore produces, above all, are its own grave diggers. Its fall and the victory of the proletariat are equally inevitable.”

Triumph of Proletariat.— The proletariat, through such a victory, will turn the means of production into social property, and by this act replace anarchy in production with systematic, definite organization; abolish the class nature of the state, abolish class divisions, make man at last master of his own form of social organization, at the same time, lord over Nature, his own master — free.

THE ECONOMIC INTERPRETATION OF HISTORY

Introductory.— In prophesying the inevitability of socialism, in the manner just described, Marx and Engels took as their premise the sociological theory that social changes are determined primarily by economic forces and the reaction of these forces on the mass of mankind; and that these forces have brought into play a struggle between the owners of industry and the workers which can only result in the dominance of the workers, and, finally, in the elimination of all classes and all class struggles.

The two sociological theories here involved are the economic or the materialistic interpretation of history, and the class struggle. These sociological theories, together with the economic theory of surplus value, have long been regarded as the corner stones of scientific socialism. The theory of surplus value, however, is now looked upon by many socialists as inadequate, and by others as an unessential part of the socialist philosophy,⁷ although the fact of surplus value and of unearned wealth is emphasized with as much vigor as ever. Related to these theories, as we have seen, is the socialist analysis of concentration, and the theories of the disappearance of the middle class, of the increasing misery of the producers, of the economic crisis, and of the social cataclysm.

Importance and Definition of Theory.— The economic interpretation of history,— now accepted with certain modifications by a growing proportion of leading historians,— was formulated by Marx as early as 1845. As a

⁷ Mr. Boudin, the American Marxist, however, declares this theory to be an integral part of the Marxian system, and “to accept any one of its parts and reject the others . . . simply betrays ignorance of the parts which are accepted and rejected alike.” (*Boudin, Theoretical System of Karl Marx*, p. 49.)

theory of historical development, the economic interpretation stands in contradistinction to the idealistic interpretation of Hegel and others, to the religious interpretation of Benjamin Kidd, the political interpretation, traced to Aristotle, and the physical interpretation of Buckle.⁸

Briefly it emphasizes the fact that the economic factors in a given epoch — the methods by which the people obtain their livelihood — exert a preponderant influence in molding the political, social, intellectual, legal and ethical relationships of that epoch.) It does not contend “that all history can be explained in economic terms alone, but that the chief considerations in human progress are the social considerations, and that the important factor in social change is the economic factor.”⁹

The doctrine as formulated by Frederick Engels in 1888, is as follows:

“In every historical epoch the prevailing mode of production and exchange, and the social organization necessarily following from it, form the basis upon which is built up, and from which alone can be explained the political and intellectual history of that epoch; that consequently, the whole history of mankind (since the dissolution of primitive tribal society holding land in common-ownership) has been a history of class struggles, contests between exploiting and exploited, ruling and oppressed classes; that the history of these class struggles forms a series of evolution in which, now-a-days, a stage has been reached when the exploited and oppressed class — the proletariat — cannot attain its emancipation from the sway of the exploiting and ruling class — the bourgeoisie — without, at the same time, and once for all, emancipating society at large from all exploitation, oppression, class-distinction and class struggles.”¹⁰

⁸ Seligman, *op. cit.*, Ch. I.

⁹ *Ibid.*, p. 67.

¹⁰ *Communist Manifesto*, p. 8.

As Professor Seligman points out, Marx and Engels had in mind, when speaking of the modes of production, not merely the technique of extracting raw materials and of fashioning the finished goods, but that of trade, transportation, and the distribution of products to the final consumer.¹¹ "The actual transmitted remains of former changes" are also included in the economic factor.¹²

Criticism of the Doctrine.— Critics of the theory have often alleged that Marx and Engels emphasized the economic to the exclusion of all other factors. As has been pointed out, this is not the case. Engels maintained, as Seligman says, that neither he nor Marx ever meant "to claim an absolute validity of economic considerations to the exclusion of all other factors," and repeatedly cautioned his followers against too extreme an interpretation. With Buckle, Marx and Engels recognized, for instance, the importance of geographical conditions, though declaring that these conditions formed only the limits within which the methods of production could act.¹³

They acknowledged, furthermore, that "the actual form of social organization is often determined by political, legal, philosophical and religious theories and conceptions,"¹⁴ and that, while developments in these last named fields rest ultimately on the economic, "they all react upon one another and upon the economic foundation." "It is not," declares Engels, "that the economic situation is the cause, in the sense of being the only active agent, and that everything else is only a passive result. It is, on the contrary, a case of mutual action on the basis

¹¹ Seligman, *op. cit.*, p. 58.

¹² *Ibid.*, p. 64.

¹³ Marx, *Capital*, pp. 522, 3.

¹⁴ Seligman, *op. cit.*, p. 63.

of the economic necessity, which, in the last instance, always works itself out.”¹⁵

Ethical Factors.— It has been contended that the doctrine of economic interpretation denies the freedom of the will. This it does not do, if by that we mean “every man has will power and may decide to act or refrain from acting.”¹⁶ Actions finally decided upon, however, are largely influenced, in the mass, by the general social environment in which the economic constitutes so important a part.

Nor does the theory dispute the fact that so-called “great men” have played a valuable part in history. Its upholders, however, contend that only when these men become the embodiment of the thought gradually crystallizing in the community, as a result of great social and economic changes, is “greatness thrust upon them.” In another epoch, the same actions and teachings would probably stamp them as harmless fanatics or dangerous enemies of society. Past historians have often fallen into the error of attributing to great men effects which were “largely the result of forces of which they were only the chance vehicles.”¹⁷ While great men have undoubtedly accelerated or retarded history, in the long run its main currents would have flowed on in the same manner if others had been substituted in times of crisis to do the bidding of dominant social forces.

Finally, the economic interpretation of history does not minimize ethical and moral forces, but merely recognizes that “the ethical forces themselves are essentially social in their origin and largely conditioned in their actual

¹⁵ Seligman, *op. cit.*, p. 64.

¹⁶ *Ibid.*, p. 92.

¹⁷ *Ibid.*, p. 97.

sphere of operation by the economic relations of society.¹⁸

Economic Forces in Antiquity.— Many illustrations of the workings of the economic interpretation of history may be found in primitive society,¹⁹ and in ancient Greece and Rome, the influence of economic factors is evident.²⁰ The economic forces at work in transforming the feudalistic régime into that of capitalism, and the political, legal, intellectual and ethical changes that necessarily followed that transition are too well known to require amplification here.

Economic Forces in Early American History.— Economic factors are seen to have exerted a powerful influence in the molding of American history. The discovery of America was the logical result of the demand of the rising merchant class of Europe for new markets.²¹ To a considerable extent, it was economic reasons that led the colonists to journey across the Atlantic.²² So poor were most of those who came over that probably more than one-half were unable to pay their passage, and were landed as "indentured servants."²³ The character of production, whether cotton or tobacco raising, trading, or farming, engaged in by these colonists, molded the entire political and social life of their respective sections.

Economic Forces and the Revolution.— The colonial wars were largely economic. The French and Indian War

¹⁸ Seligman, *op. cit.*, p. 133; see also Kautsky, *Ethics and the Materialistic Conception of History*, p. 187.

¹⁹ See Seligman, *op. cit.*, Ch. VI; Ely, *Studies in the Evolution of Industrial Society*, Ch. III; Morgan, *Ancient Society*; Engels, *Origin of the Family*; Nieboer, *Slavery as an Industrial System*; Dr. Julius Pikler, *Der Ursprung des Totemismus*.

²⁰ Seligman, *op. cit.*, pp. 82-3.

²¹ Cambridge, *Modern History*, Vol. I, p. 21; Simons, *Social Forces in American History*, p. 10.

²² Simons, *op. cit.*, pp. 15-19.

²³ Commons, *Races and Immigrants in America*, pp. 34-6.

was primarily a contest for the fertile Mississippi Valley. While the American Revolution can be attributed in part to the general spirit of protest of the colonists, and the individualistic economics of the new world, fundamentally it was a contest between the merchant and manufacturing class of England then dominating the British government and the merchant, landowning, debtor, manufacturing and other groups in America. The innumerable acts of Parliament (dating from the Navigation Acts, 1651), which aimed to compel the colonists to transport goods only in English ships, to import certain articles only from England, to export direct to England, to inhibit any plans colonists may have had to manufacture, were but attempts — though ineffective — to increase the profits of the British shipping, merchant and manufacturing interests, even at the expense of similar interest in the colonies.²⁴

It was when the growing commercial groups of America found their pecuniary interest attacked by rigid enforcement of regulations that the crisis came. The Sugar Act of 1764, which caused a serious loss to distillers, and, incidentally, to the farmers and the lumber, flour, salt meat and fish merchants and workmen of New England;²⁵ the Stamp Act, which perturbed the debtor class,²⁶ and the reduction of the tax on tea, all had their effects in arousing particular groups to protest.

There were, of course, other political complications, and many important idealistic impulses at work, but the foregoing economic factors, which led to the estrangement of certain of the merchant, land speculating, manufacturing and debtor classes, furnished an economic foundation sufficiently broad for the revolt.

²⁴ E. L. Bogart, *Economic History of the U. S.*, pp. 34-46.

²⁵ See Coman, *Industrial History of the U. S.*, p. 93.

²⁶ Simons, *op. cit.*, pp. 68-9.

Other Instances in American History.—Important economic interests were at work in forming the Constitution of the United States.²⁷ The political revolts leading to the elections of Jefferson and Jackson were largely economic in their backgrounds.²⁸ It was the economic interest of the slave holders in the South that constituted one of the main causes of the Mexican War.²⁹ There were also big economic factors at work in the struggle between the North and South culminating in the Civil War.³⁰

It is unnecessary to trace the influence of economic factors on American life since the Civil War. The growth of huge corporations and trusts, made possible by mechanical invention, the development of the railroads, telegraphs, telephones, and wireless have had a profound effect on the political, social and intellectual life of the nation. These economic changes have been quickly reflected in the issues emphasized by the Republican and Democratic parties, in the rise of the Greenback, the Farmers' Alliance, the Populist, the Socialist and other political groups; in the emergence of distinct classes and the growth of trade unionism; in the development of city life, with all that this means to a nation; in the passage of important legislation

²⁷ "The movement for the Constitution," declared Dr. Chas. A. Beard, "was originated and carried through principally by four groups of personal interests adversely affected under the Articles of Confederation: money, public securities, manufactures, and trading and shipping." (Beard, *The Economic Interpretation of the Constitution of the United States*, p. 324. See other portions of this book, particularly pp. 28-40; also Smith, *The Spirit of American Government*, Ch. III.

²⁸ Simons, *op. cit.*, p. 125; Beard, *Economic Origins of Jeffersonian Democracy*.

²⁹ E. Van Holst, *Life of J. C. Calhoun*, pp. 220-59.

³⁰ Simons, *op. cit.*, Chs. XIX, XX, pp. 234-5; Fitzhugh, *The Wealth of the North and the South*, in *De Bow's Review*, XXIII (1857), p. 592; Kettle, *Southern Wealth and Northern Profits*, p. 171 *seq.*; Schwab, *The Confederate States of America*, p. 110.

as related to the trust, money, banking, tariff, railroad, public ownership, labor and other problems. The economic revolution, resulting in the development of big industry, has made an indelible impress on the interpretation of the law, on national, class and individual ethics, as well as on the entire cultural life of America.³¹

Economics and Ethics.—The influence of economic forces on ethical and religious movements and codes is often obscured, but is none the less powerful. An interesting example of this influence is noted in the case of the Protestant Reformation. "One has only to read his [Luther's] address," writes Professor Simkhovitch, "to see that the Reformation was largely a protest against the fearful economic exploitation of Germany by the Church of Rome."³² The effect of economic forces on the attitude of the mass of people toward the ethics of slavery is acknowledged by every genuine student of the subject.³³

Finally, the influence of class environment on the ethical code of the average man is clearly illustrated by the difference in attitude of the employing and employed class toward such activities as blacklists, lockouts, boycotts,

³¹ For illustration of the economic backgrounds of the European War see Seligman, in *Problems of Readjustment After the War*, Ch. II; Hobson, *Imperialism*; Lippmann, *Stakes of Diplomacy*; Howe, *Why War*; Neilson, *How Diplomats Make War*; Russell, *Justice in War Time and Why Men Fight*; Boudin, *Socialism and War*; Weyl, *The End of the War*; Loria, *The Economic Causes of War*, etc.

For contributions of psychology to this theory see article on "The Psychological Basis for the Economic Interpretation of History," by William F. Ogburn in supplement to *The American Economic Review*, March, 1919.

³² Simkhovitch, *Marxism vs. Socialism*, p. 36; see also H. Lea, "The Eve of the Reformation," in *Cambridge Modern History*, Vol. I, pp. 653-92.

³³ Seligman, *Principles of Economics*, p. 160.

strikes, limitation of output, speculation, "scabbing," and political corruption.³⁴

Conclusion.—It is true, as Professor Seligman points out, that the acceptance of an economic interpretation of history does not necessarily lead to a belief in the inevitability of socialism. It is, however, also true, that millions of workers throughout the world have accepted Marx's interpretation of economic phenomena, or an interpretation of a similar nature; that this acceptance has given to millions a basis for their belief in the ultimate coming of socialism; and that the belief has been a no mean factor in developing the socialist movement to its present strength.

THE CLASS STRUGGLE

Introductory.—A further cornerstone of scientific socialism is the theory of the class struggle. To many this theory has furnished the one sound basis for the belief in the coming of socialism: the one sure guide to socialist tactics. To others it has spelled class hatred, has signified the formation of artificial cleavages, and has furnished the great stumbling block to the attainment of the socialist ideal.

The theory of class antagonisms was not original with the founders of scientific socialism. As Professor Simkhovitch points out, it was time and again enunciated in classical antiquity. Saint-Simon, Guizot, Abbé Baudeau, Linguet in France and Stein, Feuerbach and others in Germany held similar views.³⁵ In America, Madison expounded the class struggle theory with remarkable clear-

³⁴ See Ghent's *Mass and Class*, Chs. V, VI, VII, for discussion of class ethics, and the ethics of the producers and consumers.

³⁵ Seligman, *op. cit.*, Pt. II, Ch. II.

³⁶ Simkhovitch, *Marxism vs. Socialism*, Ch. VIII.

ness, particularly in the tenth number of *The Federalist*, where he declared that "those who hold and those who are without property have ever formed distinct interests in society."

Marx, however, was the first to look upon the class struggle as "the driving force in social development" and to argue that socialism was the necessary outcome of the struggle between the two historically developed classes — the proletariat and the bourgeoisie.

Marx's Conception of Class Struggle.—The Marxian analysis of the historical rôle of this struggle was first enunciated in the *Communist Manifesto* of 1848 as follows:

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

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

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

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

"Our epoch, the epoch of the bourgeoisie, possesses, however, this distinctive feature; it has simplified the class antagonisms. Society as a whole is more and more splitting

up into two great hostile camps, into two great classes directly facing each other: Bourgeoisie and Proletariat."

The foregoing, together with Engels' interpretation published in 1888, and quoted elsewhere,³⁷ declares that class struggles between oppressor and oppressed have existed since the dissolution of primitive society; that the present important struggle is that between the wage earner and the capitalist; that this struggle will end in the emancipation of the wage-earner, and that, with his emancipation, will come the abolition of all "exploitation, oppression, class-distinction and class struggles."

Explanation of Theory.— In explaining the theory of the class struggle, socialists contend that society today is grouped into certain economic classes, and by an economic class they mean "an aggregation of individuals bound together by the similarity of their specific interests in the economic system and of their functions in it."³⁸ The two main classes in society today, they assert, are the producing or service-income class, and the capitalist or the property-income class.

In the beginning of the nineteenth century, industry in the cities of the United States was largely in the handicraft stage. The worker in the shop either owned the tools with which he worked, or, as an apprentice, felt that, within a short time, he was destined to become a proprietor. Class distinctions were blurred. With the development of steam and electricity, the small shop grew into the factory, the individually owned factory into the partnership, into the corporation, and, in many instances,

³⁷ See former section on "The Inevitability of Socialism."

³⁸ Spargo, *Social Democracy Explained*, p. 168. Socialists claim that division into economic classes according to the amount of income received is an erroneous division. See discussion under "The Disappearance of the Middle Class," p. 101.

into the trust and combine. This development wrought certain changes in social relations.

Increasing Expensiveness of Machinery.—(1) It greatly increased the expensiveness of the machine,³⁹ and rendered it ever more difficult for the worker to pass from the ranks of labor to the ranks of the capitalist class. According to the 1910 Census, in the United States, excluding agricultural occupations, four-fifths of the persons gainfully employed were working for some one else — were employed for a wage or salary.⁴⁰ In manufacturing, the wage-earners constituted seven-eighths of the total number of persons engaged (6,615,046 of the total of 7,678,578).⁴¹ In 37 of the 43 leading manufacturing industries 80 per cent. of the total number employed were wage-earners and in 12 of the 43, 90 per cent. In mining there was one proprietor or official to every 20 wage-earners, while, in the railroad industry, the most highly organized, the general officers were only 2 in 700.⁴²

³⁹ In 1845 McCulloch estimated that the fixed capital in a well-appointed English cotton mill amounted to about two years' wages of each worker in the mill. (Porter, *Progress of the Nations*, p. 216.) In 1890 Professor Marshall assigned a capital to a spinning mill of about five years' wages for each worker. (*Principles of Economics* (2nd ed.), p. 282, and Hobson, *Evolution of Modern Capitalism*, p. 117.) While the capital of the English railroads has been estimated as equivalent of twenty years' work of the employees. (Marshall, *op. cit.*, p. 283.)

⁴⁰ Nearing, *Income*, p. 59.

⁴¹ *Abstract of the Thirteenth Census*, p. 452.

⁴² Nearing, *op. cit.*, pp. 64-7. *Abstract of the Thirteenth Census*, p. 453 *et seq.*

"Although there is a considerable variation from industry to industry," declares Dr. Nearing, "the fact remains that the wage-earners constitute over nine-tenths of the total number, while the wage-earners and clerks together constitute in the neighborhood of ninety-five per cent. of the whole." (Nearing, *op. cit.*, p. 66.) And this working class has ever less hope of becoming an owner of industry. (See Ely, *Studies in the Evolution of Industrial Society*, pp. 79-80, 84-5.)

Increased Usefulness of Worker.—(2) Capitalist production has placed into the hands of the wage and salaried employees, from superintendent to unskilled worker, practically all the useful functions in the conduct of the corporation.⁴³ The individual proprietor of former days generally combined in himself the functions of capitalist, captain of industry and superintendent of the plant. Under the corporate form, however, the owner is the stockholder. The chief functions of the stockholder are to invest, to clip dividends, and perfunctorily to elect the board of directors. His relationship “to a corporation is anything but permanent. In a busy week in Wall Street, the number of shares bought and sold in one of the great corporations will greatly exceed the total number of shares that are in existence.”⁴⁴ The stockholders are absentee owners in most instances totally ignorant of the conduct of the corporation. The Board of Directors of the large corporations maintain supervision only over the financial phase of the business and appoint and remove executive officers.⁴⁵ If the state were substituted for the stockholders, and a commission representing the community and the workers, for the board of directors, the machinery would run without a hitch.

Education of Worker.—(3) Developed capitalism affords the workers a certain discipline and education which make them susceptible to propaganda of a socialistic nature. There is not only the “iconoclastic discipline of mechanical employment” mentioned by Professor Veblen,⁴⁶ but also, as a result of many forces, the increased educa-

⁴³ See *supra*, Ch. II.

⁴⁴ Basil M. Manly, in the *Report of the Commission on Industrial Relations*, p. 26.

⁴⁵ *Ibid.*, pp. 27, 34.

⁴⁶ Veblen, *The Theory of Business Enterprise*, pp. 322-7, 353; this discipline, however, has also certain reactionary tendencies.

tional opportunities which, however inadequate, are far in advance of those obtained by the workers under feudalism and slavery. And these advantages whet the appetite of the workers for further knowledge and give to them a better understanding of the social problem.⁴⁷

Spirit of Solidarity.—(4) Modern industry tends to develop in various ways the spirit of solidarity: (a) It brings workers together in huge factories. Two-thirds of all the wage-earners in the manufacturing plants of the United States are now employed in establishments containing more than 100 workmen; only 15 per cent. work in plants employing twenty wage-earners or less.⁴⁸

(b) It transforms individual production into social production.⁴⁹

Specialization, moreover, “devotes the overwhelming mass, for the term of their lives, to the special kind of labor in which they engage in their youth.”⁵⁰

(c) Despite this division of labor, there is a monotonous likeness in the kind of work performed. This likeness becomes more marked with the coming of new inventions which, overnight, often render whole trades unnecessary. In each shop, furthermore, scores are found performing identical mechanical motions in connection with identical machines.

(d) At the same time, machine production leads to greater equality of output. “By the aid of machinery . . ., the clumsy or weak worker is rendered capable of assisting the nicest movement on a closer equality with the more skilled worker.”⁵¹

⁴⁷ Kautsky, *The Class Struggle*, p. 187.

⁴⁸ *Abstract of Thirteenth Census of the U. S.*, p. 468.

⁴⁹ See Hobson, *op. cit.*, p. 141.

⁵⁰ Ghent, *Mass and Class*, p. 56.

⁵¹ Hobson, *op. cit.*, p. 349.

(e) The operators, moreover, are no longer on personal terms with the owner, the impersonal corporation. They usually come in contact only with the foremen or superintendents. Even to these they are frequently known only by numbers. The size of the foreman's salary generally depends on his ability to obtain the maximum output with the minimum outlay. He is not inclined voluntarily to increase salaries, decrease hours or improve conditions, unless increased expenditure will yield commensurate returns. The worker, therefore, finds himself at a distinct disadvantage when bargaining individually for better conditions. Years ago, when dissatisfied with these conditions, he might go West and stake a claim on free land. This alternative is no longer open to him. His one remaining hope for advance comes through organization.

The hugeness of the modern plant, the social character of production, the similarity of tasks, the growing equality of product, the impersonal relation between worker and corporation, the increasing difficulty of advancement except through combination — all lead to the development of the spirit of class solidarity. The workers begin to develop "a concept of the moral law of economic solidarity. . . . This law demands that all men shall be useful workers, that no man shall take any advantage at the expense of another, and that all such useful workers shall stand together for the welfare of all." ⁵²

Political Power of Worker.—(5) Developed capitalism brings in its wake also — although not without bitter struggle on the part of the workers — an increasing amount of political democracy which places into the hands of laborers the important weapon of the ballot, and makes it possible for them, at any time they care to unite, to ob-

⁵² Ghent, *Mass and Class*, p. 117.

tain complete control over the government, and through the government over industry. The legitimacy of labor organizations is also generally acknowledged under advanced capitalism.

Evolution of Capitalist.— On the other hand, capitalist development renders the capitalist class a minority class in the community, less and less necessary to industrial production. It renders many in the middle class indifferent to the fate of the capitalist system, or passive and active supporters of a new order of society.⁵³ It even attaches to the proletariat a small section of the ruling class who feel that justice and the forces of evolution are on the side of socialism.

Outcome of Struggle.— These two groups in society, the capitalists and the workers by hand and brain, go forth to battle on the economic and political fields, each group aiming to secure as large an amount of the social product as possible. Later the struggle develops into one on the part of the capitalists for the retention of their control over industry, and, on the part of the workers, for social ownership and democratic control. The workers organize in labor unions and political parties, first locally, then nationally, and, finally, internationally. The capitalists likewise organize. The latter with their control over industry and over government, have the initial advantage. However, one cannot view the struggle in the large without realizing that the struggle cannot cease until the intellectual and manual producers — who are becoming ever stronger, ever more industrially useful, ever better educated, better disciplined, better organized and more articulate politically and economically, and who are

⁵³ See *supra*, discussion under "Disappearance of the Middle Class," p. 101 *et seq.*

securing the support to an ever greater extent of the idealists of other social groups — secure control of government and industry, render all citizens members of the service-income class, abolish class struggles and class supremacy, and conduct industry, not for private profit, but for social welfare.⁵⁴

Criticisms of the Theory.—Socialists realize the legitimacy of certain criticisms urged against the class struggle theory as it is often presented. The history of the past, as some socialists seem to indicate, cannot be explained wholly in terms of the class struggle, although this struggle has played a prominent part.⁵⁵ Nor can it be said that the formation of classes has proceeded in the exact manner predicted by Marx.

Value of Class Consciousness.—Socialists, however, deny the validity of certain objections voiced by their opponents. They deny responsibility for the class struggle. They contend that they have merely recognized the existence of this struggle, and are doing all they can to eliminate it, by eliminating its cause. They deny that the preaching of the class struggle, and the development of “class-consciousness,” breed class hatred. They claim, on the contrary, that the worker who accepts the theory of the class struggle is likely to take a far more philosophical view, a far less bitter view, of the antagonism of the owning class to just demands of labor, than those who fail to realize this world phenomenon, and who consider such opposition but a sign of innate wickedness. Furthermore, a feeling of class consciousness develops among tens of thou-

⁵⁴ See Rauschenbusch, *Christianizing the Social Order*, Pt. VI, Ch. V.

⁵⁵ See criticism of Simkhovitch, p. 190 *et seq.*; see Fraina, *Revolutionary Socialism*, Ch. IX, and Ghent, *Mass and Class*, Chs. I and II, for importance of theory.

sands of workers a spirit of disinterested devotion to a great cause, and has a disciplinary and awakening power which is invaluable in the life of the individual and of the nation.⁵⁶

Nor does the acceptance of the class struggle theory preclude the realization that there is, particularly in the United States, a gradual blending of one class into another, and that thousands are constantly passing from one to another group. It does not deny the influences of other than economic interests upon the lives of members of certain classes — of social, religious, racial, national, family, and intellectual affiliations — influences which, at times, prove more powerful in molding the actions of an individual on economic questions than does class consciousness.

Socialists realize that there are certain common interests between the worker and the employer, as well as fundamental antagonisms. They recognize that the struggle between the worker and the capitalist is not the only struggle going on in society, that there are numerous struggles constantly taking place among various groups in the capitalist, the middle and the working classes.

Fundamental Antagonism.— Socialists insist, however, that there is a fundamental antagonism between the interest of the worker and the interest of the owner. As Adam Smith so well put it:

“ The workmen desire to get as much, the masters to give as little as possible. The former are disposed to combine in order to raise, the latter in order to lower, the wages of labor. . . . We rarely hear, it has been said, of the combinations of masters, though frequently of those of workmen. But whoever imagines, upon this account, that masters rarely combine, is as ignorant of the world as of the subject. Mas-

⁵⁶ Scudder, *Socialism and Character*, Pt. II, Ch. II.

ters are always and everywhere in a sort of tacit, but constant and uniform, combination, not to raise the wages of labor above their actual rate. To violate this combination is everywhere a most unpopular action."⁵⁷

They assert that a broad view of the human struggle throughout the world will reveal the existence of these two classes, each, in the mass, taking different sides in the thousands of economic conflicts that are constantly being waged, each adopting, in the mass, a different class ethics, each joining opposing associations, and each, ever more consciously, taking opposite positions on the great economic and political problems of the day, particularly the overshadowing problem of property ownership.

Conclusion.— While, on the one hand, at present writing, there are many evidences of a spirit of conciliation, of a desire on the part of the employers to concede an increased share in management and profits, on the other hand there is a drawing of lines, an organization of opposing forces of a far more definite nature than ever.⁵⁸ This, and the increasing power of the workers in Europe and America, seem to indicate that, on the whole, the

⁵⁷ Smith, *Wealth of Nations*, Book I, Ch. VIII, in "Economic Classics," pp. 68-9.

Mr. Frank A. Vanderlip, formerly president of the National City Bank, in his book, *What Happened to Europe* (1919), p. 135-6, quotes an English employer "of first prominence" as stating: "There is a great deal of preaching to the effect that the interests of labor and capital are identical. That is all bosh. The interests of labor and capital are not identical. It is labor's aim, and its proper aim, to obtain in the division between capital and labor all that it can, just as it is the aim of capital in its division to obtain all it can. Up to the point of an industry going to smash the interests of labor are opposed to the interests of capital."

⁵⁸ For discussion as to whether, prior to the war, class antagonisms were softening or becoming more sharp, see Bernstein, *Evolutionary Socialism*, p. 18 *et seq.*, and Kautsky, *The Road to Power*, Chs. VII, VIII, and his other works.

socialist analysis of the class struggle, and his predictions on the basis thereof are being justified by events.⁵⁹

⁵⁹ Within the socialist ranks, much controversy has been rife as to what groups in society could be legitimately classed among the workers, and those that could be effectively appealed to by socialists to change the economic system. On the one hand, certain socialists have been inclined to include in their appeal only manual workers. Extremists insist that even the organized skilled workers in the trades must be counted out when it comes to "militant, class conscious action" leading to another system of society. Mr. Fraina, for instance, deals with "the covert and open clash between the skilled and unskilled. . . . The two groups engage in an open, bitter struggle, as in order to secure and retain its privileges skilled labor completely abandons and betrays the unskilled. . . . It is through the interests and action of the proletariat of average, unskilled labor, the dominant form of labor in modern industry, that the social revolution will come." (Fraina, *op. cit.*, pp. 52, 54.) Walling, in *Progressivism and After*, deals with the same antagonisms. This delimitation of the scope of the class that might be depended on to change the present economic system tends to create a feeling of despair regarding the efficacy of political action, and to turn those holding such a conception to "mass action," for the inauguration of the coöperative commonwealth.

The majority of socialists — at least prior to the war — have taken a broader view of the scope of the working class and of the numbers in the population who might be effectively reached by socialist propaganda. Wilhelm Liebknecht, for instance, wrote: "A tiny minority alone demands that the socialist movement shall be limited to the wage-earning class. . . . We ought not to ask 'Are you a wage-earner?' but 'Are you a socialist?' If it is limited to the wage-earners, socialism cannot conquer. If it includes all the workers and the moral and intellectual *élite* of the nation, its victory is certain." Liebknecht declared that the Social Democracy was "the party of all the people with the exception of two hundred thousand great proprietors, small proprietors and priests." He was also of the belief that the small shop-keeping class and the small farmers should be considered ripe for socialist propaganda. (Jaurès, *Studies in Socialism*, pp. 83-4.)

Kautsky contended, prior to the war, that the recruiting ground for socialism in Germany included three-fourths of the nation, among them the skilled and unskilled workers, and a part of the professional, salaried, and small merchant class. (Kautsky, *The Road to Power*, p. 72; see also Walling, *Socialism as It Is*, Pt. III, Ch. I.)

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The fight raging in Russia, Germany and elsewhere today between various groups of socialists is based partly on the difference in conception as to what groups in society may be depended on to make a consistent fight for industrial democracy. A swing toward a more liberal interpretation of the meaning of the working class has been evidenced recently in the case of the British Labor Party.

CHAPTER IV

SOCIALIST THEORY: II. CAPITALIST DEVELOPMENTS AND THEORY OF VALUE

CONCENTRATION IN INDUSTRY¹

Introductory.—Socialists have further predicted that, with the development of capitalism, industry will tend to concentrate into ever fewer hands. Such concentration gives a distinct impetus to social ownership. It lessens the resisting power of the middle class. It shows the feasibility of industrial administration on a national scale. It furnishes an industrial technique that may in part be effectively utilized under a coöperative system. It develops among the masses a determination to overthrow capitalism, and it renders socialization, when it occurs, a simpler process than would otherwise have been the case.

Has concentration proceeded along the lines prophesied by Marx? In this country Marx's prophecy is being largely fulfilled in industries engaged in the routine processes of manufacture, in transportation and communication, in mining and in the exploitation of other natural resources, in finance, and, to some extent, in trading. Agriculture has failed to develop as Marx predicted, but even here there are tendencies which must not be over-

¹ A sharp distinction should be made between concentration in industrial control and concentration in ownership. The modern corporation lends itself readily both to diffused ownership and to concentrated control. The latter is being described in the following pages.

looked. In the retail distributive trade there is still a wide diffusion of control and in all lines the small industry survives, to a greater or less extent, side by side with the larger unit.

The Growth of the Corporation.— In manufacture, industrial development has steadily proceeded from the individual firm, to the partnership, to the corporation. So dominant has the corporation become in modern business that, in 1909, while only one-fourth (25.9 per cent.) of the establishments engaged in manufacturing industries were under corporate management, the value of the products of the factories operated by corporations represented more than three-fourths (79 per cent.) of the total value for all establishments (as compared with 73.7 per cent. in 1904), while the number of wage-earners employed by such corporations constituted 75.6 per cent. of the total number, as compared with 70.6 per cent. five years before.²

The Increase of Large Scale Production.— The large corporation, with its ability to utilize modern machinery, to make profits out of waste products, to economize in the purchase, transportation and selling of goods, to obtain the services of superior managers and install the latest administrative devices, to experiment with new inventions, etc., is gradually supplanting the smaller corporation in many lines of manufacturing.³

This advance of large scale production is indicated by the growth of firms the annual product of which is estimated at \$1,000,000 or more. In 1909, this class of industries, while constituting but 1.1 per cent. of the manufacturing establishments, produced 43.8 per cent. of the total product, as compared with 38 per cent. in 1904, and employed 30.5 per cent. of the wage-earners engaged in

² See *Abstract of the Thirteenth Census*, pp. 461-2.

³ See *supra*, Ch. I, under "Wastes in Manufacturing," pp. 14-15.

manufacture, as compared with 25.6 per cent. in the former period. This was the only class, furthermore, whose product increased, in proportion to the total product, in the five-year period. Firms with a business of \$100,000 and over absorbed in 1909 no less than 82.2 per cent. of the manufactured product and employed three-fourths (74.3 per cent.) of the workers. On the other hand, those petty industries with an annual turnover of less than \$5,000 a year produced but 1.1 per cent. of the total, and employed in 1909 but 2.2 per cent. of the wage-earners — though constituting more than one-third (34.8 per cent.) of the establishments.⁴

Another indication of concentration is the fact that while, from 1850 to 1905, the number of establishments increased five fold, the value of the product advanced fifteen fold.⁵ That this tendency “has been an outstanding feature of manufacturing” is freely admitted on all sides.⁶

Growth of Combination.— Large scale production has, furthermore, in many instances, developed into combinations and trusts. For combination has meant a nicer adjustment of production to effective demand; a stabilization of prices; sweeping economies in the selling of articles, in advertising, in salesmanship, in the elimination of cross-freights, etc.; marked advantages in obtaining credit; more definite control over labor; a closer integration between the various processes of production and distribution; a more complete utilization of plants, and usually an augmentation of advantages previously referred to, possessed by the large corporation.⁷ Combination, of course,

⁴ *Abstract of the Thirteenth Census*, p. 464.

⁵ Van Hise, *Concentration and Control*, pp. 50-1.

⁶ See Bogart, *Economic History of the U. S.*, p. 377; Van Hise, *op. cit.*, p. 59.

⁷ See *supra*, “The Increase in Large Scale Production,” p. 82.

has been aided by tariffs, price discriminations, unfair methods of suppressing competitors and other factors not indicative of inherent economic advantages. The economic advantages, however, must not be ignored.

In dealing with this tendency toward combination, Professor E. R. A. Seligman states:

“According to the census of 1900, there were 185 combinations, representing 2,040 plants and turning out products to the value of \$1,667,350, a little over 14 per cent, of the total industrial output of the United States. But since 1900 the movement has progressed rapidly. In 1900 there were 16 combinations each with a capital of over \$50,000,000 and with an aggregate capital of \$1,231,000,000. In 1907, not only were there 27 such combinations with an aggregate capital three times as great (\$3,785,000,000), but a single combination now had a larger capital than the 16 combinations, and about one-half as large as all the 185 combinations in 1900.”⁸

The Corporation and Concentration of Control.—The development of the corporation, it is true, has somewhat retarded concentration of ownership, since it has given an opportunity to many, possessing but a small amount of capital, to purchase stock, thus participating in the ownership of the concern. The significance of this tendency will be discussed elsewhere.⁹ While the corporation, however, has, in certain respects, contributed to a diffusion of ownership, it has, at the same time, been an effective vehicle for the still further centralized control over small savings. “For through the corporation the savings of even the poor are placed at the disposal of the few capitalists, who are enabled to use those savings as if they were a part of their great capitals. As a result,

⁸ Seligman, *Principles of Economics* (3rd ed.), p. 342.

⁹ See *post.*, see section under “Disappearance of the Middle Class.”

the centralizing power of their own great fortunes is increased still more.”¹⁰ The structure of a corporation, in fact, often lends itself readily to inside manipulation by the few. As John A. Hobson truly says:

“In form, an economic democracy, with an elective responsible government, the joint-stock company is in most instances a close oligarchy; the monetary support of the public is wanted but not their direction.

“The chairman, probably the nominee of some big promoting capitalist, is given the post and one or two financial or ornamental supporters are put in as fellow-directors; this tiny group nominate the rest of the directorate and force their election in the meeting of shareholders; having the initiation of the meeting in their hands they dictate the policy, retain despotic power in all vital matters, communicate to the shareholders what is convenient, conceal what is inconvenient, and resist—almost in every case successfully—attempts of a refractory minority, or even majority, to question their conduct, or alter the composition of the boards.”¹¹

Big industrials and big finance thus coöperate effectively in the control of industry. This control of late has reached a startling magnitude.¹²

Concentration in Manufacture.—In the general field of manufacture, those industries which have a superior access to raw materials and transportation have shown a

¹⁰ Kautsky, *The Road to Power*, p. 28.

¹¹ Hobson, *The Evolution of Modern Capitalism*, p. 240.

¹² In dealing with financial concentration, Basil M. Manly, in his report signed by four of the members on the Commission on Industrial Relations, says (p. 80): “A careful and conservative study shows that the corporations controlled by six financial groups and affiliated interests employ 2,651,684 wage-earners and have a total capitalization of \$19,875,200,000. These six financial interests control 28 per cent. of the total number of wage-earners engaged in the industries covered by the report of our investigation. The Morgan-First National Bank group alone controls corporations employing 785,499 wage-earners.”

remarkable integration. Especially is this true in the iron and steel industry — the fourth in value of products — in which the United States Steel Corporation is the dominating concern.

In 1910 it was estimated that this corporation produced more than two-fifths of the pig iron (43.2 per cent.) and the majority of the crude and finished steel (54 per cent.) in the country, and that it controlled no less than three-fourths of the Lake ores.¹³

In such allied industries as that of the smelting and refining of copper and of lead, where but 38 and 28 establishments respectively are reported, an unusually high degree of concentration is observed.

Oil refining provides still another conspicuous example of this tendency. Prior to the decision of the Supreme Court, the Standard Oil Company, with its various affiliated concerns, handled 84.2 per cent. of the crude oil which went to the refineries of the country, while it produced more than 86 per cent., and marketed over 88 per cent. of the refined illuminating oil.¹⁴ Nor has free competition between the constituent companies occupying headquar-

¹³ *Report of the Commission of Corporations on the Steel Industry* (1911), Part I, p. 23. Some idea of the magnitude of the holdings of this corporation may be gleaned from the fact that at its organization it acquired steel works with an annual capacity of over 9,400,000 tons of crude steel and more than 7,700,000 tons of finished rolled steel products; several railroads with over 1,000 miles of main track and a large mileage of second track and sidings; a fleet of 112 Lake ore vessels; iron-ore reserves in the Lake region estimated at about 500,000,000 to 700,000,000 tons; more than 50,000 acres of coking coal lands with a great acreage of other grades of coal, not to mention numerous miscellaneous properties. Since then it has purchased extensive interests, including the Tennessee Coal, Iron and Railroad Co., which purchase made it the leading factor in the southern iron and steel industry. (*Ibid.*, p. 13.)

¹⁴ Van Hise, *op. cit.*, pp. 104-6; *Report of the Commission of Corporations on the Petroleum Industry* (1907).

ters in 26 Broadway been particularly conspicuous to the outsider since the dissolution of the trust.

While farming as such has shown little tendency toward consolidation, such concentration has been evidenced in numerous industries directly connected with agriculture. In the meat packing industry, for instance, five large companies control practically one-half of the beef packing industry of the United States.¹⁵ In some of the eastern cities, the "Big Five" supplied in 1918 three-fourths of the trade. They handled hogs, calves, dairy and poultry products; dealt in such by-products as hides, fat, fertilizer, soap and glue, and owned refrigerating and transportation lines, huge stockyards, grain elevators and other commodities and services.¹⁶ In sugar refining, another food staple, the American Sugar Refining Company has been credited with controlling approximately two-thirds (62 per cent.) of the cane sugar refining and beet sugar manufacture of the United States.¹⁷

A further industry depending for its support directly on agriculture is that engaged in the making of agricultural implements. In 1911, the International Harvester Company manufactured and sold seven-eighths of the grain binders, three-fourths of the mowers, seven-tenths of the rakes, one-half of the spreaders, two-fifths of the disk harrows and a large proportion of the farm wagons in the country.¹⁸

¹⁵ Slaughtering and meat packing industry stands first in the value of its products among the manufacturing industries. In 1909 this value was estimated at \$1,370,568,000.

¹⁶ Summary of the Report of the Federal Trade Commission on the Meat Packing Industry, July 3, 1918; Van Hise, *op. cit.*, pp. 150-2; *Report of the Commission of Corporations on the Beef Industry* (1905).

¹⁷ Van Hise, *op. cit.*, p. 148.

¹⁸ Report of the Commissioner of Corporations on the International Harvester Co. (1913), pp. 20-1.

The bread and cracker industries also are yielding to the law of consolidation.¹⁹ Among the most conspicuous cases of concentration in the realm of luxuries is that of the tobacco industry, where, prior to the dissolution of the American Tobacco Company, approximately nine-tenths of the cigarette business (92.7 per cent.), two-thirds of the plug tobacco (62 per cent.), three-fifths of the smoking tobacco (59.2 per cent.), a major part of the snuff, and a considerable part of the cigar business was controlled by the trust.²⁰ This company also maintained a marvelous system of chain stores and had many international connections, especially in Great Britain.

In the leather, boot and shoe, shipbuilding, salt, whiskey, rubber, paper, baking powder, flour, and gun powder, aluminum, zinc and other industries, very marked concentration has also been noted.

In fact "most of the manufactures engaged upon the processes of making the foods, clothes, houses, and other prime necessities and conveniences of life have passed or are passing into big capitalistic businesses."²¹

Concentration in Natural Resources.—Concentration has also proceeded apace in the exploitation of water-power, lumber, coal, etc. In the first named, 13 companies control more than one-third of the water-power development of the United States.²²

In the lumber industry, less than two hundred great

¹⁹ See *Coming Nation*, Jan. 11, 1913.

²⁰ Van Hise, *op. cit.*, pp. 140-1.

²¹ Hobson, *op. cit.*, p. 135.

²² Van Hise, *op. cit.*, pp. 160-164.

In Montana a few years ago 96 per cent. of the developed water-power was controlled by two companies, and somewhat similar conditions prevailed in Washington, California, Colorado and other States. These water power companies or affiliated concerns own or control electric light plants in 669 cities and towns and street railways and gas plants in more than a hundred centers of population,

holders (195), many of them closely interrelated, controlled 48 per cent. of the privately owned timber in the region recently investigated by the Bureau of Corporations. This territory included four-fifths of the privately owned timber land in the country. Concentration in the control of coal has shown similar tendencies, as far, at least, as the control of anthracite is concerned.²³

Concentration in Public Utilities.—The transportation system which has long been regarded by economists as a “natural monopoly,” steadily developed prior to the war under concentrated control. It was commonly estimated that eight groups of owners — the Vanderbilt, the Pennsylvania, the Morgan, the Atlantic Coast Line Company, the Gould, the Harriman, the Moore and the Morgan-Hill groups — owned or controlled two-thirds of the railroad mileage of the United States.²⁴

The express service was largely centralized prior to the and are intimately connected with many of the great financial institutions.

²³ Three of these companies — the Southern Pacific, the Weyerhaeuser Timber Company, and the Northern Pacific — possessed, according to this report, no less than 238,000,000,000 feet of timber, or 11 per cent. of that privately owned. The Southern Pacific holding, declared Commissioner Smith, “stretches 680 miles along that railroad between Portland and Sacramento. The fastest train over this distance takes 31 hours. During all that time the traveler is passing through lands a large proportion of which for 30 miles on each side belongs to the railroad.” . . . This holding and that of the Weyerhaeuser Timber Company would “supply the 46,584 saw-mills in the country for four and a half years. . . . There has been created . . . not only the framework of an enormous timber monopoly, but also an equally sinister land monopoly in extensive sections. It involves also a great wealth of minerals . . . and a closely connected railroad domination.” Report of the Commissioner of the Bureau of Corporations on Lumber Industry (1913), Pt. I, pp. xix, xx. In reference to coal concentration see Eliot Jones, *The Anthracite Coal Combination* 1914), p. 62; Nearing, *Anthracite*, pp. 55-63.

²⁴ Emory R. Johnson, *American Railway Transportation* (1905), pp. 64-5.

war,²⁵ and was made a unit, in partnership with the government, during the war, while, in the realm of communication, the Bell System and the Western Union Telegraph and Mackay companies control respectively the greater part of the telephone and telegraph business of the country.

Concentration in Finance.—It is in the field of finance that the most unlimited concentration of control appears possible with the development of capitalism. “As credit becomes more and more the vital force of modern business, the class that controls credit becomes more and more powerful. . . . In no other business operation is the advantage of a large over a small capital so obvious; nowhere else is the force making for concentration of business so evident. . . . Great operations of public or private finance, the floating of public loans or great industrial combinations, the contrivance and execution of great movements in the stock and share markets, can only be conducted with the suddenness and secrecy which are requisite to safety and success by financial businesses of the first magnitude. . . . Great businesses alone can stand their ground against the larger shocks to the general credit of a nation, or can rely upon their political influence to secure governmental aid in cases of real emergency.”²⁶

While the small money lenders still survive, their finan-

²⁵ This field was dominated largely by the Adams, the American, the Wells Fargo, the Southern, the U. S., the Northern, the Great Northern and the National Express companies.

²⁶ Hobson, *op. cit.*, pp. 255-6.

The Report of the Pujo Investigating Committee in 1911 declared that 20 of the largest banks in New York City held in that year 42.97 per cent. of the total resources of the city banks and trust companies, while the banking resources of the city amounted to practically one-fifth of those in the U. S. These interests as well,

cial independence is ever diminishing and they are more and more becoming mere branches or agencies of the great financial concerns.²⁷ Marked concentration is evidenced also in the life insurance business, which is so closely identified with banking.

In Wholesale Trade.—In the wholesale trade, the wholesaler, who formerly stood between producer and manufacturer, is gradually being eliminated, as the manufacturer, in an increasing number of instances, either makes contracts with the producer direct, or produces his own raw material. The manufacturer often supplies the retailer direct, without the intervention of the wholesaler. Frequently, as in the tobacco, the shoe, and other industries, he sets up his own retail stores. “Where the wholesale merchant still remains, he is usually either an importer of foreign produce or a collector of foods and other perishable home produce. Such businesses partake more and more of a speculative character, involving more largely the element of credit and becoming in most instances an appanage of finance.”²⁸

Concentration in the Retail Trade.—Concentration has made its appearance in the retail trade to a much smaller extent than in the fields just discussed. Even here, however, it is making itself distinctly felt. Great department stores, such as Macy’s, Wanamaker’s, and Gimbel’s are looming up in the big centers of population. A nation-wide mail-order business, conducted by such huge establishments as Sears-Roebuck and Marshall Field of Chicago is displacing the local merchant. Chain-stores with immense capitalization — the \$15,000,000 Riker-through interlocking directorates, shareholdings, loans, etc., have a very powerful control over the railroads and the large industrials.

²⁷ Hobson, *op. cit.*, pp. 120-121.

²⁸ *Ibid.*, pp. 121-122.

Hegeman Company for the sale of drugs, Woolworth's Five and Ten Cent Stores, with their more than 600 establishments, the United Cigar Stores, Childs' Restaurants, James Butler's grocery stores, the Atlantic and Pacific Tea Company, Huyler's candy shops, Douglas' shoe stores — are but a few of these organizations that have recently come to stay in many of the large cities of the country.

The small store, making as it does its special appeal to individual and local tastes, extending credit and other courtesies to individual families, and saving time of travel, still survives. However, with the growing facilities offered by the parcels post, the telephone, the steam and electric conveyance, with the adoption of more extensive advertising, the use of price lists, the extension of credits, and the establishment of branches in strategic localities, the big retail establishments are likely to supply an ever larger portion of the needs of the community.

“One who has watched the rise of the great department stores in this country and England,” declares President Van Hise, “and who now sees their expanding branches the last score of years, need have little prophetic sense to realize that concentration is to rule in the retail trade, the same as it has in manufacture. The retail trade as pointed out by Macrosty, is the ‘last stronghold of competition.’”²⁹

²⁹ Van Hise, *op. cit.*, p. 83.

Certain critics of Socialism, in order to prove the halting character of concentration, have called attention to the fact that, from 1890 to 1900, industrial establishments increased at a faster rate than the number of workers. (Simkhovitch, *Marxism vs. Socialism*, pp. 55-6.) However, as Dr. Rubinow brings out (*Was Marx Wrong?* p. 21), the Census specifically states that “the enumeration of the smaller establishments in 1900 was very much more thorough in 1900 than in 1890 and in 1880,” and the officials in 1910, realizing the meaninglessness of classifying such “small neighborhood establish-

Persistence of Small Businesses.—A number of the smaller industries which still persist, as Hobson well points out, continue, not on account of greater economy, but because of their ability to take advantage of unskilled, poorly educated workers who are among the driftwood of modern civilization. These “sweated” industries may be considered cases of arrested development.³⁰ Furthermore, these small concerns are being robbed more and more of their independence by the large manufacturing and “furnishing” firms who dictate, with ever increasing frequency, the conditions under which goods may be handled.³¹

Concentration in Agriculture.—Concentration in agriculture has undoubtedly not proceeded as rapidly as Marx predicted, nor has it substituted the great bonanza development with its factory economy for the small farm unit.³²

If concentration necessarily consists in “an increase in the size of the average industrial unit, and a diminution in the number of units,” agriculture must be excluded almost altogether from the domain of concentrating industry. If, however, the essence of concentration is the giving of “a continually diminishing minority of the persons engaged in any industry, a constantly increasing control over the essentials and a continually increasing share of the total value of the returns of the industry,”³³ a con-

ments” as bicycle repair shops, excluded these altogether, and made comparisons on the basis of “factories, excluding hand and neighborhood industries.” When comparison was thus made, the increase in the number of wage-earners from 1900 to 1910 was greater than that of the number of establishment (40.0 per cent. as compared with 29.4 per cent.).

³⁰ Hobson, *op. cit.*, pp. 411-2.

³¹ *Ibid.*, p. 136; see also Kantsky's *Social Revolution*, p. 50.

³² See Marx, *Capital*, p. 513; see Skelton, *Socialism a Critical Analysis*, p. 159.

³³ Simons, *The American Farmer*, p. 97.

siderable degree of concentration may be evidenced in farming.

There are many reasons why the development of larger agricultural units has failed to take place in agriculture. In factory production, a losing battle generally means the bankruptcy and the elimination of the industrial unit. In agriculture, however, it often means that the farmer contracts further debts, sells a part of his land or live stock, takes his children from school and works them and his wife ever longer hours in an endeavor to eke out an existence. The farm unit remains, though the independence of the farmer has become a myth. Another factor tending to keep the size of the farm small, not operative in the modern corporation, is its frequent partitions, on the death of the parent, among numerous children. Hitherto also it has been difficult to obtain large numbers of dependable farm laborers, on account of the great irregularity of the work—the abnormal rush during a few weeks in summer and the lull in winter. The social attractions have likewise been small. Chief dependence must therefore be placed on the toil of the family and a few hired men. Machinery and division of labor, furthermore, have heretofore counted for less than in factory production. The breaking up of the plantations of the South and of cattle-ranches in the West and the growth of the small fruit and vegetable farms around the city have been other factors in this country tending to limit the size of the farm unit.

— **Dependence of Farmer.**— Concentration of another kind, however, has been making the farmer increasingly dependent on big industry. For in agriculture many processes formerly performed on the farm have been subjected to mechanical improvement, isolated from the farm, and made a part of general industry. Whenever this is

done, these processes are " simply given another name and no longer considered a part of agriculture. . . . Butter and cheese making, cotton-ginning, rice-hulling, threshing, manufacture of agricultural implements (to say nothing of carding, weaving, spinning, knitting, etc.), all these have left the farm. . . . As this process goes on the farmer is left free to perform only the antiquated and most difficult and disagreeable processes of agriculture and thus gains no advantage from industrial advance.³⁴ He must now depend for the killing, dressing, packing and selling of meat on the great consolidated packing companies; for the making of cheese and butter on the great creameries and for storage and transportation, on the railroads, steamships, cold storage and elevator companies. The same concentration is evidenced in articles needed by the farmer in production — agricultural implements, fertilizers, etc.

To declare that this tendency indicates concentration in agriculture may be " a very far fetched and untenable interpretation,"³⁵ but whether it indicates agricultural concentration *per se* or not, it has undoubtedly rendered the functions now performed on the farm less important to the social fabric than were the larger number of services conducted there in former days, and lack of concentration there a less important social phenomenon. Secondly, it has made the farmer ever more dependent for a livelihood on big business in control of these latter processes of production, except where, as in the northwest, he is regaining control through voluntary coöperative or state action. For these great establishments own the instruments which the farmer must make use of in order to get his goods to the consumer, and through such con-

³⁴ Simons, *op. cit.*, p. 117.

³⁵ Skelton, *op. cit.*, p. 163.

trol they can "charge all that the traffic will bear."

To be sure only a few of the stages through which a commodity passes from farm to consumer are subject to concentrated control, but modern industry has demonstrated that effective control of price does not necessitate domination over all stages of production. The Standard Oil Company, for instance, through constituting the largest buyer of crude oil, for years held a firm grip over prices, even though the oil wells were owned by hundreds of small holders.³⁶ The disorganization of the farmer and his ignorance of bargaining render him especially helpless in the fixing of prices. Voluntary coöperation and state collectivism and the increased demand for food products evidenced since the beginning of the war are making him less dependent, but advance in this direction has thus far been comparatively small and the American farmer is still little more "than an employing agent and resident supervisor" for the big interests.³⁷

Increased Capital per Farm.—Modern agricultural and social development, moreover, is bringing with it a greatly increased need for capital outlay per farm and a proportionate increase in tenant farming and in mortgaged farms.

In 1900, the value of the average farm in the country was estimated at \$3,563; in 1910, at \$6,444, an increase of 80.9 per cent.³⁸ Investigators of the Department of Agriculture, who recently made a survey of three typical areas in Indiana, Illinois and Iowa — among the most important of the country's farming communities, concluded that the average capital invested per farm was \$17,535 in Indiana, \$51,091 in Illinois and \$23,193 in

³⁶ Hobson, *op. cit.*, p. 217.

³⁷ Simons, *op. cit.*, p. 108.

³⁸ *Abstract of the Thirteenth Census* (1910), p. 266.

Iowa. The general average for all of the farms in the three districts was \$30,606.³⁹ And these facts definitely indicate concentration *per se* in the domain of agriculture.

This increase, due primarily to the rise in the value of the land and of the implements of production, necessarily makes it ever more difficult for the average farmer to own his land and tools. Partly as a result of this condition, while the absolute number of farms owned by their operators has grown, relatively they have decreased. At the same time, tenant farming has increased absolutely and relatively. In 1880, tenant farms constituted 25.6 per cent. of all farms; in 1890, 28.4 per cent.; in 1900, 35.3 per cent.; in 1910, 37 per cent.⁴⁰

Many of these farms are but parts of great landed estates.⁴¹

³⁹ *Bulletin No. 41, Bureau of Plant Industry.*

⁴⁰ In the country as a whole, the acreage of farms operated by the owners advanced 7.6 per cent. from 1900 to 1910, while that operated by tenants increased 16.1 per cent. (*Abstract of the 13th Census*, p. 286; see also article by A. M. Simons in *Socialist Congressional Campaign Book* (1914), pp. 102-106.)

⁴¹ Henry M. Hyde, *Technical World Magazine*, January, 1909.

Mr. Henry M. Hyde, in 1909, thus described the large land holdings, in this country, much of which is rented for farm purposes:

"Henry M. Miller owns and controls fourteen and one-half million acres of rich and fertile land—22,500 square miles—equal in round numbers to the aggregate area of the states of Massachusetts, Connecticut, New Hampshire and Rhode Island . . . and twice as large as Belgium. . . . One hundred men hold title to 17,000,000 acres in the valley of the Sacramento alone. . . . It may be mentioned in passing that the late Col. D. C. Murphy of New York State held title, when he died, to more than 4,000,000 acres of farm lands; that the late United States Senator Farwell of Illinois, his brother and one or two other men owned three million acres of land in Texas and that Mrs. Virginia Ann King of Greenville, Texas, owns so much land in one great ranch that it is a drive of nearly fifty miles from the porch of her manorhouse over the flat, black prairies to the front gate of her door-yard. . . .

For further information concerning the concentration of land

Mortgaged Farms.— There has also been a steady increase of mortgaged farms and a decrease in the proportion of farms held free from encumbrances by owners. In 1890, of farm homes operated by their owners, 71.8 per cent. were free from mortgages; in 1900, 68.9 per cent.; in 1910, 66.4 per cent. Inasmuch as very large numbers of these mortgages are held by the great insurance and trust companies and large money-lenders in the city, an indirect form of concentration is here evidenced.

Summary.— It is seen from the foregoing that concentration in the control of industry has progressed rapidly in this country in transportation and communication; in the control of such natural resources as coal and the metals, lumber, water power and oil; in manufacturing, finance, insurance. While small manufacturing establishments are still surviving, they are performing an ever smaller amount of the total business of the community and their continued existence is becoming ever more precarious.

In the distributive industry, the small shop still survives, but here also concentration is beginning to emerge through the development of the great department stores, the mail-order business, the chain stores, and the retail stores dominated by the big manufacturing establishments; and the small concern is finding it ever more difficult to earn a livelihood.

The same kind of concentration found in factory production has not been in evidence in agriculture. However, the farmer, through the concentration of functions formerly performed on the farm, as well as through increased farm tenancy and mortgaged farms, occupies a position of increasing dependence.

ownership, see Howe, *The High Cost of Living*, Ch. XVIII; *Everybody's Magazine*, May, 1905; Senate Document No. 154, 58th Congress, Third Session, etc.

While admitting the survival of small establishments in manufacturing, agriculture and the distributive trades, the socialist refuses to admit the implications drawn therefrom by some of his critics. It is often assumed that industry in any one branch is not ripe for socialization until all small survivals disappear. This the socialists deny. In socializing industry it is not necessary for the public to take over all small survivals, but merely the best equipped, dominant concerns; as has been inferred, furthermore, concentrated control can demonstrate its economic superiority without necessarily putting out of business all of the small, insignificant concerns. Whether such survivals have a tendency to delay the coming of socialism by retaining groups in the population necessarily hostile to the coöperative system will be discussed under "The Disappearance of the Middle Class."

THE DISAPPEARANCE OF THE MIDDLE CLASS

Explanation of Theory.—Closely connected with Marx's conception of the concentration of industry is the theory of the disappearance of the middle class. This theory has furnished a basis for many an intellectual battle both within and without the socialist movement.

"The lower strata of the middle class," contended Marx and Engels, "the small tradesmen, shopkeepers, and retired tradesmen generally, the handicraftsmen and peasants — all these sink gradually into the proletariat, partly because their diminutive capital does not suffice for the scale on which modern industry is carried on, and is swamped in the competition with the large capitalists, partly because their specialized skill is rendered worthless by new methods of production."⁴²

⁴² *Communist Manifesto*, p. 23; see also *Capital*, p. 788.

Marx never maintained that the middle class must completely disappear and society be divided into a handful of millionaires on the one hand and poor workmen on the other before a socialist régime was possible. "It was only the disappearance of that particular middle class of which he treated, chiefly the middle sized employer, that he considered of any importance at all." And he was concerned only with the presence of this class "in any such great numbers as would lend it social strength."⁴³

Those who contend that Marx was wrong in his prophecy argue (1) that "middle class incomes" are greatly increasing; (2) that stockholders in the modern corporation are becoming ever more numerous; and (3) that small businesses with their middle class proprietors are still exceedingly numerous.⁴⁴

Middle Class Incomes.—In reply to this line of argument, Marxists have insisted that there is no standard by which one can measure the different grades or divisions of income as high, middle or low, and that the standard must vary from place to place and from time to time. Furthermore, income as such is but a poor index of social or economic position. "A farmer, a manufacturer, a grocer, a teacher, an army officer, and a mechanical engineer may all have the same income, and yet their social position, their economic condition, and the amount of property which each possesses may be entirely and radically different. The question is, or should be, not *what* is a man's income, but *what does he derive it from?* And, under what conditions, and in what manner does he do it?"⁴⁵

⁴³ Boudin, *The Theoretical System of Karl Marx*, p. 181.

⁴⁴ Simkhovitch, *Marxism v. Socialism*, p. 92; see also Edward Bernstein, *Evolutionary Socialism*, pp. 40-8; Skelton, *Socialism a Critical Analysis*, pp. 164-5.

⁴⁵ Boudin, *op. cit.*, p. 193; see also Ghent, *Mass and Class*, p. 74. Dr. I. M. Rubinow in *Was Marx Wrong?* criticizes Professor Sim-

Intellectual Proletariat vs. Middle Class.— As Boudin infers, the middle class referred to by Marx was the class of small business men, farmers, handicraftsmen, and others who owned and conducted their own establishments. During the last few decades there has been a very considerable increase of business and professional men and women — teachers, electrical and mechanical engineers, architects, physicians, lawyers, employees of municipalities, state and nation; skilled mechanics, superintendents, foremen, members of the administrative force in large corporations, agents and salesmen, etc.— who would undoubtedly be placed among those receiving “middle class incomes,” but who “are just as much a part of the proletariat as the merest day laborer.”⁴⁶

The Middle Class as Stockholders.— The second point emphasized by critics of Marx is that he overlooked the

khovitch for his division of the population into lower, middle and upper classes on the basis of incomes, as well as his contention that the middle class is increasing, based on the fact that a larger proportion of the population received “middle class” incomes in 1902 than in 1853. Dr. Rubinow declares that many mechanics and other workers are found in the groups designated as “middle class” by Professor Simkhovitch; that the increase in the cost of living is such that many securing 3000 marks in 1902 may not be any better off than those obtaining 2000 marks in 1853, and that “there may have been a genuine increase of the average income of the professional classes, but evidently this has no relation at all to the question of the disappearance of the middle class, by which is meant the gradual elimination of the middle-sized employer, and not the disappearance of physicians, lawyers, engineers, teachers, professors, journalists, actors, etc.”

Furthermore, the number of incomes of 100,000 marks or over increased during this period nearly 44 times, and from 30,000 to 100,000 marks, nearly 20 times. Dr. Rubinow also quotes from a table compiled by Professor A. Wagner, and adds a computation from 1853 which indicates that while the total income has increased sevenfold, the income of the upper group has increased nearly 50 fold (pp. 37-42).

⁴⁶ Boudin, *op. cit.*, p. 206.

ability of the corporation to keep the middle class alive.⁴⁷

Under the individual proprietor form of business, the competitor with insufficient capital adequately to develop his business was forced to the wall. Under the corporate form, he "combines his insufficient capital with several others into one adequate to meet the new requirements."⁴⁸ This has the effect, within a limited field, at least, of avoiding, if not altogether abolishing, the results of competition. Marx's prophecy that "one capitalist always kills many,"⁴⁹ based on the assumption "of the absolute reign of the principle of competition," has thus been prevented from complete fulfilment.

Concentration of ownership has not been the inevitable concomitant of concentration of industry under the leadership of the big corporation. Rather, the corporate form has resulted in many instances in diffusion of ownership.

Modern socialists, with the American Marxist Boudin, readily admit the arrival of this new phenomenon, though disputing some of the conclusions drawn therefrom.

The Corporation and the Middle Class.—The corporation, on the one hand, does gain for the small capitalists a new lease of life. On the other hand, by placing large numbers of small capitals in the hands of a few, it gives those few an additional power to relieve the many, through stock manipulations, large salaries, the making of contracts and "incidental expenses"—of their small capitals, and thus aids materially in the shrinking process in the ranks of the small capitalist class.⁵⁰

The significance of figures indicating large numbers of stockholders in the average corporation should not be

⁴⁷ Marx, *Capital*, Vol. I, p. 788.

⁴⁸ Boudin, *op. cit.*, pp. 177-8.

⁴⁹ Marx, *Capital*, Vol. I, p. 788.

⁵⁰ Boudin, *op. cit.* pp. 196-8.

overestimated. The United States Steel Corporation in 1911 had approximately 100,000 shareholders. Yet "1.5 per cent. of the stockholders held 57 per cent. of the stock, while the final control rested with a single private banking house. Similarly, with the American Tobacco Company, before the dissolution, 10 stockholders owned 60 per cent. of the stock."⁵¹ Many are prone to add together lists of stockholders in various corporations and show startlingly large totals.

In viewing these lists, however, it should be borne in mind that the big investor no longer places "all of his eggs in one basket." A few years ago, on the death of one of the larger New York capitalists, who was primarily interested in real estate, it was found that he had stocks in several hundred corporations,⁵² and this is but typical of modern tendencies. Any calculation of numbers of stockholders in various concerns must take this duplication into consideration.

Psychology of Inactive Stockholders.—Moreover, in considering the effect of this "new middle class" of inactive shareholders on the institution of private property, the character of his ownership should be analyzed. It is of a far different character from that of the old time proprietor of the small business. The average stockholder depends on the advice of stock-brokers for his investment. The only foresight he indulges in in a very large number of cases is that of selecting a reliable expert. His only interest in the concern is to gain profits. He knows little of its workings. He has nothing to do with its control. He is not only an absentee, but a transient owner. As Walter Lippmann has well stated,

⁵¹ *Final Report of the Commission on Industrial Relations*, p. 80.

⁵² Rubinow, *Was Marx Wrong?* pp. 44-5.

“Contact with his property is limited to reading in the newspapers what it is worth each day, and hoping that dividends will be paid. . . . He may be ignorant or wise, he may be a child in arms or a graybeard in his dotage, he may live in Iceland or Patagonia; he has no genuine rôle in the conduct of industry. . . . The trusts have concentrated control and management, but ownership they have diffused and diluted till it means very little more than a claim to residual profits, after expenses are paid, after the bondholders are satisfied, and perhaps, after the insiders have decided which way they wish the stock market to fluctuate. . . . The modern shareholder is a very feeble representative of the institution of private property.”⁵³

The “capitalist proletariat” of small investors, as Hobson calls them,⁵⁴ have an ideology far different from that of the old middle class, with its consciousness of tangible ownership and positive control over industry. Their one aspiration is to preserve their income. As minority stockholders, they welcome the intervention of the state to protect them against the unscrupulous. “Their antagonism to socialism is not a matter of principle, but of convenience.” A form of state socialism which would exchange their stocks with their uncertain value for less remunerative but safer government bonds would indeed at times be most welcome to them.

“Whatever, therefore, has been saved of the middle class by the corporation with regards to *numbers*, has been destroyed, and very largely by this very agency, as to *character*. What has been saved from the fire has been destroyed by water. The result is the same: the *middle class*, that mid-

⁵³ Lippmann, *Drift and Mastery*, pp. 51, 53, 59; see also King, *Distribution of Wealth and Income Among the People of the U. S.*, p. 214.

⁵⁴ Hobson, *op. cit.*, pp. 241-2.

dle class which Marx had in view, the middle class which was a factor obstructing the way towards socialism is *doomed*.”⁵⁵

(3) **The Increase of Small Businesses.**—The foregoing has to do chiefly with that stock-holding middle class that obtains a very considerable amount of its income from a return on investment. As for the larger number who secure the greatest part of their income from their intellectual and manual labor, and but a small supplementary amount from interest on stock, their interests as producer and consumer are generally the dominating ones and, broadly speaking, they belong to the working, rather than to the middle class.

The real middle class that still survives is composed of the farmers and small business men. The farmer is partly a capitalist, partly an employer, partly a trader, partly a member of the working class. He gets his livelihood chiefly from his own exertions, not from the ownership of land and tools.⁵⁶

Income of Farmers.—A recent investigation made shortly before the war by the Bureau of Plant Industry (see *Bulletin* 41) into farmers' incomes in Indiana, Illinois and Iowa drew forth the fact that owners who worked their own farms made a little less than factory wages. “Deducting 5 per cent. interest on the average capital,” declared the report, “leaves an average labor income of \$408 for the 273 farm owners. . . . One farmer out of every 22 received a labor income of over \$2,000 a year. One farmer out of every three paid for the privilege of working his farm, that is, after deducting 5 per cent. interest on his investment he failed to make a plus labor

⁵⁵ Boudin, *op. cit.*, p. 212.

⁵⁶ Streightoff, *The Distribution of Incomes in the United States* (1912), pp. 132-3.

income," and this in the most prosperous farming district of the United States. Conditions in many parts of the country have undoubtedly improved for the farmer since the beginning of the European war, but still it cannot be said that in general the average farmer and his hard worked family obtain more than their labor produces. As far as income from their exertions is concerned, they are essentially in the same position as the proletariat of the city.

The Farmer and Progressivism.—While the farmer owns the land and some of the tools used in raising his crop, he is not the owner of many essential tools which must be utilized in finishing the productive process—in getting the food into the hands of the consumer. The owners of these essential tools—the railroads, grain elevators, creameries, packing houses, cold storage—are generally in as effective a position to exact tribute from the farmer as are the owners of the machines from the city worker. The dominant economic interest of the farmer is, therefore, the same as that of the worker, and, in many social and economic battles, especially in the West, the farmer has aligned himself with the socialistic, rather than with the reactionary bourgeois elements. The strong support given by these farmers to the Populist, Progressive and, more recently, the Non-partisan League movements attests to this progressive spirit. It is also noteworthy that, in 1912, the agricultural states of Nevada and Oklahoma were first and second respectively in percentage of socialist votes to the total vote cast, while Arizona, Montana, Washington, California, Idaho, Oregon and Florida, each of which possess a large agricultural population, came next in succession.⁵⁷ Nor can it be said by those familiar with the socialist propaganda in

⁵⁷ Walling, Stokes, Huhgan, Laidler, *The Socialism of To-day* (1916), p. 194.

these states that the appeal was chiefly made to middle class interests. There was much of the brand of "revolutionary socialism" in it. It can no longer be claimed in America that "the socialistic propaganda encounters in the peasant proprietor its most conservative and most obstinate foe."⁵⁸

While it is undoubtedly true that many farmers, as hirers of labor and owners of land and tools, have developed the middle class or capitalist psychology, many others, by virtue of their productive work, their small income and their dependence on concentrated industry and finance, feel that their interests are more closely allied with the workers of the city.

The Small Store Keeper.—It is true that many small business men, members of the middle class, still exist. These, however, too often find that, with the progress of huge distributive enterprises, their livelihood becomes ever more precarious, while their endeavor to maintain an independent business keeps them at the grindstone night and day. Many of these small establishments are of the most temporary nature. They are started by workers who sink their small savings therein, watch the stores tenderly for a few months, and then, sadder but wiser men, return to their jobs in the factories. Many of the smallest stores are kept by members of the family while the father secures his living elsewhere. As has already been shown the smaller manufacturing establishments are producing an ever decreasing proportion of the manufactured goods of the country.⁵⁹ Considerable numbers of these small business men are active sympathizers with socialistic movements.

⁵⁸ Simkhovitch, *op. cit.*, p. 58.

⁵⁹ See section under "Concentration"; also *Abstract of the Thirteenth Census*, p. 464.

Summary.— It is thus seen that the real middle class in the Marxian sense is a much smaller and weaker group than many would have us believe, and that a very considerable number of those legitimately included in this group, far from obstructing the movement toward socialism, may be depended on to encourage progress in that direction.

THE INCREASING MISERY THEORY

Marxian Prophecy.— A further theory of capitalist development that has given rise to much controversy is that known as “the increasing misery theory.” Its gist is contained in the following words of Marx:

“Along with the constantly diminishing number of magnates of capital, who usurp and monopolize all advantages of this process of transformation, grow 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, organized by the very mechanism of the process of capitalist production itself.”⁶⁰ (Italics mine.)

“The modern laborer,” says Marx again in the *Communist Manifesto*, “instead of rising with the progress of industry, sinks deeper and deeper below the conditions of existence of his own class. He becomes a pauper, and pauperism develops more rapidly than population or wealth.”⁶¹

Better Physical Conditions.— These statements have given rise to much controversy. Many modern socialist leaders declare that if the word “misery” is interpreted as mere physical degradation, the theory cannot be de-

⁶⁰ Marx, *Capital*, p. 789.

⁶¹ Marx and Engels, *Communist Manifesto* (Socialist Literature Co.), p. 29.

fended.⁶² For, as a result of the pressure of organized labor, of the increased productivity of capital and of labor and social legislation, the lot of the workers has considerably improved during the last fifty or seventy-five years.

Marx himself in 1864 admitted the benign workings of the ten hour law on the working population. "Everybody acknowledges now," he declared, "its significant physical, moral and intellectual advantages for the working class. In the bright sunlight of the day the bourgeois political economy was vanquished for the first time by the political economy of the working class."⁶³ Engels likewise bore witness to the manner in which organized labor in a number of occupations had improved the workers' condition.

Marx furthermore predicted the very struggles of organized labor which have been largely responsible for the higher standard of living and frankly stated that "every combination of employed and employer disturbs the 'harmonious' action of this law [of increasing insecurity and misery]."⁶⁴

"The present condition of the working class," declares Boudin, "is not merely the result of the *tendencies* of capitalistic accumulation, but of the tendencies of capitalistic accumulation *as modified by the struggle of organized labor against them*. . . . It is this very struggle for amelioration, no matter what its immediate result during the progress of the struggle, that is the most important factor from the Marxian point of view in the final over-

⁶² See Rubinow, *Was Marx Wrong?* pp. 46-47; Mehring, *Historisches zur Verelendungstheorie*, Neue Zeit, Jahrgang, XX, V. I, pp. 164-165.

⁶³ Quoted by Simkhovitch in *Marxism vs. Socialism*, p. 124.

⁶⁴ Marx, *Capital*, p. 665.

throw of capitalism, in so far as the active force which is to do the work is concerned.⁶⁵

Misery a Psychic Condition.—The word misery, however, should not be defined as a physical, but as a psychic condition, declare many defenders of the theory. In this latter sense, socialists are justified in contending that the tendency under capitalism is for the lot of the worker to become worse. The worker's income has failed to keep pace with the rapidly increasing social product, and, for considerable periods, even with the increased cost of living. Wealth continues to be amassed in colossal sums by the few and the gulf between the rich and the poor becomes ever wider.

With better education and more democratic ideals, furthermore, the desires of the worker for services and commodities necessary for a fuller intellectual and æsthetic life expand far more rapidly than his ability to satisfy these wants. His feeling of resentment against the autocratic control of industry and the uncertainty of his lot under private ownership also becomes ever greater.⁶⁶

In support of this psychological interpretation, attention is called to the fact that Marx maintained that "the lot of the laborer, be his payment high or low, must grow worse." "Marx had in mind," declares Boudin, "the social condition of the workingman and this social condition is determined, not by the absolute amount of worldly goods which the workingmen receive, but by the relative

⁶⁵ Boudin, *op. cit.*, p. 228.

⁶⁶ "I myself believe," declares Sombart, "that morally there is a good deal of truth in this theory of pauperization. For the more the working classes rise intellectually, the more keenly are they likely to feel the burden of 'oppression,' 'slavery,' and 'exploitation.' And so when the attempt is made to explain the theory in that sense, i.e. psychologically, there is nothing to be said against it." Sombart, *Socialism and the Social Movement*, p. 84.

share which they receive in all the worldly goods possessed by society. Thus considered, it will be found that the gulf between the capitalist and the workingman is constantly growing wider."⁶⁷

Uncertainty of Livelihood.—Mr. Boudin further contends that the high level of wages does not insure security of employment and that it is the insecurity that the accumulation of capital brings which causes accumulation of "oppression, slavery and degradation."⁶⁸

Kautsky, from another angle, argues that even though conditions in old capitalistic countries are becoming better, new regions are being continually opened up to exploitation and that in Italy, Russia and China misery is growing; that there is an increase in the number of women in shops and factory work, and that the monotony of toil is becoming increasingly burdensome.⁶⁹

Summary.—Thus most modern socialists do not claim that the physical degradation of the worker is becoming increasingly greater, but that the worker's recognition of injustices is increasing while his share in society's product is decreasing. While Marx predicted the workings of this law, he also predicted the organization and growing power of labor and recognized that this new force would necessarily modify the operation of his law of increasing degradation.⁷⁰

⁶⁷ Boudin, *op. cit.*, p. 220.

⁶⁸ *Ibid.*, p. 224.

⁶⁹ Kautsky, *Bernstein und das Sozialdemokratische Programm*, pp. 114-128.

⁷⁰ Conditions immediately before the war in the United States not only seemed to bear out the contention of increasing misery in the psychological sense, but also in the physical sense. From 1865 to 1896, the general trend of real wages in the country showed steadily higher levels, according to Dr. I. W. King (King, *The Wealth and Income of the People of the United States*, p. 193), but since that time "there are some suspicious indications of a general decline."

INDUSTRIAL CRISES

Causes of Crises.—Scientific socialists have also developed a theory of industrial crises. Such crises, socialists contend, are inherent in the system of capitalism.

In fact, from that year until 1915, there was an apparent "decline of over 10 per cent. in the weekly wages in purchasing power of women . . ., as against a fall of 8 per cent. in the commodity wages of men since the same date" (p. 201), and that "in the face of the greatest industrial development that the world has ever seen." On the other hand, profits increased enormously, the average profits per entrepreneur increasing in purchasing power from 212 in 1880 (a year, however, of low profits), to 368 in 1890 and to 711 in 1910.

The proportion of total income allotted to labor was, according to Dr. King, steadily decreasing. In 1890, 53.5 per cent. of the total income was distributed in wages and salaries, the remainder going in rent, profit and interest, while, in 1900, wages and salaries were allotted but 47.3 per cent., and, in 1910, 46.9 per cent (p. 160). "The total share going to labor," declared Dr. King, "has, of recent years, been falling off despite the efforts of labor unions and combinations" (p.163).

Since that year, it is known that profits have been enormous, and, while wages have increased, the cost of living has risen to still higher levels. The Bulletin issued by the New York State Industrial Commission on July 22, 1919, maintained that, while wages had advanced in the state since 1914 to the extent of 77 per cent., the cost of living had increased during that time from 90 per cent. to 100 per cent.

According to the results obtained by an investigation conducted by the War Trade Board the cost of living during the period of the war advanced in the United States 102 per cent., in Canada, 107 per cent., in England, 133 per cent., and in France, 200 per cent. (see *N. Y. Post*, July 12, 1919).

On the other hand, the net income of 224 industrial corporations in the United States increased from \$381,000,000 in 1914, to \$1,750,000,000 in 1917, according to Professor David Friday, while the dividends increased from \$295,000,000 in the former year to \$600,000,000 in the latter year. The estimated net dividends paid by all corporations in the United States increased from 1914 to 1917 from \$2,667,000,000 to \$4,500,000,000 (decreasing to \$4,100,000,000 the succeeding year, while the estimated surplus reinvested increased from \$1,044,000,000 to the enormous sum of \$6,000,000,000 in 1917 and \$5,400,000,000 in 1918. (*The American Economic Review*, Supplement, March, 1919, pp. 87-8.)

The chief cause is the dual position of the laborer as a seller of labor-power and as a purchaser of his products and his inability to re-purchase more than a part of the commodities produced.⁷¹

A further cause of the crisis is the planlessness, the "anarchy of production," due to the character of the system of exchange,⁷² and to the manufacturers' ignorance of the demands of the market and of the amount which other manufacturers are producing.⁷³

Effect of Trusts on Crises.—Modern socialists are frank to admit that the development of the trust and of the international market has changed the character of the industrial crisis, although they insist that it has not altered the fundamental contradictions of the present system.⁷⁴

⁷¹ See section on "The Inevitability of Socialism"; see also Boudin, *The Theoretical System of Karl Marx*, p. 239; and Simkhovitch, *op. cit.*, p. 229. Not only is it true that the worker does not, under modern conditions, consume the equivalent of the social product, but neither does the community at large. Professor David Friday points out that the excess of production over consumption in the United States was approximately \$6,500,000,000 in 1913, and that this amount increased to the enormous total of \$22,000,000,000 in 1918. (See Supplement to *The American Economic Review*, March, 1919, p. 80.)

⁷² Boudin, *op. cit.*, p. 229 *et seq.*

⁷³ See Simkhovitch, *op. cit.*, p. 228, for statement from Engels. John A. Hobson traces industrial depressions to under-consumption, the devotion of too large a proportion of the product of the present system to savings rather than to consumption, and the failure "to call forth exactly that amount of savings economically required to forward the progress of industry and provide for the actual needs of further consumption. He criticizes the present system for vesting in the hands of individuals or groups of individuals power "to secure for themselves advantages arising from improved production without regard for the vested interests of other individuals or of society as a whole." (Hobson, *The Evolution of Modern Capitalism*, Ch. XI, esp. pp. 307, 316.) See also Hughan, *American Socialism*, etc., Ch. VII.

⁷⁴ Kautsky takes the position that "the regulation of production

Mechanical Impossibility of Capitalism.—Marxists are often accused of basing their belief in the coming of socialism on the social cataclysm which is bound to follow one of these industrial crises. That Marx did not preach the mechanical impossibility of the present system, however, is the contention of such Marxian students as Boudin. "He [Marx] does not say that production under the old system must become *impossible* before the revolution sets in," declared Boudin, "but it is according to his theory sufficient that it becomes 'fettered.'" ⁷⁵ And that the present system of production does become *fettered*,

by large syndicates or trusts presupposes above all things their control of all branches of industry and the organization of these upon an international basis in all countries over which the capitalist system of production extends." . . . This, he declares, is difficult to achieve. "With regard to overproduction, the principal mission of the trust is not to check it, but to shift its evil consequences from the shoulders of the capitalists upon those of the workmen and consumers." (Kautsky, *The Class Struggle*, pp. 80-1.) Boudin declares that the trusts, if they do anything at all, "can only affect the form which the crisis may assume, whether they should be short or acute as formerly or mild and long drawn-out as now, but no more. This is acknowledged by Tugan-Baronowsky himself." (Boudin, *op. cit.*, p. 238.)

Engels also came to the conclusion in the nineties that a change had been made in the commercial crises from the more acute to the more drawn out and chronic form and that world trade had eliminated or strongly reduced "the old breeding grounds for crises and opportunities for growth of crises," but, he declared, "every element, which works against the repetition of the old crises, carries the germ of a far more tremendous future crisis in itself." (See note by Engels in Marx, *Capital*, Vol. III, p. 575.) (See also Sanial's contention, HUGHAN, *American Socialism*, etc., p. 86.)

Boudin also argues at length against the assumption made by Tugan-Baronowsky that capitalism has obtained a new lease of life by extending its operations to other fields, declaring that capitalism thus merely extends into new fields the competitive system, and creates for itself further competitors in the production of goods. (See Boudin, *op. cit.*, pp. 242-3.)

⁷⁵ Boudin, *op. cit.*, p. 253.

does hinder the productive forces of society, is, socialists contend, undoubted.⁷⁶

Each crisis involves tremendous social loss. It also generally leads industrialists to look for other markets for their goods. Capitalists first find new markets in countries on a lower capitalistic level than themselves, and to these they sell textiles and similar commodities. These countries in turn develop to the stage of advanced capitalism, refuse longer to be used as an absorbent, and the capitalist world is thus forced to create new markets, to "manufacture customers, as it were — by stimulating the development of undeveloped countries, 'civilizing' them, hot-house fashion, by means of all sorts of 'improvements,' such as railroads, canals, etc."⁷⁷

Coming of Imperialism.— This exploitation creates a demand for a different kind of goods — for steel and iron, for means of production, as contrasted with consumption goods, and necessitates the adoption of a new foreign policy — the policy of imperialism. For the selling of steel and iron involves more than the selling of hats and clothing. It compels the capitalist to organize companies, to obtain concessions, and actually to supervise the building of railroads, the exploitation of the mines and the running of the factories in the undeveloped lands. These investments, however, are usually not made unless the home government can give some guarantee as to their security, and that guarantee cannot be made without control by the home government of the undeveloped areas. Thus a policy of imperialism is launched upon; the nation comes into conflict with other nations similarly engaged,

⁷⁶ See Kautsky, *Class Struggle*, p. 85; Boudin, *op. cit.*, p. 240; and *supra*, Ch. I.

⁷⁷ Boudin, *Socialism and War*, p. 69.

and this conflict in turn becomes a fruitful cause of modern warfare.⁷⁸

Conclusion.—Socialists thus attribute economic crises to the inequality of wealth under the present system and to the planlessness of competitive production. They realize that, with the development of capitalism, the form of the crisis has changed, although the fundamental contradictions of capitalism remain. Industrial crises lead to the exportation, first, of consumption goods, and, second, of capital to undeveloped countries. This, in turn, creates a policy of imperialism, which is one of the main causes of modern warfare. The tremendous wastes entailed in connection with crises, and in the endeavor to

⁷⁸ Professor E. R. A. Seligman, in his article on "An Economic Interpretation of the War" (*Problems of Readjustment After the War*, Ch. II) divides economic development in capitalist countries into three stages. In the first stage, the capitalists concentrate on the building up of the national industry; in the second stage, the countries replace their export of raw materials with the export of manufactured commodities. Thirdly "there comes a time when the accumulation of industrial and commercial profits is such that a more lucrative use of the surplus can be made abroad in the less developed countries than at home with the lower rates usually found in an older industrial system" (p. 51).

"England reached this stage a generation or two ago. . . . The significant aspect of recent development is the entrance of Germany upon this new stage of development. The industrial progress of Germany has been so prodigious and the increase of her population so great, that with the opening years of the present century she also began on a continually larger scale to export capital as well as goods. It was this attempt to enter the preserves hitherto chiefly in the hands of Great Britain that really precipitated the trouble. For if the growth of national wealth depends upon the tempo of national profits, and if the rate of profits is, as has been seen, far greater in the application of capital to industrially undeveloped countries, it is clear that the struggle for the control of the international industrial market is even more important than was the previous competition for the commercial market" (pp. 51-3). See also Boudin's lucid statement in *Socialism and War*, Ch. II; Hobson, *Imperialism*; Howe, *Why War*, etc.

avoid crises indicate the truth of the Marxian contention that capitalism *fetters* production, and thus makes capitalism *historically*, although perhaps not mechanically, impossible.

THEORY OF VALUE

Meaning of Labor Theory.— Another theory long regarded by socialists as a cornerstone of their economics is the theory of surplus value, derived from the labor theory of value.⁷⁹ The labor theory of value, as modified by Marx from the teachings of the earlier economists, teaches that the exchange value of a commodity is determined by the amount of socially necessary labor contained therein, that is, the amount of average human labor which it is necessary for society to expend upon its reproduction — not the labor which might accidentally be embodied in a particular commodity as a result of some peculiarity under which the laborer worked.⁸⁰

Creation of Surplus Value.— Marx placed human labor power in the same category as other commodities, and de-

⁷⁹ Marx differs from modern economists in dividing value into exchange-value and use-value. He regarded use-value as something inherent in the nature of a commodity, not dependent on the social form of its production, and as a subjective relation between the thing and the person who uses it. When Marx used the word value, he referred to exchange value, which, in his opinion, was the kind of value peculiar to the capitalist system. He also differentiated value from price, declaring that the former was something possessed by the commodity when it was placed on the market and prior to its sale, while price was that which was paid on account of this value.

⁸⁰ Of late years socialists, while emphasizing the facts of surplus value, have given decreasingly less attention to the Marxian theory of surplus value, and an increasing number of socialists regard the value and surplus value theories as inadequate and unessential parts of the socialist philosophy. (See Hughan, *American Socialism of the Present Day*, Ch. VI and Simkhovitch, *Marxism vs. Socialism*, Ch. I.)

clared that, like other commodities, its exchange-value was determined by the amount of labor power necessary for its reproduction under the social conditions of production existing at the time it was purchased on the market. In other words, the purchaser of labor power has to pay for it wages equal to the amount of goods which the laborer consumes while exerting his labor power, and, in addition, sufficient to allow him to perpetuate his kind. This amount will vary according to the quantity of labor in general and the standard of living of the workingman.

Under the present form of production, partly owing to improvements in modern industry, the amount of labor which the worker must expend in order to furnish the product represented by his wage is less than the total amount of labor which he sells to his employer. In other words, the time required by a worker to produce his wage is less than the time for which he was hired by the payment of these wages.

The amount of labor which enters into the production of wages may be described as "necessary" labor, and that which he expends in addition as "surplus" labor. The product which results from the expenditure of this "necessary" labor may be described as "necessary" product and its value, "necessary" value, while the product produced in "surplus" labor time may be described as "*surplus*" value. In the "necessary" value is included not only the wages paid the workingman, but also that part of the capital which Marx called "constant"—raw material, machinery charges, etc. The surplus which the purchaser of labor, or the capitalist, finds himself possessed of is thus a surplus over and above all his expenditures, and is a pure revenue or profit.

The surplus which appears in connection with the commodity as it leaves the hands of the capitalist producer

is added to as it passes through the hands of the wholesale and retail merchants, and the surplus value taken up gradually as it is being added to, share by share, along its course.

Misconceptions of Theory.—Marxists are wont to defend the economics of Marx against a number of misconceptions. They declare that Marx never denied that nature is a factor in the production of wealth.⁸¹ The Marxists contend that the fact that a lump of gold, falling as a meteor on the land of a proprietor, or a silver mine, accidentally discovered, would have value, does not contradict the general laws of value as laid down by Marx. According to Marx's theory, the value of these articles, like that of all commodities, is the socially necessary labor which must be spent in their reproduction. If the particular lump of gold described were lost or wasted, it could not be obtained again from the clouds, but would have to be reproduced by labor, and its value would be the socially necessary labor spent in its reproduction.⁸²

⁸¹ See Boudin, *The Theoretical System of Karl Marx*, p. 101 *et seq.* Marx used the word wealth in the sense of that which has utility, rather than in the sense of the orthodox economists, that which has value.

⁸² It is here impossible to deal at length with many of the controversial points in regard to the correctness of this theory. All students of the subject should read Marx's analysis in *Capital*, his greatest work (this monumental work is produced in three volumes, Vol. I published in 1867, Vol. II in 1885, and Vol. III in 1894), and his short pamphlet on *Value, Price and Profit*. Undoubtedly the best defense of Marxian economics published in English is *The Theoretical System of Karl Marx*, by Louis B. Boudin. Dr. Hugan, in her *American Socialism*, etc., analyzes the position of various schools of thought on this problem, Edward Bernstein in *Evolutionary Socialism* presents the criticism of the theory from the revisionist socialist point of view, while Boehm-Bawerk in *Karl Marx and the Close of His System*, and Simkhovitch, in *Marxism vs. Socialism*, Chs. I and XII, endeavor to show the inadequacies of Marx's economic system. The alleged "great contradiction" in the law of

Facts of Surplus Value.— As Dr. Hughan brings out,⁸³ the “socialist claim to the existence of ‘surplus value does not depend of necessity upon the Marxian labor theory.” Socialists point out that, in this country only a portion of the social product goes to labor. They cite, for instance, the estimate of the statistician, Dr. W. I. King of the University of Wisconsin, that, in 1910, but 46.9 per cent. of the total national income went to wages and salaries, while 53.1 per cent. was distributed as interest, rent and profits (16.8 per cent., 8.8 per cent., and 27.5 per cent. respectively).⁸⁴ Expressed in money, Dr. King estimated that, in 1910, \$11,309,900,000 were distributed in wages, and \$12,827,100,000 in rent, profit and interest. The socialist would, in general, describe this 53.1 per cent. in rent, interest and profits, minus, perhaps, that part of the profits which went into insurance and wages of ability, as surplus value.

Is Private Capital Socially Advantageous? — Whether or not the above portion distributed in interest, rent and profit is looked upon as surplus value in the Marxian sense depends on the acceptance or rejection of the Marxian theory that labor has created the whole of value. If capital is unproductive, as Marx contended, then the amount here termed surplus value would correspond with the amount mulcted from labor. If, on the other hand, the productivity theory is accepted, and capital is regarded as a creative agent, then the question of the socialist becomes, as Dr. Hughan has again expressed it, “not,

surplus value is exposed at length by Boehm-Bawerk and Simkhovitch, and answered by Boudin, *op. cit.*, (Ch. VI). For a defense of Marxian economics see also Cahn, *Capital To-day*; Haller, *Why the Capitalist*; Spargo's *Socialism*, Ch. VIII.

⁸³ Hughan, *op. cit.*, p. 80.

⁸⁴ King, *The Wealth and Income of the People of the United States*, p. 160.

‘Is the profit of the capitalist a surplus value extracted solely from the product of labor?’ but, ‘Is there social advantage in the private ownership of capital, which has the power to create value without exertion on the part of the owner?’”⁸⁵ It is this question which today receives the chief attention from leading socialists.

Summary.—According to the Marxian theory of economic advance, socialism is thus seen to be the logical next step in economic development. The present order gives rise to industrial concentration and to periodic crises. It plunges large numbers of the middle and upper classes into the proletariat. It develops among the workers a spirit of solidarity and a will to industrial power. A struggle between the capitalist class and the proletariat for a larger part of the social product and for industrial control ensues. This struggle can have but one result — the socialization of industry.

Underlying this analysis is the concept of the economic interpretation of history and the class struggle. Although modern socialists have made a number of modifications in the Marxian sociological theory, they still adhere in the main to the foregoing analysis. Greater controversy exists within socialist ranks regarding Marx’s economic theory of surplus value, which many believe to be an unessential part of socialist theory. There is little controversy, however, concerning the facts of surplus value.

⁸⁵ Hughan, *op. cit.*, pp. 80–1. See also Murdoch, *Economics and Ethics*. An attempt to show the unethical character of those schools of economic thought which attempt to justify the private appropriation of interest.

CHAPTER V

THE SOCIALIST COMMONWEALTH

The Aims of Socialism.—As is the case with every other great economic, political or religious movement, it is impossible to convey to the outsider in the space of a few sentences an adequate idea of the socialist ideal. One must be a part of the movement to sense its real purport. Broadly speaking, the socialist movement aims to bring about a condition of society under which equality of opportunity, justice, freedom, democracy, brotherhood will be the heritage of the mass of mankind. In this it does not differ essentially from certain other great movements. It differs fundamentally, however, in the means proposed for realizing these ideals — the abolition of the present capitalist system and the substitution therefor of a system of *collective*¹ *ownership and democratic management*

¹The words “collective ownership” usually imply ownership by the organized community, by the local and federal state, if the word “state” is not used in the Marxist sense — implying an instrument of class rule — but in the sense of some machinery through which the community of consumers may be able to express itself effectively, industrially and politically. To some who call themselves socialists such “collective ownership” means ownership by some organization representative of the producers, as opposed to the consumers. Technically, however, this latter form of ownership would be more syndicalist than socialist in its nature. The words “coöperative ownership” are generally used by socialists as interchangeable with “collective ownership,” although coöperative ownership in this sense must be distinguished from ownership by voluntary coöperative groups, found in the British and other consumers’ coöperative movements.

of the socially necessary means of production and distribution; a system of society under which the exploitation of one class by another will cease and the wage system, as we know it today, will be a thing of the past; under which production will be carried on for use rather than for profit; under which the producing class — then the one class in society — will control the economic life of the nation.

Fear Utopianism.— When asked to describe the socialist aim in greater detail, some socialists demur on the ground that to do so would be to repeat the error of the early utopians; that, inasmuch as society is a living organism, not an inanimate mechanism, it is possible only to predict certain general tendencies. As for details, they must be left to the future citizens who will be in a much better position to work them out than are the socialists of today. “Never has our party,” declared Wilhelm Liebknecht, “told the workingmen about a ‘state of the future,’ never in any way than as a mere Utopia.”²

There is now, however, a general tendency on the part of scientific socialists to picture in the rough the socialist society. The predictions are based on known tendencies that already exist in present society, and on what are believed to be the probable or inevitable results of a proletarian victory. Karl Kautsky, the leading theorist of scientific socialism abroad, has given, for instance, some notable contributions regarding a probable state of the future. His predictions are not based on what he would like to see result, but what must inevitably result, given a triumphant producing class with the education, discipline, organization and ideals which the present working class is developing.

² Quoted in Spargo's *Elements of Socialism*, p. 212.

Socialism and Private Property.— It is perhaps unnecessary to state that socialists do not advocate the public ownership of private property, of consumption goods. Houses actually used by the owner, furniture, wearing apparel, and other non-productive property will remain under private control. Communists, not socialists, urge the abolition of private property. When the phrase, "abolition of private property," appears in socialist literature, its context generally indicates that capital, not consumption goods, is meant.³

The 1916 Socialist Party Platform in the United States made this position especially plain. It declared:

"Socialism would not abolish private property, but greatly extend it. We believe that every human being should have and own all the things that he can use to advantage, for the enrichment of his own life, without imposing disadvantage or burden upon any other human being. Socialism admits the private ownership and individual direction of all things, tools, economic processes and functions which are individualistic in character and requires the collective ownership and democratic control and direction of those which are social and collectivistic in character."

EXTENT OF COLLECTIVE OWNERSHIP UNDER SOCIALISM

Socially Necessary Industries.— Some socialists contend that, while consumption goods will remain private in their nature under socialism, all industry will be collectively owned. The majority of the leading socialist thinkers, however, take a different point of view. They do assert that the *socially necessary* or *principal* means of production and distribution should be owned by the collectivity. They are generally agreed that capitalism, the

³ See *Communist Manifesto* (published by Socialist Literature Co.), p. 36.

profit system as such, should be eliminated, and that "all the social means of transportation and communication, all the extractive industries such as mining and lumbering; all the public services now controlled by corporations, and all the principal manufactures"⁴ should be collectively owned.

Nevertheless they leave scope to private and voluntary coöperative production, especially in handicraft and agricultural industries and in intellectual production. For the aim of the socialists is not primarily coöperative ownership, but the abolition of exploitation, the elimination of waste, and the securing of the highest attainable social welfare. Public ownership is considered a means to that end. Whenever that end may be attained without resorting to social ownership, then socialists are not necessarily committed to such social control.⁵

Handicraft Industry.—Socialists do not necessarily advocate the social ownership of industries which are still in the handicraft stage of development, for the tools here used are generally owned individually by the worker, and are not objects of exploitation. To turn into social property the implements of such industry, says Karl Kautsky, would "amount to nothing else than to withdraw them from their present owner and forthwith to give them back to him."⁶

Most modern socialists do not follow William Morris in his dream of a future state in which the ugliness of machine production will be again superseded by a picturesque form of handicraft industry. Nevertheless they are inclined to the view of Kautsky that under a coöperative system "artistic hand work may receive a new impulse,"

⁴ Spargo and Arner, *Elements of Socialism*, p. 231.

⁵ See Simons, *The American Farmer*, pp. 203-204.

⁶ Kautsky, *The Socialist Republic*, p. 32.

and that "it is easily possible that under a proletarian régime the number of small businesses may increase," even though such industry "be maintained as islands in the ocean of great social businesses."⁷

Exploitation as a Criterion.—It is evident from the above that the criterion in the minds of many socialists as to whether industry should or should not be socialized is: does private ownership in this industry lead to exploitation? There are some socialists who give to private industry under socialism an even larger place, and who make the criterion of socialization that of social welfare rather than that of exploitation.

While in most cases it may be argued that industries which permit of exploitation are injurious to the social well-being and in the largest sense inefficient, nevertheless this may not be always the case.

For instance, in any one year, under a coöperative system of industry, a score of individuals in any large city might conceive that the public would fancy certain machine-made luxuries. There would probably be little objection to the manufacture of such commodities by a private company or a voluntary coöperative group, providing these articles were not deemed to be intrinsically injurious to society. Many of the articles thus produced would undoubtedly prove to be but passing fads, while others would gain a permanent hold on public taste, and a demand for their social ownership would follow.

It is true that, during the transitional period, a slight degree of exploitation might exist, although such exploitation would be reduced to a minimum by the standard of living set in the public industries, and by regulatory acts regarding hours, sanitation, wages, quality of goods pro-

⁷ Kautsky, *Social Revolution*, pp. 164-5; see also Walling, *Socialism as It Is*, p. 432 seq.

duced, etc. The advantage accruing to the community as a result of such private experimentation, however, would undoubtedly counterbalance any possible loss. It is too much to expect of a community that it would apply its social machinery to the production of every commodity thought desirable by any of its members. Yet, if it did not allow one or more individuals to experiment with certain commodities, until their value to the community was proved, it might discourage the establishment of many an enterprise of great social possibilities.

Dr. Hughan is of the opinion that under such private ownership the profit of the employer "in the sense of exploitation, tends to disappear; for, as an independent craftsman he continues to receive his own entire product, but he gains little from his employees except the advantage of coöperation, or possibly an opportunity not furnished by any collective industry available to him of exercising his own productive skill as superintendent."⁸

Even where the community undertakes the running of an industry, many socialists feel that society should permit, and even at times encourage, competing private ventures, as these might be the means of indicating the need for more efficient methods of production.⁹

Voluntary Coöperation.— There would also be a considerable amount of voluntary coöperative industry under a socialist régime, especially in "local industries too insignificant or disorganized even for municipal operation,"¹⁰ proper regulations, of course, being made for the protection of coöperators and consumers.

Socialists, therefore, believe that the principal industries

⁸ In an article by Dr. Jessie W. Hughan in *The Intercollegiate Socialist*, Dec.-Jan., 1915-6, p. 16.

⁹ Spargo and Arner, *op. cit.*, p. 229.

¹⁰ Hillquit and Ryan, *Socialism—Promise or Menace*, pp. 72-3.

under socialism should be socially owned. However, a socialist state would also probably contain a certain amount of voluntary coöperative ownership and of individual ownership of the means of production.

COLLECTIVISM IN LAND

Another field in which private ownership may persist to a certain extent under socialism is that of land. Many socialist platforms have advocated the complete socialization of land, and the Soviet Government of Russia, in its socialist-communist constitution, in July, 1918, decreed that, "for the purpose of realizing the socialization of land, all private property in land is abolished, and the entire land is declared to be national property."

However, other socialists, while declaring that the private title to land should be subordinate to the public claim, and while insisting that speculation and exploitation in land should be eliminated, have felt that there would probably be considerable private possession and use of land under an advanced coöperative commonwealth. Concentration in agricultural land, they maintain, has not kept pace with concentration in other industries, and land is consequently not so ripe for socialization as are the manufacturing concerns. Much of the agricultural land, furthermore, is tilled entirely by the owners without exploiting the labor of others. A considerable amount of city land is also used by owners for their personal dwellings.

Opposed to Exploitation and Speculation.—The Socialist Party of the United States by referendum, in 1909, placed itself squarely on record in favor of the private possession of land where there was neither exploitation nor speculation. The referendum reads:

"There can be no absolute title to land. All private titles,

whether called fee simple or otherwise, are and must be subordinate to the public titles. The Socialist Party strives to prevent land from being used for the purpose of exploitation and speculation. It demands the collective possession, control, or management of land to whatever extent may be necessary to attain that end. It is not opposed to the occupation and possession of land by those using it in a useful and bona fide manner without exploitation.”

According to this statement both city and farm land not held out of use for the purpose of speculation, and not rented to others, but utilized by the possessor for his own enjoyment, might be retained by private citizens, although the title of the private citizen must ever be considered subordinate to that of the public, as indeed it is today.

In amplifying the socialist position Mr. Hillquit declares:

“Land of reasonable dimensions actually cultivated or used by the farmer without employment of hired help to any appreciable extent, is an instrument of labor analogous to the individual tool, and land used for private dwellings is an article of use rather than an instrument of production. The socialists are not opposed to the exclusive private use and occupation of such lands; nor would they tax them to the full extent of their value. But they condemn utterly the private ownership and exclusive control of land used for business purposes — rent producing land — and they insist that the ultimate title to *all* land remain in the state.”¹¹

Agricultural Land.— Dealing more specifically with farm land, Kautsky asserts:

“The proletarian governmental power would have absolutely no inclination to take over such little businesses. As yet no socialist who is taken seriously has ever dreamed that

¹¹ Hillquit and Ryan, *op. cit.*, p. 78.

the farmers should be expropriated, or that their goods should be confiscated.”¹²

Nevertheless it is felt by most socialist writers that the community will probably assume an ever greater control over agriculture, on account of the increased cost of farm and equipment and the decreased opportunity of the average farmer to own his farm and machines. Additional arguments for public ownership are its increased efficiency through the use of the latest and most scientific tools and the employment of agricultural experts; the ability of the public to utilize the ground best adapted to specific crops, to regulate more adequately than under private industry the relative acreage to be allotted to various crops, to coordinate public agriculture with the industrial life of the nation, and to ensure the agrarian worker a better economic and social status than under private ownership.¹³

The Communist Labor Party of the United States, organized in September, 1919, declared at its first convention that “all land should be the property of the workers; that only use and occupancy should entitle the individual to land.”

¹² Kautsky, *op. cit.*, p. 159.

¹³ See Kautsky, *op. cit.*, p. 161. The National Administrative Council of the Independent Labor Party of England recommended to the party convention of April 21, 1919, a resolution on the land, in part as follows: “The present system, which treats land as private property and prevents free access to it, hampers industry, checks production, crowds the towns by depopulating the countryside, obstructs the standard of public health, both physical and moral, fetters the exercise of political, economic and social freedom, makes difficult, if not impossible, the maintenance of a uniform standard of cultivation, and compels the workers to pay tribute for the use of that which should belong equally to all.

“This conference, therefore, demands the socialization of the land as the very foundation of the cooperative commonwealth, and calls upon the government to make it the permanent and inalienable possession of the community.”

The efficiency and sociability that may result from public management of farms has been idealized by many students of social problems.¹⁴

INTELLECTUAL PRODUCTION UNDER SOCIALISM

Nor do socialists advocate the public control of all intellectual and artistic pursuits. The educational system, which requires much capital for its maintenance, will undoubtedly be retained under the control of the democratic community, and, indeed, be greatly extended, as only then will it be possible to ensure that every youth is given an opportunity for an adequate education. The organized community, however, should encourage the formation of any private groups desirous of making legitimate experiments in educational methods. The community should also strive, in all of its public instruction, to avoid those methods of teaching, so prevalent today, which seek to mold the mind of the child into fixed forms — methods which are having such a disastrous effect in crushing original thinking.

The community should likewise provide for its citizens apparatus needed in scientific research — apparatus which are becoming ever more comprehensive and expensive in their nature.

Research and Education.— Educational and research work must, for the most part, be conducted on a large scale, and require a considerable amount of capital. This, however, is not the case with such individualistic intellectual pursuits as painting, sculpture and literary work. How will they be conducted under a proletarian régime? Undoubtedly many artists and writers will prefer to give their entire time to the work of the community; others will prefer to serve voluntary coöperative groups, while still

¹⁴ Wells, *Socialism and the Great State*, p. 35.

others will desire to do free lance work, during part or all of their time, depending on the community, on organized groups of citizens or on private individuals for the sale of their wares. Their tools will be under their own control.

“Just as little as the needle and thimble,” declares Kautsky, “will brush and palette, or ink and pen belong to those means of production which must under all conditions be socialized.”¹⁵

Art.—However, the kind of commodities desired under a socialist régime will, in all probability, be materially changed. The private demand for works of art may be lessened, while the demand on the part of the city and state will probably be greatly increased. The same author continues:

“A proletarian régime will greatly increase the number of public buildings. It will endeavor to make attractive every place occupied by the people, whether for labor, for consultation, or for pleasure. Instead of accumulating statuettes and pictures that will be thrown into a great impersonal market from whence they finally find a place utterly unknown to the artist and are used for wholly unthought of purposes, the artist will work together with the architect as was the case in the Golden Age of art in Athens under Pericles and in the Italian Renaissance. One art will support and raise the other and artistic labor will have a definite social aim so that its products, its surroundings and its public will not be dependent on chance.”¹⁶

Voluntary Union.—Where capitalist industry has taken charge of intellectual production, as in the theaters, the state, the municipality and free unions could be sub-

¹⁵ Kautsky, *op. cit.*, p. 172.

¹⁶ *Ibid.*, p. 178.

stituted under a proletarian régime —“free unions which will serve art and science and the public life and advance production in these spheres in the most diverse ways, or undertake them directly as even today we have countless unions which bring out plays, publish newspapers, purchase artistic works, public writings, fit out scientific expeditions, etc.”¹⁷

“It is absolutely unimportant for society,” continues Kautsky, “in what relations the existing surplus of products and labor powers are applied to the individual fields of free intellectual creation. The exception to this is the educational system which has its special laws. . . . Society should fall into bad conditions if all the world should set to work at the manufacture of one kind of commodities such, for example, as buttons, and thereby direct too much labor power to this, so that not enough was left for the production of others, such, for example, as bread. On the other hand the relation between lyric poems and tragedies, works on Assyriology and Botany which are to be produced is no essential one; it has neither maximum or minimum point. . . . In this field a central direction of production is not only unnecessary, but absolutely foolish.”¹⁸

A further reason for the contention of many socialists that those engaged in artistic pursuits should be left free to choose how they can best serve society is that “art springs from a wild and anarchic side of human nature,” and that an attempt permanently to subject this side to orderly rules is likely to crush out the impulse from which art springs.¹⁹ Bertrand Russell suggests that one way in which the artist may be free to express himself is to undertake regular work outside of his art, “doing only a

¹⁷ *Ibid.*, p. 176.

¹⁸ *Ibid.*, p. 182.

¹⁹ Bertrand Russell, *Proposed Roads to Freedom*, p. 175.

few hours' work a day and receiving proportionately less pay than those who do a full day's work."

Publications.— Considerable attention has been given by socialists to the question of the publication of periodicals and newspapers. Many socialists dwell on the possible danger to the public should the state monopolize the printing. Others, however, point to the fact that modern printing, for the most part, requires huge machines, and expensive plants, while newspapers need world-wide news collecting associations, and, if left absolutely to private enterprise, could be used, as they are at present, to exploit the workers in the plant, and mislead the public for private gain.

While public newspaper plants are advocated by socialists in general, many socialists and radicals emphasize the importance of allowing voluntary coöperative groups, if they see fit, to engage in the business of publication.²⁰ H. G. Wells feels that competing municipalities may be depended on to ensure the publication of divergent views.²¹

A further plan suggested is that presented by L. G. Chiozza Money, M.P., who believes that the state should print the plain record of happenings and that private groups should publish periodicals of opinion.²²

It may of course be pointed out that the ability on the part of the editorial staff of a public newspaper to ignore certain news and play up other items in glaring headlines virtually makes that newspaper an organ of opinion — even though it has no editorial columns. Nevertheless if such a newspaper were constantly criticized both in regard to its facts and its opinions by a group of coöpera-

²⁰ Hillquit and Ryan, *op. cit.*, p. 87.

²¹ Wells, *New Worlds for Old*, pp. 279-281.

²² Wells and others, *Socialism and the Great State*, pp. 106-7.

tive journals, a most wholesome check would be placed upon its expressions.²³

Passing to the question of book publication, Bertrand Russell maintains that the author should find it possible to pay for the expense of printing, if the book is not such that the state or the guild is willing to print it at its own expense. "It would have to be an absolute rule," he continues, "that no book should be refused, no matter what the nature of its contents might be, if payment for publication were offered at the standard rate."²⁴

Summary.— It is seen from the foregoing that the socialists believe that intellectual and artistic production now carried on under capitalistic conditions should, for the most part, be publicly controlled under socialism; that such production now conducted by individuals without exploitation should, to a considerable extent, remain private and that in this general field, even to a much larger extent than in the production of material commodities, voluntary coöperative and private production should be encouraged.²⁵

²³ For socialization of press under temporary Soviet government in Munich, see *The Nation*, June 28, 1919.

²⁴ Russell, *op. cit.*, p. 180; see also Annie Besant in *Fabian Essays*, p. 144.

²⁵ It is as yet too early to tell exactly how the Soviet Government of Russia has dealt with these various intellectual services, nor would the measures which the Russian Government adopted during its first year or two of control, when besieged by enemies within and without, be necessarily typical of the ideals of a socialist state. The following appears in the constitution in regard to the press:

"For the purpose of securing the freedom of expression to the toiling masses, the Russian Socialist Federated Soviet Republic abolishes all dependence of the press upon capital, and turns over to the working people and the poorest peasantry all technical and material means of publication of newspapers, pamphlets, books, etc., and guarantees their free circulation throughout the country." This provision has evidently not as yet been fully carried out, as the gov-

DEMOCRATIC MANAGEMENT UNDER SOCIALISM

After the industries are socialized, many administrative problems will necessarily arise. Here again socialists are averse to predicting how the details of administration will be worked out. Such details must be left to the decision of the mass of people when and after socialization takes place, and the final forms adopted will probably be the result of a long series of careful experimentations. The procedure which may prove desirable at one stage in the development of a coöperative system and in one industry may be utterly inadequate to meet the problems arising at another period or in another industry.

Insistence on Democratic Management.—However, socialists have endeavored, here as elsewhere, to suggest what, in general, may be expected to result from the application of the principles of socialism to industry.

As a matter of course they insist — the criticism of the non-socialist notwithstanding — that the management of industry be essentially democratic in its nature, as only in that way can the evils of bureaucracy be avoided, and can adequate opportunity be given for the development of the personality of the mass of the workers. Democratic control is also a necessity, states Kautsky, if social discipline is to be maintained.²⁶

Differences in Details.—As Kautsky intimates, socialism has temporarily suppressed newspapers which advocated an open revolt against the Soviet régime.

According to the constitution the government also “sets itself the task of furnishing full and general free education to the workers and the poorest peasantry.” Its early achievements in the realm of education, art and drama are recorded elsewhere in this volume. (See section under “Russian Revolution.”) Public, voluntary, coöperative and private ventures in this domain exist side by side.

²⁶ Kautsky, *Social Revolution*, pp. 126-7; see also Cole, *Self Government in Industry*, p. 234.

ists do not pretend to predict the exact form the democratic management of industry should take, and an analysis of their point of view reveals considerable differences. Some are inclined to the syndicalist position that the workers in particular industries should have entire control of all phases of production. Others believe with the national guildsmen that democratic groups of hand and brain workers should have entire control of shop management, but that the state should have a share in the determination of prices and of the amount of goods produced.²⁷ A third, and, prior to the guild socialist movement, the most representative group, advocates joint boards representative both of the workers and of the community-at-large, contending that any system of control which excluded the community from boards of control would be essentially undemocratic.²⁸

Selection of Officers.—Various methods for the selection of officers have been suggested. A number advocate the direct election of managers and foremen by the workers. Some favor such a plan, providing candidates for certain offices have passed specified tests which indicate the possession of requisite qualifications.²⁹

Morris Hillquit would leave the appointment of the manager to a board of control elected democratically by the workers in a particular industry. He declares:

“It is not at all unlikely that in its practical workings the socialist industrial democracy will be somewhat similar to the forms of our present political democracy. The workers

²⁷ See chapter on “Guild Socialism and Syndicalism.”

²⁸ Spargo and Arner, *op. cit.*, p. 233; see also section on “Democratic Management” under “Modern Tendencies Toward Socialism” for a number of schemes for democratic control by the workers; and section under “Hungary.”

²⁹ Cole, *op. cit.*, p. 268; see also Besant in *Fabian Essays*, p. 143.

in each industry may periodically select the managing authority with power to make appointments and to fix rules. Such selected board or body may consist of shop representatives, and these would be better judges of the qualifications of the chief manager or executive committee of the industry than the bankers who now control the directorates of the great corporations."³⁰

Conclusion.—Others would discriminate, urging that expert technicians be appointed by boards of control, but that those whose main job is that of superintendence be elected by the popular vote of the workers.³¹ Socialists, however, are committed to no rigid formula, and the exact form that the management of industry will take under socialism will be determined not by preconceived ideas of present-day theorists but by the actual results obtained through experimentation along various lines.

ASSIGNMENT OF TASKS UNDER SOCIALISM

How will work be assigned under socialism? To this question there is no one universal answer. To most socialists who are of the opinion that there will be differences of compensation under socialism, the answer appears a simple one. Better conditions in regard to wages, hours, etc., will be offered in those industries in which the need for workers is greater. The workers who, despite more attractive offers elsewhere, prefer to remain in their

³⁰ Hillquit and Ryan, *op. cit.*, pp. 79–80.

³¹ The Russian Soviet Government, while decreëing the organization of workshop committees, found it necessary, during the transition period, to transfer the power of selecting managers of public plants from the workers' committees to the Supreme Council of National Economy. A central committee in Hungary under the Soviets also took charge of such appointments. See *The New Republic*, May 24, 1919, p. 121; also section under "Hungary."

present industry, will be perfectly free to do so.³² This method of assignment may be depended on to eliminate the necessity of an arbitrary assignment of tasks by some central authority.³³

“What happens today when there are too many workers in one branch of industry?” asks Emile Vandervelde. “Wages go down. They go up, on the contrary, when there are too few. The same sanction would exist under a collectivist régime: after the necessary deductions were made and the minimum wages paid, the share of each one in the surplus to be divided for each branch of production would be smaller in proportion as the participants were more numerous. Consequently, the over-crowded occupations would be relatively ill paid; the deserted occupations, the unpleasant and dangerous tasks, would receive a more considerable reward. There would be only one difference, and quite in favor of collectivism, namely, that today by reason of the defects in professional instruction, the passage from one branch of industry to another generally presents extreme difficulties, which in a socialistic state could in great measure be avoided.”³⁴

Variety of Suggestions.—Some socialists contend that the assignments should be left to the free choice of democratic groups of workers in particular industries after full explanation of social needs. Still others are inclined to the belief that certain central authorities, directly responsible to the community, should be given the power, with proper safeguards, to transfer groups of workers to strategic industries, due consideration being given to the qualifications and the wishes of those transferred.

³² Shaw and Others, *Fabian Essays*, p. 145.

³³ Spargo, *Socialism*, pp. 229–30. General compulsory labor was prescribed in the constitution of the temporary Hungarian Soviet Government which likewise insured the right to work.

³⁴ Vandervelde, *Collectivism*, p. 150.

Some socialist writers also urge, in connection with this problem, the appointment of boards of experts to estimate the relative needs of various industries, and to secure young men and women for particular industries as a result of examination and choice. While absolute freedom of choice would be impossible, since the ability of the applicant and the need for his services are factors which must necessarily be considered, the average range of choice "would be a thousand fold wider than now, and liberty in this respect thus a thousand fold wider."³⁵

For the Disagreeable Work.—To the answer that it would be difficult to obtain workers for the more disagreeable tasks, the socialist has several replies. He states first, as is subsequently indicated, that certain compensations could be given to those engaging in such tasks, in the form of shorter hours and higher wages; second, that tastes differ as to which is the most disagreeable work. Many there are who prefer dirty manual work to a cleaner labor which requires the constant use of their mental powers. Much of the "dirty" work now involved in carrying on industry could be eliminated if society set its mind to the task.

A scientific distribution of prizes, and a consciously directed movement for the development of social responsibility could also be relied on to induce workers to enter disagreeable industries.

It is likewise suggested by some that special honor be accorded those who volunteer to serve for a certain time in the disagreeable but necessary work, as we now accord special honor to those who volunteer for national service of destruction. One writer suggests that "the Great State" draft certain of its able bodied men for a period

³⁵ Wells and others, *op. cit.*, p. 122 *seq.*

of a year or more for especially obnoxious work, such as mining, on the ground that no group of men, however willing, should be condemned to the life of a coal miner throughout their lives.³⁶ Fitness as well as willingness to serve would have to be considered in any scheme of this nature.

Revolutionize Present Method.— But whatever will prove the final solution of this question, all socialists are agreed that the present method, whereby those who conduct the hardest and most disagreeable work get, generally speaking, the poorest pay and besides that the contempt of great numbers in society, must be a thing of the past.

REMUNERATION UNDER SOCIALISM

Principle of Equality.— We have already touched on the question of remuneration. The early utopians and a few of the present-day socialists, including Bernard Shaw, advocate equality of compensation, irrespective of accomplishments, for those actually participating in the industrial life of the nation. Various arguments have been advanced in support of this view. First, it is claimed that all human beings are products of hereditary and environmental conditions, over which they have little control, and that a skilled, intelligent human being, a product of a favorable environment, does not deserve any greater reward than his less fortunate brother. It is furthermore argued that one kind of work is just as useful and necessary to society as another; that the workers, as a whole, have essentially the same needs and should obtain essentially the same pay, and that inequality of compensation would lead to the inauguration of another kind of class

³⁶ Wells and others, *Socialism and the Great State*, pp. 108-9.

distinction and inequality that would prevent the fruition of the ideal commonwealth.³⁷

Principle of Needs.—A second group of socialists, small in numbers, have urged that the communistic principle should be applied —“from each according to his ability, to each according to his need.” These have likewise based their argument largely on ethical grounds. They have also pointed out that many illustrations of this principle exist in present-day society.

However, these principles of compensation have not gained the support of the more representative in the socialist movement. Dr. Hughan thus declares:

“Equality of income, like equality of nature, is a notion relegated by modern socialists to their moments of millennial reverie. . . . Present-day socialists . . . consign distribution according to needs, as they consign equality of distribution, to the far-off communism that may perhaps develop out of the successful coöperative commonwealth.”³⁸

Compensation According to Deeds.—Most socialist authorities believe that inequality of compensation will

³⁷ See Bernard Shaw, “The Case for Equality,” *Metropolitan Magazine*, December, 1913.

The Russian Soviet Government adopted the principle of virtual equality of compensation, but later found, in the words of Lenin, that they “were forced to make use of the old bourgeois method and agree to a very high remuneration for the services of the biggest of the bourgeois specialists. . . . It is clear that such a measure is a compromise, that it is a defection from the principles of the Paris Commune and of any proletarian rule, which demands the reduction of salaries to the standard of remuneration of the average workers — principles which demand that ‘career hunting’ be fought by deed, not by words.” (Lenin, *Soviets at Work*, p. 15.) See also discussion of Bertrand Russell, in *Proposed Roads to Freedom*, Ch. IV.

³⁸ Hughan, *American Socialism of the Present Day*, pp. 136, 145. See also Spargo and Arner, *Elements of Socialism*, p. 234.

persist under a coöperative system and that such inequality will be based partly on differences in "skill, diligence and general merit,"³⁹ and partly on the law of supply and demand. The question of needs and of length of service will undoubtedly also be considered.

M. Vandervelde thus sets forth this point of view:

"To the extent that it would be socially useful from the point of view of production to assign special advantages to certain laborers, in order to stimulate their energy and their labor power, nothing would prevent a collectivist society from maintaining—allowing for changing circumstances—the gradation of salaries that exists today in the public services. Collectivism does not necessarily imply equality of income."⁴⁰

Full Product of Toil.—One of the arguments for a difference in incomes is based on the belief that the worker is entitled to the full product of his toil. As this full product will differ with different abilities, the income will of necessity be unequal. The more thoughtful, however, base their advocacy on other grounds. They realize that it is not possible "to determine the contribution of each worker to the social product,"⁴¹ and that, under a coöperative system, it will be necessary to lay aside a certain amount of the industrial product for the support of the sick, the old and others incapable of earning a livelihood, for depreciation on the capital stock of the nation, for future improvements in industry and for educational and social purposes, before the worker in a productive industry obtains his pay.

Furthermore, "individual labor," Rodbertus well says,

³⁹ Hillquit, and Ryan, *op. cit.*, p. 81.

⁴⁰ Vandervelde, *Collectivism*, p. 149. See also Spargo and Arner, *op. cit.*, p. 234.

⁴¹ Spargo and Arner, *Elements of Socialism*, p. 234.

“is in great part fruitful only through coöperation. Why should it return to the individual that which it has not created? The collectivity whose united efforts alone makes the results useful has its right to a part of the social product which will not be divided.”⁴²

The only sense in which socialists can, in this stage of social production, claim that the worker is entitled to the full product of his labor, is “that the laborers taken together ought to enjoy the entire fruit of social labor without the possibility of any deduction being made by any one having individual control of the means of production.”⁴³

Inequality Assists in Assignment.—Inequality of compensation is urged in the belief that some material incentive will for many years be necessary under a coöperative system, if the best results are to be attained. Such difference is also necessary if the state is to secure an adequate number of workers for different industries without resorting in great part to an autocratic industrial conscription. Such inequality, however, will not be so great as are the present differences in salaries. With the gradual adoption by the community of different criteria of success than the money criterion, incomes are likely to approach approximate equality.

Various Principles Operative.—Under a complicated modern industrial state it is improbable that any one principle of compensation can be rigidly adopted to the exclusion of all others. Compensation according to deed, compensation according to need, equality of compensation and compensation dependent on supply and demand will each play its part to a greater or a lesser extent at various stages of coöperative development. It is conceivable that society may adopt a minimum wage below which no

⁴² See Vandervelde, *Collectivism*, p. 143.

⁴³ *Ibid.*, p. 143.

worker who does his work honestly and faithfully shall go, even though his product could be shown to be less.⁴⁴ For society must not sacrifice the future of the worker's family in order that it may follow any one principle to its logical conclusion, nor must it disregard the fact that men and women are born with different talents and are subject to environmental conditions from which it is difficult for them to escape. Victims of bad conditions must not be dealt with too harshly.

On the other hand, it might be justifiable for society to set a maximum salary, as many governments are indeed doing at the present time, beyond which the most talented may not go, for here again it should be recognized that the talents of these have been developed largely through opportunities vouchsafed by society, and that it would be unjust for them to demand the entire product of their toil, even if this could be ascertained.

Money Under Socialism.—A problem of somewhat minor importance, and yet one that has given rise to much discussion is the question of the medium of exchange under socialism. The utopian socialist and many who follow Marx with too great faithfulness advocate the use

⁴⁴ Bertrand Russell, in fact, is of the belief that "a certain small income, sufficient for necessities, should be secured to all, whether they work or not, and that a larger income, as much larger as might be warranted by the total amount of commodities produced, should be given to those who are willing to engage in some work which the community recognizes as useful." (*Proposed Roads to Freedom*, p. 110.) If this income were given, Mr. Russell contends, the government would not have to compel its citizens to work either by the threat of starvation or the operation of the criminal law. At present a small income sufficient to keep a man from actual physical want does not usually lessen his incentive to work, and few would loaf even if the minimum necessities were guaranteed. Contrary to Mr. Russell's doctrine, the Soviet Government decreed a "universal obligation to work," proclaiming as its motto, in the spirit of St. Paul, "He shall not eat who does not work."

of time labor checks to the exclusion of money. Bebel argued that merchandise in the present sense of the word would not exist in the coöperative state, inasmuch as goods would be produced for use rather than for sale, and inasmuch as there could be no money.⁴⁵ Rodbertus took the Marxian suggestion of labor time, and elaborated a system of checks which would make money unnecessary. Inasmuch as the value of an article is measured by the average number of labor hours embodied in it, he maintained, the natural payment would be a check which stated that the laborer had worked a specified number of hours. This would be exchangeable for any commodity which had embodied therein the same amount of labor. In commenting on this position, Dr. Hughan declares:

“Consistently Marxian as the labor check system may appear, it labors under the error of ascribing permanency and ethical force to what Marx formulated as a law of economic process during the transitory capitalist régime. For this reason and because of its obvious impracticability, the modern socialist has already dropped it from his ultimate plan.”⁴⁶

Hillquit is of the opinion that the labor checks for money is “utopian and puerile.”⁴⁷

THE NATURE OF THE STATE

Introductory.—Early socialists conceived the state as an instrument for the domination of one class over another. Socialism, they argued, aims at the suppression of classes, at the development of a classless society,

⁴⁵ Bebel, *Woman Under Socialism*, p. 291.

⁴⁶ Hughan, *American Socialism*, etc., p. 147; see also Kautsky, *Social Revolution*, p. 129.

⁴⁷ Hillquit, *Socialism in Theory and Practice*, p. 118; see also Spargo and Arner, *op. cit.*, p. 239.

through the socialization of the means of production. Socialism, by ushering in this classless society, thus tends to abolish the state.⁴⁸

Socialists have not advocated, however, the elimination of organized government itself, but merely the special quality in present and past states which render them organs of class rule.⁴⁹ If the word "state" is used, not in the Marxian sense, but merely as "the political machinery of a government in a community,"⁵⁰ the state will undoubtedly continue to exist in one form or another under a socialist system of industry.

Characteristics of Socialist State.—Prior to the European war, socialists were generally agreed that the state under socialism should have certain characteristics.⁵¹ (1) It would be controlled democratically by the mass of hand and brain workers. A state which owns important industries, but which is dominated by a small ruling class of capitalists, aristocrats or bureaucrats, is remote indeed from a socialist order of society.

Coercion.—(2) The state under socialism would be far less than at present an instrument of coercion, and far more an instrument for constructive social ends—its ideal the "good life."⁵² It must, indeed, have power to deal with crime, to prevent one individual from infringing on the rights of others, to define and enforce contracts, to administer justice, to collect taxes, to deal with foreign states, etc. However, as the underlying reason for the use of coercion would be largely eliminated, these purely gov-

⁴⁸ Engels, *Socialism, Utopian and Scientific*, pp. 75-6; Vandervelde, *Socialism versus the State*, pp. 126-132; Deville, *The State and Socialism*, pp. 4-5; Bebel, *Woman Under Socialism*, p. 128, etc.

⁴⁹ Spargo and Arner, *op. cit.*, pp. 213-4.

⁵⁰ Cole, *Self Government in Industry*, p. 71.

⁵¹ Vandervelde, *op. cit.*, pp. 208-9.

⁵² *Ibid.*, p. 224; *Collectivism*, pp. 134-5.

ernmental functions would be of but small importance as compared with educational, health, recreational and other activities.⁵³

(3) The machinery of the socialist state would be thoroughly democratized, through the initiative, referendum, recall, proportional representation and other democratic measures.

(4) The industrial state — if it can be called a state — would be differentiated from the political state. Some socialists favored a bi-cameral legislature, one branch to represent primarily the political, and one the industrial interests of the country.⁵⁴ Others contended, however, that such an arrangement might lead to legislative deadlocks.

Decentralization.—(5) Power, furthermore, would not be centralized in the national government. The city would absorb, as against the federal government, most important governmental activities.⁵⁵

(6) And, finally, individual rights would be jealously safeguarded, liberty of speech, of press, of religion, of art, of science, and of other lines of human conduct.

The socialist conception of the future state has been modified since the beginning of the European war by several schools of thought.

⁵³ See Russell, *Proposed Roads to Freedom*, p. 121 *et seq.*; Hillquit, *op. cit.*, pp. 93–9; Spargo, *Applied Socialism*, p. 135.

⁵⁴ “The political chamber,” declared M. Malon, “might be elected by universal suffrage as our present representative assemblies; but the economic chamber, the larger and more important of the two, should be the result of professional elections, with proper safeguards for the special qualifications of the elected, so that it should truly represent the workers of all categories.” (Malon, *Precise Socialism*, pp. 300–; see also Vandervelde, *Collectivism*, p. 128; *Socialism vs. the State*, p. 147).

⁵⁵ See Hughan, *American Socialism of the Present Day*, pp. 156–60; Spargo and Arner, *op. cit.*, pp. 218–9.

The Soviet Idea.—The creation of the soviet state, in which representation, at least in the city districts, is based on occupational, rather than on territorial groupings, has led thousands of socialists of the left throughout the world to favor a state based entirely on occupational representation, and to urge the abolition of the present political state, in which citizens express their political preferences as consumers from particular localities, rather than as producers, working at a particular trade.

The application under the soviet régime, at least in the local groups, of the principle of immediate recall, and the holding of new elections whenever a group becomes dissatisfied with the manner in which its representative is acting, has also led many socialists to urge that the socialist state incorporate this type of election.⁵⁶

⁵⁶ It must not, however, be assumed from the foregoing that the Russian Soviet Government has consciously adopted the principle of occupational representation throughout its system of government. It happened that that kind of representation existed in the soviets in Petrograd and other large cities when, through the Bolshevik revolution, all power was transferred to the soviets. However, representation in the rural soviets, and the representation of the local in the Provincial Soviets, and of the Provincial Soviets in the All-Russian Congress is geographical rather than occupational in its character. Until the fall of 1919, there was comparatively little discussion in Russia as to the comparative merits of occupational and territorial representation. For a further description of the Soviet Government, see chapter on "The Russian Revolution."

Numerous other features of the present Soviet Government of a more or less temporary nature, adopted by the government during the transitional period, have been effective in modifying the conception of many socialists—particularly of the left—regarding the nature of the future state. The more moderate socialists are still inclined to the belief that place in the future scheme of things should be given to the neighborhood as well as occupational representation, as the latter, if adopted to the exclusion of the former, has the disadvantage, found in syndicalist schemes, of failing to give proper representation to the citizen as consumer. (For a discussion of the increasing part that is being played by the occupational group in soci-

National Guildsmen and the State.— Another stream of thought that has recently affected the socialist conception of the state comes from the national guildsmen. Their philosophy is described in the next chapter. Briefly they look upon the state as the instrument through which the citizen as consumer can best express his wishes, an “instrument for the execution of those purposes which men have in common by reason of ‘neighborhood,’” and its sphere, “those public matters which, broadly speaking, affect all the citizens equally and in the same way, that is, affect them as citizens,”⁵⁷ such, for instance, as education, health, housing, the maintenance of roads, international relations, the administration of laws, and, jointly with the producers, the fixing of prices, the determination of the amount of production and similar services. Representation to the councils of the state would be on the basis of neighborhood or inhabitancy, as at present. On the other hand, the control of industry would be given over to an organization of producers, which the guildsmen designate the national guilds, and which would be based on occupational groupings. Underlying the conception of the national guildsmen is the idea of organization by function, the theory that that group should be entrusted with the performance of a function who, by training and knowledge, is best adapted to undertake that activity. Some of the national guildsmen also stress the theory of dual sovereignty, and emphasize the necessity of equality between economic and political power under the guild system, Cole maintaining that, “if the indi-

ety, and the danger of over-emphasis, read Follett, *The New State*, Ch. XXIII. For a scheme presented by the socialists of the left in Germany to incorporate the soviet idea into the German constitution, see *The Nation*, International Section, July 12, 1919, p. 56.)

⁵⁷ Cole, *op. cit.*, p. 78.

vidual is not to be a mere pigmy in the hands of a colossal social organism, there must be such a division of social powers as will preserve individual freedom by balancing one social organism so nicely against another that the individual may still count.”⁵⁸ Other guildsmen, however, do not consider dual sovereignty as an integral part of the guild system.⁵⁹

The attitude of the guild socialist toward the inadequacies, on the one hand, of the bureaucratic state and, on the other hand, of the syndicalist society is similar to, if not identical with, the position held before the war by the majority of the political socialists throughout the world, including those of the American socialist movement. Guildsmen and socialists agree that both consumers and producers should have an adequate means of expression, and that both territorial and occupational representation should be incorporated in the future society. Socialists are perhaps not so inclined as are the guildsmen to limit the concept of the state to that of an organization representative of consumers and enjoyers, and to exclude from that concept the machinery through which the producers express themselves. At the same time they insist, as has been stated, on the separation of the “government-state” from the “industrial state.”⁶⁰

Organization by Function.—The theory of organization by function, moreover, while implicit in many of the socialist discussions, is not so explicit as it is in the guild socialist propaganda, nor has there been any discussion of moment in the organized socialist movement of the prob-

⁵⁸ *Ibid.*, p. 91.

⁵⁹ Hobson, in *National Guilds*, p. 133, declares: “We remain socialists because we believe that in the final analysis the state, representing the community at large, must be the final arbiter.”

⁶⁰ Vandervelde, *Socialism vs. the State*, p. 147.

lem of dual sovereignty enunciated by some of the guildsmen. The problems raised by the new school, however, are bound to have a very distinct influence on socialist thought in general.⁶¹

The war has led to other currents of thought in the socialist world of a somewhat conflicting nature. On the one hand the adoption by such working class governments as that in Russia of the system of conscription, and their resort, particularly after Allied intervention, to certain measures of suppression, have led many socialists of the left to justify the assumption by the proletarian state during the transitional period of very large powers over the individual citizen and to defend a temporary dictatorship of a militant conscious minority of the proletariat in the interest of the immense majority.⁶²

State Sovereignty.—On the other hand, the concentration of enormous industrial and military powers in the hands of the capitalist state during war time, the wholesale suppression of minority opinion, and the claim of the state over the direction of the whole range of activities of its citizens have caused many socialists to analyze anew the problems of state sovereignty, the rights of the state over the individual, and the relative claim of various groups on the loyalty of the citizens of a country. Many, as a result, have adopted the viewpoint of such political scientists as Harold Laski, as regards not only the cap-

⁶¹One of the few discussions on the subject has been that in *The Intercollegiate Socialist* between Dr. Jessie W. Hughan and Mr. Ordway Tead, in which the former argues against the idea of dual sovereignty, declaring, "decentralization, the devices of political democracy, the capacity for passive resistance to unjust law—these seem to me better safeguards than a dual government against the evils of absolute sovereignty." (*I. S.*, Feb.-Mar., 1919.)

⁶²The socialists at the Berne International Socialist Conference in February, 1919, attacked this position—see section under "Berne Conference."

italist, but also the socialist state, "that the allegiance of man to the state is secondary to his allegiance to what he may conceive to be his duty to society as a whole"; and that "the need for safeguards demands the erection of alternative loyalties which may, in any synthesis, oppose their wills to that of the state."⁶³

With Mr. Norman Thomas, they are increasingly agreeing:

"We are citizens not only of the state, but of the commonwealth, of art, education, science, and of letters; of the churches of our God, of the great world-wide brotherhood which ministers to us in body, mind and spirit. Ours is the spiritual relation to society which can never be perfectly satisfied by bowing down before the state and offering to it our blind service. The state is no metaphysical entity, it is simply one form of organization of men. Its powers should be increased only insofar as such an increase makes it possible for larger multitudes of people to fulfil the glory of personality, to love, to hope, to dream, to work together as comrades, each bearing his fair share of the common burdens of life."⁶⁴

Conflict Regarding Transition Stage.—The next few years are destined to witness a definite clash between those socialists who believe that it is necessary during the transition period for a proletarian government to use drastic measures against its opponent, so that the transition might become a more rapid one, and, on the other hand, those who, even at first, would greatly minimize the coercive powers of the state, on the ground that the temporary assumption of such powers is bound to prove more last-

⁶³ Laski, *Authority in the Modern States*, p. 122; see also Norman Angell, *The British Revolution and American Democracy*, Pt. III, for the necessity of freedom for the minority under a democracy.

⁶⁴ *The Intercollegiate Socialist*, December-January, 1917-18.

ing than is at first anticipated; that unethical means are likely to obscure ethical ideals, and that more effective means for securing social cohesion are at hand.⁶⁵

Summary.—Socialists have thus, for many years past, maintained that the state, under socialism, must be controlled by the mass of the people; that it must become less and less a “government of men” and ever more an instrument for constructive social endeavor, that it must be democratized in all of its parts, that it must provide an administrative machinery through which both consumer and producer might adequately express themselves; that it must scrupulously avoid a regimentation of its citizens, and that it must consistently apply the principle of decentralization.

The war has brought renewed prominence to the problems of occupational representation, of organization by function, of dual sovereignty, and the relative claim of state and other social groups over the activities of the individual. A reconstruction of socialist thought, as a result of recent developments, is now in process.⁶⁶

RELIGION AND SOCIALISM

Attitude of Socialists.—Passing from the industrial

⁶⁵ The extremists are at present writing inclined to call themselves Communist Socialists or Communists, to differentiate themselves from the more moderate socialists. Marx, it may be remembered, called the early socialists “communists” in his *Communist Manifesto*. The word communist was formerly used to designate that comparatively small group in society who believe in the common ownership of private property. The communist-socialists and present-day communists do not hold such belief.

⁶⁶ See also, among the recent literature on the state which is molding socialist thought, Follett, *The New State*; Laski, *Studies in the Problem of Sovereignty*; Russell, *Political Ideals*; Belloc, *The Servile State*; De Maetz, *Authority, Liberty and Function*; Cannan, *Freedom*, etc.

and political features of the socialist state, let us consider some of its social features. What, for instance, will be the status of religion under socialism?

Many of the opponents and even some of the adherents of socialism contend that socialism is opposed to religion. This position is based primarily on two premises: first, that many socialists have opposed organized religion; second, that the philosophy of socialism is itself diametrically opposed to the principles of revealed religion.

It is true that many of the pioneers of socialism, as well as many of its modern exponents, have denied the validity of religious tenets. This attitude may be explained on several grounds. The philosophy of socialism was formulated at about the same time that the scientific facts of evolution were first given to the world. The organized church in practically every country took the position at that time that these truths were in conflict with the teachings of the Bible, and that those who accepted them must be considered outside the religious pale. The socialists embraced the new scientific truths, and certain of their leaders declared themselves against that religion which both they and its supporters believed to be incompatible with true science.⁶⁷

The Church and Democracy.—Furthermore, the organized church, in many of the countries where socialism gained its first foothold, was a state church. As such, it generally fought on the side of an autocratic state whenever there was a conflict of interest between the state and the people. The workers, therefore, found the church lined up with their enemies in most battles for democracy. And even where the church and the state were not one and where the state no longer could be regarded as auto-

⁶⁷ See Spargo and Arner, *op. cit.*, p. 361.

cratic, the workers frequently felt that the former was too largely influenced by commercial and industrial interests which supported it. The Bible was too frequently quoted to prove the rightness of things as they were, and the wickedness of proletarian agitation. The result of this attack was a counter attack by the workers, within and without the socialist movement. Nor did the socialists and others in their attitude always nicely discriminate between certain forms of "churchianity" and religion generally. When socialists, embittered by clerical opposition abroad, migrated to other countries, they frequently continued their opposition, even though the reason for that opposition might have largely disappeared.

Neutrality.—However, the socialists as a body have time and again declared their neutrality on the subject of religion in their conventions and elsewhere. "The Socialist Party," reads the resolution passed at the 1908 convention of the American movement, "is primarily an economic and political movement. It is not concerned with matters of religious belief."

Socialists in this country represent every denominational creed. There is a Christian Socialist movement containing hundreds who believe that the logical application of Christianity to industrial life would lead to socialism, and some of the most eminent religious teachers in the country proclaim themselves adherents of the socialist philosophy.⁶⁸ In Great Britain the chief leaders in the Independent Labor Party are ardent members of the

⁶⁸ See also HUGHAN, *American Socialism of the Present Day*, p. 161. At a state convention of the Michigan socialists in 1919, speakers were instructed to explain the socialist stand on religion. This organization was subsequently expelled from the Socialist Party and induced the Communist Party to adopt a similar resolution.

conformist and non-conformist churches, while the Church Socialist League, with its large following among the clergy, is extremely active in the movement.⁶⁹

Theism and Economic Determinism.—It is also contended that the acceptance of the belief in the economic interpretation of history precludes the acceptance of religious belief. The reasons for this position are various. First, it is maintained that the economic interpretation of history, promulgated by the early socialists, excludes a belief that ethical forces influence history in any way; therefore such a belief is materialistic. But, as Professor Seligman so well expressed it,

“the economic interpretation of history, in the reasonable and modern sense of the term, does not for a moment subordinate the ethical life to the economic life; it does not even maintain that in any single individual there is a necessary connection between his moral impulses and his economic welfare; above all it does not deny an interpenetration of economic institutions by ethical and religious influences. It endeavors only to show that in the records of the past the moral uplift of humanity has been closely connected with its social and economic progress, and that the ethical ideals of the community, which can alone bring about any lasting advance in civilization, have been erected on, and rendered possible by, the solid foundation of material prosperity. In short, the economic interpretation of history properly interpreted, does not neglect the spiritual forces in history; it seeks only to point out the terms on which the spiritual life has been able to find its fullest fruition.”⁷⁰

⁶⁹ In Germany, of the 110 members of the Reichstag in 1912, 92 belonged to the established Protestant churches, 17 to other Protestant churches, 4 to the Catholic church, while 7 were Jews. Fifty-eight, on the other hand, belonged to no church, 6 declared that they had no religion whatever, and 2 were non-committal. (Walling, Stokes, Hughan and Laidler, *The Socialism of Today*, p. 30.)

⁷⁰ Seligman, *Economic Interpretation of History*, pp. 133-4.

Second, it is assumed that unless one believes that human progress has been primarily the result of the influence of spiritual and ideological forces, as contrasted with economic forces, one denies the omniscience of the Godhead in the development of human society. The socialist's reply is that it is just as reasonable to assume that an Infinite Power designed that the world evolve primarily through the conflict of economic forces as to assume that He expressed His will in the world only through spiritual forces.⁷¹ To acknowledge the efficacy of the law of gravitation and other physical laws in the universe, the socialist maintains, is by no means to deny the presence of the Deity. The economic interpretation of history does not deal with ultimate causes.

The confusion between the economic interpretation of history and the materialistic philosophy of life is due partly to the fact that the socialists first termed their philosophy the "materialistic philosophy of history," and partly because those who formulated the theory were themselves philosophic materialists with a desire to connect their philosophy of economic development with their general world philosophy, and to make of it a *Weltanschauung*. The followers of the socialist fathers, desiring to be no less "scientific" than were their teachers, were no more discriminating, and accepted both philosophies as parts of a whole.

Of course, materialism was not monopolized by the early socialists. As Rauschenbusch declares: "The socialist faith was formulated by its intellectual leaders at a time when naturalism and materialism was the popular philosophy of the intellectuals, and these elements were woven into the dogma of the new movement. Great movements al-

⁷¹ See Spargo, *Marxian Socialism and Religion*.

ways perpetuate the ideas current at the time that they are in their formative and fluid stage.”⁷²

Conclusion.— It is therefore seen that the premises on which the assertion is made that religion will have no place under socialism are ill-founded. The socialist is not necessarily opposed to religion. Growing thousands of religious men and women are embracing the socialist faith every year, because of the ethical teachings in their religion. Furthermore, there is no necessary conflict between the socialist philosophy and a theistic belief.

With greater leisure, with greater educational opportunities, with a better chance to lead a life in accordance with the highest ethics, the great mass of humanity will find it possible for the first time in the history of civilization to develop the ethical and the spiritual.⁷³

THE FAMILY AND SOCIALISM

Introduction.— Another important institution of present-day society is the family. What will be the form of family life under socialism? Many opponents accuse socialists of aiming at the destruction of this institution. This claim is based on several grounds.

Criticism.— It is stated that a number of leading socialists, for instance, Bebel, Carpenter and Bax, have unorthodox views regarding the reorganization of family life. To this socialists reply that the movement as such has never officially taken any stand on this subject, that the vast majority of members believe ardently in the institution of marriage, and that it is unfair to hold a move-

⁷² Rauschenbusch, *Christianizing the Social Order*, p. 110.

⁷³ See Hunter, *Why We Fail as Christians*, Ch. VIII; Scudder, *Socialism and Character*; Vedder, *Socialism and the Ethics of Jesus*, Chs. VIII–XII; Hillquit and Ryan, *Socialism, Promise or Menace*, Chs. V and VI; Spargo, *Spiritual Significance of Modern Socialism*; Ward, *The Gospel for the Working World*.

ment which counts its millions responsible for the views of a small minority of its membership. Furthermore, many of the quotations taken from the works of socialists, purporting to indicate opposition to the family as such, merely indicate, when read in connection with their contexts, an opposition to a perverted, commercialized status of family life witnessed too often in the present system.⁷⁴

Relation to Private Property.—In the second place, the anti-socialist is prone to declare that family life came into existence with the beginnings of private property, and will therefore disappear when private property is eliminated. This statement assumes, first, that the socialists are opposed to private property, when what they oppose is the system of private capital and, in the second place, that an institution that comes into being as the result of the growth of a particular relationship will necessarily disappear when that relationship ceases to exist — an assumption that does not always hold true.

And even if socialists did contemplate the abolition of private ownership in consumption goods, they contend that there would be many spiritual reasons making for a monogamic family.

The advocacy by many socialists of the economic independence of women provides another angle of attack. But the socialist replies with Engels: “remove the economic considerations which now force women to submit to the customary disloyalty of men, and you will place women on an equal footing with men. All present experiences prove that this will tend much more strongly to make men truly monogamous, than to make women polyandrous.”⁷⁵

⁷⁴ Such a case, for instance, is the perversion of the statement of Marx and Engels in the *Communist Manifesto*, p. 39.

⁷⁵ Engels, *Origin of the Family*, p. 99.

In fact socialists believe that the present system of capitalism, as has been indicated,⁷⁶ with its low standard of living, its long hours of toil, its ignorance, its overcrowding, its uncertainty of employment, and its many moral defects, make a genuine family life for tens of thousands of workers impossible, and that socialism, by furnishing a better economic and intellectual foundation for the mass of men and women, will make it possible, for the first time in civilization, for the burden bearers of the world to realize the possibilities of genuine home life.⁷⁷

TRANSITION TO SOCIALISM

History of Controversy.—How will the transition to socialism be effected? Socialists are loath to predict, asserting that the methods adopted will depend largely on the temper of the people at the time of socialization, and on the peculiar characteristics — economic, political, national, racial, etc.— of particular communities. Most socialists, however, have very distinct views as to the methods which, in their opinion, the workers should pursue in their onward march toward socialism.

These views have, throughout the history of the movement, divided socialists into separate camps. In the days of the first International, the question of tactics gave rise to a heated controversy between the Marxists, who depended on political and industrial action, and the anarchists under Bakounin who inclined toward violent methods. Later, in Germany and elsewhere, controversy waged over the relative desirability of the opportunistic tactics of Bernstein and his Revisionist School, and the “no compromise” tactics of Liebknecht, Kautsky and others.

⁷⁶ See Chapter II, p. 35.

⁷⁷ See Hillquit and Ryan, *op. cit.*, pp. 162-3; Spargo and Arner, *op. cit.*, p. 250.

Then came the syndicalist wave, with its emphasis on industrial action, and its scorn of parliamentarianism. Of recent years, with the outbreak of the Russian revolution, and the development of the soviet state, there has appeared throughout the world a wide cleavage on tactical grounds between the moderate socialists who were largely represented at the International Socialist Conference at Berne, and the socialists of the left wing, who are inclined to give their adherence to the so-called third International, formed at Moscow in the Spring of 1919.

Tactics of the Extremist Left.—The latter and more extreme school of socialists, the socialists of the extreme left, who sometimes refer to themselves as communist-socialists or communists, suggest the following line of tactics:

The workers, they assert, should organize themselves primarily on the industrial field. They should not ignore politics, but should look upon political parties not as instruments for the attainment of the socialized state, but merely as educational forces to be used in reaching the public with their propaganda. If socialists are elected to office, they should not waste their time in parliamentary debates over measures for social amelioration, but should use the legislature as a means "of keeping alive the burning ideals of revolution in the hearts of the people."⁷⁸

⁷⁸ The word "revolution," as used in most socialist literature, does not connote a violent overthrow, but merely a change from one system to another. The recent revolutions in Russia, Hungary, Germany and Austria, brought about not by political methods, but as a result of mass action, were also effected with the expenditure of little actual violence. It is interesting to note that, at a time when many socialists of the left are despairing of the efficacy of political action, except as a propaganda weapon, the French General Confederation of Labor, long looked upon as the center of syndicalist, anti-parliamentary activity, definitely decided to cooperate with the Socialist Party in waging political battles.

On the economic field, socialists should strive to organize the workers into industrial unions, as opposed to trade unions, and should particularly agitate in the "key" industries. They should constantly educate the workers in the value of "mass action,"⁷⁹ and should especially stress the power of mass demonstrations and general strikes.

Dictatorship of Proletariat.—The workers, the extreme left insist, should also form local and national workmen's councils or soviets. When the psychological moment arrives, they should seize the industrial and political machinery, transfer the power from the bourgeois political state to the proletarian state formed on the basis of workmen's councils, set up a temporary "dictatorship of the proletariat,"⁸⁰ permit only those engaged in useful

⁷⁹ Here again the words "mass action," or "revolutionary mass action," or "direct action," as ordinarily used in socialist literature, have no necessary connection with violence, although they do involve, of course, the use of economic or moral pressure. The general strike, for instance, constitutes a form of passive resistance, and may consist merely of the "folding of hands." In fact, many general strikes, such as the Seattle and Winnipeg strikes of 1919, were attended with little or no violence. In Seattle, and, during the Belgian strike of a few years ago, in Belgium, less crime was reported during the strike than in ordinary times.

Louis Fraina, one of the leaders of the extreme left in the United States, declares: "It is the great fact and hope of the machine proletariat that, during the great strikes of the unskilled, in which men and women speaking dozens of languages participated, there was no violence on their part, no hysteria of despair, but there was determination, solidarity, the aggressive spirit of the revolution in action. The proletarian revolution is not fostered by violence, but it makes use of industrial power and organized force." (Fraina, *Revolutionary Socialism*, p. 136.)

In fact, Professor Herbert Ellsworth Cory contends that, with the progress of the labor movement, the direct action of the workers tends to become ever less violent, contrary to the direct action of the capitalists. (See also article by Bertrand Russell in *The Dial* on "Democracy and Direct Action," May 3, 1919.)

⁸⁰ The word "dictatorship of the proletariat" is used in many senses. Marx and others undoubtedly meant by it that, when the

work to have any voice in the management of the newly formed state, arm the workers and suppress the bourgeoisie.

The proletariat should then proceed to develop a workers' control of industry, expropriate the banks, confiscate the railroads and all large organizations of industry — providing, possibly, for small investors,— and then advance in the direction of a complete communist-socialism. When that condition of society will have been attained, all citizens will be producers, classes will have disappeared, the dictatorship and coercive measures will have ceased, and the political state (used in the Marxian sense) will have passed into memory.

Tactics of Moderate Socialists.— On the other hand, the moderate ⁸¹ socialists feel that the workers should adopt a different line of tactics:

They should organize into independent parties of workers by hand and brain, into trade and industrial unions and into working class coöperatives. On the political proletariat movement—"the self-conscious, independent movement of the immense majority"—comes into power, it should conduct the government in the interest of labor, as the government in many cases had formerly been conducted in the interest of capital. Others believe that, as in Russia, the proletarians should, when they gain control, disfranchise all non-producers, and give the vote only to those doing what is deemed to be useful work. When the socialization of industry is complete, they claim, all would be producers, and the dictatorship of the proletariat would thus automatically become a dictatorship of the whole people. In the meanwhile any who wish to vote in the soviets might do so by becoming a worker. Another group using this term regard such a dictatorship as a dictatorship of a "militant, advanced minority" of the proletariat, who, through their control of strategic industries, and their advanced spirit of solidarity, can gain possession of the state and control it in the interest of the indifferent majority during the transition period.

⁸¹ The word "moderate" socialist is used, not in the technical sense used by the left wing socialists of the United States, but merely to differentiate the less extreme from the extreme left.

field they should join a workingman's party connected with the international socialist and labor movement and work persistently for the success of the political movement of the workers. Socialists who are elected to office should fight for measures calculated to give the workers more power and physical and intellectual strength, to the end that the mass of producers may become more effective in their fight for a higher civilization. At the same time, and primarily, legislators should use their vantage ground to educate the people in the principles of socialism and should beware of concentrating their main effort on small reforms which it is the interest of non-socialist reformers to advance. The workers should continue their struggle at the ballot box for the control of the machinery of government, until their aims are achieved.

In the meanwhile, socialists should, wherever possible, strengthen the economic wing of the labor movement — the trade and industrial union ⁸²— and should conduct an educational campaign for the purpose of persuading the workers of the advantages of close coöperation between existing unions, and, particularly, of the necessity of industrial unionism. They should urge the producers to fight not only for higher wages and shorter hours, but for a larger share in the management of shop conditions, for a new status in industry, and for complete industrial democracy. They should also teach the value of the general strike, and other legitimate mass movements for political and social ends, when these movements are properly planned and timed.

Socialists and workers generally should do their part in the development of the coöperative movement. Co-

⁸² The word worker in the socialist movement usually connotes not only the manual worker, but also the "intellectual proletariat," or, as the British Labor Party has it, the "worker by hand and brain."

operation provides a valuable training ground in industrial management, decreases the profits of the middlemen, and oftentimes is of great assistance during strikes and during the transition stages. In connection with all of these activities, furthermore, a strong educational work should be conducted. All of these movements will give to the workers, during their period of struggle, a training in industrial and political citizenship which will prove invaluable to them when they finally secure control of the government of the country.⁸³

Transition State.— After obtaining control of the government through the vote of the electorate, the socialist movement should see to it that the political machinery is made as responsive as possible to the desires of all of the people, and, most moderates claim, should insist on universal, equal and secret ballot, and on other democratic safeguards. A minority would favor methods more akin to the soviet idea. The movement should then proceed to the socialization of industry. All industry cannot, of course, be socialized at once. Even the Russian Soviet Government after it had issued numerous decrees for the nationalization of industries, deemed it necessary to call a

⁸³ The plan of the moderates does not involve a resort to violence, although contemplating the use of political and economic pressure. The majority of moderates look on the question of violence as a matter of expediency, and argue that, from the standpoint of the permanent interests of the working class, concentration on political and economic action and on general educational propaganda will bring out the best results. (See Kautsky, *Social Revolution*, p. 89.) Whether the great change will be brought about, in countries not yet socialized, by violent or peaceful methods, will, they claim, depend largely on whether the ruling class opposes, by violence, the registered will of the people. Such mass actions as the general strike are not regarded as violent measures. A minority of the moderate socialists oppose the use of violence under any circumstances as unethical.

halt on the further process of socialization until certain questions of management were worked out.⁸⁴

While it is thus impossible to socialize all industry at once, the moderates believe that industry should be taken over as rapidly as it is possible to provide adequate administrative machinery therefor, and are of the belief that, when the consciously directed will of the community is directed toward a social end, progress can not only be rapid, but safe as well.⁸⁵ While they are divided regarding the procedure for the socialization of industry, the majority are inclined to the belief that, if socialization occurs during times of comparative quiet, some form of compensation will probably be devised.⁸⁶ On this question there has been a shift to the left during the past few years.

⁸⁴ "Were we to attempt now to continue the expropriation of capital with the same intensity as heretofore, we would surely be defeated, for our work of the organization of proletarian accounting and control has—it is clear and obvious to every thinking person—not kept pace with the work of the direct 'expropriation of the expropriators.'" Lenin, *Soviets at Work*, p. 12.

Karl Kautsky, in his address read before the Congress of German Workers', Soldiers' and Peasants' Councils, held in Berlin on April 8, 1919, declared that headlong socialization had dangers no less than the continuation of capitalistic economy itself, and that three factors must cooperate in the socialized state, the workers, consumers and the technical scientific experts. "Socialization," he declared, "does not mean simply the expropriation of capitalism and of the great landed proprietors, but also a reorganization of the entire economic life. . . . This cannot be achieved in a summary way for all branches of industry, or without preparation. It must proceed step by step, and it will take years to carry it out in full." (See *The Nation*, International Relations Section, July 12, 1919, p. 56.)

⁸⁵ See Hobson, *The Evolution of Modern Society*, p. 402.

⁸⁶ Most socialist leaders prior to the war advised compensation of one form or another in the taking over of industry, not so much as a matter of right, but as a matter of expediency. Those who believe that industries should be confiscated declare that the capitalists have confiscated the earnings of the workers and the products

Thus, industries will be steadily socialized, one after another, until the coöperative commonwealth is attained.

Conflict of Views.—The foregoing analysis thus shows the existence of two distinct wings in the general socialist movement. Both wings have as their ideal some form of industrial democracy; both believe that the workers should use both political and industrial weapons to attain their ends. The left wing, or communist-socialist or communist group, as it calls itself, regards politics merely as a means of propaganda, scorns the immediate demands in the socialist platform, expects that the transition from

of the soil for years, and that confiscation would simply mean “the expropriation of the expropriators.” (See Hillquit and Ryan, *Socialism, Promise or Menace*, p. 75.)

Marx is constantly quoted, however, as declaring that “it [compensation] would really be the cheapest way of relieving ourselves” of the capitalist group. (Quoted in Vandervelde, *Collectivism*, p. 155.) Different forms of compensation are suggested. Some socialists favor giving the capitalists an annuity terminable within a reasonable period; others favor the issuance of bonds with a decreasing rate of interest, and with the ultimate repudiation of the principal or the payment of such principals in instalments (Hughan, *American Socialism of the Present Day*, p. 126), while still others advocate compensation based on the real value of the property, relieved of its water (See *The Intercollegiate Socialist*, Spring-Summer, 1913, p. 10). Most socialists contend that the government, on transferring industry from private to public ownership, should raise as much money as possible from such forms of direct taxation as the inheritance, income, and land values taxes. (Vandervelde, *op. cit.*, pp. 159–60; see also Kautsky, *Social Revolution*, p. 123.) Kautsky dwells on the difficulty of evading taxation on incomes under a system where the government has issued bonds to private owners. For other discussions on the subject see Jaurès, *Studies in Socialism*, p. 89; Spargo and Arner, *op. cit.*, p. 350.

Some socialists also advise among other plans that the government build its own plants, that it purchase stocks in private corporations until it secures the majority of shares, and that it compel the reversal of utilities to the public as a result of certain penalties and franchise provisions. The adoption by Russia of a policy of wholesale confiscation has probably inclined many socialists to reconsider this method in other countries.

capitalist to proletarian control will come as a result of industrial rather than of political action, and argues for the establishment of soviets, for the suppression of the political forms of the bourgeois state, when the workers obtain power, for the dictatorship of the proletariat, and for the confiscation of private capital.

The so-called moderate socialists, on the other hand, while encouraging various forms of working class activity — political, economic and coöperative — believe that the workers will be able, through political action, in countries where universal and equal suffrage prevails, to vote themselves into power; and that, when the control of government is thus obtained, the machinery of political democracy should be preserved and further democratized. In socializing industry, they incline to the belief that compensation in some form, rather than confiscation, would be the more expedient method. There is also a certain difference of opinion between the two groups regarding the expediency and ethics of the use of violence, and regarding the belief held by many that “the ends justify the means.” These differences are bound to be fought out from every angle in the next few years.⁸⁷

⁸⁷ There are, of course, numerous gradations of opinion between the two groups just described. In the United States the left wing view is held by the Communist and Communist Labor Parties, formed in September, 1919, and the moderate view to a considerable extent by the Socialist Party. Many members of the Socialist Party, while believing in the effectiveness of parliamentary action, lay greater emphasis on “direct action” as a means to the attainment of a new social order.

CHAPTER VI

GUILD SOCIALISM AND SYNDICALISM

GUILD SOCIALISM

Origin of Theory.—In the previous chapter we have referred to guild socialism and its relation to the socialist state. The theory of guild socialism has been recently developed in England by a group of writers centering around the English weekly, *The New Age*. In 1907 A. J. Penty, in *The Restoration of the Guild System*, first endeavored to apply to modern social problems something of the spirit of the mediæval guild, a cardinal principle of which was that “direct management and control should be in the hands of the producers under a system of regulation in the common interest.”¹ The idea was soon developed into a constructive theory of the national guilds, first by A. R. Orage and S. G. Hobson,² and later by G. D. H. Cole and other writers and speakers of the National Guilds League (formed in 1915).³

Composition of Movement.—The theory of the na-

¹ Renard, *Guilds in the Middle Ages*, p. xii.

² Orage, *National Guilds* (1913).

³ A most important contribution on the subject has recently been made by Mr. Cole, in his book, *Self Government in Industry* (1918). Other literature on the subject is Reckitt and Bechhofer, *The Meaning of National Guilds* (1919); Hobson, *Guild Principle in War and Peace* (1918); Penty, *Old Worlds for New* (1917); Russell, *Proposed Roads to Freedom*, and articles in *The New Age*, and the literature of the National Guilds League, 17 Acacia Road, St. John's Wood, N.W. 8, London, England.

tional guildsmen arose in part as a reaction against the bureaucratic collectivism advocated by many groups in English life,⁴ and, in part, as a protest against the inadequacies of syndicalism, and an endeavor to find a happy medium between bureaucratic collectivist and the syndicalist philosophy. It also contains numerous other currents of thought. As Reckitt and Bechhofer have expressed it:

“We should find the craftsmen’s challenge and the blazing democracy of William Morris; the warning of Mr. Belloc against the huge shadow of the servile state and, perhaps, something also of his claim for the individual’s control over property; the insistence of Mr. Penty on the evils of industrialism and its large scale organization, and his recovery and bequest to us of the significant and unique word ‘guild.’ We should find something of French syndicalism, with its championship of the producer; something of American industrial unionism, with its clear vision of the need for industrial organization; and something of Marxian socialism with its unsparing analysis of the wage-system by which capitalism exalts itself and enslaves the mass of men.”⁵

The Wage System.—Negatively, national guildsmen, as they prefer to call themselves — contend, together with the majority of organized socialists throughout the world, that the main drive against capitalism should not be a drive against poverty, but for the abolition of the wage system. Positively they maintain that the chief aim of the new social order should be the development of person-

⁴The guildsmen have been wont to hurl their shafts of ridicule against the alleged bureaucratic collectivism advocated by Sidney and Beatrice Webb, and other members of the Fabian Society. While their criticisms undoubtedly contained some truth, many of their attacks have been decidedly unfair.

⁵Reckitt and Bechhofer, *op. cit.*, pp. xiii-xiv.

ality, not mere industrial efficiency, and that the worker should be assured, at least, the following things:

“1. Recognition and payment as a human being, and not merely as the mortal tenement of so much labor power for which any efficient demand exists.

“2. Consequently, payment in employment and in unemployment, in sickness and in health alike.

“3. Control of the organization of production in coöperation with his fellows.

“4. A claim upon the product of his work, also exercised in coöperation with his fellows.”⁶

National guildsmen also emphasize, as has been stated, something of the ideal of William Morris and other socialists, the development of joy in labor, the bringing of beauty and art into the common work of the world. Only through giving the worker an opportunity for self-expression can this ideal be attained. Says Cole again:

“Freedom for self-expression, freedom at work as well as at leisure, freedom to serve as well as to enjoy — that is the guiding principle of his [Morris'] life. That, too, is the guiding principle of national guilds. We can only destroy the tyranny of machinery — which is not the same as destroying machinery itself — by giving into the hands of the workers the control of their life and work, by freeing them to choose whether they will make well or ill, whether they will do the work of slaves or of free men.”⁷

State Ownership and Guild Management.—Underlying much of their concrete proposals are the principles, enunciated in the foregoing chapter,⁸ of organization by

⁶ Cole, *op. cit.*, p. 155.

⁷ *Ibid.*, pp. 121-2.

⁸ See *supra*, section on “The Nature of the State Under Socialism,” p. 150.

function and dual sovereignty. Their criticisms of the present system and their ideal of the good life of the future have led guildsmen specifically to advocate the ownership of industry by the state, but the management of industry by democratic groups of hand and brain workers — including all of the producers in industry — organized into local, sectional and national guilds.

Organization of Consumers.— As has been stated, the guildsmen believe that, in a democratic society, the consumers should organize in a geographical association, the state, for the purpose of executing those purposes which affect all citizen-consumers equally and in the same way — such, for instance, as the maintenance of parks, roads, houses, water and other public utilities, education, health, the relations with other states, etc. On the other hand, producers should organize in a group that represents them and which is best fitted to give expression to the economic relationship between man and man.

Details of Democratic Management.— It is impossible, the guildsman declares, to picture the exact workings of the guild under the ideal order. Mr. Cole, however, suggests possible lines of development. He sees the national guild, the supreme council of the producers, composed of a number of works, corresponding roughly to the corporation of today, and each works containing a number of shops. The workers in each shop, he believes, should elect a shop committee to act as a counterpoise, where one is needed, to the authority of the foreman, and to serve as an intelligence bureau and executive of the shop. A works committee also should be chosen, consisting of representatives from each shop, elected, perhaps, by direct ballot. There should likewise be a district committee to coördinate production in the various works, and to arrange for the supplying of commodities to the municipalities and

other guilds. Representatives should be elected to this district committee from each works and from each craft in the district. Finally should come the national guild, made up of representatives from each district and from each craft. Each worker should have the privilege of casting two votes, one from his district and one from his craft. In addition to the national executive, there should be a national delegates' meeting, made up of representatives from each district, and from each craft in that district, which would, to all intents, serve as a final court of appeal.

Selection of Officers.— Guildsmen should elect not only committees of management, but also officers. Foremen should be elected directly by the workers in the shops, and heads of clerical departments, by the ballots of all the members of their respective departments. The works manager, who deals with production, should be elected by the workers in the manipulative side of the works; the manager of the clerical department, by the clerical workers; the general manager, by the works committee. Experts should be chosen by the various committees, subject to qualifying examinations. Such examinations should, in fact, play an important rôle in all elections. Tenure of office for lower officials might be for one year; for higher officials, for a longer period; for experts, at the pleasure of the committee. Sovereignty should reside in the representative body, or, in the last analysis, in the whole mass of members.

In production, the local units should be self-governing. The organization of exchange, however, should be carried on by a national authority in coöperation with the local authorities. The various works would supply their products to the district committees, which committees would

pay the works according to price lists prepared by the national guilds, quality as well as quantity being considered, and would take charge of the task of distribution.

Safeguarding the Consumer.—The consumer should be properly safeguarded against extortionate prices. This could be accomplished, if the state were given the power to collect a rent from each guild for government expenses, the rent being apportioned according to ability to pay. If a guild asked a monopoly price, it would thus be charged a higher rent, and “the state would thus receive in revenue what the consumer paid in enhanced prices.” As price fixing is a social function, it would probably be left to a joint congress equally representative of the state (or the consumers) and the guilds (or the producers). The state should also have a say in the determination of the amount of commodities to be produced.

Contribution of Guildsmen.—Although many of the suggestions of Mr. Cole will probably be modified and do not represent *in toto* the mature thought of all of the guildsmen, they nevertheless are valuable as giving a concept of the kind of system the guildsmen have in mind.

The guildsmen's opposition to the wage system and to bureaucratic collectivism, their acceptance of the principle of ownership of industry by a democratic community, their insistence on personality as the goal of social effort, their demand for democratic management, and their belief that the consumers should share in the fixing of prices and the amount of the product are all in line with the teachings of the organized socialist movement here and abroad.

Their insistence on organization by function and on the necessity of thinking through the details of democratic

control are new and welcome notes in the socialist and labor movement.⁹

Socialists and Guildsmen.—A number of socialists, together with some of the guildsmen, are not convinced of the correctness of the doctrine of dual sovereignty emphasized by Cole. With Philip Snowden, some socialists fear that the guildsmen “exalt too highly the importance of mere production by placing it in a position co-equal if not superior to the social organization for the satisfaction of the individual’s every need.” They contend that “production is not an end in itself. It is merely a means to the satisfaction of man’s varied requirements and needs which go to make up the fully developed life in a civilized community.” They fear to see even under socialism “the minds and efforts of *all* workmen too much devoted to the organization of production,” on the ground that it would lessen the workers’ interest in and their leisure for matters of far greater importance. For “it is as a consumer in the widest sense of the word,” they claim, that the worker “will realize his individuality and enjoy his freedom.”¹⁰

Some socialists are as yet unconvinced that the guild organization as worked out is absolutely necessary for securing the freedom which will satisfy the legitimate claims of workers, and some prefer joint boards of management, consisting of representatives both of the community and of the workmen, to exclusive control by the workers. Others, including John A. Hobson, declare that the political and industrial systems are bound in the future to be far more interwoven than at present, and that it is im-

⁹ Some socialists, however, feel that much of this attempt to picture the working out of the guild system is but a reversal to utopianism.

¹⁰ Philip Snowden, in “State Socialism and the National Guilds,” *The Socialist Review* (British), April-June, 1919.

possible to separate them in the manner proposed by guild socialists.¹¹ Other criticisms have to do not with the guildsmen's proposals, but with their pessimism concerning the efficacy of political action. On the other hand, in the left wing of the socialist movement may be found those who complain that the guildsmen have not relegated the state to a sufficiently obscure position.

Conclusion.—The criticisms, however, are far more in difference of emphasis than in difference of principle, and the vast majority of the organized socialists are grateful to this movement for its vital and important contributions.

SYNDICALISM

Introductory.—As guild socialism represents a compromise between the political socialist and the syndicalist ideal, so syndicalism represents a cross between socialism and anarchism. With the philosophic anarchists, syndicalists believe in the abolition of the political state.¹² They are convinced that the reconstruction of society will take place, not through political means, but through economic means—"direct action," the general strike, and that, under the new order, the ownership and control of industry should be placed in the hands of producers, as opposed to the consumers.

Origin of Movement.—The syndicalist philosophy had its birth in France, the home of small scale production and of revolutionary upheavals, where it captured the imagination of the French labor leaders.¹³ It has gained

¹¹ Hobson, *Democracy After the War*, pp. 181-2.

¹² Anarchists are opposed to every kind of forcible government. Anarchist communism advocates the communal ownership of land and capital, and the management of industry by free unions.

¹³ The syndicalist movement in France has had an interesting history. In 1884 a national Federation of Trade Councils arose in

considerable foothold in Italy, and among the Industrial Workers of the World in the United States and the effects of its teaching can be found to a greater or less

France, and fell into the hands of the Marxians. The socialists tried to make the federation a mere adjunct to the Socialist Party, and for this reason, and because of the purely local nature of the trade union movement, little progress was made. In 1887, to fill the needs of the local units, the Paris *Bourse du Travail* was formed, as a center of the trade union bodies of the district. The bourse soon became a center of revolutionary activity, and other bourses sprang into existence throughout the country. Six years later these bourses formed a Federation of Bourses du Travail and, the following year, absorbed the National Federation of Trade Unions. Fernand Pelloutier, a communist-anarchist, became secretary of the Federation, and, under his guidance, the bourses increased from 34 in 1894 to 96 in 1902. Pelloutier, during these years, worked not only for an increase in membership, but spread his ideal of free association of producers among the members, enthusing them with the syndicalist philosophy. The insistence of syndicalism, as first formulated, on the control of industry by the local groups, on the doctrine of the "conscious minority," and on the abolition of the political state was the inevitable result of the formation of syndicalism under the foregoing circumstances.

In 1895 the new General Confederation of Labor was organized in France, and seven years later, this organization fused with the bourses. At first, the bourses exerted an overwhelming influence on the policy of the confederation. Owing to the fact, however, that the municipalities gradually discontinued their subsidies from the bourses, these local units soon began to decline in numbers and influence. The national organizations became proportionally more potent. As a result of this new development, syndicalists are urging that, under their proposed system, ownership be not vested entirely in local bourses, as they formerly urged, but, partly at least, in national trade unions or federations. Few, however, have reexamined their position in terms of modern developments, and syndicalism "is, at the present time, even for France, something of a back number." (See Cole, *Self Government in Industry*, p. 319.) The Industrial Workers of the World in the United States, however, have worked out a plan more along national lines, with its various departments of agriculture, mining, transportation, etc. (See Preamble and Constitution of the I. W. W.) It is interesting to note that the French General Confederation of Labor, in 1918, decided to give up their policy of aloofness from political organizations, and for a while cooperated extensively with the socialist movement.

extent in the socialist movements of every country. The name is derived from *syndicat*, the French name for trade union.

Briefly the syndicalist philosophy is as follows:¹⁴

The Class Struggle.—The fundamental idea of syndicalism is the class struggle, an idea also fundamental in the socialist philosophy. Modern industrial society is divided into two classes — the owners and workers. Between these classes, there is a constant struggle. This struggle gradually develops a feeling of class solidarity and strengthens the moral fiber of the workers. The *syndicat*, an association of workmen of the same or similar trades, is the best organization to aid in this development. Political parties have such a heterogeneous composition, consisting as they do of men and women from all strata of society — and this is true even of the Socialist Party — that they tend to blur the struggle, and merge all classes into one. In the *syndicat*, the workingmen forget the things that divide them and are made to feel their solidarity with each other as well as the fundamental conflict between them and the employing class. They develop a self-imposed discipline, an ability to organize and a knowledge of the problems of the day. Industrial *syndicats* are preferable to craft unions, as the former develop a class, rather than a corporate solidarity.

Direct Action.—The *syndicats* are also the instruments with which the workingmen can enter into a direct struggle with employers. “Direct” action consists of the strike, the boycott, the label, and *sabotage*. The strike is the most effective method of waging the class struggle. All strikes have revolutionary significance. Strikes, how-

¹⁴ The best book on the subject is Dr. Louis Levine's *Syndicalism in France*. The following analysis is largely a summary of Dr. Levine's exposition.

ever, in which the workers rely on their treasury are likely to degenerate into mere struggles of strength between "two money bags," that of the employer and that of the syndicat. For the purpose of developing class solidarity, it is better to ignore financial considerations and to secure money in support of strikes from workers in other trades and localities. Sympathetic strikes are often of value. Strikes have a valuable educational effect, outside of the immediate gains in hours and wages, for they demonstrate the power and importance of the workers in their capacity as producers. The use of the label and boycott show as well the workers' power as consumers.

Sabotage.— Sabotage is also a weapon relied on by syndicalists. Sabotage is used to cover many acts. It may consist in "giving an unfair day's work for an unfair day's pay," in "loafing on the job," in becoming "a conscientious objector to efficiency," as a retaliation for injustice inflicted by employers. This form is summarized in the Scotch expression, *Ca Canny*, and in the French, *a mauvais paye mauvais travail*. Sabotage at times consists in obeying all of the rules and regulations of the industry, without applying discretion. Sometimes it takes a more active form to the detriment of the service or commodity, when, for instance, baggage or perishable goods are misdirected by railroad hands. At still other times it may consist in the temporary "chloroforming" or disabling of machines, such as in removal of screws, etc., for the purpose of preventing employers from carrying on production with the use of strikebreakers. "The syndicalists strongly condemn any act of sabotage which may result in the loss of life."

The War Against the State.— The war of the syndicalists is directed not only against the capitalist class as such, but also against the state, which they regard as the

political organization of the capitalist class, used—whether monarchical or republican in form—to protect property against the demands of the workers. In their fight for freedom, therefore, the workers must seek to abolish the state.

Struggle Against the State.—This struggle against the state must also be carried on by “direct” methods. The syndicates must not engage in parliamentary or political campaign activities, for parliamentary activities are opposed to the principles of “direct action.” The workers can derive no benefit therefrom. The parliamentary system breeds petty, self-seeking politicians, corrupts the better elements that enter into it and is a source of intrigues and “wire-pulling.” The so-called representatives of the workmen do not and can not avoid the contagious influence of parliament. Their policy degenerates into bargaining, compromising and collaboration with the bourgeois political parties and weakens the class-struggle. The syndicates, therefore, if not hostile, must remain at least indifferent to parliamentary methods and independent of political parties.¹⁵

This fact, however, does not exclude the unions from exerting pressure on political institutions. Pressure should be exerted, but directly, through mass meetings, manifestoes, the press, demonstrations and the like. Actual social reforms secured through these means are the only reforms worth having from the standpoint of the working class. All others are dead letters. Labor laws pushed through wholly as a result of the efforts of the democratic legislators, such as laws relating to arbitration and conciliation, are devised to weaken the revolutionary fervor and strength of the workers. For they suggest an

¹⁵ Levine, *Syndicalism in France*, p. 130.

unreality, namely, class harmony, and blind the workers to the real antagonisms.

Patriotism.—Syndicalists, prior to the war, also claimed that “patriotism” was used by the state for the purpose of blurring the lines of the class struggle.

“The workingman’s country,” they maintained, “is where he finds work. In search of work he leaves his native land and wanders from place to place. He has no fatherland (*patrie*) in any real meaning of the term. Ties of tradition, of a common intellectual and moral heritage do not exist for him. In his experience as workingman he finds that there is but one real tie of economic interest which binds him to all the workingmen of the world, and separates him at the same time from all the capitalists of the world.”¹⁶

The state uses not only ideological forces in suppressing the revolutionary spirit of the workers, but also material forces. These include the judiciary, administrative machinery, and, particularly, the army. The last named is effective in crushing strikes, in robbing the workers of their feelings of independence, and in promoting militarism. It is the duty of the syndicalists to fight militarism, especially in the army. Here the soldiers should be shown their class interests and be made to realize that, after they leave the ranks, they themselves will be a part of the working class.

Prior to the decisive battle — the general strike — the workers, through “direct action,” will be able to wrest certain reforms from the employers and the state. These reforms will not satisfy them, inasmuch as they will not fundamentally change the conditions of the wage-system, but will strengthen labor’s hands, and place the workers in a better position for the final conflict. This conflict is

¹⁶ *Ibid.*, p. 131.

not coming as a bolt from heaven. It will come as a result of years of careful preparation.

The Militant Minority.— This preparation will be the result of the agitation of a conscious, militant, intelligent minority, ardently devoted to the interests of their class, rather than of a majority of workers. In parliament, the minority who rule have a vitiating effect on society, because they desire to maintain their mastery over the masses, and to do this they must keep the masses submissive. The conscious minority in the syndicalist movement, however, are the vanguard of the working-class, the vanguard of progress. Their success depends on their backing by the mass of workers, and that support will only come if those workers develop in energy and alertness. The idea of the "conscious minority" is opposed to majority rule, but majority rule in politics, operating through universal suffrage, "is a clumsy, mechanical device, which brings together a number of disconnected units and makes them act without proper understanding of the things they are about."

The syndicat, which is leading the struggle for the emancipation of the workers, is organized by the able, aggressive minority. It may never include the majority of workers. As, by the sacrifices of its members, it obtains better conditions for the workers as a whole and embodies their highest ideals, it has the right to assume labor's leadership. It is this militant minority group that is preparing the way for the general strike and for the new and free society.

The Syndicalist Ideal.— The political state, as we know it, will be abolished. Industry will be owned collectively by the industrial organizations. The cell of the syndicalist society will be the local trade union or syndicat. The producers of the same trade, joined in this syndicat,

will control their means of production. No syndicat will be the exclusive owner of any portion of the collective property, but merely a user of it, with the consent of society as a whole.

The syndicat will connect itself with the rest of society through three main associations — (1) the national federation of that particular trade, (2) the *bourse du travail*, the central union of a locality, which will federate the syndicat of several trades, and (3) the general federation, the national grouping of all syndicats. The least important of the three groups will be the national federation of a particular trade, and the relations between the syndicat and its national body will be merely technical. The relation of the syndicat to the general federation will be chiefly indirect, the local *bourse du travail* being the mediator. The most important of the relationships, will, of course, be that between the syndicat and the *bourse du travail*.

The *bourse du travail* will take charge of all local interests and serve as a connecting link between a locality and the rest of the world. It will collect necessary economic statistical data; arrange for the proper distribution of products; facilitate the exchange of products between locality and locality and provide for the introduction of raw materials from outside. "In a word, the *bourse* will combine in its organization the character both of local and industrial autonomy. It will destroy the centralized political system of the present state and will counterbalance the centralizing tendencies of industry."¹⁷

Only services of national importance will be left to the general federation, and even here its managerial power will be but secondary, that of the bourses and national federa-

¹⁷ *Ibid.*, p. 135.

tions being of primary importance. The general federation will act as the representative of the people in international relations; will give needed information to the various industrial units, and will have general powers of supervision.

The state, which imposes arbitrary and oppressive rules from without, will be sloughed off. The bourses will perform any needed local administration.

Syndicalists have done comparatively little speculating concerning the future state, as they are convinced that workingmen will find in themselves sufficient creative power, when the time comes, to remake society.¹⁸

Socialists vs. Syndicalists.—Socialists have acknowledged the vitalizing influence of the syndicalist movement, and its value in pointing out the dangers of bureaucratic control of industry and opportunistic parliamentarianism. The syndicalist philosophy of industrial, as opposed to political action, and of producers', as opposed to community ownership and control of industry, has been accepted in part by the left wing of the socialist movement. On the other hand, syndicalism has been vigorously criticized by the less extreme socialists on the ground that, in ignoring politics, it is failing to utilize an important weapon for social progress, and in preaching control by a minority of the population, even though by a minority of the advanced proletariat, it is striking a blow at the

¹⁸ Among the important books on this subject may be found Dr. Louis Levine's *Syndicalism in France* (1913); Brissenden, *The I. W. W.—A Study of American Syndicalism* (1919); Brooks, *American Syndicalism* (1913); Cole, *Self-Government in Industry*, Appendix A (1918); Scott, *Syndicalism and Philosophic Realism* (1919); John Spargo, *Syndicalism, Socialism and Industrial Unionism* (1913); J. Ramsay Macdonald, *Syndicalism* (1912); G. Sorel, *Reflexions sur la violence* (1910); Warner Sombart, *Socialism and the Social Movement* (1909); Andre Tridon, *The New Unionism* (1913); Russell, *Proposed Roads to Freedom*, Ch. III (1919).

socialist conception of true democracy. Many socialists also deprecate the use of certain forms of sabotage as injurious to the morale of the workers.

Furthermore, syndicalism would eliminate the state, which has many legitimate social functions to perform as the representative of the consumers. Syndicalism would also concentrate in the hands of producers all economic power, and would give a dangerous weapon to the workers in strategic industries.

CHAPTER VII

TENDENCIES TOWARD SOCIALISM

MANY movements and institutions are observable to-day which, consciously or unconsciously, are preparing the economic soil for socialism, for the more complete and democratic control by the community of their own industrial life.

THE CORPORATION

In the business world, the development toward the corporation has been considered by many "as the first step toward socialism." The reasons for this contention are, in part, as follows:

Lessons from Corporations.—The corporation tends to eliminate competition between industrial concerns by providing for the pooling of large numbers of small capitals — which might otherwise be used in competing industries. This coöperation, although for private gain, provides a practical demonstration of the economic savings possible under a more advanced coöperative system and renders the transition from private to public ownership an easier process than would otherwise be the case.¹

The corporation proves the socialist contention that it is possible, through improved methods of accounting and administration, to conduct business on a national scale. It develops a type of administrator who has little or no stake in the profits of the concern, but who depends for

¹ Steinmetz, *America and the New Epoch*, p. 166.

his incentive primarily on his salary. It dissociates the owner from any necessary function in industry outside of that of investing, occasionally attending stockholders' meetings, and clipping dividends. These functions can be easily absorbed by the community and the private capitalist can thus be eliminated without any loss to society.

Finally, by massing huge bodies of workers under one roof, by concentrating industrial control into a few hands, by fostering, in many instances, monopoly prices and corrupt political practices, the corporation arouses a spirit of solidarity among producers and consumers, and an increasing demand for collective as opposed to private ownership of essential industries.²

SOCIAL REFORMS

Extent of Labor Legislation.—The general enactment of social reform legislation is regarded by many socialists as a further tendency toward a socialist society. During the last generation, hundreds of labor laws have been placed on the statute books in every industrial nation — laws for the prohibition of child labor, for a minimum wage, for reasonable hours of employment, for social insurance against accident, sickness, old age and unemployment and for better working conditions generally. The community has interfered with the accumulation of unlimited profits through the taxation of incomes, inheritances and excess-profits. It has extensively regulated private industry through factory and housing legislation, through weights and measures and adulteration laws, through laws for the evaluation of property, for the fixing of prices on certain commodities and services and for the keeping of standard accounts, etc.³ Most of these laws

² See also Kirkup, *Inquiry Into Socialism*, pp. 190–2.

³ In dealing with the extent of governmental regulation prior to

— to the extent that they are enforced — limit the private capitalist in the management of his business, and give to the state an ever increasing control over the actual conduct of industry.

Criticism of Reforms.— It is true that some socialists believe that these social reform measures as a whole have more of a tendency to retard than to advance the cause of socialism. These socialists maintain that, to the extent that these measures actually ameliorate the conditions of the working class, they assuage the discontent of the workers, and make the proletariat less militant in their opposition to capitalism. Conditions must grow worse before they grow better. Only when the working class sees the utter impossibility of living under the present system will it voice an effective demand for another social order.

It is of course a fact that many non-socialist reformers take the same point of view, and advocate social legislation as a means of averting the revolution. Some enlightened capitalists have also urged measures of social reform in order to obtain a more efficient group of workers, while autocratic countries have adopted these measures for the purpose of developing a more loyal working class and a more effective army.

It is undoubtedly true that certain social reforms do lessen discontent with the present system. If inaugurated

the war over the railroads of the country, Professor W. H. Hamilton declared: "We have created a system of regulations which involves supervising accounts, evaluating property, fixing rates, and standardizing property; which threatens supervision of expenditures and investment; and which tends to limit the railroad to a definite guaranteed return on its investment. Control is very rapidly passing into the hands of the state. The step to the formal assumption of management is but a short one." (Hamilton, *Current Economic Problems*, p. 345.) See also Parmalee, *Poverty and Progress*, Pt. III, and Commons and Andrews, *Principles of Labor Legislation*.

and enforced by the middle or capitalist class without the effective urge of the workers, they have a tendency to induce the workers to depend on others, not on their own solidarity, for improved conditions. Certain reforms which make the workers more secure in the enjoyment of special privileges, as does much of our agrarian legislation, develop a group of small proprietors opposed to revolutionary change. And, social reforms, if the government is in the hands of an oligarchy, may actually be used in behalf of aggressive nationalism.

Advantages of Reforms.—A majority of socialists, however, believe that, on the whole, social reforms bring the goal of socialism nearer. For these measures have a tendency to undermine the power of the capitalist; to whet society's appetite for further and more effective control over their industrial life; to give to the public servants valuable experience in the control of industrial functions, and to strengthen the working class physically and intellectually, so that they may become ever more powerful in their fight for emancipation.⁴

THE VOLUNTARY COÖPERATIVE MOVEMENT

Origin of Coöperation.—Voluntary coöperation constitutes another undermining influence on the competitive system. In 1843, in Toad Lane, Rochdale, England, a small band of weavers combined their savings and opened a coöperative store, controlled by working class consumers. The conduct of the store differed from that of private ventures by virtue of the fact that every member who paid his initial fee possessed one vote in the determination of the policies of the store and one vote only, and that members secured returns in proportion to the amount

⁴See Hillquit, *Socialism in Theory and Practice*, Pt. II; Ghent, *Socialism and Success*, Ch. II.

of purchases made. The store was thus an experiment in the running of industry for service, not for profit, and in the democratic management of industry by the consumer.

The movement steadily grew, and by 1916 the one store had evolved in the United Kingdom into 1,362 distributive societies; the number of members, from 18 to 3,520,227; the share and loan capital, from some £30 to £53,323,352; the business, from a few pounds a week, to £121,628,550 a year; the net profit, a large part of which was returned to the purchasing members, from a negligible quantity to £16,335,079, and the number of employees, from two volunteer workers to 115,651.⁵

From Retail to Wholesale.—The coöperatives also went into the wholesale business, into manufacturing, into farming, into insurance and into the banking business. By 1910, the coöperatives had developed into one of the largest buyers of produce from England on the New York Produce Exchange, and the largest shipper of butter from Ireland; they possessed forty to fifty factories, including the largest shoe factory of Great Britain; they were the most extensive flour millers in Great Britain, and owned 30,000 acres of farm land in England and 10,000 acres of Canadian wheat land. They possessed tea estates in India and Ceylon of nearly 18,000 acres and large concessions in West Africa; their banking department had deposits and withdrawals of more than a billion dollars a year; they had their agents in dozens of countries and were spending annually tens of thousands of dollars for educational purposes, were growing several times as fast as the British population, and were proving such a thorn in the flesh of the British merchant class that, at

⁵ *The Labor Year Book*, 1919, p. 332.

a recent convention in Glasgow, the coöperatives were described as "the devil let loose upon trade."⁶

On the Continent.—The coöperative movement has also taken root in continental Europe, in Belgium, Germany, Russia, France, Italy, Denmark and practically every other industrialized country, and, in 1914, it was estimated that there were twenty-four wholesale societies scattered all over Europe, five of which had an annual business of over \$40,000,000.

In fact, in 1914, since which time the coöperatives in many countries, despite enormous difficulties, have increased steadily in business and influence, the status of the European coöperative movement was estimated to be as follows:

DISTRIBUTIVE SOCIETIES 1914

| Land | Number of Societies | Number of Members by Thousands | Number of Coöperators in Each Thousand Inhabitants | Sales in Millions of Francs |
|---------------------|---------------------|--------------------------------|--|-----------------------------|
| British Isles | 1,385 | 3,054 | 264 | 2,200 |
| Germany | 2,375 | 2,000? | 121 | 700? |
| Russia | 13,000 | 1,500 | 34 | 800 |
| France | 3,261 | 881 | 90 | 321 |
| Austria | 1,471 | 500? | 70 | 180? |
| Italy | 2,283 | 450? | 51 | 170? |
| Switzerland | 396 | 276 | 290 | 144 |
| Denmark | 1,560 | 250 | 350 | 150 |
| Hungary | 1,750 | 200? | 40 | 80? |
| Belgium | 205 | 170 | 90 | 48 |
| Sweden | 608 | 153 | 108 | 61 |
| Holland | 135 | 108 | 72 | 26 |
| Finland | 512 | 100 | 120 | 63 |
| Poland | 950 | 96 | 33 | 42 |
| Spain | 200 | 40 | 30 | 16? |
| Norway | 172 | 39 | 42 | 23 |

Professor Gide asserts that "if to the table be added the

⁶ See Laidler, *British Coöperative Movement*.

societies in the Balkan States, Portugal, the United States, Canada, Japan, the Cape, India and the West Indies, there would be thirty thousand more societies and ten million members, each representing a family, and with sales of five milliards of francs. This means that a population of from forty to fifty millions of people are actively interested in distributive coöperation. Furthermore, in practically every country there has been a remarkable increase in coöperative sales since the beginning of the war.⁷

Nor does this table include the innumerable building and loan, agricultural, credit and productive coöperative societies. It must be remembered that there are more than 10,000 building and loan coöperatives in the United States alone; at least twenty-thousand agricultural coöperatives in the world and 50,000 to 60,000 credit "coöps."

Recently also the movement has made remarkable strides in the United States, particularly among the Illinois miners, the organized workers in Seattle and around Pittsburgh, the Finns of New England and the Middle West, and other groups.⁸

Contribution of Movement.—Many socialists contend that little can be expected of the voluntary coöperative movement as a means of advancing the cause of industrial democracy. The movement, they claim, absorbs the energies of thousands who would otherwise be engaged in more fundamental propaganda, and creates among the workers a "petit bourgeoisie" psychology, while it gives to the majority of its members no further conception of the value of workers' control of industry than they obtain from the receipt of the "dividends" or return-savings at the end of the quarter.

⁷ Harris, *Coöperation the Hope of the Consumer*, p. 250.

⁸ See Perky, *Coöperation in the United States*, and literature of the Coöperative League of America, 2 W. 13th St., N. Y. City.

The majority of organized socialists in Europe, however, have consistently supported the coöperative movement. They admit many of its shortcomings. They nevertheless believe that the coöperatives provide an excellent training school for industrial management; that, by eliminating the profits of the middleman, they increase the physical well-being of thousands of workers and make them more capable of effective work in behalf of a more complete industrial democracy; that they afford food and financial support to labor during strikes and periods of unemployment, and provide valuable educational facilities for the working class.

The coöperatives, furthermore, furnish a practical illustration of the economic superiority of coöperation over competition. They give an additional proof that other incentives besides the profit incentive can be depended on to induce administrative officers to do their best work. These proofs of the correctness of many of the socialists' contentions, as well as the physical and intellectual advantages which accrue to the working class through the coöperative movement, are thus distinct aids to the intellectual and manual workers in their march toward a more complete economic democracy.⁹

⁹ Both the Socialist Party and the Communist Party of the United States indorsed the coöperative movement in their conventions of September, 1919. For further information on this subject see Harris, *Coöperation the Hope of the Consumer* (1918); the Supplement to *The New Statesman*, for May 30, 1914, on *The Coöperative Movement*, prepared by the Committee of the Fabian Research Department on the Control of Industry; *The History of Coöperation* by George Jacob Holyoke (1907); and pamphlets published by the Coöperative League of America, 2 West 13th Street, New York City, and by the International Coöperative Alliance, 14 Great Smith Street, Westminster, London, S. W., England.

PUBLIC OWNERSHIP

Extent of Ownership.— A further development away from individualism has been the world-wide trend toward government ownership of public utilities and other industries and services. This process has been evidenced chiefly in the realm of communication, transportation and education and, to a lesser extent, in the domain of natural resources, finance, commerce and manufacture.¹⁰

The industry of communication and transportation, the largest of all businesses, "is steadily and increasingly, throughout the civilized world, passing into one or other form of government organization."¹¹ The delivery of mail is now a public service in practically every civilized country. The telephone and telegraph services are largely under public control. In 1914 one-fifth of the cable-mileage of the world was publicly managed. In that year, "out of nearly seventy governments, large or small, having railways at all," according to the Fabian Department, there were fifty in which government administration prevailed either wholly or with small exceptions. Great progress toward municipal ownership has been evidenced in the case of the municipal tramway systems. Numerous shipping lines are now run by European governments.

In the realm of natural resources, the larger part of the forests of civilized countries are under government control. Many governments own vast mineral resources. Water-falls are steadily coming under public supervision

¹⁰ A state of society in which large numbers of fundamental industries are owned by the government, but in which a small class dominates the government has been variously referred to as "state capitalism" or "state socialism."

¹¹ Fabian Research Department on the Control of Industry, *State and Municipal Enterprise*, Supplement to the *New Statesman*, pp. 12-13.

in most of the European countries. In the domain of finance, through the postal savings banks and other public agencies, governmental banking is invading the field to such an extent that the postmaster general in each of the leading countries is now considered the largest banker in his respective community. The advance in governmental insurance has of late been particularly marked. Governments have also undertaken regular commercial enterprises more extensively than is generally realized.

“We have on a larger or smaller scale,” declared the Fabian Research Department, “government mines and quarries and brickworks; government iron and steel and tin and copper works; government tanneries and saw mills and leather and wood works; government flour mills and bakeries and slaughter houses and distilleries and breweries; government clothing factories and saddlery and bootmaking establishments; government furniture factories and scientific instrument workshops, and the manufacture, in one place or another, of every conceivable commodity, directly under the control, and for the use of, the consumer himself.”¹²

Education and Health.—If we consider those services which directly affect the mind and body of the citizen of the country, we find a similar development. “Nearly the whole industry [of education] has, within a century, passed from being, for the most part, a profit-making venture of individualist capitalist school-masters, into a service almost entirely conducted not for profit but for use.” In the realm of recreation, art, and literature, we find an astounding development of public parks, zoölogical gardens, gymnasiums, golf links, libraries, art galleries, reading and lecture rooms, theaters, opera houses, dance halls, tourists’ bureaus, watering places, and other recreational and educational agencies. Many governments have

¹² *Ibid.*, p. 11.

also become quite the largest publishers of books and other educational matter. So extensively have many public bodies engaged in the fight against disease that "a majority of all of the medical practitioners have been brought into governmental pay in one form or another." There has of late been a marked increase in public housing and lighting schemes. During the war public control and ownership increased to a remarkable extent. It is as yet impossible to judge how much of this collectivism will remain public, how much will return to private hands.

In estimating, prior to the war, the future developments of this trend, the Fabian Department again maintained:

"Even if no more were accomplished within the next thirty years than in bringing under the public administration, in all the countries of the civilized world, those industries and services which are today already governmentally administered in one or other of the countries, the aggregate volume of state and municipal capital and employment would be increased probably five or six fold. . . . Such an increase, without adding a single fresh industry or service to those already successfully nationalized or municipalized in one country or another, would probably bring into the direct employment of the national or local government an actual majority of the adult population; and along with the parallel expansion of the coöperative or voluntary association of consumers in their own sphere, would mean that probably three-fourths of all the world's industrial capital would be under collective or non-capitalistic administration, whilst three-fourths of all the households might be enjoying the permanence, the social dignity, the security and the incomes deliberately adjusted to the cost of living that mark the best example of state employment."¹³

Developments in Russia and other countries under pro-

¹³ Fabian Research Department, *op. cit.*, p. 32.

letarian control and war-collectivism in non-socialist countries have greatly augmented these tendencies.¹⁴

Limitations of Government Ownership.—Government ownership as we see it today in capitalist countries must not be confused with the public ownership and democratic management which is the ideal of the socialist movement. It has, from the standpoint of a socialist, a number of vital defects and contains a number of dangers, which, if unchecked, might seriously retard the democratic movement. At times it has given to a small ruling government class a dangerous power of coercion over large numbers of public employees. It has ensured to a bureaucracy a revenue for governmental purposes which has made governments more or less independent of legislative appropriations. Certain government industries have served, not as a means of giving better or cheaper services to the community, but of securing a profit to be used in governmental expenditures, to the end that the rates of taxation on the well-to-do might be reduced. The purpose of nationalizing other industries was clearly to secure for stockholders receiving uncertain dividends from private concerns a regular, though moderate, income from government bonds. Little democratic management has been in evidence in most of the government industries. Workers have been treated too much as automata. In but few cases has the political machinery of government been adjusted adequately to the new industrial functions that the government is constantly assuming.

¹⁴ For an analysis of this tendency toward "state socialism" or "state capitalism," see Davies, *The Collectivist State in the Making*; Walling and Laidler, *State Socialism—Pro and Con*; Laidler, *Public Ownership Throughout the World*, etc. The manner in which governments have taken charge of industries during the war is described in Gray, *War Time Control of Industry*, and Laidler, *Public Ownership*.

If a nation enters into war for the aggrandizement of a ruling class, the control of government industries at times renders that ruling class more effective in their plans of aggressive nationalism. When, therefore, the government is in the hands of a small ruling group, and the working class has little power industrially or politically, government ownership is by no means an unmixed blessing to the mass of workers. It is for that reason that socialists have contended that the first step should be control of the government by the producing class; the second step, the socialization of industry.¹⁵

A Step Toward Industrial Democracy.— On the other hand, government ownership, particularly where the workers — though not in control — constitute a strong and well organized minority, prepares the soil in certain ways for a more democratic collectivism. It gives to public servants a training in the control of industrial life that makes them ever more capable of managing further enterprises. It demonstrates how the waste of competition may be eliminated. It frequently provides better services to the consumer. “Taking all things into account,” maintains the Fabian group, “the government products are more certainly reliable in quality, more certainly continuous in supply, and, on the whole, . . . more economical in cost and cheaper in price than those supplied by capitalism; whilst the gain in being sure that there will be neither adulteration nor short weight, neither cheating nor taking advantage of the necessities of the more ignorant or weaker buyers, or of periods of scarcity, is, in some departments, beyond all computation.”¹⁶

¹⁵ See Vandervelde, *Socialism vs. the State*, Pt. II; see particularly p. 208; for the dangers of state socialism see also Angell, *The British Revolution and the American Democracy*, Pt. III, Ch. I; Hillquit, *Socialism in Theory and Practice*, pp. 284-8.

¹⁶ Fabian Research Department, *State and Municipal Enterprise*, p. 31.

It indicates, as does voluntary coöperation, that industry may be run without the profit motive. It assists the cause of democracy by taking away from the government the corrupting and autocratic pressure of big business; by decreasing the high salaries found in private concerns, and raising, to some extent, the standards of the ordinary worker; by giving the mass of people an additional incentive to fight for the control of the government machinery, and by augmenting the importance of the industrial as against the coercive political functions of government.

To the extent that capital is nationalized, to that extent is the government relieved from the pressure brought to bear under private ownership to safeguard private investments in undeveloped countries even at the point of the sword.

For the mass of clerical workers and the skilled workers, government ownership has generally meant greater security of employment, a higher standard of wages and fewer hours of work than in private industry, and it is thus possible for them to concentrate on the more fundamental struggle for democratic management.¹⁷ For the unskilled worker, while there has been a slight tendency, in the few years prior to the war, to give to him more economic security, this tendency has not been marked.

Centralization Not a Necessary Accompaniment.—Nor has this trend toward public ownership meant the concentration of industry in the hands of the nation as opposed to the local municipal bodies.

“On the contrary, there is in practice, by the rapid growth of autonomous municipal enterprises, in every country a vast multiplication of separate employers, in contrast with the

¹⁷ Cole, *Self-Government in Industry*, p. 209.

rapidly growing supremacy in capitalist enterprise of the colossal national trust or combine; . . . there is every reason to infer that, in comparison with joint-stock capitalism, government management of industry means, ultimately, in this way, a larger number of independent employers and an increase in local control.”¹⁸

It gradually produces within certain spheres of the industrial life a new ethics of “each for all and all for each,” for the ethics, “each for himself and the devil take the hind-most.”

And, finally, when the workers obtain control of government, they find their task half performed. Nationalization has already taken place. The one task remaining is that of so transforming the machinery of government that it may be used for democratic and international ends and subserve the interests of the entire community.

THE LABOR UNION

Extent of Trade Unionism.—Of marked significance in the progress toward industrial democracy is the organization of labor on the economic field. Such organization has taken place in every country where the capitalist system of production has taken root. In the United States, in 1910, 5.5 per cent. of those gainfully employed in industry, 7.7 per cent. of those included in the wage-earning population, and 18.4 per cent. of the army of producers who may be regarded as the potential trade union membership, had organized in the trade union movement.¹⁹

In the advanced European countries, a much larger number of workers had joined labor unions, and immedi-

¹⁸ Fabian Research Department, *op. cit.*, p. 32.

¹⁹ See article by Dr. Leo Wolman, *American Labor Year Book*, 1916-17, pp. 54-59.

ately prior to the war, the trade union membership of the important countries was estimated as follows:

TRADE UNION MEMBERSHIP, 1914

| | | | |
|---------------|-----------|------------------------------|------------|
| Austria | 748,760 | New Zealand | 71,544 |
| Belgium | 202,746 | Norway | 64,108 |
| Denmark | 152,787 | Sweden | 97,252 |
| France | 1,026,302 | Switzerland (1912) | 131,380 |
| German Empire | 3,835,660 | United Kingdom ²⁰ | 3,928,191 |
| Hungary | 97,000 | United States | 2,604,701 |
| Italy (1912) | 971,667 | Other countries (1912) | 237,165 |
| Netherlands | 220,275 | Total | 14,389,538 |

Criticism of Organized Labor.—It is true that many of the labor unions as organized today are not consciously directed toward the attainment of a coöperative system; on the contrary that they are used, in many instances, as a retarding force against revolutionary change. Many trade unions develop a craft, rather than a class consciousness. They accentuate differences between skilled and unskilled workers, between native born and foreign workers, and between workers of different races. They are at times used to advance the cause of selfish nationalism. They concentrate their attention too exclusively on immediate improvements in wages and hours, and give little attention to the larger social goal. By high initiation fees and other conditions, they frequently exclude from their membership those who need their aid the most. They are often led by time-servers and job-hunters.

Toward Socialism.—However, they have proved on the whole a great force in the direction of a more democratic economic system. They have reduced the number of working hours, increased wages, improved shop conditions, made shop management more democratic, and, in many in-

²⁰ In 1916, the trade union membership in Great Britain was estimated at 4,399,696. The membership in the American Federation of Labor alone was reported at its June, 1919, convention to be 3,260,068.

stances, obtained for the workers a larger share in the total product. These gains have whetted the appetite of the workers for still better conditions and a higher status.

Unions have developed among the workers a spirit of solidarity. This spirit often extends merely to the limits of the craft. However, the development of alliances between the craft unions, the growth of the industrial union idea, the break-up of the old time trades, the increase in the ranks of the unskilled and the ever present challenge of the huge corporation are constantly broadening and strengthening this spirit of working class solidarity, and developing among the producers an increasing demand for a socialist order of society.

Through labor organizations the workers are also gaining a valuable training in industrial citizenship and in the control of workshop conditions. In the eyes of many socialists these groupings on the economic field are destined to play a leading part in the overthrow of capitalism, and in the control of industry after the new system is inaugurated.

On the whole, therefore, the labor unions, by improving labor conditions, by developing a spirit of solidarity, by training the workers in the larger citizenship, and by laying the foundation for democratic control, are making a genuine contribution to the socialist advance.²¹

²¹ See Kellogg and Gleason, *British Labor and the War*; Cole, *The World of Labor, Self-Government in Industry*, Ch. V; Hillquit, *Socialism in Theory and Practice*, pp. 236-42; Lloyd, *Trade Unionism*; Webb, *The History of Trade Unionism*; Groat, *Organized Labor in America*; Marot, *American Labor Unions*; Commons and associates, *History of Labor in the United States*; Brissenden, *The I. W. W.*; Fraina, *Revolutionary Socialism*, Ch. XI; Tridon, *The New Unionism*, etc. See also discussion under "Syndicalism."

DEMOCRATIC MANAGEMENT

Socialists have ever coupled with their demand for collective ownership, as has been indicated, a demand for the democratic management of industry. This demand was for years scoffed at as utopian by the business world. Prior to the war the trade union movement had gradually extended its control over shop conditions in numerous industries, as is indicated in the extensive agreements made periodically with the employer in the printing, the railroad, the garment industries (under the protocol)²² and in other lines. Noteworthy also were the beginnings of democratic control in a section of the public printing industry in France,²³ in the coöperative movement in Germany,²⁴ in some of the municipal industries in England, and in such private businesses as the Filene Department stores in the United States.

Advance Since 1914.—Since August, 1914, the advance in that direction has been marked. The war concentrated great power in the hands of state officials. The possession of this power led to its abuse, and this abuse in turn to an even greater demand by the workers for a share in the control of shop conditions. These demands the government and the private employers were compelled in part to heed, partly on account of the labor shortage, and partly because of the prime need for sustained and efficient workmanship. Scores of proposals for some measure of workers' control soon followed. In England,

²² Cohen, *Law and Order in Industry*.

²³ Fabian Research Department, *State and Municipal Enterprise*, pp. 24-5.

²⁴ Fabian Research Department, *The Coöperative Movement*, pp. 11, 22, 28-30.

the most famous of these are the Whitley Report — which has been adopted by the government, and is now being followed in many of the industries — the proposals of the Garton Foundation, of the manufacturer Renold, of the Amalgamated Society of Engineers, of the British miners, of the national guildsmen and of numerous shop steward committees. In the United States there have developed the “Plumb” plan for the management of the railroads, endorsed by the railroad workers, the proposal of the miners, the agreements of the National War Labor Board and of the various other labor adjustment boards in the United States, and the more paternalistic plans of the International Harvester Company and other corporations. And in other countries this movement for an entirely new status for the worker is growing apace. While some of these plans have as their object the prevention of revolutionary change, and the increase of the efficiency of the workers, many of them are frankly but the beginnings of a complete democratic control, and their adoption is bound to have an educational and moral value of great importance to the whole movement toward a more complete industrial democracy.²⁵

Other Tendencies.— In addition to these movements and institutions — the corporation, social reform legislation, voluntary coöperation, public ownership, labor unionism and the movement toward democratic management — there are the political socialist movement, which is described elsewhere in this book, and the less tangible, but none the less important, intellectual, æsthetic and ethical

²⁵ See Kellogg and Gleason, *British Labor and the War*, Pt. IV; Stoddard, *The Shop Committee*; Renold, *Workshop Committees*; Tead, *British Reconstruction Programs; Reports of British Coal Commissions*; Johnson, *The New Spirit in Industry*, Ch. IV.

forces which are insistingly challenging the present system of autocratic industrial control, and bringing in a more democratic and more equitable economic structure.²⁶

²⁶ For further description of these tendencies see Kirkup, *An Inquiry Into Socialism*, Ch. VIII; Melvin, *Socialism as the Sociological Ideal*, Chs. IV, V.

CHAPTER VIII

OBJECTIONS TO SOCIALISM

Narrowing of Objections.—The philosophy of socialism has been attacked during the past few generations from almost every conceivable angle. Many objections formerly seriously urged against this challenging philosophy have now been discarded by intelligent critics. Dr. John A. Ryan, an ardent opponent of socialism, in dealing with outgrown anti-socialist objections, says :

“Those objections against socialism which are based on the assumption that the scheme would involve collective ownership of *all*, even the smallest instruments of production, have ceased to be pertinent or effective. Antiquated likewise are the objections directed against complete confiscation of all private capital; collective ownership of all homes; compulsory assignment of occupations; and the use of labor-checks instead of money. So far as I can learn, none of these proposals is now regarded by authoritative socialists as essential.

“Other criticisms of doubtful validity assume the impossibility of forecasting the social demand for commodities and of managing industries of national magnitude. In some manner both of these difficulties have been met by the great trusts, such as the Standard Oil Company and the United States Steel Corporation.”¹

INCENTIVE

Certain objections, however, are still urged. Perhaps

¹ Hillquit and Ryan, *Socialism. Promise or Menace*, pp. 51-2.

none is voiced so strongly as the objection that socialism will stifle the incentive.²

Basis of Criticism.—An analysis of the reasons advanced for the contention that socialism would fail to provide adequate incentives to the ordinary worker and to the administrator generally indicates a belief that absolute equality of compensation would exist under socialism, irrespective of industry or accomplishment, and that discharge would be impossible. “Slackness, indifference and the lazy stroke” would thus be the inevitable result. It has already been shown, however, that equality of compensation is not a necessary part of the socialist philosophy,³ and that difference of compensation and any other material incentives that might be deemed necessary could be brought into play under socialism. Nor is there anything to prevent discharge under proper safeguards, if that form of punishment were deemed necessary for the public good, although many socialists are of the opinion that the positive incentives provided under a coöperative system would render such penalties largely unnecessary.⁴

Inefficiency of Present System.—The fear that socialism might produce “slackness, indifference and the lazy

² See, among other works, Taussig, *Principles of Economics*, Vol. II, p. 462.

³ See *supra*, Ch. V, “Remuneration Under Socialism.”

⁴ Little appears in the socialist literature directly bearing on the question of discharge under socialism. Several writers believe that it will be available as a penalty in case of need. (*Fabian Essays*, p. 151; Spargo, *Applied Socialism*, p. 205.) There should, of course, be an attempt made prior to discharge to find for the worker other employment more adapted to him. He should be given a fair trial by fellow workers and others, and provided with other safeguards. Discharge, however, would not mean that the worker would be outside the pale of economic life, inasmuch as there would not only be national industries, but numerous local industries conducted by municipalities, and voluntary coöperative and private ventures. Blacklisting, of course, should be absolutely forbidden.

stroke," socialists further contend, is somewhat amusing in this age of sabotage, strikes and industrial wastes due to the failure of present-day industry to provide adequate incentives, and particularly at a time when enlightened private owners see as the only remedy for this "loafing on the job" an increased share by the workers in the management and ownership of industry and in the social product — half-way measures to the socialist goal. In fact conditions have become such that John A. Hobson is led to state that nine-tenths of present-day labor-power remains under the present system unextracted.⁵

Greater Incentive for Average Worker.— Positively, socialists contend that the conditions of socialist industry would be such as to develop in the ordinary worker a far greater interest in his work than at present exists. The worker would enter industrial life better equipped, physically and intellectually, than at present, and with a higher conception of social service. Prior to entering a trade, he would be afforded by the community adequate opportunities of finding out the line for which his tastes and abilities had best adapted him. He would realize that he was a joint owner of the industrial structure with the rest of his fellow workers and of the community; that his voice counted in the conduct of the plant, and that he was toiling, not for the enrichment of an idle class, but for the welfare of himself, his family and the community of producers.⁶ His hours of employment would ordinarily be less than at present, and his business surroundings more pleasant. He would be kept at his task by a social power greater than can at present be exerted. For

⁵ Hobson, *Work and Wealth*, p. 225; for an analysis of some of the forces affecting present day workers see *Instincts of Industry* by Ordway Tead.

⁶ See Cole, *Self-Government in Industry*, p. 235.

“it must be remembered,” as John Stuart Mill pointed out, “that in a socialist farm or manufactory, each laborer would be under the eye not of one master, but of the whole community.”⁷

Furthermore, as Kautsky maintains, “when once labor loses its repulsive character and when the hours of labor are reduced in a reasonable degree, custom alone will suffice to hold the majority of workers in regular work in factories and mines.”⁸

Material Incentives.—Then, to stimulate efficient endeavor to a further extent, full opportunity should be given the worker to develop his initiative, his creative impulse.⁹ To this end it would be possible to work out in a scientific manner a system of material incentives in the form of higher pay and special honors for individuals, departmental, or plant accomplishments.

As a result of these material rewards and psychological forces, the ordinary citizen under socialism could be depended on to do far better work than under the present system.

Incentive and the Administrator.—As far as the average worker is concerned, therefore, socialism will increase, not diminish his incentive for worthy endeavor. But how about the administrator, the director of industry? His efforts, we are told, are commensurate with his income. Under capitalism, if successful, he is rewarded with large profits and high salaries. The possibility of big gains spurs him on to maximum endeavor. Under socialism his income would be greatly curtailed. Such curtailment would inhibit his efforts, and society would be the loser.

⁷ Mill, *Principles of Political Economy*, Vol. II, Ch. I, quoted in Spargo, *Applied Socialism*, p. 215; see also Hobson, *op. cit.*, p. 125.

⁸ Kautsky, *Social Revolution*, p. 125.

⁹ See Marot, *The Creative Impulse in Industry*.

The desire for riches is undoubtedly a spur to activity in innumerable instances. For "riches mean nearly all that makes life worth having, security against starvation, gratification of taste, enjoyment of pleasant and cultured society, superiority to many temptations, self-respect, consideration, comfort, knowledge, freedom, as far as these things are attainable under existing conditions."¹⁰

Money at the present time, furthermore, is largely the criterion of success. A business man is considered successful in proportion to the largeness of his income. And he covets the reputation for success in his appointed task.

The Creative Worker: The Inventor.—All that has been said concerning society's ability to induce the administrator under socialism to function effectively for other than the profit motive can be repeated with increased emphasis, declares the socialist, in the case of inventors, artists and other creative workers. For creative work yields greater personal satisfaction than it does pain, involves a net increase of life, and would, in general, be performed, if it but paid for the "human 'keep'"¹¹ of the worker.

Motive for Invention.—Although invention involves other than pure creative work, it usually yields a surplus of satisfaction over human cost, and the profit motive enters to a comparatively small extent. "The love of science, the pure delight of mechanical invention, the attainment of some slight personal convenience in labor, and mere chance," as Hobson declares, "play the largest part in the history of industrial improvement."¹²

Emergence of Research Laboratories.—In the days of

¹⁰ Annie Besant in *Fabian Essays*, pp. 152-153.

¹¹ Hobson, *Work and Wealth*, p. 45. Charles P. Steinmetz has treated this subject comprehensively in *The Socialist Review*.

¹² Hobson, *Evolution of Modern Capitalism*, p. 491.

the dominance of the free-lance inventor, the vast majority of inventors died poor and unknown, while, in hundreds of instances, the firms which purchased their inventions for a song, or which tricked these inventors out of their patent rights, gained huge rewards.¹³ With the development of modern industry, the effective free-lance inventor is passing away. The modern corporation does not depend on stray geniuses, out of touch with the workings of the plant, to apprise it of possible improvements. It establishes and equips extensive research laboratories, and hires experts who give their entire time to the discovery of better industrial methods, and who, in return for regular salaries, yield to the firm their right to all discoveries.

The Inventor Under Socialism.—Socialism would furnish a better environment for the inventive genius, declares the socialist, than does the present order of society. It would give to the masses a far greater opportunity than is now enjoyed to obtain a fundamental knowledge of the sciences.¹⁴ It would provide greater leisure, "the first condition of all free and fruitful play of the mind."¹⁵ It would make scientific equipment far more accessible than at present to those who showed aptitude along the lines of industrial technique. It would establish in every industry well equipped research laboratories, in which all knowledge, gained in any portion of the industry, would be pooled and made available for the common advantage —

¹³ Kelly, *Twentieth Century Socialism*, p. 221. See also Spargo, *Applied Socialism*, Ch. VIII.

¹⁴ Professor Lester F. Ward, in his *Applied Sociology*, p. 231, declares: "It may be safely stated that a well organized system of universal education, using that term in the sense in which it was used in *Dynamic Sociology*, as conferring the maximum amount of the most important extant knowledge upon all the members of society, would increase the average fecundity in dynamic agents of society at least a hundred fold."

¹⁵ Hobson, *Work and Wealth*, p. 51.

an incalculable gain over the present method of keeping such discoveries secret for the private gain of one corporation.¹⁶

The inventor, under socialism, would be assured of a comfortable living, security of tenure, the plaudits of a grateful society, and a realization that the utilization of his invention meant a direct benefit to all of society, rather than the enrichment of the few; and that his invention, if of social advantage, would be installed not in only one concern, as at present, but in the entire socialized industry.¹⁷

Such Material Rewards as Necessary.—Should additional incentives prove necessary to develop the creative impulse, the community, out of enlightened selfishness, could be depended on to supply those material rewards.¹⁸

¹⁶ Not only is there this social waste under competitive conditions, but a very considerable loss involved in the practice, pursued in many corporations, of purchasing inventions not for the purpose of utilizing them, but to keep competitive concerns from purchasing them. As their utilization would involve a change of machinery, they are then placed in "the morgue," and perhaps permanently lost to society.

The practice in the surgical profession of giving to the entire profession the results of the investigations of all of its members indicates the possibilities along these lines if this practice were extended to industry as a whole.

¹⁷ Dr. Charles P. Steinmetz, Consulting Engineer of the General Electric Company, former president of the American Institute of Electrical Engineers, and one of America's foremost inventors, in dealing with "Socialism and Invention" (*Socialist Review*, November, 1919), declares in part:

"Obviously, in a socialistic society, there would be no special interests opposing the inventor's fullest recognition; no man belittling and denying his invention for commercial reasons, and the realization that a successful invention would be immediately adopted by the whole national or even international industry, and used for the common good, that it would make the inventor a national hero, but a hero of creation and not of destruction — as have been most heroes of past days — all this will necessarily be an incentive for the inventor, far greater than anything present-day society has to offer."

The Artist.— As for the artist, claims the socialist, the democratic atmosphere which will necessarily result from social ownership, and the increased educational opportunities and increased leisure for the masses will afford a spiritual environment far more conducive to creative artistic work than does the present system. In a commercialized society, where art is judged by its money value, as Bertrand Russell points out, it is difficult for the artist “to preserve his creative impulse pure.” The artist can do his best work only when there is an environment of appreciation, not so much of the artist, as of the art. At present “the struggle for life, the serious work of a trade or profession, is apt to make people . . . too preoccupied for art. The easing of the struggle, the diminution in the hours of work, and the lightening of the burden of existence, which would result from a better economic system, could hardly fail to increase the joy of life and the vital

¹⁸ At present extensive research departments are connected with government bureaus in all parts of the world. In the United States, research work of immense utility has been conducted for years in connection with the army and navy forces, in the Department of Agriculture, in the United States Public Health Service, in the Bureau of Standards, the Bureau of Mines, etc. The new industrial laboratory in the Bureau of Standards, according to Director S. W. Stratton (*Annual Report of the Secretary of Commerce, 1918, p. 82*), “when completely equipped, will be one of the most effective of its kind in the world. In no national institution in the world is the union between pure science and practical technology so intimate as in the work of the Bureau of Standards.” As a result of governmental investigations, many millions of dollars have been saved to the people of America. The laboratories have been particularly active during the European War. (See Walling and Laidler, *State Socialism—Pro and Con*, Ch. XXV, “Industrial Science.”) These experiments would probably be continued on a greatly extended scale under a coöperative system of industry. Many government laboratories have been established in Russia under the Soviet Government, industrial experts being temporarily paid high salaries for their assistance. The Hungarian Soviet régime also gave much attention to this feature during the early part of 1919.

energy available for sheer delight in the world. And if this were achieved, there would inevitably be more spontaneous pleasure in beautiful things and more enjoyment of the work of artists.”¹⁹

The Professions.—In the professions money is not the main criterion of success. Teachers, for instance, are regarded as successful, not in proportion to the amount of money they acquire, but in proportion to their ability as educators. There are but few teachers who have any hope of acquiring a fortune from their teaching. Yet a feeling of success in their profession, together with a moderate compensation — and, in most instances, the compensation is far too moderate — is sufficient to induce the large majority of them to give loyal and efficient service in the educational system.

The profit motive, in fact, is so discredited in many of the professions, that, as Walter Lippmann states, “the public regards a professor on the make as a charlatan, a doctor on the make as a quack, a politician on the make as a grafter, a writer on the make as a hack, a preacher on the make as a hypocrite. For in science, art, politics,

¹⁹ Russell, *Proposed Roads to Freedom*, pp. 182–3; see also *supra*, section “Intellectual Production Under Socialism,” in Chapter V.

Socialists point to the fact that art flourished most in ancient Greece when democracy was at its highest, and when the masses had leisure to develop their æsthetic nature. (Spargo, *op. cit.*, p. 226; W. D. P. Bliss, in *The Outlook*, Nov. 11, 1905, and Prof. T. D. Seymour, *Harper's Monthly*, Nov., 1907.) A similar atmosphere, wholly removed, however, from any taint of slavery, will prevail, they believe, under socialism.

Socialists also contend that the public demand for beautiful buildings and other artistic works will be greatly augmented under socialism, and that the artists will have far greater incentive to do their best work, if that work is destined to bring pleasure into the lives of the art lovers of the entire community, if it is no longer doomed to cater merely to the fancy of some wealthy collector of æsthetic values.

religion, the home, love, education — the pure economic motive, profiteering, the incentive of business enterprise is treated as a public peril.”²⁰

In the Coöperative and Publicly Owned Industries.—

The professions are not the only line of endeavor where the profit motive is not the dominant one. In certain branches of industry proper, administrators are largely motivated by other incentives than the lure of riches. In the coöperative movement in Great Britain, for instance, where the annual retail, wholesale and factory turnover exceeds \$700,000,000, the highest salary, a few years ago, approximated \$6,000 a year, while “the directors of the English Coöperative Wholesale Society, who do not merely attend board meetings, but actually manage the affairs of large departments, and give their whole time to the arduous and difficult work of this huge concern, with its 23,000 employees, and turnover of thirty-three millions sterling, is [referring to 1914] only \$1,822 a year.”²¹ “What keeps the able manager within the coöperative movement (for many of them refuse, to the end of their lives, to be tempted by the much higher salaries offered to them in capitalist enterprise) is, very largely,” declares the Fabians, “the attractiveness of comradeship in a great popular organization; the consideration that they enjoy as the public administrators and leaders of a widespread democracy; and the consciousness of social service.”²² The British movement in this regard is but typical of the score or more of coöperative movements on the continent, affili-

²⁰ Lippmann, *Drift and Mastery*, p. 29.

²¹ Fabian Research Department, *The Coöperative Movement*, Special Supplement of *The New Statesman*, May 30, 1914; p. 11.

²² It should again be pointed out employment in present-day governmental service is on a far different plane than it would be under socialism. See criticisms of government ownership in Chapter VII and in next section.

ated and unaffiliated with the International Coöperative Alliance.

A similar story may be told concerning administrators in publicly owned industries — many of whom are giving most efficient service. In Great Britain, a few years ago, \$15,000 was the highest salary paid to professional administrators in government service. One of the remarkable things about the foregoing facts is that those serving in coöperative and public industries in many instances refuse to relinquish their positions for much greater salaries in private enterprises.

Administrators in Private Concerns.— Furthermore, with the development of the corporation, the administrator in private industry is becoming, to an ever greater extent, a mere salaried employee whose income bears little direct relation to the amount of profit which the corporation makes. The profits accrue to the advantage of the inactive stockholders rather than to the administrators. Says Walter Lippmann again:

“ The real news about business, it seems to me, is that it is being operated by men who are not profiteers. The managers are on salary, divorced from ownership and from bargaining. They represent the revolution in business incentives at its very heart. For they conduct gigantic enterprises and they stand outside the higgling of the market, outside the shrewdness and strategy of competition. The motive of profit is not their personal motive. . . . They have found an interest in the actual work they are doing. The work itself is in a measure their own reward. The instinct of workmanship, of control over brute things, the desire for order, the satisfaction of services rendered and uses created, the civilizing passions are given a chance to temper the primal desire to have and to hold and to conquer.”²³

²³ Lippmann, *op. cit.*, pp. 46, 49.

Nor can it be said that the high salaries are the chief incentive to the salaried administrators of our industrial concerns. The love of achievement and social prestige which are attached to an important office undoubtedly are among the incentives that function in the case of many of our best administrators. In fact, some of the recipients of large salaries have even urged their reduction.²⁴ It is undoubtedly true that many in the corporation who do the most socially productive work are not the highest paid officers, but the assistants who secure a comparatively moderate compensation. The chief officers are often paid not because of their scientific knowledge of administrative problems, but because of their financial, political, or social connections, their ability to give the firm publicity, etc., while the real work of production and organization devolves upon the shoulders of the subordinates.

Type of Administrator Under Socialism.—It must also be realized that under socialism a different type of administrator will be needed than under the competitive régime. Less will be left to chance or to the snap judgment of the chief administrator. More of the decisions will be made after careful investigation of expert statisticians, for there will be less fear than the average business firm has at present that, unless a decision is made immediately, the business might be diverted to a competitor. Business administration is likely to evolve out of a trade into a science, and those qualifying are likely to develop professional standards of work which place

²⁴ See Senate Documents, Vol. XIX, 63rd Congress, 2nd Session, *Financial Transactions of the N. Y., N. H. and H. R. R. Co.*, Senate Documents, Vol. I, p. 920. Statement of ex-President Mellen of the New York, New Haven, and Hartford Railroad to the effect that \$25,000 a year salary was sufficient for any railroad president and that his \$60,000 salary was unnecessarily large.

less emphasis on the monetary reward — more on actual creative accomplishment and on service to the community.^{24a}

Creative Work.— Finally, an administrative position often affords an opportunity for creative work. Creative work is generally its own reward. The satisfaction received in the performance of the task to a very large extent equals the energy expended. Under these conditions, many an administrator would continue his occupation, as Hobson points out, if he received in return little more than “his keep.”²⁵

Under socialism, as has been continually asserted, there will probably be a very considerable difference in compensation, and there is nothing in the socialist philosophy to preclude the giving of any salary which might seem to be necessary in order to obtain the most socially useful work.²⁶ Indications are that the various communities and groups of producers will fix a certain flexible maximum for administrators, and that that maximum, together with the social prestige, the security of tenure, the opportunity for creative work and for social service which the position will give will be sufficient to develop a public administrator worthy of the name. There will also be the incentive which works so powerfully under the present system — the desire for power — power, however, so safeguarded that it may not be used, as at present, for the exploitation of one's fellowmen, but for greater service in the upward progress of the race.

Evils of Profit Incentive.— And in all of the discussion of the profit incentive as a stimulus to efficient endeavor,

^{24a} See Veblen, *The Theory of Business Enterprise*, p. 8 *et seq.*

²⁵ Hobson, *Work and Wealth*, p. 59.

²⁶ See *supra*, Ch. V, section under “Remuneration.”

it should not be overlooked, as was indicated earlier in the book, that the profit motive had led to many grave social evils. The production of adulterated and shoddy goods, the oppression of workmen, the corruption of the state, the charging of monopoly prices, the rigging of the market, the unscrupulous treatment of minority stockholders, the annihilation of competitors, the ruthless destruction of natural resources and of much of the nation's food supplies, the creation of financial panics, the encouragement of international conflicts — all are directly traceable to a desire to gain huge financial returns.²⁷

Is Government Ownership Inefficient? — Many opponents of socialism submit, as proof of their contention that socialism will stifle the incentive, the allegation of the inefficiency of government ownership as we now have it — an inefficiency due to the failure of the government to stimulate the workers of hand and brain to do their best work.

Government Ownership vs. Socialism. — The socialist answer to this contention is twofold. First, the inefficiency of our present government industry would by no means prove the failure of socialism. Present-day government ownership differs from the socialist ideal, as has

²⁷ A notorious example of the disastrous effect of this spirit of gain on the progress of industry is seen in connection with the manipulations of the New York, New Haven, and Hartford Railroad a few years ago. The indictment by the Interstate Commerce Commission indicates a mismanagement of funds, a spirit of corruption, an ignorance of actual happenings, an autocratic control of a startling nature, reciting such facts, for instance, as "the inability of Oakleigh Thorne to account for \$1,032,000 of the funds of the New Haven entrusted to him"; "the story of Mr. Mellen as to the distribution of \$1,200,000 for corrupt purposes"; "the unwarranted increase of the New Haven liabilities from \$93,000,000 in 1903 to \$417,000,000 in 1913," etc. (63rd Congress, 2nd Session, 1913-1914, Senate Documents, Vol. XIX, *Financial Transactions of New York, New Haven and Hartford Railroad*, Vol. I, pp. 3-4.)

been before stated, in many particulars. Governments have not attempted in any considerable measure to adjust political machinery to the new industrial functions which they are constantly assuming. Many government industries have been conducted by bitter enemies of public ownership. Very little effort has thus far been made in public bodies to study the science of incentive or efficiency. The public employee has been given little control over his labor conditions. Little attempt has been made to develop the worker's creative impulse in industry. Governments must compete for workers against private enterprises, which give, in the case of administrators, much higher financial returns. And they have to contend constantly against the spirit of commercialism permeating private industry.

Under socialism the political structure would be entirely reconstructed, and industrial functions bestowed on those groups best equipped to perform them. Democratic management would supersede bureaucratic management. The question of industrial incentive would be scientifically studied out and applied. Chief attention would be given to the development of the individuality of the workers. The government would no longer find it necessary to compete for men against huge private industrial concerns. The transition of the economic system from private to cooperative ownership would completely change the spirit of industry, and develop an *esprit de corps* among the workers now in evidence only in times of stress and strain.²⁸

²⁸ As Hobson well remarks, the spirit of much of our government ownership today is the spirit of capitalism, not of socialism. "The higher officials who control and manage public businesses, evoke in the rank-and-file of public employees very much the same sentiments of estrangement or opposition that prevail in most private businesses between employer and employee. For in point of fact, the temper and mental attitude of higher officials are those of master in

Secondly, despite the pessimistic statements of such economists as Yves Guyot,²⁹ regarding the efficiency of public ownership, such ownership has been successful in a large and increasing number of instances. The fact that the drift has been so markedly away from private toward public ownership is at least most suggestive.

In dealing with the benefit derived by the consumer from state and municipal enterprises, the Fabian Research Department declares:

“There is every reason to believe that public opinion is right in assuming that, taking all things into account, the public products are certainly more reliable in quality, more certainly continuous in supply, and on the whole (though this generally varies from trade to trade), more economical in cost and cheaper in price than those supplied by capitalism; whilst the gain in being sure that there is neither adulteration nor short weight, neither cheating nor taking advantage of the necessities of the more ignorant or weaker buyers, or of periods of scarcity, is, in some departments, beyond all computation.”³⁰

Comparison Between Private vs. Public Ownership.—

It is, of course, difficult to compare the efficiency of private with public enterprise. A few comparable examples, however, may be found. One of these is the case of private and public electric light industries of Great Britain. In 1911, Mr. C. Ashmore Baker made an elaborate statistical study for the Fabian Society and concluded that the price charged by private companies to the consumer was 48 per his own business, not those of a public servant.” (Hobson, *Work and Wealth*, p. 286.)

²⁹ See Guyot, *Where and Why Public Ownership Has Failed* (1915).

³⁰ Fabian Research Department, *State and Municipal Enterprises*, p. 31.

cent. greater than that charged by public concerns and that the working expenses were 59 per cent. greater. The municipalities, furthermore, placed aside a sinking fund more than twice as large as did the companies and the wages given by the municipalities were, on the average, higher. A summary of municipal and private gas plants shows somewhat similar results.³¹

Comparisons between the private and public municipal industries in the United States is also indicative of the possibilities of public ownership.³² The efficiency of co-operative ownership as compared with competitive ownership is strikingly illustrated in the collective insurance scheme operated by the Coöperative Wholesale Society of England, the expense of administering the collective plan being about 3 per cent. of the premium paid in, that incurred in operating the average private industrial insurance scheme, 43 per cent.³³ Other examples of the efficiency of collective and coöperative endeavors may be cited without limit. War-collectivism has also afforded many examples of possibilities in this direction.

Importance of the Human Element.—Finally, many critics of socialism have failed to realize, in discussing the relative efficiency of private and public firms, that efficiency cannot be judged merely from the standpoint of financial returns. The human element is most important, and, even though a public concern shows a debit sheet at the end of the year, if it helps to develop the personality of the worker, if it provides improved service at low cost and assists in the general development of the people of the community, it may, in the real sense of that term, be far

³¹ Baker, *Public versus Private Electricity Supply* (A pamphlet of the Fabian Society, 1913).

³² Clark, *Municipal Ownership in the United States*.

³³ See Laidler, *The British Coöperative Movement* (a pamphlet).

more efficient than the concern that shows a big balance sheet in its yearly report. As John A. Hobson says:

“While it is true that a public service would stand condemned if the output of effective energy per man fell *greatly* below that furnished under the drive of ordinary capitalism, a slight reduction of that output might be welcomed as involving an actual gain in human welfare.

“Our modern command over the resources of nature for the satisfaction of our wants ought to issue not so much in the larger supply of old, and the constant addition of new economic wants, as in the increased liberation of human powers for other modes of energy and satisfaction. . . . With our improving arts of industry and our dwindling growth of population, we can afford to give an increasing share of our interests and energies to the cultivation and enjoyment of intellectual and moral goods. . . . Until we, as a nation, throw off the domination of the economic spirit, we cannot win the spiritual liberty needed for the ascent of man.”³⁴

ACCUMULATION OF CAPITAL

Certain economists also contend that, under socialism, where industrial authority will be “in the hands of a democracy, eager for the present and reckless of the future,” inadequate capital will be set aside for future improvement and industry will thus tend to stagnate.

Profit Motive Under Capitalism.—In answer to this contention, socialists affirm that a democracy has a stronger incentive than have private owners to consider the interest of future generations. The average stockholder of the modern corporation is, to a very considerable extent, a transient, with little interest in the permanent upkeep of the corporation, with marked interests in immediate returns. “In a busy week in Wall Street the number of

³⁴ Hobson, *op. cit.*, pp. 288-90.

shares bought and sold in one of the great corporations will greatly exceed the total number of shares that are in existence. The stockholders as a class, therefore, have no guiding interests in the permanent efficiency of the corporation as regards either the preservation of the physical property or the maintenance of an efficient productive organization. Stocks are bought and sold as a speculation or as an investment, and in case either the physical property interests of the corporation or the productive organization tends to become inefficient, the well-informed stockholder generally takes no steps to correct the condition, but merely throws his stock upon the market.”³⁵ The fact that a refusal to put aside a certain sum for depreciation is likely to add to their immediate gains places many stockholders under enormous pressure to gamble with the future.

The result of this profit motive is evidenced in the deterioration of the rolling stock on many of our railroads; in the ruthless devastation of forests and in the wasteful exploitation of mining properties and of other natural resources in the United States during the past generation or so.³⁶

Incentive to Improve Under Socialism.— On the other hand, under public ownership, while a large number of workers might be the immediate gainers of a few extra dollars through failure properly to conserve capital for future improvement, there would be no small group of people as at present to gain enormously from such a procedure. The result would be — especially in view of the increased education among the masses — that all questions would be determined far more from the standpoint

³⁵ *Report of Commission on Industrial Relations*, pp. 26-27.

³⁶ See *supra*, Chapter I.

of the permanent welfare of society than from that of temporary private profit. Even today, side by side with private exploitation, may be seen marked evidences of social foresight in the conservation of forests, the irrigation of desert land, the reclamation of swamp land, the construction of canals and many other services which private corporations could not be induced to undertake because of the impossibility of immediate profits.

Accumulations in Coöperative and Public Industries.

— That a democracy may be trusted to provide for future improvements in industry is indicated by the way in which the workingmen directors of the great voluntary coöperative organizations abroad carefully safeguard the future interests of their society. In Great Britain, for instance, the coöperatives provide their depreciation by rule.³⁷

“Aside from public bodies with their sinking funds,” declared an authority in the English Coöperative Wholesale Society, “coöperative societies . . . are the only institutions which put money aside every year according to rule, reckoning nothing as profit until these obligations have been met.” It should furthermore be realized that the coöperatives largely consist of members of the working class with comparatively little schooling and with immediate use for every additional shilling.

The public bodies of Great Britain also exhibit marked

³⁷ The “Model Rules” of the Coöperative Union enforce 2½ per cent. on buildings and premises, and 10 per cent. on all fixtures. The English Wholesale depreciate 2½ per cent. on land, 5 per cent. on buildings, 7½ per cent. on fixtures and on steamships — all according to rule, while the Scottish Wholesale has a somewhat similar ruling. In addition the societies have created reserve funds. In 1915, the reserve fund of the English Wholesale approximated two million pounds and that of the Scottish Wholesale nearly a million, while all the societies of Great Britain taken together had reserves of over seven millions, an increase of £690,000 over the previous year.

foresight in the conduct of their enterprises. The audit conducted by the Local Government Board of England "is so strict that every municipality is compelled to wipe off its 'public debt' on a productive enterprise within thirty years." A comparison between the thoroughly adequate reserves placed aside by the general post office of Great Britain and the excellent condition of its stock, with those of the English railroads prior to the war, which allowed "for scarcely any depreciation," is another indication that the fears of some of the economists are not fully justified.

Conclusion.—Democracy, even at present, has indicated its ability to plan for the future. With the development of general education, of social consciousness, of diffused responsibility through democratic control, and of better administrative methods, there is little reason to doubt that the industrial future will be safeguarded much more effectively than at present.

FIXING OF PRICES

Criticism of Socialist Plan.—Another objection sometimes urged against socialism is that it would offer an unsatisfactory criterion for the fixing of prices. Goods under socialism, a number of economists maintain, must exchange on the basis of the average labor time required to produce them, if socialists are consistently to carry out their philosophy. But if this system is adopted, the supply of the most desirable commodity will be exhausted immediately.³⁸ Socialists, however, are not bound by any such principle. Their one criterion will be: what arrangement will best subserve the interest of the greatest number?

Prices and Social Welfare.—In answering this question, the determining consideration will probably be "the

³⁸ Bullock, *Principles of Economics*, p. 509.

extent to which it is desired, in the public interest, to facilitate and encourage consumption. . . . On the one hand, in order to restrict and discourage consumption, high prices may be charged, even 'as much as the traffic will bear,' without regard to the cost of production. The revenue derived from commodities and services for which such high prices are imposed will be used to reduce to the lowest possible minimum the prices charged for commodities and services of which it is desired in the public interest to maximize consumption."³⁹

Coöperative and public industries recognize this criterion.⁴⁰ Municipalities, in order to encourage the use of water, with a view to a more healthy community, often place only a small fee on this commodity, and make no charge for the use of schools, museums, parks, libraries and open air concerts, on the other hand gaining a considerable amount from their public gas and electric lighting plants. Administrative economy and convenience have also entered into the fixing of prices. On the whole range of commodities, of course, enough must be charged to cover expenses.

The opportunity given under socialism to adjust prices according to the extent to which the community wishes to increase or decrease production rather than, as at present, according to the law of supply and demand promises to redound distinctly to the social advantage.

Price-Fixing Body.— Just how the price-fixing body would be constituted under a coöperative system it is im-

³⁹ Fabian Research Department, *State and Municipal Enterprise*, pp. 17-18.

⁴⁰ Coöperatives in England and Belgium, for instance, are inclined to sell tea and tobacco at a considerable profit, to supply sugar and shirts at a fraction over cost, to lose on the dressmaking department and to provide lectures, entertainments and such educational services free.

possible to say. The most definite suggestion is that of the guild socialist, who believes that it should consist of representatives both of the democratic state, representing the consumers, and of the guilds, representing the producers. These two interests should in one way or another be definitely safeguarded. If a certain commodity were used only by a particular group of consumers and not by the public generally, these special consumers might also be represented.

At Present Arbitrary Price Fixing.—It is of course true that prices would no longer be controlled by the law of supply and demand, but by a more or less arbitrary authority. However, at the present time, they are fixed to a very considerable extent by the arbitrary authority of the trust, or of associations of manufacturers, wholesalers and retailers, or are regulated by state or national price-fixing commissions. The price-fixing groups under socialism would differ from most of the groups today who directly or indirectly fix prices — they would be under the direct control of the democracy, and they would have but one aim — that of social welfare.

POLITICAL CORRUPTION

Criticism.—Socialism is often opposed on the ground that it would augment political corruption. Political corruption exists at present when governments control but a few industrial activities. Would not such corruption therefore be greatly increased, it is asked, if the major part of industry were socialized? To this question socialists reply with an emphatic negative.

Suppose, they say, that special form of unearned wealth known as political “graft” were increased under socialism. At the same time, the huge “legitimate graft” of rent,

profit and interest which is constantly exacted from society under private ownership would be very largely eliminated, and society would be a distinct gainer.

But even "illegitimate graft" would steadily diminish under socialized control — the "graft" in politics and the "graft" permeating private business wherever agent buyers and agent sellers meet.

Big Business and Political Corruption.— One of the chief causes of political corruption today is the endeavor on the part of business men to secure special privileges from the state — to obtain or protect favorable franchises, to secure exemptions from restrictive regulations, to evade penalties for violation of laws, to delay expropriation of their properties. A railroad desires special legislation. It sends its representative to the legislatures, city councils or political bosses, and bribes public officials to pass favorable legislation or to block unfavorable enactments. An instance of this is seen in the case of the New York, New Haven and Hartford Railroad, cited elsewhere. Under public ownership, however, the people have no occasion to send their own representatives to their own legislatures to bribe their own legislators to pass legislation in favor of their own railroads. With the elimination of the cause of that form of political corruption, namely private ownership, such corruption would naturally be eliminated.

In dealing with the argument that the socialization of big business would increase political corruption, H. G. Wells rightly maintains that this contention "is opposed to the experience of America where local administration has been as little socialistic and as corrupt as anywhere in the world. Obviously in order that a public official should be bribed, there must be some wealthy person outside the system to bribe him and with an interest in bribing him. When you have a weak administration with feeble

powers and resources and strong, unscrupulous private corporations seeking to override the law and public welfare, the possibilities of bribing are at the highest point.”⁴¹

The Giving of Contracts.— A second form of corruption exists today in connection with the giving out of contracts for public work. Private contractors are employed by governments to pave streets, to construct public buildings, and to supply commodities of various sorts to public departments. In connection with the signing of such contracts business men frequently give and public officials receive substantial bribes. The fortune of many a politician is based on construction of public works under favorable public contracts.⁴²

Up to a certain point, during the transition period when industry was being socialized, it is conceivable that — barring extra safeguards — such corruption would increase rather than diminish. The ownership of transit lines might involve the signing of extensive contracts for the construction of cars, stations and new lines of transit, for the making of uniforms and the supplying of many other services. However, with further extension of public activity, the field for “graft” through the giving of contracts is gradually delimited. Under a complete socialized system, with the elimination of large private contractors, most of the conditions giving rise to this form of corruption would cease to exist.

Even at present, the growing demand for honesty and efficiency in public service; the increase in the ranks of public officials of those with technical training and a higher standard of professional ethics; the improved methods of political accounting and auditing; the closer scrutiny of

⁴¹ Wells, *New Worlds for Old*, p. 188.

⁴² See Steffens, *The Shame of the City*.

all payments out of the public treasury and the elimination of non-competitive contracts are greatly lessening corruption springing from this source.⁴³

Corruption and Political Patronage.—Another form of political corruption is evidenced in the dispensing of political patronage. A public position must be filled. The political boss urges the claims of his favorite candidate. The "job" is "landed." The favorite is appreciative of the courtesy, and demonstrates his appreciation in a tangible fashion. If political corruption of this nature exists when comparatively few public positions are to be filled, would not such corruption greatly increase, it is asked, when the large majority of workers are public employees?

In answer to this argument, attention is first called to the fact that favoritism, nepotism, exists extensively in private enterprise today. Furthermore, politicians today exert a very considerable influence in securing jobs for workers in private concerns. In very many instances, a note from a political boss to a public utility company desirous of keeping in the good graces of the boss is certain to obtain a position for the applicant.

In view of modern tendencies, little fear need be entertained concerning this form of corruption under a co-operative system. In the first place, a very considerable extension of the merit system would seem inevitable. Already the effect of this system has been considerable.

(2) Under socialism every worker willing and able to work would be guaranteed employment. Public employment agencies conducted according to scientific methods would take the place of haphazard political agencies. Workers would not pay tribute to bosses when they could

⁴³ See Munroe, *The Government of American Cities*, p. 22 et seq.

secure employment as a right from the more impersonal public agency.

Disappearance of Political Boss.— (3) The political boss as we know him at the present time would disappear. The boss now enters politics not for his health, but largely for financial returns. As a rule, he obtains comparatively small direct financial gain from providing positions for henchmen. His emoluments come chiefly, as has been indicated, from public contracts and the enactment and enforcement or non-enforcement of certain legislation. To this may be added gains through valuable speculative hints and fat jobs for himself and relatives. Most of these opportunities would be lost under social industry. Though the love of power, the mere joy of the political game and occasional "graft" might still keep a few of the type of bosses so detrimental to American life in politics, this type would gradually be supplanted by one whose aim was social service rather than private pelf. Nor must it be overlooked that socialists contemplate no centralization of industry in the hands of politicians. The control would be held by the workers and administrators selected in a democratic fashion — as a result of proved efficiency — to represent the producers and the community as a whole.

Other Factors Eliminating Corruption.— Democratic control by the worker over the conditions of his employment; the growing dignity in the status of the administrator and of administrative commissions, the greater intelligence of the mass of citizens and their inevitable demand — with the increased importance of public functions — for increased honesty and efficiency would also be operative in eliminating bossism.

Conclusion.— Socialism, therefore, instead of increasing political corruption, would greatly decrease it by abolishing the whole system of unearned wealth; by taking

away from political life the corrupting influence of "big business" on legislation and the letting out of contracts; by removing the chief economic motives which now induce the political bosses to enter politics and by developing such industrial technic and encouraging such psychic forces in the community as may normally lead to an honest and socially efficient industrial régime.

BUREAUCRATIC CONTROL

Bureaucracy.—Socialism, it is furthermore charged, would lead to the creation of a tyrannical bureaucracy. An analysis of this objection, however, generally indicates a confusion in the mind of the objector between bureaucratic state socialism and the democratic socialism advocated by the organized socialists throughout the world. Socialists are as much opposed to bureaucratic control as they are to private ownership of industry, and it is their firm belief that democratic management and other safeguards proposed by them and enumerated in the chapter on "the Socialist State," together with the changed psychology of the masses of the people will eliminate the possibility of the governmental bureaucrat.

Socialists further contend that a coöperative system of industry provides the only remedy for the bureaucratic control now so prevalent in private industry and rapidly evolving in governmental departments. As a result of the many evils of private ownership, scores of government investigating and regulating bodies are now being created for the purpose of prying into the private and business affairs of the citizens of the nation. This governmental bureaucracy is bound to increase as long as private ownership lasts and will cease to function only when its cause — individual control of industry — becomes a thing of the past, only when industry becomes socialized.

ANARCHISM

Introductory.—Socialism is often opposed on the ground that it is identical with anarchism. The fallacy of this contention is patent to all students of social problems. The history of the first International of the workers (1864–72), was largely a history of the struggle between the socialist school of thought, led by Marx, and the anarchist group, headed by Bakounin. Struggles of a similar nature have taken place between the followers of these two philosophies in practically every country where an organized working class movement exists. It is also of significance to note that, as a general rule, in countries where the anarchist movement is strong, the socialist movement is weak, and *vice versa*.

Anarchists Discard Political Action.—Followers of both philosophies have, it is true, certain points in common. Both condemn the evils of the present order of society, and both look forward to a society where exploitation will have ceased, and the class state will be a thing of the past. The anarchist movement differs, however, from the socialist movement as a whole in that it has discarded political action as a means to progress, advocating either purely economic action, “direct action,” or “propaganda of the deed.” A minority of non-resistant philosophical anarchists, followers of Tolstoi, on the other hand, depend on education, backed by neither organized force nor violence, to bring about their ideal.⁴⁴

⁴⁴ “Propaganda of the deed” may or may not imply terroristic methods. Such methods were advocated by many of the followers of Bakounin, and by small anarchistic groups in Russia, Italy and elsewhere. The vast majority of modern anarchists, however, are neither of the bomb-throwing variety nor are they disciples of Tolstoi, but are advocates of such “direct action” as the general strike, as well as of educational propaganda.

The organized socialist movement throughout the world has, on the other hand, advocated political as well as economic and educational activity, and has condemned individual or collective violence in the waging of the class war.⁴⁵

Anarchism and Forcible Government.— But the chief difference between the two groups lies in the character of the contemplated anarchist and socialist orders of society. Under anarchism, all laws and every kind of forcible government would be eliminated. There would “still be acts of the community, but these are to spring from universal consent, not from any enforced submission of even the smallest minority.”⁴⁶ For law, anarchists contend, even when favored by a majority, is essentially tyrannical, and is incompatible with the liberty of the individual — the anarchist goal.

Communist-Anarchism.— As far as industry is concerned, anarchists have failed to formulate any very definite program. A minority are individualistic anarchists — these are closely akin to the advocates of *laissez faire* — and contemplate no change in the ownership of industry.

Pointing out that anarchists regard the class conflict as a war, and that many anarchists take the same view of the legitimacy of violence in war as do the majority of mankind, Bertrand Russell adds: “For every bomb manufactured by an anarchist, many millions are manufactured by governments, and for every man killed by anarchist violence, many millions are killed by the violence of states. We may, therefore, dismiss from our minds the whole question of violence, which plays so large a part in the popular imagination, since it is neither essential or peculiar to those who adopt the anarchist position.” (Russell, *Proposed Roads to Freedom*, pp. 32-3.)

⁴⁵ An exception to this was found in the case of the extremists among the Social Revolutionists of Russia of which Mme. Breshkovskaya was a prominent figure, prior to the European War.

⁴⁶ Russell, *op. cit.*, p. 51.

A majority are communist-anarchists and vaguely look forward to a community in which industry will be operated by a large number of so-called free unions of workers on a voluntary coöperative basis. Many, with Kropotkin, contemplate a system under which there will be no obligation to work, all things being shared in equal proportions among the whole population.

Means of Enforcing Decrees Essential.—The mere mention of the foregoing anarchist goal is sufficient to indicate the wide gulf separating the socialist from the anarchist order of society. As has been before stated, socialists demand the elimination of the class state. They believe that, under socialism, when the system of exploitation will have been abolished, the need for organized compulsion will have been greatly reduced, and that, with the development of human personality under socialism, forcible government will gradually lose its *raison d'être*. Many socialists also believe that the state should possess power of coercion only in relation to a limited number of activities. They nevertheless feel that, at least for generations, organized society must have at its disposal some means of enforcing its decrees, democratically arrived at, against an anti-social or non-social minority — decrees against violence, against thefts, laws for the protection of the health, the safety, the education and the industrial development of the community.

Nor do socialists agree with anarchists that enforcement of decrees necessarily limits community freedom. Such laws are often the means of protecting the weak against the strong and of adding to, not subtracting from, the sum total of human liberty.

As for the difference between the socialist and the anarchist industrial organization, a comparison between the

socialist concept as heretofore given (see Chapter V), and the ideal of voluntary communism here outlined will be immediately revealing.

SOCIALISM AND OVERPOPULATION

The Malthusian Theory.— Since the days of Malthus, the argument has been urged that socialism would give rise to the evil of overpopulation. Followers of Malthus at first contended that the masses of the people had little reason to hope for permanent improvement under the system of capitalist production. Any temporary betterment in the condition of the workers would result in an increase in the size of their families, and such increase would press seriously upon the means of subsistence and in turn lower the standard of living. Overpopulation would be avoided only by the extensive application of prudence and foresight, but such a check on the population was not to be expected.

Malthusian Doctrine and Present-Day Tendencies.— Time has demonstrated that, so far as the present order of society is concerned, the pessimism of Malthus has not been justified. Prudential considerations have been more potent in checking increase in population than the followers of Malthus anticipated. Population has failed to increase in proportion to the ability of parents to provide a minimum sustenance for their children. Higher standards of living have resulted in greater foresight and prudence and an increased desire to provide education and other advantages to a moderate sized family, rather than to supply mere physical necessities to a large number of children. Large families have not been found among those groups in society who could best afford to provide for them, so much as among the poor.

As a result of the steadily increasing productivity of society under modern methods of machine production, furthermore, "the increase of wealth may, for almost indefinite periods, keep ahead of population," while "this increase of wealth in itself sets in motion those economic and sociological forces which tend to reduce the increase in population."⁴⁷ The vast extent of the world's untouched natural resources — little realized in the days of Malthus — is a further factor the recognition of which has done much to allay the economists' fear of overpopulation, at least for many years to come.

Still another check to increase of population which has gained in importance during the last few years has been the deliberate regulation of families by modern methods of control. The importance of this new means in regulating the birth rate was recently indicated in a questionnaire sent by the Fabian Society to a number of members of middle class families of England. The replies to the questionnaire showed that an overwhelming proportion of parents responding (113 out of 120) had taken definite steps to limit the number of children.⁴⁸

Fear of Race Suicide.— In fact, the chief fear now expressed by economists in most of the advanced nations is not that of overpopulation, but that of "race suicide." "Almost every country which has accurate registration," declares Sidney Webb, "is showing a declining birth rate."⁴⁹ The devastating European war, furthermore, acted as a check to population, and the doctrine of overpopulation under modern conditions in the advanced countries is causing but little anxiety.

⁴⁷ Seligman, *Principles of Economics*, pp. 63, 4.

⁴⁸ Webb, *The Decline of the Birth Rate*, p. 12. Fabian Tract, No. 131.

⁴⁹ Sidney Webb, *op. cit.*, p. 15.

Increase of Population Under Socialism.—While admitting the truth of the foregoing statements, however, a number of economists claim that under socialism the problem would again be a menacing one. This prediction is largely based on the assumption that socialism would lessen parental responsibility.⁵⁰ At present, it is contended, even the irresponsible poor are checked in their impulse toward procreation by the necessity of providing for their offspring. The middle class are desirous of rising in the social scale, and choose small families in order that they may be able to give their children a good education and a more abundant life. Under socialism, the state would take care of the children, parental responsibility would cease and the chief checks to procreation would thus be eliminated.

Question of Parental Responsibility.—With the development of the present industrial system, the state has, it is true, interfered to an ever increasing extent in family relationships, and has assumed responsibilities formerly adhering only to parents. It has forced parents to send their children to school, and has taken from them the responsibility of paying fees for public and secondary school education, in certain instances even supplying free text books, school lunches, and free medical and dental advice and services. It is providing an ever larger number of free scholarships and fellowships to colleges and universities. Many of these measures, particularly those relating to the public schools, have been opposed in the past on the ground that they would lessen parental responsibility.

These gloomy forebodings, however, were not well founded. Free education did, it is true, take from parents

⁵⁰ Taussig, *Principles of Economics*, Vol. II, pp. 460-2; Skelton, *Socialism a Critical Analysis*, p. 216.

the responsibility of paying their children's tuition in the public schools. It, however, at the same time, developed a desire on the part of the parents to obtain for their children superior intellectual and æsthetic advantages, and created a renewed feeling of moral responsibility for the welfare of their offspring.

State Control.—Undoubtedly this tendency toward state control will, in certain respects, be augmented under socialism. Ever greater educational facilities will be placed freely at the disposal of the children of the nation, and opportunity also to secure employment in occupations for which the young workers are best fitted. On the other hand, certain of the protective legislation necessary today, when the income of the wage-earner is often so small, would undoubtedly be found unnecessary. "The feeding of needy children," says Ramsay MacDonald, "is a case in point. Under socialism family income will be equal to family requirements. It is far short of that today, and therefore if children are to be nourished, . . . the state must step in and do what the parents cannot do."⁵¹

Furthermore, the assumption that all parental responsibility will be eliminated under socialism is, despite the utopianizing of Wells and others⁵² without foundation.⁵³ In fact, such leaders as Ramsay MacDonald contend that "the relation between parents and children will be closer and be continued for longer periods than is now possible, and, consequently, the home will resume its lost religious significance."⁵⁴

The New Type of Woman.—The more thorough edu-

⁵¹ MacDonald, *The Socialist Movement*, p. 155.

⁵² H. G. Wells, *New Worlds for Old*, p. 124; *Socialism and the Family*.

⁵³ See Spargo, *Applied Socialism*, p. 263.

⁵⁴ MacDonald, *The Socialist Movement*, p. 187.

cation of women, the greater complexity of their interests as they become ever more active in industry, in the political, the social and the educational life of the community, and their increasing economic independence, will undoubtedly prove a potent factor in the development of the moderate sized, rather than the abnormally large family. Too little attention has been given by the followers of Malthus to this factor in the problem. In dealing with the development of woman's economic independence and the increasing influence which her desires are exerting upon marriage relations, Professor Seager declares:

“ In the past the population question has been discussed as if it were exclusively a man's question. It was to men that Malthus and his followers addressed their appeals for greater prudence and self-restraint in connection with marriage. But the burden of bearing children and most of the trouble of rearing them falls upon mothers rather than upon fathers. While there is no doubt that the great majority of women will continue to desire to become wives and mothers, since survival is necessarily confined largely to this type of woman, it is equally certain that they will not desire to be mothers of indefinitely large families. As in France, so in other countries, in the minds of both mothers and fathers, the desire to rear two or four children well is likely to supersede the desire for the patriarchal families of the past. The change will come slowly, because social habits alter slowly, but already it has gone so far in Western countries that little is heard of the danger of overpopulation.”⁵⁵

The longer educational period under a system of greater equality will undoubtedly inhibit very early marriages,

⁵⁵ Seager, *Principles of Economics*, p. 313. Some writers, among them Alfred Russel Wallace, also contend that the law of decreasing fertility comes into play with the development of the intellectual and cultural level of the race.

while public opinion will as well assuredly play its part in the solution of this problem.

Summary.— At present, contrary to the forebodings of Malthus, the chief problem of overpopulation in advanced countries is not one of overpopulation, but of underpopulation. Socialists contend that the higher intelligence of the mass of people under socialism, the continued operation of modern methods of control, the increased consideration given to the desires of women in the determination of the size of the family, the prolonged educational period of the youth, the development of moral responsibility on the part of the parents, and the pressure of public opinion will, among other forces, be sufficient to prevent the overpopulation problem from becoming a serious menace under the new order of society.⁵⁶

Conclusion to Chapter.— It is thus seen that many objections formerly urged against socialism have gradually been discarded. The arguments that socialism would stifle the incentive, decrease efficiency, promote political corruption, fail to provide for future improvements in industry, find price-fixing an impossible task, and develop serious problems of overpopulation are among the arguments still urged by intelligent critics. Socialists contend that not only are each of these objections without foundation but that socialism will provide a solution for these problems in a much more adequate fashion than does the present system. Despite the forebodings of those who fear the ability of democracy to function in politics, religion, industry or in other lines of endeavor, democracy, when it once begins to function, finds a method of solving problems that to many formerly appeared to be insoluble.

Numerous other objections are being continually raised

⁵⁶ See also Russell, *Proposed Roads to Freedom*, Ch. IV.

by critics, some concerning socialist economic or sociological theory, some concerning socialist tactics, others concerning the practical working out of the proposed socialist society. In regard to the latter problems, we have, in the foregoing pages, touched on the most important. It is to be hoped that both the objections and their answers will be carefully weighed in a scientific and fairminded spirit — with but one view, that of finding the truth wherever it may lead.

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PART II
THE SOCIALIST MOVEMENT

CHAPTER IX
SOCIALISM AND INTERNATIONALISM
(1848-1914)

HISTORY OF INTERNATIONAL ACTION ¹

Beginnings of Internationalism.—Socialists in every country have been engaged in a fight for economic and political reconstruction. This has been primarily a national struggle. Since the earliest beginnings of the movement also, socialists, through their international organizations, have been persistently fighting for a more genuine brotherhood among the workers of the world.

A virile international note was struck in the first great pronouncement of the socialist movement, *The Communist Manifesto* — in Marx and Engels' famous slogan, "Workmen of all countries unite!"

The spirit of Internationalism was again voiced at the formation of the first International in 1864, when the delegates made a condition for admittance to their ranks the recognition of "truth, justice, and morality as a rule of their conduct toward each other without distinction of color, faith or *nationality*."

Four years later at the Brussels congress of 1868, when the war clouds appeared to be hovering above France and Germany, the International took a position against war as such and recommended the general strike in case of an

¹ For sketch of the International see last chapter.

outbreak, referring to the impending conflict between France and Germany, as a civil war in favor of Russia.

Concerning the Franco-Prussian War.²—When the conflict between Germany and France actually broke out, however, a somewhat less militant anti-war attitude was taken.

Marx, at that time, in a letter to the German Party Executive, which he composed for the International, declared his belief that the German Social Democracy could take part in the national movement “in so far as and as long as it limits itself to the defense of Germany (which under certain conditions does not exclude the offensive, until peace is declared).” He did not oppose the German side of the struggle when the Napoleonic Empire was still intact, and when he felt that the mercenaries of Napoleon were threatening Germany. However, upon the overthrow of the empire and the establishment of the republic, he demanded peace, and opposed all annexation, predicting that the conquest of Alsace-Lorraine would lead to another conflict and prove “the infallible means of converting the coming peace into a truce which would be broken as soon as France has recuperated sufficiently to recapture the lost territory.” In another manifesto, written for the General Council of the International at London, he predicted with rare insight that “this crime of having reestablished in the second half of the nineteenth century the policy of conquest” would drive France into the arms of Russia and would lead to “a race war, a war with the united Slav and Latin races.” He characterized those advocating such a peace as “brainless patriots of the German middle class.” His general line of reasoning

²Most of the material given in the chapter may be found in Walling, *The Socialists and the War*. See also Sombart, *Socialism and the Socialist Movement*, pp. 193-211.

was followed by Engels, who at first favored the Germans and afterwards offered his services to the French.

Socialists in Germany.—The socialists in Germany were divided on the subject. Wilhelm Liebknecht, a member of the North German Federation, at first decided to oppose the war budget, but was finally persuaded by August Bebel, another member, to abstain from voting, as a negative vote might be interpreted as supporting the “mischievous and criminal policy of Bonaparte.” An affirmative vote, on the other hand, might be regarded as one of confidence in the Prussian Government, which, according to these socialists, had prepared the Franco-Prussian War by its actions in 1866. Bebel adopted a similar course.

The Lassallian socialist members, on the other hand, supported the war budget, motivated by the belief that the war should be prosecuted until the downfall of Napoleon gave the French democracy more breathing space and that the struggle would end in the unification of Germany and thus solve the national question which had hitherto prevented the growth of the great Social Democratic Party. The debates between the two groups were so bitter as to lead Liebknecht, the center of attack, to declare that he felt inclined to emigrate to America “out of disgust with these patriotic junketings.”

The Second International.—From the early seventies until 1889, the international movement among the workers was in abeyance. In the latter year the second International was born at Paris. Militarism was one of the most important subjects on the agenda at the opening congress. Demands were here made that standing armies be abolished, that international arbitration tribunals be formed, and that the people have a voice in the question of peace and war. These demands were reaffirmed at Brussels in 1891, at London in 1896, and at Paris in 1900.

At the last named congress, Jean Jaurès declared that the organization of international peace and brotherhood was the most important question of the gathering. The policy toward militarism was again discussed, the congress declaring against all appropriations for army and navy. An important resolution passed at this congress read as follows:

“ 1. That it is necessary for the labor party in each country to oppose militarism and colonial expansion with redoubled effort and increasing energy.

“ 2. That it is absolutely necessary to reply to the alliance of the bourgeois classes and the governments for the perpetuation of war by an alliance of the proletarians of all lands for the perpetuation of peace — that is to say, to give up more or less platonic demonstrations of international solidarity and adopt energetic international action in the common struggle against militarism.

“ The congress suggests three practical courses for carrying this out —

“ 1. The socialist parties everywhere shall educate the rising generations to oppose militarism tooth and nail.

“ 2. *Socialist members of parliament shall always vote against any expenditure for the army, the navy, or colonial expeditions.*

“ 3. The standing International Socialist Committee shall be instructed to organize uniform movements of protest against militarism in all countries at one and the same time, whenever there shall be occasion to do so.”

The British delegate, Peter Curran, took occasion at this congress to deny the rumor that the British socialists had supported their government in the South African war, which had just been waged, declaring the South African affair to be mere robbery.

During the Russian-Japanese War.—At the next

gathering held at Amsterdam (1904) in the midst of the Russian-Japanese War, fraternal greetings were sent to the proletariat of both countries and the socialists and workers of all lands were called upon to oppose with all their might the continuance of war. The congress wildly applauded when delegates from Russia and Japan clasped hands and declared they had no animosity against each other.

The past achievements of the socialists in preventing wars, the cause of modern wars, and the general strike as a preventive of wars were discussed from many points of view at the famous Stuttgart Congress of 1907.

The Socialist Achievements.—In reciting the achievements of the workers since the Brussels Congress, the socialists declared:

“We may mention the agreement entered into between the English and French trade unions, after the Fashoda incident, for the purpose of maintaining peace and for reestablishing friendly relations between England and France; the policy of the Social Democratic parties in the French and German Parliaments during the Morocco crisis, and the peaceful declarations which the socialists in both countries sent to each other; the common action of the Austrian and Italian socialists, gathered at Trieste with a view of avoiding a conflict between the two powers; the great effort made by the socialists of Sweden to prevent an attack on Norway; and lastly, the heroic sacrifices made by the socialist workers and peasants of Russia and Poland in the struggle against the war-demon let loose by the Czar, in their effort . . . to utilize the crisis for the liberation of the country and its workers.”

Causes of War.—After discussing the causes of most modern wars, the congress finally passed a resolution in which it attributed war in general to competition for mar-

kets, militarism, national prejudices and the desire to weaken the growing power of the working class. It declared:

“The congress reasserts the resolutions adopted by former International Congresses against militarism and imperialism, and declares afresh that the war against militarism must proceed hand in hand with the general class war. Wars between nations are, as a rule, the consequences of their competition in the world market, for each state seeks not only to secure its existing markets, but also to conquer new ones. This means the subjugation of nations and lands, and, therefore spells war. But wars result furthermore from the continual attempts of all lands to outstrip their neighbors in military armaments — one of the chief supports of the capitalist class supremacy, and therefore of the economic and political oppression of the proletariat.

“Wars are also favored by national prejudices which the ruling classes fan into a flame for their own interests, and in order to turn the attention of the proletariat away from the interests of their class and from international consolidation of those interests. Wars, therefore, are part and parcel of the nature of capitalism; they will cease only when the capitalist system declines, or when the sacrifices on men and money have become so great as a result of the increased magnitude of armaments that the people will rise in revolt against them and sweep capitalism out of existence. The working classes, who contribute most of the soldiers and make the greatest material sacrifices, are, therefore, the natural opponents of war. Besides which, war is opposed to their highest aims — the creation of an economic order on a socialist basis, which shall express the solidarity of all nations.”

The General Strike.— While the question of the causes of war gave rise to considerable controversy, the methods of preventing war from breaking out under the system of

private ownership received the greatest amount of attention. The preventive most vigorously discussed by Jaurès, Bebel and others was the general strike.

The general strike had been the occasion for controversy in a number of former gatherings. In 1891 Domela Nieuwenhuis, leader of the Dutch socialists, introduced a resolution urging the socialists of all countries to "reply to the proposition of a war by an appeal to the people to declare a general strike." A similar proposition was introduced by Giles, an English delegate, but, as this weapon was then associated with anarchist propaganda, these proposals were coldly received. Instead the motion presented by Wilhelm Liebknecht and Edouard Vaillant was adopted, which attributed war and militarism to industrial exploitation and declared that those desiring to end war should join the socialist movement.

Two years later, Nieuwenhuis again brought the matter before the Congress of Zurich, but George Plechanoff, who reported the resolution, urged that the proposal be rejected on the ground that it would deliver the more socialistic countries, which would strike, into the hands of the less advanced, which would fail to follow suit. The discussion at this gathering gave rise to an impassioned speech by Wilhelm Liebknecht in defense of the tactics of the German socialists. He declared:

"Not a man, not a penny, this is our program. Since it came into existence, our party has not given to the German Army a single penny! You cannot struggle against the Moloch of militarism by promoting puerile, barrack insurrections. You would merely deliver to the Moloch a few unfortunate persons. . . . When the masses are socialists, militarism will have seen its last day!"

The Dutch resolution was again rejected, France and

Holland alone supporting it and a motion was passed similar to that submitted at the Brussels conference.

But the idea of the general strike as a preventive of war did not down. In 1907, prior to the International gathering, a general strike resolution was adopted by the French socialist congress, favored by the moderates, Jaurès and Vaillant, and opposed by Guesde. The resolution in substance was brought before the Stuttgart assembly.

The French majority resolution maintained that militarism was "to be viewed exclusively as the arming of the state in order to keep the working class in political and economic subjection to the capitalist class"; that the working class was in duty bound to defend its independence against attack; that the policy of defense demanded the arming of the working class through the introduction of general military service of the people and that it was the duty of the International Socialist Bureau to assist in preventing war "by national and international socialist action of the working class by all means, from parliamentary intervention to public agitation and the general strike and insurrection."

Bebel on the General Strike.—Bebel, representing the German socialists, bitterly opposed the resolution. He denounced the teachings of Hervé and Marx (in the *Communist Manifesto*) that "the proletariat has no Fatherland."

"What we fight against," he declared, "is not the Fatherland itself, which belongs to the proletariat far more than to the ruling classes, but the conditions which are present in the Fatherland in the interests of the ruling classes. Civilized life can only be developed upon the basis of full freedom and independence, by means of the mother-tongue. Therefore the effort everywhere among people who are under foreign rule is to gain freedom and independence."

Bebel then challenged Hervé's statement that, at the time of a crisis, it is difficult to say what is an aggressive and what a defensive war. "Affairs are no longer in such shape," he declared, "when the threads of a war catastrophe are hidden to educated and observing students of politics. Closet diplomacy has ceased to be."

He maintained that if the general strike were tried in Germany in time of war, serious consequences would follow. "I must declare firmly," he continued, "that these means with us are impossible and beyond discussion. How things are in Germany we see in the case of Karl Liebknecht, who is under trial for high treason, although in his writing he only quoted Hervé and declared his tactics impossible." In Germany no one wants war, he contended, and the ruling class concedes the danger of a revolution.

"In Germany," he concluded, "we struggle against the existing militarism on land and water in every possible form, and with all our strength, but we cannot be pushed beyond into methods of struggle which might endanger the party activities, and even the very existence of the party."

Jaurès' Reply.—Jaurès launched a powerful invective against Bebel's point of view. He denied that he was preaching Hervéism and continued:

"Hervé wishes to destroy the Fatherland. We wish to socialize the Fatherland for the benefit of the proletariat. . . . Our resolution is not the chance specter of the brain of a dreamer, but has developed as a necessary outgrowth of the great Fashoda and Morocco crisis. . . . In no questions are we content with parliamentary action alone. The proletariat wishes to step upon the stage as a player of its own fortune. The prevention of war must also be given by the proletariat all the powerful force that it has in its great masses. . . . Kautsky has declared for direct action in case the German troops should interfere in favor of the Czar.

Bebel repeated this sentence before the Reichstag. If you can say that, you can also say it in the case of all national conflicts. Certainly the military intervention of Germany in favor of the Czar, against the Russian Social Democracy, will be the most extreme, the sharpest imaginable form of class struggle.

“But if a government does not go into the field directly against Social Democracy, but, frightened by the growth of socialism, seeks to make a diversion abroad, if a war arises in this way between France and Germany, would it be allowable in that case that the French and German working class should murder one another for the benefit of capitalists, and at their demand, without making the most extreme use of its strength? If we did not try to do this, we would be dishonored.

“Liebknecht is called before the military court, not because he called the proletariat to arms, not for an uncertain and misnamed danger of war, but the complaint expressly declares a war between Germany and France as likely, and accuses him of high treason in case of such a war. You must also bring this possibility into the scope of your thought, just as much as the possibility of the invasion of Germany by Russia, and make your preparation for it.”

In his reply, Bebel declared that he knew better than the French how the resolution would be regarded in Germany. “For the sake of nothing at all, for something that we do not know would even be carried out in a crisis, we are not willing to prepare trouble for ourselves and to seriously cripple our movement.” He predicted that militarism would break its own neck, and that a war would bring such poverty, unemployment, suffering, that it would be the last one.

The Resolutions at Stuttgart.—The resolution finally adopted out of regard for the German’s fear of the disrupting influence of the general strike plank made the

use of the general strike a *possible* weapon against war, but not a required weapon. The socialists, it maintained, "must use every effort which, according to the political situation and the opposing class interests, will best contribute to the maintenance of peace. If, however, despite all efforts, war breaks out, then it becomes their primary duty to bring about its conclusion as quickly as possible, and thereafter to make the most of the opportunities offered by the economic and political crises which are sure to follow the war, in stirring up public opinion and hastening forward the abolition of capitalist class rule." The Stuttgart Congress also reaffirmed the position taken in the 1900 Congress that socialist representatives refuse funds for the upkeep of naval and military armaments and advocated democratic "citizens'" armies to take the place of standing armies. It furthermore indorsed the decision taken toward colonization at the London Congress of 1896, in which it was declared that "whatever may be the pretext for colonial politics, whether it be religion, or for the purpose of advancing civilization, it is in reality nothing but the extension of the field of capitalist exploitation in the exclusive interest of the capitalist class."

The Copenhagen Congress of 1910.—The Copenhagen Congress also gave much attention to the question of militarism. It restated the causes of war as given at the Stuttgart Congress, though in a somewhat modified form, declaring that wars would cease *completely* only with the disappearance of the capitalist mode of production and that the working class bore the *main* burdens of war. It demanded again that socialist representatives refuse the means for armament and advocated disarmament, arbitration of international disputes, the abolition of secret diplomacy and a guaranty of all nations against military attack or suppression by force.

The General Strike Again.—The general strike was also again considered, the following resolution being introduced by Keir Hardie of England and Vaillant of France:

“Among the means to be used in order to prevent and hinder war, the congress considers as particularly efficacious the general strike, especially in the industries that supply war with its implements (arms and ammunitions, transports, etc.), as well as the propaganda and popular action in their most active forms.”

The chief protagonist of the resolution was J. Ramsay MacDonald, who denounced the German socialists for their refusal to indorse the strike. Ledebour, representing the Germans, was the chief opponent of the resolution. He especially denounced the British socialists for keeping in office by their votes governments that increased expenditures for army and navy. At the suggestion of Vandervelde, the Hardie-Vaillant resolution was referred to the International Socialist Bureau for study and was to be brought for further discussion before the Vienna Conference of August 23, 1914.

The Morocco Crisis of 1911.—The year following the Copenhagen Congress was filled with rumors of war arising out of the Morocco controversy and gave the socialists in Germany, France and England an opportunity to show their spirit of internationalism. On July 4, the *Vorwaerts* of Berlin urged great meetings protesting against “the jingoes who wish the citizens’ blood for the capitalistic interests in Morocco.” A few days later the Executive Committee of the French Section of the International sent to the German socialists a message declaring its readiness to carry out the resolution of the Stuttgart Congress. The Germans replied that they accepted the initiative

of the French comrades, adding: "Morocco is worth the bones of neither the French nor German workmen."

On August 17, an international peace demonstration was held in London in coöperation with the Labor Party, the Federation of Trade Unions and the Trade Union Congress. The socialist and labor protest was given in Parliament by MacDonald.

The German socialists held a number of monster mass meetings. On September 3 at least ten such meetings were held in Berlin, attended by a half million workers. The gatherings protested against the imperialistic policy of Germany, the resolutions asserting that new colonial acquisitions, far from profiting the workers, would add new burdens and create an unforeseen war danger and declaring that the Social Democrats would oppose war by all means at their disposal.

The war cloud for a while disappeared. The socialists were not the only factors at work for peace. That their agitation had its effect there can be little doubt.

The Balkan Situation.—Hardly, however, had the Morocco crisis passed than the Balkan crisis loomed large on the horizon. Many there were who felt that the war conflagration, started in south-eastern Europe, would spread throughout the continent. The first duty of the socialists was to prevent its spread. A special congress was called at Basel, Switzerland, on November 24 and 25, 1912, to discuss the situation.

This special congress — the last before the European war — reiterated the resolution passed at the Stuttgart and the Copenhagen Congresses in which the working classes were urged to use the means which seemed to them to be most efficacious to prevent war, and to assist in bringing the war, should it break out, to the most speedy

conclusion, and declared that the Balkan outbreak, if allowed to spread, "would become the most frightful danger to civilization and the workers." It approved of the efforts of the socialists of the Balkans to establish a democratic federation of Balkan states; opposed national jingoism and inequality of opportunity among the Balkan peoples; urged the socialists of Austria-Hungary and environs "to prevent any attack of the Austrian monarchy upon Serbia"; congratulated the Russian workers on their protest strikes and urged them to oppose all bellicose Czarist undertakings. It continued:

"The most important task of the international socialist movement falls to the lot of the workers of Germany, France and Great Britain—to demand for their governments at the present moment an undertaking to refuse all support to either Austria-Hungary or Russia and to abstain from all intervention in the Balkan trouble and in every way to observe an unconditional neutrality. A war between the three civilized nations over the question of an outlet to the sea, concerning which Austria and Serbia are in dispute, would be criminal folly."

The greatest danger to European peace, it maintained, was the artificially-fostered animosity between Great Britain and Germany and the workers should do their best to promote an understanding. Attention was also called to the revolutionary movements following the Franco-German War and the Russo-Japanese War and the governments were warned that intense unrest would follow the outbreak of war.

After the congress, the socialists in western and central Europe continued their anti-war meetings. The socialists in the Balkans also opposed war and agitated for a federation of Balkan states. Of particular interest is the

letter of the Social Democratic members of the Fourth Duma, issued on May 8, 1913, to the Austrian and Hungarian Social Democrats, reciting the struggle between Austria and Russia for the hegemony of the Balkans, tracing the disunions in the Balkans to the machinations of the diplomats of the two countries and declaring that a war between the two countries would be an act of insanity and that "the people of Russia do not know of one single cause which would offer a shadow of reason for such a crime."

Again the conflagration of all of Europe was averted, partly as a result of the protestations of the socialists. The near approach to the brink of war at the time of the Morocco crisis and the Balkan Wars, however, gave an impetus to greater military preparations on the part of a number of the European countries and created a popular fear which made the work of the socialists in fighting against increased armaments ever more difficult.

The German Military Budget of 1913.— This situation gave rise in Germany to a compromise position on the question of military appropriations, a position undoubtedly interpreted by many in the ruling class of Germany as indicative of a weakening of Social Democratic opposition to militarism. In 1913, the government announced its new armament bill which provided for an increase of the German army of about 136,000 soldiers, from 544,221 privates and regulars to 661,176. This increase was necessary, the militarists asserted, on account of the disturbances due to the Balkan War and the extended boundary lines of Germany. The government proposed to raise the sum from a single extraordinary contribution from the wealthy.

Haase, the leader of the Reichstag socialists, vehemently denounced the proposed increase on the ground that political conditions did not warrant it. Germany's

relations with England, he claimed, were good, the Balkan situation was not dangerous, the Slavic peril was a theoretical fantasy and the people on either side of the French and German border line demanded peace.

The real reason for the increase, he maintained in the Reichstag, is that

“ You want elbow room in order to carry your imperialistic policies. . . . Armaments must be increased to the extreme that we may add weight to our demands, when the time comes for the division of Turkish spoils among the great European nations. Not for the protection of our borders—no, the intimidation of other nations is our aim,—those nations, who, like our own imperialist, urge on to war and conquest.’

In their opposition to military increases, the Social Democrats were a unit. They also supported by a majority the measure to have the military expenditures and the military tax bills voted for separately, and in this they held the deciding vote.

The Taxation Bill.—Following that decision, came the question as to whether they would support the taxation bill, while maintaining their opposition to the military expenditures. On this question there was a long and heated debate. The majority (52 to 37, 7 abstaining from voting) finally decided to vote for the tax bill. Their argument was substantially as follows: This tax bill, while insufficient, is, nevertheless, a step forward on the road toward a national income, property and inheritance tax law, toward a comprehensive system of direct taxation. We fought for such direct taxation for many years. This is the first opportunity presented to us in the Reichstag to support the direct taxation principle. Should, on this occasion, we oppose this bill, it would be difficult to explain our point of view to our constituency.

Furthermore, it is doubtful whether, without our votes, the taxation bill will pass. Its defeat would mean the dissolution of the Reichstag, a new election and a decreased socialist representation. This decrease we could not risk on account of the coming revision of the tariff.

The use of the income derived from taxes is a consideration foreign to the matter in hand. When the Social Democrats go to a vote on the taxation bill, the fate of the armament bill will have been decided. It is the duty of the party to keep the burden of this new military expenditure from falling upon the shoulders of the working class. This action also fulfills the provisions of the mutual manifesto of the socialists of the French Chamber of Deputies and the German Reichstag, issued March 1, 1913, "according to which the financial burden caused by military expenditures which are authorized in spite of opposition of the socialist group, shall be borne by the wealthy class of the nation."

This majority view was opposed by a virile minority. They argued: The old axiom of our party has ever been, "For this system not one man, not one penny." The purpose of the tax bill is its chief consideration. There is undeniably a connection between the military expenditure and the taxation bills. . . . If we grant the government the means for carrying out the armament appropriation bill by voting for both tax laws, our direct approval of military expenditures would arouse the antagonism of the entire country." Such tactics will lead to confusion. We are not compelled to vote for direct taxation in all cases. We should support such taxation where it will do away with indirect taxation, but this is not a case in hand. In fact, the direct taxes proposed by the government will be passed, even though we vote against them. We therefore need not fear the dissolution of the Reichs-

tag. Even though we were to lose seats, we would not lose votes. Nor are we forced by the French and German manifesto to vote for such a law. The manifesto only calls for a vigorous struggle for property taxes.

Presentation of Vote.—Haase, in presenting the vote of the socialist group in the Reichstag, again attacked the increased military appropriation as evoking “the spirit of world-wide war against the will and against the interests of the workers of all nations,” and concluded:

“We shall vote for the proposed tax laws because we hope thereby to prevent the passage of other tax bills which would throw the whole burden upon the poor of the country. We are convinced, moreover, that the taxing of the upper classes, in order to support new armament measures, may be an effective means of dampening the enthusiasm for increased military forces which obtains in these circles and thus indirectly of gaining a new weapon in our struggle against militarism.”

This whole controversy was again reviewed during the summer at the party congress, in which Richard Fischer, Scheidemann and Suedekum upheld the majority decision and Geyer, Stadthagen and Ledebour opposed it. Fischer emphasized the loss of seats on the second ballot, should the group have voted against the tax law. Scheidemann declared that the anti-militarist agitation had died down in the country, in spite of the efforts of the National Executive, and that “a new general movement against the armament bill was impossible.”

Geyer of Saxony, who proposed a resolution against the position of the majority — which resolution received the votes of nearly one-third of the congress — declared that “the moment we give to the government funds to cover military expenditures, our whole struggle against militarism becomes a farce,” and that the Social Democrats

thus encourage the government to go again to the Reichstag with increased demands. Ledebour dwelt on the possible loss of a few seats, declaring that such a loss was but a secondary consideration. This was the last big struggle of the German Social Democrats on the question of militarism prior to the war, although Karl Liebknecht, Rosa Luxemburg and many other leading socialists kept up a persistent campaign against militarism.

The French Socialists and the General Strike.— At about this time, the French socialists were confronted with the Three Year Law and vigorously, though unsuccessfully, fought it at every step, while the British socialists were engaged in a fight against increased naval appropriations. The final National Congress held prior to the war was that of the French, on July 15-17, 1914, about two weeks before the war declaration. At this congress, the subject of the general strike was brought forward by the delegates from the Seine Federation, who introduced a resolution that “the French Party considers the spontaneous general strike of the workers of all countries, combined with anti-war propaganda among the masses, as the most workable of all means in the hands of the workers to prevent war and to force international arbitration of the dispute.”

The resolution, supported by Jaurès and Vaillant and opposed by Compère-Morel and Guesde, was finally passed by a vote of 1690 to 1174.

In defending the resolution, which, contrary to that espoused by Hardie and Vaillant, was not limited to certain industries, Jaurès declared that the problem of striking was especially difficult in the case of France and Germany, the former of which was exposed to the danger of Pan-Germanism, and the latter, to that of Pan-Slavism. He continued:

“Therefore, an agreement is necessary. It would be a crime of crimes to hurl the French and German workers against one another. . . . But for this very reason we should appeal to the International to direct both peoples. Action is possible, but not after the outbreak of war. For then the world is surrendered to all the powers of hell. . . . We do not demand that a pledge be given (to strike). . . . We must make the proletariat conscious of what the world expects from it, and if we fill it with the idea that its mission is to give peace to the world, we shall make it capable of accomplishing this ideal.”

Jaurès declared that the strike should be allowed to stop first in that country which first offers arbitration to the other. Vaillant, in his address, stated that the general strike had stood the test in Russia, Sweden and Belgium, had been discussed in Prussia, and that even the partial crippling of industry would result in preventing mobilization. Sembat declared that we would accept the general strike only on condition that it was also accepted in Germany.

Opposition to Strike.—In opposing the resolution, Compère-Morel maintained that the “ruling classes would simply draft the workingmen of the industries in question into the army,” and that the socialists should direct all of their efforts to the avoidance of war. He continued:

“What is the purpose of a formulation which injures our propaganda and which one will not dare to defend before the voters? We must declare that we will use all means to prevent a war of aggression and also that we will use all means for the defense of our country. In the unlikely case that the proposal is accepted and carried out, it could only insure the defeat of the best organized proletariat and that which was truest to the decision of the International.”

Summary.—The socialist movement thus for years be-

fore the outbreak of the European war had fought vigorously against war and militarism, and, in several instances, was a considerable factor in preventing war. It did not take a stand against all war, claiming the right to engage in wars of defense, and, partly because of the opposition of the German socialists, refused, as an international movement, to commit itself to the general strike as a preventive to war. A strong minority, including the French socialists and the Independent Labor Party, however, favored the general strike and the question was scheduled for discussion again at the proposed International Congress of August 23, 1914.

IMMEDIATELY BEFORE THE OUTBREAK OF WAR

Meeting of International Bureau.—With the majority vote favoring the general strike, Jaurès and the other leaders of the French socialists planned to attend the International Socialist Congress, scheduled for Vienna on August 23, 1914—fifty years after the birth of the first International. The discussion of war and the general strike promised to be memorable in the history of the movement. The congress, however, was not to be held. A few days after the French gathering adjourned, Austria issued its note against Serbia. The International Socialist Bureau hastily called a special conference of its members in *la Maison du Peuple* in Brussels to discuss the means whereby the conflict might be averted. On the afternoon of July 29, the day after Austria declared war against Serbia, delegates from the more important countries of Europe hurried to Brussels. They decided to change the place of the International Congress from Vienna to Paris, to forward the date to August 9, and to make the subject of war the chief question on the agenda. The bureau urged “the workers of all nations concerned

not only to continue but even to strengthen their demonstrations against war in favor of peace and of a settlement of the Austro-Servian conflict by arbitration." It continued:

"The German and French workers will bring to bear on their governments the most vigorous pressure in order that Germany may secure in Austria a moderating action, and in order that France may obtain from Russia an undertaking that she will not engage in the conflict. On their side the workers of Great Britain and Italy shall sustain these efforts with all the power at their command."

The Brussels Meeting.— That night the Belgian Labor Party held a great "guerre à la guerre" (war against war) demonstration, which the author chanced to attend, in the *Cirque Royal* of Brussels, the largest of the city's theaters. Keir Hardie, representing the British workers, one of the principal speakers, appealed to the workers to resist war. He said in part:

"Europe is filled with anxiety tonight. The fear of the horrors of war is haunting the minds of men, and yet the proletariat of Europe do not desire bloodshed. If the people of Europe are opposed to war, why does the fear of war exist? Because the common people do not rule. 'But war's a game which, were their subjects wise, Kings would not play at.'

"The proletariat are in the majority. They have to pay for war in money, bloodshed, and heartache, and if they outnumber the ruling class ten to one, why do they not control the government? The working class allows itself to be divided by religion, nationalities, want of knowledge. If only they will sink their petty differences, the workers will become masters and war will disappear. Socialism is the one means of freedom and liberty, and unity is the means whereby this may be obtained."

Jaurès' Last Appeal.—Haase of Germany, Agnini of Italy, Roubanovitch of Russia, Troelstra of Holland, Vandervelde of Belgium, and, last of the speakers, that most remarkable of socialist orators and statesmen, Jean Jaurès of France, bitterly denounced war and the causes of war.

“When, after twenty centuries of Christianity, after one hundred years of the triumph of the principles of the rights of men,” asked Jaurès, in this the last public address he was destined to make, “how is it possible that millions of people, without knowing why, can kill each other?” He inquired how Germany could have permitted Austria to send such an inexcusable note to Servia. “And if Germany did not know of this Austrian note, what is her governmental wisdom?” He continued:

“As for us, it is our duty to insist that France shall speak with force that Russia may abstain. If, unfortunately, Russia does not abstain, it is our duty to say, ‘We do not know of any other treaty except the one which binds us to the human race.’”

With cries for the revolution, for socialism, for peace, for the International, the vast audience dispersed. And that night down the *Boulevard du Jardin Botanique* and through the length and breadth of the city's most populous boulevards, the army of workers marched, singing fervently the *Internationale*, *la Marseillaise* and other songs of the workers.

The meeting of Brussels, while the only genuinely international demonstration held in the days of late July, was but one of hundreds held by the socialists of Europe during the week preceding the explosion.

In Austria and Hungary.—The Austrian socialists held scores of mass meetings in various large cities, while the group in the Austrian Reichsrath bitterly attacked the

militarists of their country for their ultimatum to Servia. The party, while denouncing the assassination at Serajevo, expressed its belief that "no necessities of state, no consideration for its prestige," compels the great power to depart from the paths of peaceful agreement. It laid the responsibility for the war on those who encouraged "the fatal step," and concluded: 'Peace is the most precious good of humanity, the greatest necessity of nations.'

In Hungary, the official organ of the party at Budapest declared that "the cries for war come only from the fiends who cannot forget the defeat suffered in the Balkan crisis."

The German Socialists.—Likewise the German socialists conducted a vigorous anti-war campaign in many cities, and, on July 25, issued a burning denunciation against the conduct of the ruling class of Austria and Germany. It read in part:

"Though we also condemn the behavior of the Greater Servia Nationalists, the frivolous war-provocation of the Austro-Hungarian Government calls for the sharpest protest. For the demands of that government are more brutal than have ever been put to an independent state in the world's history, and can only be intended deliberately to provoke war. . . .

"It [the class conscious proletariat of Germany] imperiously demands of the German Government that it use its influence with the Austrian Government for the preservation of peace, and, if the shameful war cannot be prevented, to abstain from any armed interference. Not one drop of a German soldier's blood shall be sacrificed to the lust of power of the Austrian rulers and to the imperialistic profit-interests."

The Berlin *Vorwaerts* attacked the Austrian ultimatum; denounced the German Government for not taking steps against the Austrian intention; urged Austria and Ger-

many to accept the offer of England that the four neutral powers serve as mediators and arbitrators and intimated that it lay in the power of the Kaiser "to shake war or peace out of the folds of his toga."

On July 25 and 26, the Wurtemberg Democrats passed resolutions threatening to train the masses for a general strike for the maintenance of peace. And during the week numerous mass meetings against war were held throughout the empire — in Berlin, Hamburg, Leipzig, Stuttgart, Bremen, Cologne, and other cities. On July 29, not less than twenty-eight such gatherings took place in Berlin, one alone being attended by 70,000 people. Many of these were broken up by counter demonstrations and by the police.

Following the proclamation of martial law on July 31, the Executive Committee of the Social Democrats issued a second manifesto declaring that their earnest protests and repeated attempts to avert the catastrophe had been unavailing, and that "the terrible butchery of the European nations is a horrible verification of the warnings we have given in vain to our ruling classes for more than a generation."

On August 1, the Social Democrats sent a representative to Paris to see whether it was possible for the Socialist Parties of the two countries to adopt a common policy, but little came out of the conference.

Belgian and French Socialists.—The Belgian Labor Party held numerous anti-war demonstrations until after the invasion of Belgium by the Germans. In France likewise the socialists opposed the entrance of their country into the conflict until the last moment, at the same time declaring that Austria and Germany were the chief aggressors. In their manifesto on July 28, they attributed the roots of war to the anarchy of our social system; as-

sented that the French Government was sincerely desirous of averting the conflict; demanded that the government adopt a policy of conciliation and that it urge Russia not to seek a pretext for aggressive operations. They likewise proclaimed the imperative necessity of organizing meetings demanding peace and declared that "they would work with the International against the abominable crime which now menaces the world. The possibility of this crime is in itself a condemnation of the whole régime."

The previous day the Federation of Trade Unions of the Seine took part in a great anti-war demonstration, which was charged on by the police, many of the participants, including M. Bon, the socialist deputy, suffering arrest. On July 29, the socialists were out in force to protest against the war, but they were met by hundreds cheering the declaration of hostilities.

Great Britain.—All socialist groups in England also opposed war prior to England's entrance, basing their anti-war argument largely on the ground that war would mean England's coöperation with Russian despotism. On July 31, the British Committee of the International Bureau, representative of all sections of the British movement, issued a manifesto, drafted by Hyndman, urging the British Government to remain neutral in the event of war, and warning it against Russian aggression and despotism.

On the following Saturday and Sunday, huge "Stop the War" meetings were arranged in London and other cities under the direction of the Bureau and of the Labor Party. Cunningham Graham, at the Trafalgar Square meeting, took the position that, had England given her word that she would have had nothing to do with the war, "Russia would have ceased her bluffing and Germany would never have had the opportunity to impel war."

As late as August 3, the representatives of the British Labor Party and the British socialists of the International Bureau, Arthur Henderson and Keir Hardie, urged "vast demonstrations against war in every industrial center," maintaining that "the success of Russia at the present time would be a curse to the world."

In Russia.— In Russia, which, immediately prior to the war, was in the throes of a general strike, the socialists also protested against a resort to arms, declaring that Russia's alleged desire to protect small nationalities was mere hypocrisy. The manifesto of the Social Revolutionist Party read in part:

"There is no doubt that Austrian imperialism is responsible for the war with Servia. But is it not equally criminal on the part of the Serbs to refuse autonomy to Macedonia and to oppress smaller and weaker nations?"

"It is the protection of this state that our government considers its sacred duty. What hypocrisy! Imagine the intervention of the Czar on behalf of poor Servia, whilst he martyrizes Poland, Finland, and the Jews, and behaves like a brigand towards Persia."

Italy.— At the beginning of the agitation for war in Europe, the Italian socialists proclaimed their position of neutrality, especially opposing Italy's participation on the side of Austria and Germany. A revolution, it warned, would follow such participation.

The agitation of the socialists undoubtedly had its effect in preventing Italy from assisting the Central Powers. Later the middle classes began to give their support to the Allied cause. Mussolini, editor of the *Avanti*, urged that the party refrain from deciding future tactics in case of war, until the events themselves gave the basis upon which to act. The party executive, however reaffirmed

its former position of neutrality, and Mussolini resigned, founding an independent pro-war paper. Most of the opposition to neutrality came from the Socialist Reform Party, which soon definitely began a propaganda in favor of war against Austria.

By the end of September, the Socialist Party realized that it was necessary to urge its position of neutrality more aggressively. Its statement held the present capitalistic system responsible for the war and declared that "the socialist deputies will not vote the military credits for a war of aggression." In February, 1915, the socialist and labor forces held a conference in Milan, passed a resolution against war and practically gave to the party executive power to prepare a general strike, if need be, in order to avert war. This was passed by a vote of 182 to 125 for the more moderate resolution of Turati.

Other Countries.—In Holland, the Dutch socialists fought for neutrality. On August 1, Troelstra publicly favored the policy of mobilization as a means of maintaining neutrality, though vigorously opposing any aggressive participation in the war. At Zurich, Switzerland, on July 29, the Swiss socialists held a great demonstration against war. On September 27, the Swiss and Italian socialists, at a conference held at Lugano, declared that the European struggle was largely a struggle for markets and for the purpose of breaking down the revolutionary movement of the proletariat. While the German and Austrian Governments pretended that they were fighting against Czarism, it maintained, they had always befriended the reign of the Russian Czar. The declaration also denounced England and France for their alliance with Russia and declared that it was the party's task "to fight to the last breath against the extension of this war into other nations." On November 1, the Swiss Socialist Con-

gress favored an "uncompromising class struggle of the proletariat on an international basis" and their refusal "to take any responsibility for the politics of the ruling classes," as the only method of attaining peace.

The socialists of Denmark and of Sweden likewise placed themselves on record in favor of neutrality. In Rumania, the Social Democratic Party published an appeal against the pro-Russian propaganda which tended to plunge Rumania into war. The "narrow" (orthodox) socialists in Bulgaria on November 24 urged that the Söbranje should demand intervention, in common with neutral nations, "in order to bring about the earliest possible end to the bloodshed." The Portuguese socialists, on October 6, also demanded the strictest neutrality.

It is thus seen that, prior to the actual declaration of war, socialists in practically every European country opposed their country's entrance. In many of the countries that remained neutral, the influence of the socialist movement was very considerable in maintaining neutrality.

IMMEDIATELY AFTER THE DECLARATION OF WAR

Following the outbreak of war, however, the socialists in a majority of the countries ceased their opposition to war, in several instances actively supporting hostilities.

The Belgian Socialists.—On August 3, the Belgian socialists issued a manifesto in which they declared that, "in defending the neutrality and even the existence of our country against militarist barbarism we shall be conscious of serving the cause of democracy and of political liberty in Europe." At the same time they urged their members never to forget that "they belong to the International, and that they must be fraternal and humane as far as is compatible with their legitimate individual defense and that of the country."

Emile Vandervelde, chairman of the International Socialist Bureau, accepted a position in the Belgian Cabinet and the party as a whole, from then on, gave its undivided support to the war.

In France.— A similar line of procedure was adopted in France. The socialist deputies, declaring that France was attacked, voted the war budget on August 6 and Marcel Sembat and Jules Guesde became members of the Cabinet. The manifesto, issued immediately after the war, declared that the Frenchmen were struggling “not only for the existence of the country, not only for the grandeur of France, but for liberty, for the republic, for civilization. We are struggling that the world, freed from the stifling oppression of imperialism and from the atrocities of the war, should finally enjoy peace and the respect of the rights of all.”

Soon after the outbreak, also, a manifesto of French and Belgian socialists, signed by a number of prominent members of the International Socialist Bureau, was issued for the purpose of explaining to the socialists of the neutral powers why the signers felt justified in entering the war. This document was spread by aeroplanes in the territory held by the Germans. It maintained that “there was no doubt that imperialistic Germany inspired Austria and wanted war,” while, on the other hand, the French Government sincerely desired peace.

On August 28, the French party officially approved the entrance of its two members into the ministry of national defense. Several months later, Albert Thomas became Minister of Munitions. In 1916, Sembat and Guesde left the Cabinet, Thomas for a while continuing.

The English Socialists.— In England, the Independent Labor Party, the socialist branch of the British Labor

Party, together with the left wing of the British Socialist Party, continued their opposition to war, while the main body of the Labor Party and the Hyndman group in the British Socialist Party took a pro-war position.

The first manifesto of the Independent Labor Party, issued immediately after the war's outbreak, launched a vigorous attack against Sir Edward Grey, declaring that, even though he had worked for peace during the last few days before war, he and other diplomats had "dug the abyss" by secret treaties, which "dragged Republican France at the heels of despotic Russia, Britain at the heels of France." . . . It continued:

"We desire neither the aggrandizement of German militarism nor Russian militarism, But the danger is that this war will promote one or the other.

"In forcing this appalling crime upon the nations, it is the rulers, the diplomats, the militarists, who have sealed their doom. In tears and blood and bitterness the greater democracy will be born. With steadfast faith we greet the future; our cause is holy and imperishable, and the labor of our hands has not been in vain."

In September, when called upon to make a pronouncement regarding their attitude toward recruiting, the Independent Labor Party showed it was still essentially opposed to the war and recommended that its various branches take no part in the proposed campaign.

The British Labor Party.—The Labor Party, on the other hand, as has been indicated, soon ceased its opposition to war. On August 5 and 6, the Labor members of Parliament held two meetings to determine their position toward war, and, on the latter date, a few hours after war was declared, issued a resolution in which the war was

laid to the door of "foreign ministers pursuing diplomatic policies for the purpose of maintaining a balance of power."

On the night of the adoption of this resolution, however, the majority of the members of the Labor Party in Parliament opposed the proposal of Ramsay MacDonald, their chairman, that he read its terms in the House. As a consequence of this decision, Mr. MacDonald resigned, Arthur Henderson being elected in his place. A few days later, the Labor members agreed to coöperate with the Tory and Liberal Parties, at the suggestion of the Prime Minister, in promoting a recruiting campaign, while the national executive of the party placed its machinery for recruiting purposes at the disposal of the joint committee. From that time, all of the parliamentary members of the party, with the exception of a half dozen, identified themselves with the general war policy of the government.

The September third manifesto of the Parliamentary Committee of the Trades Union Congress came out definitely for the war, as "a struggle for the preservation and maintenance of free and unfettered democratic government," while, on October 14th, a majority of the Labor members in Parliament issued a more extensive declaration defending their position, and claiming that "the victory of Germany would mean the death of democracy in Europe," and that working class aspirations for greater political and economic power would be crushed.

In September, the British Socialist Party, the smallest of the socialist and labor groups here mentioned, gave a somewhat qualified indorsement of the war, declaring that it "has always maintained the right of nations to defend their national existence by force of arms," but protesting against the low wages for the recruits and reiterating

its position that "the workers of Europe have no quarrel with one another." In 1916 the party split on the war issue, the pro-war group under Hyndman forming the National Socialist Party. The Fabian Society left its members free to act as they chose, although its representatives on the British Section of the International generally accepted the policy of the majority.

Germany.—For a few days after the outbreak of the war, the Berlin *Vorwaerts* bitterly attacked the action of the government, particularly holding up to scorn the attitude of the officials toward Russia. Formerly, it declared, socialists were arrested for insulting the Czar. Now the Germans are told that Czarism must be crushed. The *Vorwaerts* contended that Russia had changed greatly during the last few years, and that it was no longer a stronghold of reaction, but a land of revolution.

On August 3, however, a majority of the socialist members of the Reichstag met with a few other members of the party and decided, against the opposition of fourteen of their number, to vote for the war budget. Haase, the leader of the group, Karl Liebknecht, Franz Mehring, Rosa Luxemburg, Clara Zetkin and Karl Kautsky were among the dissenters, but, under the unit rule, on the following day, all of the Social Democrats in the Reichstag voted with the majority. Haase, in presenting the case of the majority in the Reichstag, declared that the Social Democrats were in no way responsible for the war. He based their support of the war after its outbreak on their fear of a Russian victory. He said in part:

"As far as concerns our people and its independence, much, if not everything, would be endangered by a triumph of Russian despotism. . . .

"It devolves upon us, therefore, to avert this danger, to

shelter the civilization and independence of our native land. Therefore, today we must justify what we have already said, In its hour of danger Germany may ever rely upon us.

“We take our stand upon the doctrine basic in the international labor movement, which at all times has recognized the right of every people to national independence and national defense, and at the same time we condemn all war for conquest. We hope that as soon as our opponents are ready for negotiations, an end will be made to the war and a state of peace induced which will make possible friendly relations with our neighbors.”

In Austria it was difficult for the socialists to make their stand clear. The *Arbeiter Zeitung*, the official Austrian paper, on August 23, came out in support of the war, “in order that the people shall not be conquered.” Later the Austrian deputies voted against the war budget. In Hungary, the socialist position was largely one of opposition.

Russia.—Perhaps the most daring of the acts of European socialist representatives after war broke out was that of the fourteen Social Democratic members of the Duma, who abstained from voting for the war budget, issued a statement against war and left the Duma followed by members of the Labor Party. The statement of the Social Democrats at this Duma meeting of August 8 maintained that the hearts of the Russian workers were with the European proletariat; that the war had been provoked by the policy of expansion for which the ruling classes of all countries were responsible and that the proletariat would defend the civilization of the world against this attack.

On November 17, five of the socialist deputies were arrested for engaging in anti-war propoganda and conspiring to distribute a treasonable manifesto. This manifesto,

the officials asserted, declared that the defeat of the armies of the Czar would prove of little consequence; that the propaganda of social revolution should be carried on among the army and at the theater of war and that the weapons of the soldiers should be used not against their brothers but against the reactionary bourgeois governments. The deputies were afterwards sentenced to exile and imprisonment.

The labor group also took a stand against the war at the meeting of August 8, but afterwards supported the government because of the fear of invasion. Kerensky, in representing this group before the Duma, declared that they supported the war "in defense of the land of our birth and of our civilization created by the blood of our race." He, however, affirmed that the Russian citizens had no enemies among the working classes of the belligerents. He denounced the authorities for failing to grant amnesty to those who fought for their country's happiness, and urged the workers, after having defended their land, to free it.

Other Countries.—In the Balkans the Socialist Party of Servia refused to accept responsibility for any of the events leading to the war. The "narrow" Socialist Party in Bulgaria opposed the war, the "broad" party abstained. In Rumania, the official Socialist Party stood for neutrality, although a new Labor Party, formed by a few "intellectuals," supported the Allies.

In Poland the Social Democratic Party uncompromisingly opposed the war; one section of the Polish Socialist Party took the same stand, while the other section placed their hopes in Austrian victory over Russia.

The Portugal socialists supported the government. The Greek socialists for the most part favored neutrality, and attacked the alleged pro-German policy of the king.

In the British Dominions, the Labor Party of Australia supported the war, while the independent socialist bodies opposed it. Premier Hughes' attempt to impose conscription on the country led to a split within the party and the formation of a new National Party under Hughes, by a coalition with the opposition.

Summary.— It is thus seen that, in most of the countries, following the declaration of war, the majority of socialists took the position that they were defending the integrity of their country against attack, or that they were fighting for the principles of democracy, and were justified, according to socialist principles, in supporting their respective governments. A minority stood out against war. In Belgium and France, which were actually invaded, the socialists at first supported their governments almost to a man. In Germany, the large majority backed the war, a militant minority opposed it. In Austria, the official press came out for it, although vigorous opposition soon developed. In Hungary, where the movement was somewhat inarticulate, there was little support, and later much opposition. In England, sentiment was also divided. The British Labor Party, the largest group, became active adherents of the war, while the smaller Independent Labor Party, and a branch of the British Labor Party, continued to voice its opposition. In Russia the Social Democrats remained anti-war, although the labor group gave the government their qualified support. The majority of the Italian socialists opposed war, while considerable opposition was consistently evinced in many of the smaller countries.

CHAPTER X

TOWARDS THE NEW INTERNATIONAL

THE INTERNATIONAL DURING THE WAR ¹

Early Conferences.— Acting on the resolution that, if war actually broke out, it was the duty of the socialists “to bring about its conclusion as quickly as possible,” socialists in various countries immediately urged the calling of an International Socialist Congress. The parties in America and Switzerland, within a month after the outbreak of war, were the first to appeal for such a gathering. Their efforts, however, were unsuccessful.

In January, 1915, delegates of neutrals from Holland and the three Scandinavian countries met in Copenhagen for the purpose of influencing all neutral countries to work for a permanent peace.² The peace terms, they declared, should provide for an international court of arbitration, and for restriction of armament. Any change in national frontiers that might lessen the right of self-government should be opposed.

The following month, on February 14, 1915, the so-

¹ For more detailed description of these conferences see Balch, *Approaches to the Great Settlement*.

² The International Socialist Bureau was transferred from Brussels to The Hague in October, 1914, and Troelstra, Van Kol and Albarda, representatives of the Dutch Socialist Parties, were added to the old Belgian committee, consisting of Vandervelde, Anseele and Bertrand, as the executive committee of the International. Huysmans was continued as secretary.

cialists of the Allied countries, including Great Britain, Belgium, France and Russia, met in London, Keir Hardie presiding. The conference denounced the policy of capitalist imperialism, declared that the invasion of Belgium threatened the very existence of independent nationalities and that a victory for German imperialism would mean the destruction of liberty and democracy in Europe; demanded that Belgium be liberated and compensated, that the question of Poland be settled in accordance with the wishes of the Polish people and that "throughout all Europe, from Alsace-Lorraine to the Balkans, those populations which have been annexed by force shall receive the right freely to dispose of themselves." It continued:

"While inflexibly resolved to fight until victory is achieved to accomplish this task of liberation, the socialists are none the less resolved to resist any attempt to transform this defensive war into a war of conquest, which would only prepare fresh conflicts, create new grievances, and subject various peoples more than ever to the double plague of armaments and war."

Their statement, in conclusion, demanded the establishment of an international authority, the suppression of secret diplomacy and the elimination of profiteering in the making of armaments.

The socialists of Germany and Austria-Hungary also issued a number of pronouncements during the Spring and Summer. On April 12 and 13, 1915, at a meeting in Vienna, they passed a resolution favoring a peace based on international arbitration, international agreements toward gradual disarmament, democratic parliamentary control of treaties and the right of peoples to decide their own destiny.

The Zimmerwald Conference.—The first conference

held after the outbreak of hostilities attended by socialists from both the Allied countries and the Central Powers was that known as the Zimmerwald Conference, held at a city of that name in Switzerland, in September, 1915. Represented at this conference were the radical sections of the socialists in several of the countries, including Germany, France, Italy, Poland, Rumania, Bulgaria, Holland and the Scandinavian countries. Representatives from the I. L. P. and the B. S. P. of England were denied passports. The conference aimed to secure common working class action in behalf of peace, and decided to establish a commission at Berne to carry out this purpose.

A second gathering was held at Kienthal in April, 1916, attended by delegates from Italy, Sweden, Russia and Germany, about forty in all. The Zimmerwald Manifesto, signed by Ledebour of the German Reichstag, the Russian Lenin and the French socialist Bourderon, declared in favor of a revolutionary war against the governments of their respective countries, the refusal of all war credits and war supplies and "immediate peace without annexations." The delegates urged the workers to "defend themselves by class war against all forms of national oppression" and to oppose all exploitation of the weaker nations.

The "Zimmerwald socialists" met again in the summer of 1917, at that time transferring the headquarters from Berne to Stockholm. Little of any importance transpired at this conference.

The Stockholm Conference.— For some time after the beginning of the war, the International Socialist Bureau as such was quiescent. Beginning with the early part of 1915, the International Bureau attempted to get the socialists of the warring countries to arrive at a general agreement on the proposal to convoke a full congress.

The French and other socialists were at first luke-warm or definitely hostile to such a conference, but sentiment in favor of it gradually grew, and, in August, 1916, the neutrals were again convoked at The Hague and adopted a unanimous resolution in favor of the proposal. Early in 1917, the headquarters of the International was moved to Stockholm and Huysmans agreed to coöperate in the forming of a Dutch-Scandinavian Committee, of which Branting, leader of the Swedish party and a strong pro-Ally, acted as president. Stockholm was selected as the location of an informal conference. Troelstra arrived at Stockholm on April 26, and Huysmans, who had served as a steward in a freighter, landed on May 2. The conference was opened informally on May 13, the delegates giving their view to members of the Dutch-Scandinavian Committee. Huysmans took the position that Belgium must be reëstablished and the material losses made good. Such restoration, he declared, did not constitute an indemnity. Peace depended largely on whether the German socialists could force their government to come out specifically for the policy of no annexation. This view, according to Branting, was shared by all of the conference participants, and Scheidemann returned to Germany with the conviction that the lack of confidence in Germany, due to the irresponsible character of the German government, was one of the chief obstacles to peace.

The exchanges seemed to the Russians so fraught with possible results that, on May 9, the executive committee of the Council of Workers' and Soldiers' Delegates issued an official call to all socialist parties and to the principal labor organizations of the world to attend a conference to be held in Stockholm between June 28 and July 8, 1917. This date was afterwards changed to August 15.

Results of the Questionnaire.—In the meanwhile a

questionnaire was sent out by the Dutch-Scandinavian Committee to the various groups, asking what terms of peace they favored. The four principal socialist groups in the Central Powers — the Majority and Minority socialists of Germany and the Austrian and Hungarian socialists — stated that they desired substantially a peace without annexations and indemnities. All four parties seemed to favor a “reestablishment of an independent Belgium,” the restoration of Servia and Montenegro, and the national independence of Russian Poland and Finland. All likewise agreed to a program of disarmament, the abolition of secret diplomacy, and of economic barriers, and seemed favorable to a court of international arbitration. They were considerably divided on the interpretation of indemnities and the disposal of Alsace-Lorraine, and on other questions.³

APPROACHES TO THE GREAT SETTLEMENT

Refusal of Passports.—The invitation of the Russian Council of Workers’ and Soldiers’ Deputies to attend a peace conference at Stockholm was accepted by the socialists of France (May 28, 1917), of Italy (June 6), and of Great Britain (August 10).

The first government to refuse passports to the delegates was the United States, where the Department of State decided not to grant passports to the socialist delegates, Hillquit, Berger and Lee. Following the leadership of the United States, the French Government also refused passports to the French socialist delegates. The government of Great Britain, through Sir Robert Cecil, denied permission to delegates of the Independent Labor Party to confer with fellow socialists in Petrograd, al-

³ For a more complete analysis of their stand, see Balch, *Approaches to the Great Settlement*, pp. 172-94.

lowing them, however, to talk en route with other delegates from friendly countries. But the Sailors' and Firemen's Union of Great Britain, through Havelock Wilson, president, refused to have its members serve on any ship carrying the delegates, taking the position that there should be "no peace maneuvers until Germany had made the fullest restitution for the wholesale massacre of Allied sailors at sea." The delegation therefore remained at home. Italy also refused passports. On account of these and other obstacles, the Stockholm Conference was finally called off.

The Spring, 1918, Inter-Allied Socialist and Labor Conference.—The second Inter-Allied Conference met in London in August, 1917, but failed to agree on a common basis. The endeavor to form a working basis, however, was continued, and a third Socialist and Labor Conference was called for London, in the Spring of 1918, largely at the inspiration of the British Labor Party. Delegates attended this conference from most of the Allied countries outside of the United States, Italy and Russia.⁴

The conference reiterated its declaration of the 1915 London Conference for a league of nations, for the abolition of secret diplomacy, the limitation of armaments, and the prohibition of private manufacture. It declared it to be the duty of all labor and socialist groups to denounce without hesitation any imperialistic designs. It favored the principle of self-determination and specifically applied it in numerous instances. It reiterated its condemnation of colonial imperialism, and suggested a system of inter-

⁴ Representatives from the United States were again unable to secure passports. The Russian Bolshevik Government declined to send representatives on the ground that the conference was not in harmony with the principles of the International. It also refused passports to the representatives of the Social Revolutionists and the Mensheviks.

national control under which the inhabitants would be duly considered, and all revenues would be devoted to the well-being of the colonies. It condemned the idea of an economic war after peace. It favored freedom of communication and the development of the resources of every country, not only for the benefit of its own people, but also of the world. Systematic arrangements should be made on an international basis for the carrying of available exportable foodstuffs to the different countries in proportion, not to their purchasing powers, but to their pressing needs. Within each country, furthermore, the governments for some time must maintain control over the most indispensable commodities, "in order to meet the most urgent needs of the whole community on the principle of 'no cake for any one until all have bread.'" To avoid the unemployment problem, public works should be started throughout the world.

For Labor Representation.—Albert Thomas, Emile Vandervelde and Arthur Henderson were appointed a commission to secure from all governments that at least one representative of labor and socialism be included in the official representation at any government conference. The conference regretted the absence of American delegates, and appointed a committee to visit America and to confer with representatives of the American democracy. The Seamen's Union, however, refused to transport this committee to America.

The memorandum was placed sometime later in the hands of the socialists of the Central Powers. Troelstra of Holland, during the Spring, held a number of interviews with the socialists of Germany and Austria-Hungary, and was scheduled to attend the Labor Party Conference in June, 1918. The British newspapers, however, raised a cry of pro-Germanism, and he was not permitted to land.

THE BERNE CONFERENCE

Representation at Conference.— The first attempt to rehabilitate the International after the armistice was made in February, 1919, at the International Socialist Conference at Berne, Switzerland. Delegates were present at this conference which lasted from February 2 to 9, from Great Britain, France, Holland, Germany, Austria, and a score of other countries, purporting to represent some fifty millions of people.⁵ The Belgian socialists refused to meet the socialists of the Central Powers until the latter confessed their guilt. The American delegates failed to receive passports in time to make their appearance at the conference, which they later repudiated, while the Socialist Parties of Italy, Servia, Rumania, and Switzerland refused to lend the conference their support.

The Communist Party — the Bolsheviks — of Russia, in stating their reasons for failure to attend, declared that in their opinion the most dangerous enemy of the world revolution was “the yellow international,” and that the workers should carry on “an implacable struggle against the pseudo-socialist traitors.”

The majority of those present were veterans in the so-

⁵ In estimating the number represented at the Conference, Camille Huysmans, the secretary of the International since 1905, wrote that, prior to the war, the International included between ten and twelve million members. In February, 1919, the British delegation represented 4,500,000; the French, 1,000,000; the Canadian, 500,000. The German delegation came in the name of all of the socialist and labor voters, numbering (Socialist Majority), 12,000,000; (Independents), 3,000,000. “The Lettish, Esthonian and Georgian delegations represented a great part of their people. The Russian figures are completely unknown. They may be one million or ten millions. The Ukrainians, who arrived at the close of the conference and indorsed officially the Branting resolution, represented a nation of forty millions of which they are the majority.”

cialist cause, youth being conspicuous for its absence. The main topics on the agenda were: the responsibility for the war, the League of Nations, the territorial readjustment, the labor charter and the Russian situation.

Responsibility for the War.—The two first days of the gathering were consumed with a fruitless attempt to fix the blame for the European conflagration. Both Karl Kautsky and Kurt Eisner criticized the Majority socialists for the aid they rendered the government during the war. The Bavarian Premier particularly acknowledged the heavy guilt of Germany, but declared that the people had now dispensed with their militarists, and that a new spirit was governing that country. Eisner urged that the International be not animated by a spirit of revenge. His address called forth a storm of protest from Germany, and was doubtless a main cause for his assassination on his return.

Stuart Bunning of Great Britain and Jean Longuet of France appealed to Albert Thomas, the leader of the French right wing socialists — who vigorously urged that the International fix responsibility — “not to turn this war of governments into a war of peoples of the world,” and declared that “nationalism and chauvinism which had been beaten in Berlin and Vienna were raising their heads in Paris, Rome and London.” Frederich Adler declared that Austria had prepared for the war long before the Serajevo murder. The Majority socialists were for the most part silent. An acknowledgment of guilt, contended some, would lead to heavier indemnities.

The resolution which was finally passed ignored directly the question of responsibility for the war, leaving the fixing of such responsibility to future conferences. It read in part:

“The Conference at Berne acknowledges that the question of the immediate responsibility of the war has been made clear through the discussion and through the declaration of the German Majority, stating the revolutionary spirit of new Germany and its entire separation from the old system which was responsible for the war. In welcoming the German revolution and the development of democratic and socialist institutions which it involves, the conference sees the way clear for the common work of the International.

“The further explanations the German delegates have presented during the debates dealing with the League of Nations convinces the conference that from this time on the united working classes of the whole world will guarantee and prove the greatest power for suppression of all militarism and of every attempt to abolish international democracy.”

League of Peoples.—The conference also went definitely on record in favor of a genuinely democratic League of Nations. If the League of Nations is to count for world peace, they insisted, it should be based on a peace of justice. It should be representative of the people, and not of the executive branches of the government. It should unite all peoples organized on the basis of self-determination. It should abolish all standing armies, bring about complete disarmament, establish free trade, the open door to colonies and the international control of world thoroughfares. It should provide for the world distribution of food stuffs and raw materials with a view to bringing the production of the world to the highest state of efficiency, and it should include a labor charter. The resolution concluded:

“In proportion as the working class movement in every country grows in force, as the workers become conscious of their international tasks and become more determined in their opposition to any policy of might on the part of their govern-

ments, in proportion, in fact, as socialism is realized and the new Socialist International grows in power, will the League be able to achieve more powerful and beneficial results."

Warning by MacDonald.— Every speaker present advocated a league of peoples, and spoke for a new spirit in world politics. Ramsay MacDonald urged the German socialists to give up their idea of a citizens' army and to oppose conscription root and branch, and warned against a league of governments. He said in part:

"The League of Nations must not be associated with the spoils of war: it must not be an instrument of victory. It must be a territorial court of justice, not a police force to enforce injustice. It must enter into an inheritance of fair play, just dealing and democratic territorial division. If it enters into any other inheritance then every policeman it commands, every soldier it can order, will be used not for the liberty of the people, but for the purpose of keeping the people unhappy, enchained, . . . and altogether in the warlike frame of mind, which in 1914 enabled the governments to plunge their peoples into the abyss of destruction.

"The League of Nations must not be an exclusive league — it must not be an alliance of certain powers possessed of the late war emotions. The league must be a union of all the nations whose political and social development entitles them to enter it. . . .

"I desire the people to be the soul of the league — not the red tape of foreign offices. . . . The league to which I object is the sort of league that the governments at Paris apparently want to impose upon the people. All that has so far been announced is that the Prime Ministers of the various states should meet once a year. Such a proposal is an insult to the peoples of Europe and no compliment to the intelligence of any of them. Such a league would be not better than the Holy Alliance of a hundred years ago. . . .

"Russia has been singled out for disapprobation not for

her crimes, but because of her new political policy. . . . There are atrocities and tyrannies elsewhere and they were not challenged elsewhere.

“At this moment, owing to our war experiences, movements are beginning to limit and control executive power in democratic governments, but if these national executives are united in a league, acting internationally, they will have greater authority even than they had in the old days in their own national governments. A League of Nations must not be an expedient for restoring to weakened national executives the powers taken from them by the national parliaments.”⁶

For Complete Disarmament.— J. H. Thomas, the powerful leader of British labor, also emphasized the necessity for a league of common people rather than a league of diplomats, and urged the abolition of conscription. In answer to the objection that the conference must not lay itself open to the charge of utopianism, in demanding complete disarmament, Mrs. Snowden remarked:

“But why should we be so concerned to save ourselves from such a charge? When we regard the ruin to which the world has been brought by the practical people to whom its affairs have hitherto been entrusted, is there not reason for trusting those who are named idealists, but whose policy of complete disarmament is the truly practical policy for mankind?”

Arthur Henderson pled for the smashing of the old balance of power, for complete disarmament and for a peace of justice, and declared that it was his hope that the

⁶Most of the material regarding the Berne Conference is obtained from a pamphlet on “The Spirit of the International in Berne,” published by Schloss Steinhof of Lucerne. Summaries of important speeches are given. These do not always contain the exact words of the speaker, but, I believe, are faithful accounts of the spirit of the speaker’s remarks.

conference would influence the decisions in Paris in a very practical way. Kurt Eisner appealed to the press not to turn one nation against another, and challenged the youths of all countries to fight against militarism. While claiming that he had not even yet complete confidence in the German comrades, Albert Thomas said that he would support the league resolution.

Territorial Adjustments.—The resolution on territorial adjustment favored the self-determination of peoples, plebiscites in disputed territories, the protection of nationalities forming a minority or majority in a country, the protection by the League of Nations of vital economic interests, and the development of populations in dependences so that they might exercise the rights of free self-determination, by the founding of schools, the granting of local autonomy, freedom of speech and press, etc. The resolution continues:

“The conference . . . protests against any attempts to falsify the application of the principles hereby proclaimed and, in consequence, rejects:

“1. The rights of the victors to the spoils of war, and all the agreements by which states have been drawn into the war with the object of increasing their territory at the expense of other nations.

“2. The fixing of frontiers according to military or strategical interests.

“3. Forced or veiled annexations claimed on the ground of so-called historic rights and so-called historic necessity.

“4. The creation of *faits accomplis* by the military occupation of disputed territories.

“5. The establishment of any economic or political sphere of influence.

“The conference appeals to the working classes of every country to exert themselves to the utmost to compel their

governments to respect these principles in the interests of the conclusion of a lasting peace."

Kautsky, in discussing this resolution, declared it the duty of the French socialists to urge a plebiscite for Alsace-Lorraine. He said:

"The Pan-Germans refused the plebiscite in 1871 and it was not right for those who advocated the plebiscite then to refuse it now. I have no doubt that the majority would vote for unity with France, and I hope that the French would not on that ground refuse the plebiscite. Otherwise there would be serious consequences. The German nationalists would say in future years that the French had not dared to take the vote. . . . The plebiscite would not be a concession to German nationalism. On the contrary it would be the means of robbing German nationalism of a weapon it would otherwise have."

Defense of British Labor.—A vigorous defense of the attitude of the British Labor Party toward British possessions was made by Ramsay MacDonald, who claimed that the Labor Party had always stood for Home Rule for Ireland. He declared that, as for India, it had passed a resolution in Nottingham, in January, 1918, indorsing the policy of Home Rule for India, "believing that the time has arrived when our brothers in India are capable of managing their own affairs equally with our brothers in South Africa, Australia, and other dominions." The party had been willing to apply the same principles to Egypt and to such stations as Cyprus, and, as far as other colonies were concerned, it was willing to apply a system of control established by international guarantee under the League of Nations.

Jean Longuet argued that if the peace actually achieved were one of injustice, the International would say that

“proletarianism shall not consider such a peace and shall submit to revision all the iniquities committed by the bourgeois governments.”

The Labor Charter.—One of the most practical subjects considered by the conference was the labor charter, which the delegates insisted should be incorporated into the League of Nations agreement. This charter recognized that, “under the wage system, the capitalist class endeavor to increase their profits by exploiting the workers as much as possible,” but declared that evils of the wage system “can be strongly mitigated by the resistance of organized labor and by the intervention of the state.” Progressive nations were retarded in their development by the more backward nations. Labor, to protect itself, must demand an international charter with minimum demands. These should include: Compulsory primary education and higher education free and accessible to all, an eight hour day with 36 hours of rest a week and less than eight hours in dangerous trades, no night work for women, a six hour day for boys and girls between 15 and 18 years of age, social insurance, proper medical inspection, freedom of combination, labor exchanges, wage boards in certain industries, a special international code of law for seamen, the establishment of labor departments, and a permanent commission to carry out the mandates of the league in this field of effort.

The delegates also favored the following resolution in regard to emigration and immigration:

“Emigration shall not be prohibited.

“Immigration shall not be prohibited in a general way. This rule shall not affect:

“a. The right of any state to restrict immigration temporarily in a period of economic depression in order to protect

the workers of that country as well as the foreign immigrant workers.

“ b. The right of any state to control immigration in order to protect the public health and to prohibit immigration for the time being.

“ c. The right of any state to require that the immigrant shall come up to a certain standard in reading and writing his native language, so as to maintain the standard of popular education of the state in question to enable labor regulations to be effectively applied in the branches of industry in which the immigrants are employed.”

The Resolution on Russia.— The resolution on Russia, referred to elsewhere in this volume,⁷ and which, “ while hailing with joy the tremendous political revolutions which in Russia, Austria-Hungary and Germany have shattered the old imperialist and militarist régimes,” criticized the idea of dictatorship and the suppression of free speech and free press, created a prolonged discussion and brought forth a minority resolution from Longuet and Adler.

Ramsay MacDonald, in favoring the resolution, condemned any permanent policy of rule by aggressive minorities. “ What is the responsibility of the aggressive minority? How can it express itself? . . . Under what circumstances can it be justified? Can anything like continual government be established on such a principle? ” he asked.

“ It is the duty of the socialists to say ‘ no.’ Such might be a temporary and limited phase of the revolution, but the moment that the conception of the tyranny of the minority becomes a basis of a continued policy, then that policy and theory must be condemned by every socialist who believes in the liberty of the individual and those who desire to exercise their liberty within the states to which they belong.

⁷ See chapter on the Russian Revolution, p. 308.

“ They [the movers of the resolution] welcomed all the revolutions that had been achieved in Europe, but those revolutions must not create conditions which might accurately be described as a transition from one form of tyranny to another. Liberty, democracy, freedom must be their steady and unchangeable goal. The revolution that did not establish liberty was not a revolution towards socialism, and was not a revolution which socialists ought to make themselves responsible for, nor should it allow the outside bourgeois reaction to impose upon them responsibility.”

In opposing the resolution, Jean Longuet declared:

“ We repudiate any such condemnation of the events in the Russian Soviet Republic, since the evidence at our disposal is absolutely insufficient, and the only fact that we know with certainty is that the disgraceful campaign of lies in which the telegraph agencies of the Central Powers and the Entente vied with one another during the war, is being carried on without slackening against the Russian Soviet Republic. We do not desire to be the victims of official calumny in judging political movements.

“ We warn against any resolution which would render difficult the future union of the working class in every land. We desire to keep the doors open for the class conscious revolutionary socialists of every land. No attention is being paid to our warnings. We do not wish to participate in the guilt of any action against the International, and we vote against the resolution since certain paragraphs are capable of being exploited by the bourgeoisie against the Russian Revolution.”

The conference also went on record in favor of the speedy repatriation of prisoners of war.

Prior to adjournment, the delegates decided on a commission of two representatives for each affiliated organization, with an executive acting in all cases and composed of

Branting, the chairman of the conference, Henderson of England and Huysmans of Belgium. The commission was empowered to convoke the conference whenever the decisions of the Paris conference rendered it necessary.

Summary.—While the conference undoubtedly achieved something of value by bringing the leaders of socialism in a number of the countries of the Allies and of the Central Powers face to face, and through certain of its resolutions, it caused bitter criticism from the parties of the left for its stand on the Russian situation, for its belief that any good might be expected from a league of capitalist nations, and for failing to adjust its theories and tactics to the tremendous revolutionary changes of the preceding five years.

The Lucerne Conference.—On August 2, 1919, the “Commission for the Restitution of the International,” appointed at Berne, called a conference in Lucerne, Switzerland, attended by two or more delegates from England, France, Germany, Holland, Belgium, Russia (non-Bolshevik groups) and several other countries. Delegates from Austria and Hungary were delayed *en route*. Italian and Swiss socialists refused to participate. The United States was unrepresented.

The conference protested against Allied action in Hungary which led to the downfall of the soviet republic, to the strengthening of the forces of counter-revolution and the reestablishment to power — at least temporarily — of a representative of the House of Hapsburg. The course of the Peace Conference, the delegates declared, “shows clearly the reactionary forces directed against each socialist government and each proletarian power.” Every socialist group should oppose this “capitalistic and imperialistic policy.”

The conference demanded immediate membership for Germany, Russia, Austria and Hungary in the League of Nations, and urged the abolition of military conscription. It denounced the blockade against Russia which was leading to the starvation of millions. It protested against the giving of military and financial aid — against the unanimous wishes of all of the socialist and labor organizations of Russia — to the counter-revolutionists led by such Czarist agents as Denikin and Kolchak.

Arthur Henderson, chairman of the gathering, in his opening address, declared that the workers of Europe were turning their attention to an ever greater extent to “direct action” as a means of relief. He dwelt upon the unemployment and famine in Europe, and prophesied that, “before the winter ends, a dreadful convulsion of anger and despair may seize the people.”

Discussion throughout the conference showed a sharp division of opinion regarding vital points at issue, particularly concerning the Russian situation. Bernstein, Vandervelde, Tseretelli and De Brouckere vigorously criticized Bolshevik methods, Bernstein maintaining that Bolshevism had nothing to do with Marxism, notwithstanding its “revolutionary verbiage”; Vandervelde insisting that unity between the second and the third (Moscow) Internationals was impossible, “because the third International tended to minority dictatorship contrary to the principles of democracy.” The Belgian leader also declared that the reconstitution of the International was impossible until the question of war responsibility had been determined.

On the other hand, Troelstra of Holland urged that the conference follow a clear policy of revolutionary action, not one of an exclusively parliamentary nature. Ramsay MacDonald and Marcel Cachin urged energetic action

against the support of Kolchak by the Entente governments. Friederich Adler emphasized the more revolutionary position.

Prior to adjournment on August 8, the conference decided to hold a regular International Socialist and Labor Conference in Geneva on February 2, 1920.

THE COMMUNIST INTERNATIONAL

Groups Represented.— Of a much more radical nature than the Berne Conference was the first gathering of the so-called third International — the first congress of International Communists — held in Moscow from March 2 to 6, 1919. The call was issued by representatives of socialist groups of the left wing in nine countries and countersigned by the Minister of Foreign Affairs of Russia. It specified numerous left wing organizations in Europe and America whom it deemed worthy to be called to the councils of the revolutionary International. Thirty-two delegates, with power to act, were present at the conference from parties or groups in Russia, Germany, Hungary, Norway, Sweden, Bulgaria, Rumania, Finland, Ukraina, Esthonia, Armenia, delegates from the labor unions of Germans in Russia, from the Balkan Union of "Revolutionary Socialists," and from the "Union of Socialists of Eastern Countries."

Others were there with consultative powers from groups in Switzerland, Holland, France, Great Britain, Bohemia, Jugo-Slavia, Turkey, Turkestan, Persia, Corea, China and the United States.

The Manifesto.— Of chief import was the manifesto written by Lenin, Trotsky, Zinoviev, Tchicherin and Fritz Platten, a Swiss Socialist, and issued by the conference.

The manifesto called attention to the bitter struggle

of the proletariat for the seventy-two years following the issuance of the *Communist Manifesto*, and continued:

“The period of the last decisive struggle has begun later than was desired or expected by the apostles of social revolution. But it is here: it has come. We communists representative of the revolutionary proletariat in different countries in Europe, America, and Asia, now assembled in the powerful soviet city of Moscow, both feel and consider ourselves to be followers of, and participate in, a cause for which the program was drawn up seventy-two years ago. Our duty is to gather together the revolutionary experiences of the working classes, to free the movement from the harmful interference of opportunist and social patriotic elements, to unite the forces of all genuine revolutionary parties in the world proletariat, and thereby to facilitate and hasten the victory of the communist revolution.”

Who Will Control the Economic Life? — The manifesto declared imperialism to be at the root of the European war and scoffed at those socialists who tried to find its cause in certain personalities. The war had caused untold agony to the workers. It had also abolished forever the old days of competition. The pronouncement continued:

“The nationalization of economic life, which was so obstinately opposed by capitalist liberalism, is now an accepted fact. Not only is there no possible return to free competition; there is none either to trusts, syndicates, or other economic marvels. The only question is, who in the future is to conduct nationalized production, the imperialist state or the victorious working-class state? In other words, is the whole of laboring mankind to become serfs and day laborers under a victorious international clique, which, in the name of the League of Nations, and assisted by an ‘international’ army and an ‘international’ fleet, alternately plunders or casts

a morsel of bread to the needy, but everywhere keeps the proletariat in chains with the sole aim of retaining its own power; or shall the working class of Europe and the most civilized countries in other parts of the world take into their own hands the shaken and ruined world economy and thus ensure its restoration on the basis of socialism?

“To bring to an end the prevailing crisis will only be possible with the help of proletarian dictatorship, which will not look back to the past nor show consideration for inherited privileges or rights of property, but will bear in mind the necessity of saving starving multitudes, and will mobilize all their forces for that purpose; will introduce a general obligation to work and a régime of discipline in work, and will in this manner, in the space of a few years, not only heal the gaping wounds caused by the war, but succeed in raising mankind to heights hitherto undreamed of.”

The Rights of Small Nationalities.—The manifesto contended that the salvation of small states, despite the alleged solicitude of the great powers for the rights of small nationalities, was

“a proletarian revolution, which releases all the productive forces in every country from the grip of national states, unites the nations in the close economic coöperation based on a joint social economic plan, and grants to the smallest and weakest nation the possibility of developing the national culture independently and freely without detriment to the united and centralized economy of Europe and of the whole world. . . . Socialist Europe would also come to the aid of the liberated colonies with its technique, its organizations, and its spiritual influence, to facilitate their transition to a methodically organized socialist establishment.”

Parliamentary Democracy vs. the Soviet.—Next was discussed the attitude of the communist toward parliamentary democracy.

"All important questions concerning the fate of nations are decided by the financial oligarchy behind the back of the parliamentary democracy. . . . When the financial oligarchy consider it advisable to conceal their acts of violence at parliamentary elections, they have the bourgeois state at their disposal, with all the varied means inherited from previous centuries, and developed by the marvels of capitalistic technique: lies, demagogism, provocation, contempt, bribery, and terrorism.

"To expect that the proletariat in the final settlement with capitalism, when it is a question of life and death, should meekly as a lamb agree to the demands of the bourgeois democracy, would be the same as to expect a man, defending his life and existence against thieves, to follow the arbitrary rules of French wrestling, laid down, but not adhered to, by his enemies. . . .

"The proletariat must create his own apparatus. . . . The workmen's councils constitute this apparatus . . . a new form of apparatus comprising the entire working class, irrespective of their being ripe in an expert and political sense — an apparatus so elastic that it can always be renewed, always be extended, always attract fresh groups within its area, and open wide the doors for the group of workers in town and country who are in close touch with the proletariat. This invaluable organization for the self-administration of the working classes in their fight for, and in future also, in their conquest of, state power, has been tested by experience in several countries, and is the greatest conquest and the most powerful weapon for the proletariat of our day."

"**Bourgeois Democracy.**"—The statement called on the workers of various countries to organize workmen's councils, declared that international warfare was followed by civil warfare, argued that it was the duty of the proletariat to shorten the duration of the civil war against them and to keep down the number of victims and to that end to arm the workers and disarm the bourgeoisie and de-

scribed the outcry of the bourgeoisie against civil war and the Red Terror as "the most abominable hypocrisy ever noted in the history of political fighting."

Weakness of Second International.—The manifesto continued by criticizing the socialist parties of Europe for their "opportunism, vacillation, mendacity and superficiality." It alleged that the "war had killed the second International by proving that, dominating the fraternal masses of the workmen, stood parties transformed into the cringing organs of the bourgeois state." It concluded:

"Even though the first International foresaw the coming development and inserted a wedge, and though the second International collected and organized millions of proletarians, still it is the third International that stands for the open action of the masses and for revolutionary operations.

"Socialist criticism has thoroughly stamped the bourgeois world-order. It is the duty of the International Communist Party to overthrow that order, and to establish instead the system of socialist order. . . .

"Proletarians of all lands! Unite to fight against imperialist barbarity, against monarchy, against the privileged classes, against the bourgeois state and bourgeois property, against all kinds and forms of social and national oppression.

"Join us, proletarians in every country — flock to the banner of the workmen's councils, and fight the revolutionary fight for the power and dictatorship of the proletariat." ⁸

Conclusion.—What will be the future relation between the second International and the third or communist International it is impossible at this date to state. In June Messrs. Macdonald and Buxton of the Independent Labor Party visited the Italian and Swiss socialists, who had in-dorsed the Lenin group, urging them to join with the In-

⁸ For complete text, see *The Nation*, May 31, 1919.

ternational represented at Berne. The Independent Labor Party and the majority of the French Socialist Party gave their adherence again to the older group in the Spring of 1919. The Socialist Party of Switzerland in the early fall of 1919, while denouncing the Berne Conference, refused to join the Moscow group, and called for the thorough reconstitution of the International. The Communist and Communist Labor parties of the United States indorsed the third International, while the Socialist Party submitted the question again to referendum vote. Within every party in Europe discussion regarding the relative merits of each International is at present writing running high.

CHAPTER XI
THE RUSSIAN REVOLUTION
THROUGH THE MARCH REVOLUTION

Causes of Discontent.— Every move made in Russia following the outbreak of the war seemed calculated to lead the country ever nearer the maelstrom of revolution. The continued persecution of the liberal and socialist forces in the country; the imperialistic aims of the government; the inefficiency, corruption, conservatism and pro-German character of many of the officials high in military and governmental circles; the conduct of the Czar's family, and, most important of all, the breakdown of the economic system, due to Russia's inability to obtain railway, farm and industrial equipment, to the departure of German industrial managers to the "Fatherland," and to the mobilization order which stripped the factories, railroads, mines and fields of most of their labor power — all whetted the flames of discontent among the various strata of the Russian people.

As early as August 22, 1915, the liberal groups in the Duma, excluding the socialists, formed a coalition for the purpose of demanding a responsible government. This attempt at organization was followed within two weeks by an indefinite suspension of the Duma. On the reopening of that body on November 14, 1916, landholders, capitalists, the military, professional classes and peasants alike voiced bitter opposition to the government for its

inefficiency and its attitude toward Germany. Premier Sturmer, charged with disloyalty, was dismissed, but his place was taken by Trepov, and later, following the assassination of Rasputin, by another reactionary. On New Year's day, 1917, the progressive members of the Duma were dismissed and conservatives substituted. The re-opening of the Duma was postponed. The army was given but two days' reserve of food. Prices soared toward the impossible. Tens of thousands were face to face with starvation, and the masses had to endure a bitter winter without fuel and without adequate clothing.

Beginnings of the March Revolution.—On February 27, three hundred thousand workers went on a protest strike in Petrograd. The aristocracy felt that here was an opportunity to promote an immature revolt, which, once crushed, would make a real revolution more difficult.¹ The bourgeoisie and the liberal groups, fearing that the revolution would prove abortive, tried to ward it off.

In early March, great demonstrations took place for the release of political prisoners. Riots ensued, and, on March 3, Petrograd found itself under martial law. Four days later huge strikes broke out among the textile and other workers. The cry for bread was everywhere heard, mingled with the demand for peace. Industries practically came to a standstill. The government sent out the Cossacks to break up the strikes, but instead of using the

¹ "Several months before the revolution," declared Arthur Ransome, Russian correspondent of the *London Daily News*, "they [the government] had been running kindergarten classes for policemen in the use of machine guns just outside Petrograd, . . . armored cars had been kept back from the front with a view to moving target practice in the streets of the capital, and . . . weeks before the actual disorders Petrograd had been turned into a fortified battleground, with machine guns embrasures in the garrets of the houses at strategical vantage points." Ransome, *On Behalf of Russia*, p. 8.

sword, the Cossacks smiled approval, and from that smile came the victory for the revolution.

In the meanwhile, the Duma became more vigorous in its opposition to the government, finally resolving that "the government, which covered its hands with the blood of the people, should no longer be admitted to the Duma. With such a government the Duma breaks all relations forever." This resolution was followed by a decree of dissolution, to which, however, the Duma paid no attention.

Cossacks Encourage Revolutionists.—The crisis came on Sunday, March 11, 1917. The Petrograd thoroughfares were black with people. From their vantage place on the roofs, the police fired on the masses, but the Volynski, one of the most famous of the Russian regiments, when ordered to shoot into the crowd, turned on their commander and killed him instead. They joined the revolutionists amid the acclaim of the populace, and were swiftly followed by other regiments. The government seemed impotent. The president of the Duma sent an urgent message to the Czar, at the General Headquarters, alleging a state of anarchy and demanding immediate action. The Czar made no reply.

Emergency of Workmen's Councils.—Since the non-socialist groups seemed incapable of decisive action, the socialists quickly assumed the leadership. All day they organized the masses into Councils of Workmen's Deputies, after the example set in the 1905 revolution, and, on the following morning, March 12, the revolt was thoroughly organized. Huge demonstrations took place in various parts of the city. Even the Guards' Regiment, closest to the Czar, which was sent to take the place of the revolting units, joined with the democratic forces.

Arsenals were occupied, the police silenced, and strongholds of the monarchy, such as the Peter and Paul Fortress, were captured and their inmates released. Especially did the masses rejoice when the headquarters of the Secret Service was captured and its archives, containing innumerable records of the revolutionary leaders, were burned.

During the day, the Duma remained impotent. Its president, Rodzianko, sent another message to the Czar, which, like the first, remained unanswered. In the meantime, the workers arranged for the election of the Council of Workers' Deputies and, at the meeting of Monday night, Tchcheidze, the leader of the Social Democrats, was proclaimed president and Kerensky, then of the Labor Party, and later of the Social Revolutionists, vice-president. That night the Council issued a declaration demanding political democracy for Russia. "All together, with united forces," the declaration read, "we will struggle for the final abolition of the old system and the calling of a Constituent Assembly on the basis of universal, equal, direct and secret suffrage." The supreme task of the Council is the organization of "the people's forces and their struggle for a final securing of political freedom and popular government in Russia." It urged the country to rally around the Council, to form local committees and to take over the management of local affairs.

The Abdication of the Czar.—The Duma still clung to the belief that the monarchy could be retained and suggested that the Grand Duke Michael be called to the throne and that a constitutional monarchy be established. This project was bitterly opposed by the delegates from the Council of Workers' and Soldiers' Deputies, and, on Thursday, March 15, 1917, Miliukov, one of the leaders

of the Constitutional Democrats in the Duma, announced to the masses assembled before the Taurida Palace that the Duma and the Workers' and Soldiers' Deputies had agreed to depose the Czar, to form a provisional government consisting of representatives of all parties and to issue an early call for the Constituent Assembly, which would plan a democratic form of government.

The Czar, on receiving notice of this decision, immediately signed his abdication papers, and named his brother, the Grand-Duke Michael, his successor. The following day, the Grand-Duke declared his willingness to accept "this supreme power only if this be the will of our great people, who, by a plebiscite organized by their representatives in a Constituent Assembly, shall establish a form of government and new fundamental laws of the Russian state." With this declaration was snuffed out the monarchy of Russia.

RUSSIA UNDER THE PROVISIONAL GOVERNMENT

The First Provisional Government.—The provisional government, which was immediately formed, containing as it did but one socialist, Kerensky — the new Minister of Justice — and representing a Duma elected under the Czarist régime, bitterly disappointed the masses of the people.²

Political Nature of March Revolution.—The provisional government did not realize the economic significance of the Russian revolution. To the ministry it seemed

²The Cabinet contained, among others: Premier, Prince George E. Lvov, president of Union of Zemstvos; Minister of Foreign Affairs, Paul Miliukov, leader of Constitutional Democrats; Minister of War and Navy, Alex. Guchkov, leader of Octobrist Party and prominent Moscow banker; Minister of Finance, M. I. Terestchenko, sugar king; Minister of Trade and Commerce, A. I. Konovalov, wealthy manufacturer.

only to indicate that the people desired political democracy and a more vigorous prosecution of the war. Accordingly, the first act of the new government was the issuance, on March 18, 1917, of a program of political reform, which favored amnesty for political prisoners, freedom of speech and press, freedom to organize and strike, the abolition of social, religious and national restrictions, universal suffrage and the calling of a Constituent Assembly.

On March 21, amnesty was actually granted to political and religious offenders and the Finnish Constitution was restored. A few days later the government abolished the decrees against the Jews and granted self-government to Poland. It removed the death penalty, confiscated the large holdings of the imperial family and of the monasteries and enacted an excess profits tax. While the cabinet also expressed approval of woman suffrage and the distribution of land among the peasants, it declared that these things should be left for action to the Constituent Assembly.

Discontent with the Provisional Government—Despite these reforms, the people viewed the provisional government with ever increasing suspicion. The government delayed the solution of the land and the general industrial problem. It failed to revolutionize the aims of the war, Miliukov going so far as to state that he regarded the possession of Constantinople by Russia a necessary step in the evolution of its economic life. This declaration of the Minister of Foreign Affairs led many of the elements in the soviet,³ particularly the Bolsheviks, to launch an

³ Soviet is the name for council. The soviet idea first became popular in the revolution of 1905, when a council consisting of delegates from numerous factories, trades and other industrial groups in Petrograd became the center of revolutionary activity. The soviets formed in the cities of Russia after the March revolu-

attack against the government. Lvov, in defense of the government, declared that Miliukov merely expressed his personal opinion, and that the provisional government was in hearty accord with the policy of the soviets. This statement, however, failed to allay suspicion.

Parties in Control.— During this period, the soviets, made up of representatives chosen by the workers in the factories and the soldiers in the army, were growing in power and exerting increasing pressure on the provisional government. They were first controlled by the moderate socialists — the Social Revolutionists and the Mensheviks.⁴

tion were in their make-up somewhat similar to the central labor unions found in American cities. They contained delegates from trades, factory shop committees and professional and industrial groups, thus differing from the local political government where representation is based on geographical units. In the rural districts, where the vast proportion of the population consisted of peasants, representation was more likely to be based on residence.

⁴ At the outbreak of the revolution, the controlling bourgeois party in the Duma was the Octobrist Party, representing the feudal landlords and the great capitalists. It contained such leaders as Rodzianko, the speaker of the Duma and Gutchkov, the Moscow banker and Minister of War in the provisional government. Next to this group came the Constitutional Democrats, popularly known as the Cadets, consisting largely of the liberal capitalists, landowners and professional classes. The Cadets had as their ideal a bourgeois republic or a constitutional monarchy similar to that of England. It was led by Miliukov and Lvov, and assumed the leadership in the first provisional government. The Octobrist and other monarchist and reactionary parties practically disappeared after the March Revolution.

Midway between the bourgeois and socialist groups came the small Labor Party, which made its appeal to the more conservative peasants and was distinctly nationalistic in its outlook.

Then followed the socialist parties which were divided, prior to the revolution, into two main groups — the Social Democrats and the Social Revolutionists. The first group emphasized its Marxist character, made its main appeal to the proletariat of the city, and placed little reliance on the revolutionary character of the peasants. The Social Revolutionists, on the other hand, conducted its propa-

Congress of Soviets.— On April 16, a national congress of the Council of Workers' and Soldiers' Deputies was called. This congress urged the Russian people to support the Council "as the center of organized, democratic forces that are capable, in unison with other progressive forces, of counteracting any counter-revolutionary agitation chiefly among the peasantry. A considerable section of the Social Revolutionists, including Katharine Breshkovskaya, relied on terroristic methods as a means of advancing the revolution.

In 1903, the Social Democratic Party split into two main groups, the Bolsheviks (meaning the majority), and the Mensheviks (the minority). From the 1905 to the 1917 revolutions the latter, however, were the real majority in the party. The Menshevik group, which contained a large number of the so-called "intellectuals," believed that it was necessary for Russia to pass through the capitalistic era of development before it was ripe for socialism. With the downfall of the monarchy, they contended, Russia should inaugurate a parliamentary republic. The Bolsheviks, on the other hand, composed more largely of the militant proletariat and the poorer peasantry, believed it possible for Russia to jump certain stages in industrial development and to advance from feudalism directly into socialism.

Besides these groups in the Social Democratic Party was the small Menshevik Internationalist movement of which Trotsky was formerly a member. The members of this group were opposed to coalition with the propertied classes, but were unwilling to break with the Mensheviks. There was also the Unified Social Democratic Internationalists, of which Maxim Gorky was a member. Gorky and his followers refused to tie themselves up with either of the two great factions, but otherwise resembled in social outlook the Menshevik Internationalists.

The second main group of socialists was the Social Revolutionary Party, originally the fighting revolutionary party of the peasants. These emphasized the abolition of private property in land. At first they favored compensation, but later advocated confiscation. This party was swept into power at the time of the March revolution. Kerensky, formerly of the Labor Party, joined its ranks, as did very large numbers possessed of no particular social philosophy. A branch of this peasants' party was the Left Social Revolutionists, led by Spiridonova, and other extremists. The Left Social Revolutionists withdrew several times from the provisional government, supported the soviets—although not agreeing with the tactics of

tempt, and of consolidating the conquests of the revolution." It also warned the people to suppress any attempt on the part of the government to elude the control of democracy, and asked for the support of the provisional government "as long as it continues to consolidate and develop the conquests of the revolution — and as long as the basis of its foreign policy does not rest upon aspirations for territorial expansion." Thus was evidenced the beginning of the antagonism between the soviets and the provisional government that was to play such an important rôle in the next few months.

The Resignation of Miliukov.—Following this congress, the provisional government, on April 27, announced its agreement with the soviets and, on May 1, issued a manifesto, urging the Allied governments to restate their war aims. The manifesto, however, was accompanied by a note which declared that the provisional government "will the Bolsheviks — and, after the November revolution, supported and then opposed the Bolsheviks.

The Maximalists and Minimalists were also offshoots of the Social Revolutionists, the former demanding, as their name suggests, the immediate carrying out of the maximum socialist program.

As the November revolution approached, the parties gradually began to align themselves as Bolshevik and anti-Bolshevik groups.

The Social Revolutionists and the Mensheviks, as will be seen, favored in general the continuance of the war on the side of the Allies, supported the provisional government, felt that coalition was necessary, and were inclined to leave fundamental changes in the economic structure to the Constituent Assembly. They first were of the opinion that the soviets should assume merely advisory functions.

The Bolsheviks, on the other hand, cooperating at times with the Left Social Revolutionists, demanded that support be withdrawn from the provisional government, that all power be given to the soviets, that the latter proceed immediately to take over the land and the monopolistic industries and to a realization of socialism; that all imperialistic wars and all governments that wage them be opposed; that the standing army be abolished and that an armed people be substituted therefor.

maintain a strict regard for its agreement with the allies of Russia." This note was immediately interpreted by many as a willingness on the part of the government that the Allies should ignore the manifesto. Huge anti-governmental demonstrations ensued. The ministry announced that the note had been misinterpreted, that its aims were not imperialistic, and, by a small majority, the soviet on May 4 passed a vote of confidence in the government. The incident, however, gave an immense impetus to the parties of the left.

This trend became more pronounced on the arrival in late April in Petrograd of Nicholai Lenin,⁵ who had been

⁵ Lenin, whose real name is Vladimir Ilyich Ulianov, is a hereditary nobleman, a son of a councillor of state of the government of Simbirsk. He was born April 10, 1870, and is a Greek Catholic by profession. He was educated at the Simbirsk gymnasium, and, in 1887, entered the University of Kazan, from which he was soon expelled for political agitation among the students, exiled from Kazan and placed under secret police surveillance. In 1886 his brother was executed for participation in a terrorist act against Alexander III. In 1891 Lenin entered the University of St. Petersburg, and devoted himself to literary work. He later became an attorney.

In 1895 he left Russia and organized a service for the introduction of revolutionary literature into Russia. On his return he became a contributor to the underground publication, *Labor's Work*. On January 29, 1897, by an imperial ukase, he was exiled to eastern Siberia because of his activity in connection with the Social Democratic circle of Petrograd. There he remained for three years under police surveillance. For the next three years he was forbidden to return to industrial or university centers. On July 16, 1900, he went abroad as a delegate of the central committee of the Russian Social Democratic Party, and soon attained a leading position among the Russian political refugees abroad.

In 1903 he led the Bolshevik group at the second congress of the Russian Social Democratic Party. In 1905, when the first revolution broke out, he returned to Russia, later fleeing to Finland (1906), to Switzerland (1907), and to Paris (1908), where he edited socialist periodicals. At the outbreak of the war he was in Austria. Here he was imprisoned, but later released. Returning to Switzerland, he took up the fight for peace and was active in the Zimmer-

for some time biding his time in Switzerland. Lenin demanded immediate peace negotiations and the restatement of war aims by the Allies. On May 13, as a result of growing criticism, Guchtov resigned, declaring that anarchy had entered into the conduct of the army. Three days later Miliukov tendered his resignation, on account of the increased pacifism in the socialist movement. On the following day, May 17, Leon Trotsky returned from America, and gave additional impetus to the left wing agitation.⁶

The Military Situation.—In the meanwhile conditions at the front, left by the Czarist régime in a tragic state, were going from bad to worse. Under the Czar, the soldiers were kept to their tasks by iron discipline, but with the revolution the hand of the monarchy was paralyzed and the one thing which had kept them bound to the trenches was removed. They still regarded the war as that of the Czar's. Why, they asked, should we continue

wald Conference. After the March revolution, he was allowed to return to Russia accompanied by one hundred revolutionists of various factions. He was the author of *Development of Capitalism in Russia* and numerous other economic works. (See Williams, *Lenin, the Man and His Works*.)

⁶ Trotsky, on his return to Russia, was about forty years of age. Leaving the University of Odessa in the late nineties, he immediately threw himself into the revolutionary movement in Russia. In 1900 and again after the 1905 revolution he was imprisoned and sent to Siberia for his revolutionary activity and twice escaped. In the 1905 revolution, he became the chairman of the Petrograd soviet. After his second escape, he remained in Vienna until the outbreak of the war, editing a revolutionary magazine that was smuggled into Russia. Thence he went to Switzerland, to Paris, to Spain, and, in the winter of 1916-17, to the United States. He helped to edit a socialist newspaper in this country, and, on the outbreak of the revolution, returned, with difficulty, to Russia. From the 1905 revolution, he had emphasized the immediate transition from absolutism to socialism through the medium of the soviets. (See *Our Revolution* by Leon Trotsky, translated by Olgin.)

to serve and die, why not return home and enjoy the fruits of the revolution? They held frequent meetings. On May 10, delegates from the soldiers at the front opened a conference in Petrograd, which expressed the belief that the war was "at present conducted for purposes of conquest and against the interest of the masses" and urged the Council of Workers' and Soldiers' Deputies to take the most energetic measures "for the purpose of ending this butchery, on the basis of free self-determination of nations and of renunciation by all belligerent countries of annexations and indemnities. Not a drop of Russian blood shall be given for aims foreign to us."

The New Coalition Government.—The resignations of Miliukov and Guchtov gave rise to another controversy in the soviets as to whether the council should participate in the new coalition ministry about to be formed. The moderates again won out and the ministry was indorsed by a vote of 41 to 19. The resulting cabinet contained six as against one socialist representative, although the non-socialists were still in the majority, with some seven Constitutional Democrats and two Octobrists.⁷

The Petrograd soviet approved the selections, while the Bolsheviks, under the leadership of Trotsky, strongly objected. "There are three commandments for the proletariat," declared Trotsky, in this his maiden address after his return to Russia. "They are: First, transmission of power to the revolutionary proletariat; second, control

⁷ Lvov was again chosen Premier. Kerensky was transferred from Minister of Justice to Minister of War and head of the army and navy. Another Social Revolutionist was selected Minister of Justice and Terestchenko, Minister of Foreign Affairs. Three other socialists, Chernov, Skobelev and Tseretelli, were appointed respectively Ministers of Agriculture, of Labor and of Posts and Telegraphs.

over their leaders; and third, confidence in their own revolutionary powers."

The Land Problem.—During these months also the peasants were becoming ever more restless on account of the failure of the government to pursue a consistent course with regard to the distribution of land. On May 17, the All-Russian Congress of Peasants, controlled by the Social Revolutionists, met in Petrograd. It urged that the proposed Constituent Assembly declare for the abolition, without compensation, of private property in land and natural resources and demanded that the provisional government issue "an absolutely clear statement which will show that on this question the provisional government will allow nobody to oppose the people's will." Kerensky, at this gathering, stated that he intended "to establish an iron discipline in the army." Nine days thereafter he signed, under pressure, the Declaration of Soldiers' Rights, which, among other things, placed the management of the army in the hands of committees on which the men had four-fifths representation and the officers, one-fifth.

The Discussion of Peace and of All Power to the Soviet.—Throughout June, 1917, the place of Russia in the war was hotly debated from many angles. In the All-Russian Congress, opened on June 22, a memorable debate on tactics took place between Kerensky, who supported the war, and Lenin, who regarded its continuance as "an act of treason against the socialist International." The congress still supported the coalition ministry by a large majority and declared that the passing of all power to the soviets would drive away the elements that were still capable of serving the revolution. It declared, however, that the giving of all power "to the bourgeois elements would deal a blow at the revolutionary cause," and insisted that the socialist ministers be directly responsible

to the soviets. The Bolsheviks planned a huge demonstration in front of the headquarters of the congress for the purpose of pressing home the thought that the soviets should assume all power, but the demonstration was forbidden.

The July Days.— July the first witnessed a massed unarmed demonstration in Petrograd, encouraged by the soviets. To the surprise of the soviet leaders, and the delight of the Bolsheviks, the banners displayed by the marchers, instead of expressing support for the coalition, were inscribed with the words, "Down with secret treaties," "Long live a just peace," "Down with the ten capitalistic ministers."

About that time occurred the long expected July offensive. The bourgeoisie favored the drive as an aid to the restoration of army discipline, and as a means of strengthening their position in the government. The Bolsheviks opposed it on the ground that it would give rise to repressive measures, necessitate "the concentration of power in the hands of the military, diplomatic and capitalistic groups affiliated with English, French and American imperialism, and thus free them from the necessity of reckoning later with the organized will of Russian democracy." The provisional government was largely influenced by pressure from the Allied Embassies. The offensive at first met with considerable success, but, because of the pitifully poor equipment of the army, the inadequacy of supplies and the soldiers' lack of morale — due partly to anti-war propaganda — defeat quickly ensued.

July Outbreaks.— Dissatisfaction caused by defeat, the continued chaos in the army, despite the demand by Allied generals for renewed discipline, uncertainty regarding the settlement of the land, industrial and peace problems and the postponement of the Constituent Assembly — all led

to an increasing demand that the Constitutional Democrats, popularly known as Cadets, be asked to resign from the ministry.

This discontent led, on July 17, to a revolutionary demonstration which the Bolsheviks were charged with instigating, but which they declared was spontaneous, being guided by them "only in a political way." Great crowds surrounded the Tauride Palace where the Central Executive Committee was located. Demands were made for the arrest of Chernov and Tseretelli and for the dispersal of the Executive Committee. Delegates sent into the Palace to urge reforms were met with evasions until the arrival of the Volynsky regiment, when bayonets were drawn and the revolt crushed, but not before some five hundred men and women were killed in the resulting turmoil. The Bolsheviks maintained that they had not attempted to seize power by armed revolt. This event showed them, however, that the government could not depend on the Petrograd regiments for active assistance in time of crises.

Kerensky Becomes Premier.—On July 20, Lvov resigned from the ministry and Kerensky began his spectacular career as Premier. Two days later, the Executive Committee of the All-Russian Council of Workers', Soldiers' and Peasants' Deputies decided to confer supreme and unlimited authority on the Kerensky cabinet, and brought the Bolsheviks to task for refusing their support. Kerensky immediately began a vigorous suppression of Bolshevik papers. Trotsky, Kollontay and others were arrested and sent to prison, charged with organizing the revolt of July in collusion with German authorities. Lenin went into hiding.

Conditions at the front, however, continued to grow worse. Finally, Chernov resigned as Minister of Agri-

culture, and Kerensky, as Premier. The latter, however, was unanimously requested by the provisional government, and later by leaders of various political parties and the Duma, to remain at the post. Kerensky remained and formed a new cabinet, in which four socialist parties and two liberal parties were represented. Chernov returned to office.

The Moscow Conference.— But the defeat without and disintegration within continued. Kerensky's next move was the calling of an Extraordinary National Conference at Moscow for August 26. Here were gathered some 1,400 delegates, invited, for the most part, by the government — representatives of the soviets, the coöperatives, the municipalities, the trade unions, the Duma, the zemstvos, etc. The Bolsheviks claimed that the main purpose of this conference was to secure a sufficiently conservative composition to dissolve the soviets and to gain a firm footing against the Bolsheviks.⁸

Message From President Wilson.— It was this conference to which President Wilson addressed his message, pledging "every material and moral assistance," and at which Kerensky warned that any attempt to raise an armed hand against the people's power would be stopped with blood and iron. General Kornilov demanded the return of rigid discipline in the army. The veteran socialist, Plechanov appealed for a coalition government on the ground that the workers were not as yet ready to exercise power. Men and women of all shades of opinion, excluding the Bolsheviks, addressed the conference. The gathering did give an opportunity to many groups to express their convictions, but far from unifying the various forces, if anything, it led to greater schisms. Following

⁸ Trotsky, *From October to Brest-Litovsk*, p. 28.

the conference came military disaster after military disaster and, on September 3, Riga was surrendered to the Germans.⁹

The Kornilov Revolt.—On September 9 came the Kornilov revolt. General I. C. Kornilov, on August 2, had succeeded General Brusilov as Commander-in-Chief of the Russian armies. In that position he sent many bitter notes to the provisional government regarding the lack of discipline in the army. On September 8, according to Kerensky, Vladimir Lvov, a member of the Duma, visited the Premier and told him that Kornilov demanded that the military power be handed over to him as well as the selection of the new government. Kerensky thereupon demanded that Kornilov give up his position as commander-in-chief and declared Petrograd in a state of siege. Kornilov afterwards denied that he had sent Lvov to the Premier, declaring that it was Kerensky who had first dispatched Lvov to him. The truth of the involved relationship will probably never be fully known. Kerensky's explanation never proved satisfactory, even to his friends. However, Kornilov, on receiving Kerensky's message, refused to resign as commander-in-chief of the army and began his march on Petrograd. The provisional government issued orders, but the Petrograd Council of Workers' and Soldiers' Deputies carried on the main defense. The Kronstadt sailors were summoned to Petrograd in defense of the revolution, and the Petrograd soviets armed the workingmen. Some forty thousand soldiers advanced with Kornilov. When they approached the city, the Petrograd workers streamed out to meet them. The soviets sent not

⁹ Many Bolsheviks afterwards claimed that Riga was not properly defended, and that many of the military leaders were not adverse to the surrender of the city, feeling that it would "bring the people to their senses."

only soldiers, but also orators. The agitators asked Kornilov's followers why they wished to fight against the revolution and induced them to appoint a committee to investigate the condition of the city. When the committees returned to the regiments and declared that they had been deceived, the soldiers laid down their arms and refused to fight. The revolt gave further impetus to the Bolshevik argument that coöperation between the bourgeoisie and the socialist elements in the government would prove fatal to the revolution. The immediate outcome of the revolt was the appointment of Kerensky as commander-in-chief of the army.

The Democratic Conference.—The Kornilov revolt was followed by a bitter fight for supremacy in the Petrograd soviet between the right and left wings. Prior to this event, the Bolsheviks had no representation in the Petrograd Executive Committee, though they at times marshaled one-third of the votes. After the revolt, they asked that the principle of proportional representation be adopted in the soviet elections, but this request was denied. Soon the group was able to command a majority on various questions, and from this time they began to fight for the convocation of the Second All-Russian Congress of Soviets, then about due. This convocation was opposed by the moderate socialists, and, as a compromise, in order to satisfy the public demand for a national conference, without running the risk of losing control of the soviet machinery, and in order to make a last desperate attempt to unify the divergent elements in Russia, the United Executive Committee of the soviets called a national gathering for September 27, 1917, known as the Democratic Conference.

This conference was more progressive in its make-up than was the Moscow gathering, and the representatives

of the big industrial interests were less in evidence. It created a new coalition ministry, containing eight Cadets, five Social Democrats, and two non-partisans. By a slight majority the conference favored the coalition. It, however, opposed the entrance of Cadets in the ministry, although these were appointed under the name of social workers. Owing to the opposition of the Bolsheviki, a resolution favoring the continuance of the war was withdrawn. The Democratic Conference also picked representatives for a Pre-Parliament, which was to function prior to the convocation of the Constituent Assembly. Contrary to the hopes of Tseretelli, the Pre-Parliament was given no authority over the ministry. This failure to make the ministry responsible to any group of the Russian people — a condition that had pertained ever since the July days — meant, according to the radicals, responsibility merely to the Cadets and to the Allied Embassies.

The Preliminary Parliament.—The Pre-Parliament opened its sessions October 8, 1917. In it were some 344 representatives of the working class, and 153 delegates from the middle class. The 53 Bolshevik members and 5 from other factions took the position that the new régime meant “the restoration and perpetuation of the coalition with the liberal bourgeoisie,” and left the Pre-Parliament.¹⁰

The war dragged on. The new cabinet issued a state-

¹⁰ In commenting on the newly formed coalition government, Trotsky declared: “The attitude of the masses toward Miliukov’s party was one of the deepest hostility. At all elections during the revolutionary period, the Cadets suffered merciless defeat, and yet, the very parties — i.e., the Social Revolutionists and Mensheviks — which victoriously defeated the Cadet party at the elections, after election, gave it the place of honor in the coalition government. It is natural that the masses realized more and more that in reality the fusionist parties were playing the rôle of stewards to the liberal bourgeoisie. (Trotsky, *October to Brest-Litovsk*, p. 31.)

ment declaring that the provisional government would in the next few weeks take part in the conference of the Allied Powers, "and calling for immediate and active participation in the preparations for the convocation of the Constitutional Assembly in the shortest period of time." The Parliament lasted until November 7, 1917, at which date it was dispersed by the Bolsheviks.

The Bolshevik Revolution.—After the March Revolution, the Bolsheviks constantly increased in strength, for with the passing months their arguments bore ever greater weight with the masses. The provisional government, they declared, had promised the country peace. What had been done? The government had asked the Allies to restate their war aims. The Allies promised such a restatement at their Paris conference but the conference was put off from month to month, and finally an announcement made that they intended to discuss merely military issues. In the meanwhile tens of thousands of Russians were being sacrificed and no relief was in sight. The continuance of the war would lead to physical exhaustion of the revolutionized proletariat and the fruits of the revolution would be sacrificed.

The socialists of the left further claimed that the provisional government had failed to take any decisive stand on the land question. It feared to advocate confiscation of the land because the value of foreign securities depended on the income derived from it. In certain districts it had introduced martial law and arrested many peasants who attempted to carry out the Petrograd soviet's program by transferring land to the peasant committees.

Indecision of Provisional Government.—The provisional government had no definite policy on the question of the socialization of industries. It had postponed the call-

ing of the Constituent Assembly. And, declared Trotsky, "there were no guarantees that it [this assembly] really would be called. The breaking up of the army, mass desertions, disorganization of the supplies' department, agrarian revolution — all this created an environment which was unfavorable to the elections for the Constituent Assembly. The surrender of Petrograd to the Germans, furthermore, threatened to remove altogether the question of elections from the order of the day. And, besides, even if it were called according to the old registration lists under the leadership of the old parties, the Constituent Assembly would be but a cover and a sanction for the coalition power."¹¹

The provisional government still clung to the idea of coalition which meant control by the bourgeoisie and Allies. It refused to recognize the real power of Russia, the soviet.

Program of Bolsheviks.—The Bolsheviks had a definite program on all questions in dispute. They demanded that entire power be given to the soviets; that land be immediately distributed without compensation; that industries be socialized and workers' committees formed, and that immediate negotiations be started for a general, democratic peace. While the Bolshevik propaganda along these lines was urgent and active, "it was much like the case of a man blowing with his breath in the same direction with a full grown natural tornado,"¹² for their demands but voiced the growing aspirations of the people.

Defense by Kerensky Government.—The provisional government conducted a vigorous counter-propaganda. It declared that it had not unduly postponed the Assem-

¹¹ Trotsky, *op cit.*, p. 34.

¹² See article by William Hard on Colonel Robins' view of Russia in the *Metropolitan*, June, 1919.

bly. On March 20, 1917, the coalition ministry had promised to convoke the Assembly "as soon as possible." The second cabinet repeated the promise. It was first necessary to organize a thoroughly representative committee to work out the election laws. This organization took some time. The commission's sessions opened June 7, 1917. On June 22, the third cabinet designated September 29 as the date for the elections. This date was changed once, when, on August 22, Kerensky declared that, because of the enormous amount of work involved in holding the elections, voting must be postponed until November 25, 1917. The convocation of the Assembly was called for December 12, 1917.

Regarding the immediate negotiations for peace, the provisional government declared that Russia must remain loyal to the Allies, and that only by defending Russia against German militarism could the fruits of the revolution be preserved. The moderate socialists admitted, however, that much of their argument for the continuance of the war had been greatly weakened by the refusal of the Allies to restate their war aims, as well as by the Allies' refusal to give passports to delegates to the Stockholm Peace Conference called by the Russians. The land and industrial problems, they maintained, would be taken up by the Constituent Assembly. They claimed that the coalition ministry was necessary, as Russia could not jump immediately out of the stage of feudalism into that of socialism, and that, during the transition period, the workers must have the coöperation of the bourgeoisie.

Calling of All-Russian Congress.—Despite these replies, the movement swung incessantly to the left. Under pressure of the Bolsheviks, the Central Executive Committee of the soviets called an All-Russian Congress of Soviets in Petrograd for November 7. The calling of this

assembly was a signal to the Bolsheviks to prepare for the capture of the governmental machinery.

Struggle Over the Petrograd Garrison.—The first struggle occurred over the Petrograd garrison. The General Staff decided that this garrison, composed of revolutionary troops, should be sent to the front in exchange for others. The Petrograd soviets were asked to approve of the plan of exchange, but the soviets' executive committee refused to give its approval. At the same time a Military Revolutionary Committee was organized and both sides strove to win the support of the Petrograd garrison. The Bolsheviks felt sure that the All-Russian Congress would favor transference of power to the soviets, but they knew that a resolution to that effect would be worthless unless backed by force. Force must be placed on the side of the Bolsheviks. In this struggle soldiers and workmen began to take the keenest interest. On October 23, a secret meeting of the Central Committee of the Bolsheviks was held in Petrograd, with Lenin present. At this meeting, with but two dissenting votes, it was decided that "the only means of saving the revolution and the country from final dissolution lay in armed insurrection which must transfer power into the hands of the soviets."

The first act of the Military Revolutionary Committee was the appointment of commissioners to all parts of the Petrograd garrison and to all of the most important institutions of the capital and its environs. The various Petrograd regiments finally agreed to recognize only the commissioners from the Petrograd soviet. The government then proceeded vigorously against the rebels and destroyed their headquarters and their printing plant. These, however, were soon replaced. In early November, the staff tried to come to some mutual understanding in regard to the removal of the Petrograd garrison, but the

garrison declared that, without the Petrograd soviet's decision, it would move nowhere.

Petrograd Soviet Day.—On November 4, 1917, the Bolsheviks announced a "Petrograd Soviet Day," which brought out great masses of men and women, with their signs of "Down with Kerensky's Government, Down with the War! All power to the Soviets!" The Semyonovski regiment, regarded as the bulwark of Kerensky's government, decided, during the day, by an overwhelming majority, to support the Bolsheviks. The insurgents also occupied the Fortress of Peter and Paul. During the following days the Military Revolutionary Committee appointed committees to take charge of all railroad depots, and established telephonic communications with outlying soviets. Red Guards and sailors occupied the telegraph station, post office and other institutions, and prepared to take possession of the state bank, while Smolny Institute, the headquarters of the Central Executive and of the Military Revolutionary Committee, was turned into a fortress.

On November 6, Kerensky demanded that the Pre-Parliament approve repressive measures against the Bolsheviks. A resolution was passed condemning the rebellious movement of the soviet, but laying the responsibilities at the door of the anti-democratic policy of the government. That night the government ordered artillery from the Peterhof School of Ensigns, and gathered cadets and officers at the Winter Palace, while the Bolsheviks placed military defenses on all roads leading to Petrograd, and sent agitators to meet and to argue with military detachments called by the government. During the night most of the important points in the city, including the state bank, passed into the hands of the Bolsheviks without struggle or bloodshed.

The Fall of the Kerensky Régime.— On November 7, the Winter Palace, occupied by the provisional government, was gradually surrounded, and, at one o'clock in the afternoon, Trotsky declared, at a session of the Petrograd soviet, that the government of Kerensky had ceased to exist, and that, until the All-Russian Congress would otherwise decide, the power would pass into the hands of the Military Revolutionary Committee. In the meantime the government institutions were occupied one by one by soldiers, sailors, and red guards.

That evening the preliminary session of the Second All-Russian Congress of Soviets was held, and while Dan, a leader of the Social Revolutionists, was delivering an invective against the insurgents, in the name of the Central Executive, the besiegers were closing in on the Winter Palace, and the boom of cannon, pointed toward the palace, was heard throughout the city. Presently the directors of operations against the headquarters of the provisional government appeared in the hall, and reported that the Winter Palace had been taken, that Kerensky had fled and that other ministers were arrested and consigned to the Fortress of Peter and Paul. The first chapter of the November revolution was closed.

UNDER THE SOVIET GOVERNMENT

The Formation of the Soviet Government.— With the downfall of the provisional government, the power passed immediately over to the Military Revolutionary Committee. The first order of the new power was the abolition of the death penalty and the ordering of reflections in the army committees. On the succeeding evening, at an executive session of the soviets, Lenin, who had returned from hiding in Finland, introduced decrees on peace and on land,

which were unanimously adopted. The Central Committee of the Bolsheviks thereupon invited the Left Social Revolutionists to participate in the establishment of the Soviet Government. The latter hesitated on the ground that the government should contain members of all of the parties that were represented in the soviet. The Mensheviks and the Right Social Revolutionists broke completely with the Bolsheviks, maintaining that the government should contain anti-soviet parties as well. The Bolsheviks then selected the People's Commissars, composed exclusively of members of the Communist Party — for by this title the Bolsheviks soon began to call themselves. Lenin was appointed President, and Trotsky, Minister of Foreign Affairs. The Lenin government dissolved the Pre-Parliament and, following the withdrawal of anti-Bolshevik delegates, secured the sanction of the soviet congress to this procedure.

Attacks on New Government.—The new government was bitterly attacked from all sides. On November 8, the Executive Committee of the All-Russian Council of Peasants' Deputies issued a manifesto declaring that the revolution was perishing, that the presence of a few peasants' deputies at the soviet congress in violation of the decision of the peasants' executive committee in no way indicated the peasants' support of the government and that the Council of Peasants' Deputies refused to recognize the new Bolshevik régime.

The Central Committee of the Social Revolutionists expelled from the party all those who took part in the "Bolshevik adventure" "for gross violation of party discipline." On November 10, this committee issued a manifesto, in which it declared that the All-Russian Congress of Soviets had no authority to recognize the *coup*

d'état, as most of the socialist delegates had left the council and as the peasant delegates had refused to attend because they were busy with the elections for the Constituent Assembly. The appeal concluded:

“Join hands with the All-Russian Committee for the Salvation of the country and revolution, unite with the Socialist Parties! They will create a new, united revolutionary and democratic government and this government will at once transfer all land to the land committee, will offer all belligerent countries a democratic peace, will suppress the anarchy and the counter-revolution and will bring the country to the Constituent Assembly.”

The Petrograd Committee of the Social Democratic Party and various other groups also issued appeals against the new power. The intelligentsia refused at first to cooperate with the new régime, the technical workers and clerks, the telegraph operators, typewriters and others sabotaging the government. The communication with the provinces was for some time completely cut off.

Suppression of Counter-Revolutionary Forces.—The Bolsheviks then undertook to clear Petrograd of those who openly defied their rule. The cadets were disarmed, the participants in the insurrection against the new régime were arrested and imprisoned or deported and “all publications that openly preached revolt against soviet authority were promptly suppressed. All military resistance in the capital was crushed absolutely.

Next came the reports of the Kerensky advance on Petrograd. The Cossacks accompanying the former Premier took possession of the powerful telegraph radio-station at Tsarskoye-Selo and of several local soviets. The soldiers in Petrograd, not knowing the size of the ad-

vancing force and deprived of effective artillery and of trained officers, at first showed little enthusiasm about opposing their forces to Krasnov's Cossacks, but the factory workers of Petrograd formed a Red Guard and large numbers enthusiastically supported the new government. On November 12, they met the Cossacks, engaged in a fierce artillery duel with them and forced a retreat to Gatchinsk. Kerensky fled while General Krasnov was endeavoring to find an escort to take him back to Petrograd.

The Fight Against the Constituent Assembly.— After quelling armed opposition within and without the capital, the Bolsheviki turned their attention to the Constituent Assembly. On November 25, 1917, the elections took place throughout Russia, and resulted in a majority vote for the Social Revolutionists, the Bolsheviki obtaining less than one-third of the votes cast.

In late November and early December a group of Assembly delegates met at Tauride Palace, but were finally excluded by the Bolsheviki from this gathering place. The Assembly was formally opened on January 18, 1918, and Chernov, the leader of the Social Revolutionists, was elected chairman by a vote of 244 to 151.

Bolshevik Demand on Assembly.— Sverdlov, chairman of the executive committee of the soviets, thereupon read the "Declaration of the Rights of the Toiling and Exploited People," and urged its passage by the Assembly. The declaration virtually called on the Assembly to give all power to the soviets.

The declaration, which was later adopted as a part of the Constitution of the Soviet Government, virtually called on the Assembly to give all power to the soviets; provided for the abolition of all private property in land, the socialization of mineral resources, workmen's control of industry, the establishment of the Supreme Soviet of Na-

tional Economy, the nationalization of banks, the enforcement of general compulsory labor, the arming of the workers, the disarming of the exploiting classes and the formation of the Red Guards.

All Power to the Soviet.— The declaration called upon the Constituent Assembly to accept completely the policy of the soviets, “whose duty it is to publish all secret treaties, to organize the most extensive fraternization between the workers and the peasants of the warring armies, and by democratic methods to bring about a democratic peace among all the belligerent nations without annexations and indemnities, on the basis of the free self-determination of nations — at any price.”

The resolution further urged that the Assembly completely separate itself from “the brutal policy of the bourgeoisie”; that it accept the policy of the Council of People’s Commissars in giving complete independence to Finland, in beginning the withdrawal of troops from Persia, and in declaring for Armenia the right of self-determination.

“A blow at international financial capital,” it maintained, “is the soviet decree which annuls foreign loans made by the governments of the Czar, the land-owners and the bourgeoisie. The Soviet Government is to continue firmly on this road until the final victory from the yoke of capitalism is won through international workers’ revolt.” It continued:

“As the Constituent Assembly was elected on the basis of candidates nominated before the November revolution, when the people as a whole could not rise against their exploiters, and did not know how powerful would be the strength of the exploiters in defending their privileges, and had not yet begun to create a socialist society, the Constituent Assembly

considers it, even from a formal point of view, unjust to oppose the soviet power."

The declaration concluded by stating that the exploiters must not have a seat in the government, and urging the Constituent Assembly to limit its activities to "outlining the basis of the Federation of the Russian Soviet Republics, leaving it to the people, in their soviet meetings, to decide under what conditions they prefer to join the federated government and other federations of soviet enterprise."

Dissolution of Assembly.— At two o'clock of the morning of January 19, this resolution was put to a vote and lost. The Bolshevik element thereupon read a resolution, stating that the Constituent Assembly had refused to recognize the results of the great November revolution; that it was directing the fight of the bourgeoisie against the workers' revolution; that it was "in reality a *bourgeois counter-revolutionary party*"; that it had been elected "on the basis of obsolete party lists" and that it promised everything, but in reality had "decided to fight against the Soviet Government, against the socialist measures giving the land and all its appurtenances to the peasants without compensation, nationalizing the banks, and canceling the national debts."

The Bolsheviks, the Left Social Revolutionists and the Unified Social Democratic Internationalists then withdrew from the chamber "in order to allow the soviet power finally to decide the question of its relations with the counter-revolutionary sections of the Constituent Assembly."

An hour afterward the Assembly addressed a resolution to Russia and other countries in which it favored most of the Bolshevik demands except that of giving all power to

the soviets. It proclaimed the Russian State to be a Russian Democratic Federated Republic; abolished the right to privately owned land; confiscated without compensation all land, mines, forests, waters, owned by individuals, associations and institutions; urged that the war be immediately discontinued; appealed to the Allied countries to define jointly the exact terms of a democratic peace acceptable to all; appointed a peace delegation to meet with the Allies; and accepted "the further carrying on of negotiations with the countries warring against us in order to work toward a general democratic peace which shall be in accordance 'with the people's will and protect Russia's interests.'"

The Assembly was thus one with the Bolsheviks in favoring confiscation of land and an immediate peace. At four o'clock of the following morning, January 19, 1918, a Cronstadt sailor on guard asked why the members did not go home. They went and with their departure ended the constituent. A decree of dissolution was passed by the Soviet Government on January 26.

Protests Over Dissolution.—The dissolution of the Constituent Assembly brought storms of protests from those who formerly favored the Assembly, as well as from those who had formerly opposed it, but who now clung to it as the lesser of two evils.

The Social Revolutionists and the Mensheviks argued that an election based on universal suffrage in November, in which the electors voted for candidates listed in October and September, could not legitimately be considered as "unrepresentative" and "obsolete" in January; that the November election called forth millions of men and women, and its results were therefore much more representative of the aspirations of the Russian people than were those of the soviets whose total membership at that time was a few

hundred thousands; furthermore, that the election of the Constitutional Assembly, which took place three weeks after the *coup d'état*, and in which the majority of the Bolshevik candidates were defeated, should be looked upon as a later expression of the will of the Russian people than the *coup d'état* itself.

The Bolshevik action also proceeded with poor grace from a group which had consistently attacked the Kerensky government for its postponement of the Assembly, which had issued a decree, after coming into power, ordering the elections to be held as arranged, and had announced that the Bolshevik "Commissars of the People" would hold complete power "until the meeting of the Constituent Assembly." It was also idle, they contended, to call the majority of those in control of the Constituent Assembly counter-revolutionists when this majority were socialists who had fought for years against the dreaded autocracy of the Czar. And did not these non-Bolsheviks show their revolutionary character on the first day and only day of the Assembly, by the passage of such fundamentally radical measures as those for the abolition of privately owned land without compensation, for nationalization of mines, forests and waters, and for early peace negotiations? ¹³

Defense by Bolsheviks.— In justifying their action, the Bolsheviks replied that the Constituent Assembly members had been elected from old lists; that sentiment throughout Russia had swung definitely to the left since the selection of the assembly candidates; that the slowness of communications in Russia had made it impossible adequately to apprise the inhabitants of rural districts of the November revolution prior to the elections, and that a ministry selected by the Constituent Assembly would have been impotent because it would not have had the support

¹³ See Spargo, *Bolshevism*, Ch. VI.

of the active groups in the population. Furthermore, during revolutionary days, the soviet form of government was much more responsive to the changing will of the people than were the older democratic forms.¹⁴

The Move for Peace.—Immediately after the Bolsheviks became the controlling power in Russia, they began their drive for peace.¹⁵ On November 20, a wireless communication was sent to the Allies and to the Central Powers offering to conclude a general peace. The Allied governments replied that further steps toward separate peace negotiations would lead to the gravest consequences. The soviet, on receipt of this reply, declared that “under no circumstances would it permit the army to shed its blood under the club of the foreign bourgeoisie.” This it followed up with the publication of the secret treaties and the statement that Russia would relinquish everything in these treaties which were against the interest of the masses of the people in all countries.

On December 7, a truce was signed with the Germans calling for a discontinuance of military operations on the entire front, and again the Allies were requested to join in the peace negotiations. This time the Allies made no answer. On December 22, 1918, peace negotiations were actually begun.

At Brest-Litovsk.—The Russian delegates went to Brest-Litovsk, and set forth the basis for a general, democratic peace — a peace without annexations and indemnities, favoring self-determination, etc. The Germans’ reply expressed general agreement with the Russian formula,

¹⁴ One of the most vigorous defenses of the actions of the Bolsheviks in breaking up the Constituent Assembly is that made by Leon Trotsky in *From October to Brest-Litovsk* (pp. 77-9).

¹⁵ For a documentary history of peace negotiations between Germany and Russia see *Russia and Germany at Brest-Litovsk*, by Judah W. Magnes (N. Y.: Rand School, 1919).

but a few days later the Russian delegates returned to Russia carrying "those brigand demands, which Mr. Kuehlmann made to us in the name of the Central Empires as an interpretation of his 'democratic' formulæ."¹⁶

The delegates returned again to Brest-Litovsk, and endeavored to obtain better conditions, all the time publishing every portion of the negotiations, and hoping against hope that the workers of the Central Powers would revolt against their governments, prevent the Germans from imposing their terms and ignite a European revolution. They urged that the negotiations be held in Stockholm or some other neutral center, but this request was denied. Unable to induce a peace on the basis of the Russian formula, on February 10, 1918, they broke off negotiations, stating that they could not sign a formal treaty, but that they regarded the state of war to be at an end, and ordered an immediate demobilization.

"The peace you are forcing down our throats," they declared, "is a peace of aggression and robbery. We cannot permit you, Messrs. Diplomats, to say to the German workmen: 'You have characterized our demands as avaricious, as annexationist. But look, under these very demands we have brought you the signature of the Russian revolution.' Yes, we are weak, we cannot fight at present. But we have sufficient revolutionary courage to say that we shall not willingly affix our signature to the treaty which you are writing with the sword on the body of living people."¹⁷

Signing of "Tilsit" Peace — No Reply from Allies.— Before the expiration of the seven-day period for the signing of the treaty, the Germans began their advance and finally, on March 3, the Russian delegation was com-

¹⁶ Trotsky, *op. cit.*, p. 85.

¹⁷ Trotsky, *op. cit.*, p. 95.

pelled to sign the "Tilsit" peace. Discussion then centered on whether the All-Russian Congress of Soviets would ratify the treaty. Trotsky and Lenin promised Colonel Robins that they would use their influence with the All-Russian Congress to continue the war, if the Allies would guarantee economic and military aid. Colonel Robins and other officials, bankers and newspaper correspondents of Allied countries, on the basis of this promise, cabled various Allied countries, urging that such aid be extended.¹⁸ No reply, however, was received, and, on March 16, the Fourth All-Russian Congress of Soviets, at Moscow, ratified the treaty with Germany by a vote of 704 to 261.

Lenin, in urging this course, maintained that Russia was helpless against foreign aggression. It "must have a breathing spell for internal stabilization and for an increase of the Russian power of resistance. The point is not to fight with honor, but to achieve ultimate victory. The Russian revolution must survive, must avoid fighting an uneven battle, and must gain time in the hope that the western revolutionary movement will come to its aid. Germany is still engaged in a fierce struggle. Only because of this is the conclusion of peace between Russia and Germany at all possible. We must fully avail ourselves of this situation. The welfare of the revolution is the highest law. We must accept the peace we are unable to reject."

Many opposing the ratification, on the other hand, argued that the success of Germany in the war would mean the death of the revolution in Russia, and that the fight should be continued against Prussian militarism at all hazards.

¹⁸ See Raymond Robin's story, told by William Hard, *Metropolitan Magazine*, August, 1919, p. 73.

The Soviet Constitution.— Perhaps the most important social contribution made by the Bolsheviks during 1918 was the Soviet Constitution, adopted on July 10, 1918, by the Fifth All-Russian Congress of Soviets as the fundamental law of the land — the most radical code of laws ever adopted by a nation of any considerable size.

Article one of the Constitution, largely a repetition of “The Declaration of the Rights of the Toiling and Exploited People,” urged for adoption before the Constitutional Assembly, provided, as first steps toward a socialist society, for the assumption of power by the soviets, for the socialization of the land, of natural resources, of the banks and of certain of the factories, for the arming of the toilers and for the disarming of the propertied classes.

The Dictatorship of the Proletariat.— Under article two, which contains the “general provisions of the Constitution of the Republic,” the dictatorship of the proletariat is proclaimed in the following language:

“The fundamental problem of the Constitution of the Russian Socialist Federated Soviet Republic involves, in view of the present transition period, the establishment of a dictatorship of the urban and rural proletariat and the poorest peasantry in the form of a powerful All-Russian Soviet authority, for the purpose of abolishing the exploitation of men by men and of introducing socialism in which there will be neither a division into classes nor a state of autocracy.”

Article two also provides that free and full education be furnished to workers; that the government help in the organization of the producers; that halls be extended free to those who toil, and that, in order to secure freedom of expression, all “dependence of the press on capital” be abolished.

Continuing, the Constitution reads: “The Russian So-

cialist Federated Soviet Republic considers work the duty of every citizen of the Republic, and proclaims as its motto: 'He shall not eat who does not work.' . . ." Political rights are granted, "in consequence of the solidarity of the toilers of all nations, to foreigners who live in the territory of the Russian Republic and are engaged in toil and who belong to the toiling class." Shelter is also offered "to all foreigners who seek refuge from political and religious persecution," and equal rights are granted to citizens of various races and nations. On the other hand, the constitution "deprives all individuals and groups of rights which could be utilized by them to the detriment of the socialist revolution."

Construction of the Soviet Power.—Article three deals with the construction of the soviet power. The All-Russian Congress of Soviets is made the supreme power of the republic. This congress is composed of representatives of city soviets (one delegate for 25,000 voters), and of representatives of the provisional congresses of soviets (one delegate for 125,000 inhabitants).

The All-Russian Congress is convoked by the All-Russian Central Executive Committee at least twice a year and may be called together at other times. The congress elects a Central Executive Committee of not more than 200 members, which, in the periods between the convocation of the congresses, is the supreme power of the republic. The Executive Committee, however, is entirely responsible to the congress for its acts.

The Executive Committee is given wide powers, including the direction in a general way of the activity of the government and of the organs of soviet authority in the country; the coördination and regulation of the Constitution and of the resolutions of the congresses; the consideration and enactment of all measures and proposals in-

roduced by the Soviets of People's Commissars or of various departments; the issuance of its own decrees; the convocation of the congress, and the formation of People's Commissars for the management of the affairs of the republic.

The People's Commissars.—The management of the affairs of the republic is placed largely in the hands of the Council of People's Commissars, seventeen in number, who are appointed by the Central Executive Committee, and are responsible to this Committee and to the All-Russian Congress. This Council has the power of issuing decrees and attending to the details of management, but all decrees of great political significance have first to be approved by the Central Executive, except those requiring immediate execution. Each Commissar has the aid of a committee of which he is president, and the members of which are appointed by the Council of People's Commissars.¹⁹

The All-Russian Congress has exclusive jurisdiction over the ratification and the amendment of the fundamental principles of the Soviet Constitution, the ratification of peace treaties, and, together with the Central Executive Committee, possesses general powers common to supreme legislative bodies, and has control over the appointment and dismissal of any or all of the members of the Council of People's Commissars.

The Constitution also provides for regional, provincial, county and rural soviets, delegates to each of which are

¹⁹ These Commissars have charge of the following departments: (1) Foreign Affairs, (2) Army, (3) Navy, (4) Interior, (5) Justice, (6) Labor, (7) Social Welfare, (8) Education, (9) Post and Telegraph, (10) National Affairs, (11) Finances, (12) Ways of Communication, (13) Agriculture, (14) Commerce and Industry, (15) National Supplies, (16) State Control, (17) Supreme Soviet of National Economy, (18) Public Health.

elected either from the next lower soviets, or from the smallest unit. Provision is furthermore made for the soviets of deputies elected in city or town, one deputy in the city for every 1,000 inhabitants.

The Right to Vote.— Article four, which deals with the “Right to Vote,” has been subject to the severest criticism. It reads:

“The right to vote and to be elected to the soviets is enjoyed by the following citizens, irrespective of religion, nationality, domicile, etc., of the Russian Socialist Federated Soviet Republic, of *both sexes*, who have completed their eighteenth year by the day of election.

“a. All who have acquired the means of living through labor that is productive and useful in society, and also persons engaged in housekeeping, which enables the former to do productive work, i. e., laborers and employees of all classes who are employed in industry, trade, agriculture, etc.; and peasants and Cossack agricultural laborers who employ no help for the purpose of making profits.

“b. Soldiers of the army and navy of the soviets.

“c. Citizens of the two preceding categories who have to any degree lost their capacity to work.

“Note 1: Local soviets may, upon approval of the central power, lower the age standard mentioned herein.

“Note 2: Non-citizens mentioned in Paragraph 20 (Article Two, Chapter 5) have the right to vote.

“The following persons enjoy neither the right to vote nor the right to be voted for, even though they belong to one of the categories enumerated above, namely:

“a. Persons who employ hired labor in order to obtain from it an increase in profits.

“b. Persons who have an income without doing any work, such as interest from capital, receipts from property, etc.

“c. Private merchants, trade and commercial brokers.

“d. Monks and clergy of all denominations.

“e. Employees and agents of the former police, the

gendarme corps, and the Okhranan (Czar's secret service), also members of the former reigning dynasty.

"f. Persons who have in legal form been declared demented or mentally deficient, and also persons under guardianship.

"g. Persons who have been deprived by a soviet of their rights of citizenship because of selfish or dishonorable offences, for the period fixed by the sentence."

Lenin's Program for Higher Productivity.— The chief problem facing the Soviet Government after its installation in the industrial field was that of increased productivity. The lack of raw material and of adequate machinery, the sabotaging by technical experts in the early days of the soviet rule, the physical condition of the workers and the war without and within were among the factors that made this problem particularly difficult. The Soviet Government's approach to this problem was indicated in the address of Premier Lenin to the soviet delivered in the Spring of 1918, in which he advocated self-discipline among the masses, the utilization of the principles of scientific management, the employment of technical experts, the use of the press in stimulating emulation, and compulsory labor. He said in part:

"The victory of the socialist revolution will not be assured unless the proletariat and the poorest peasantry manifests sufficient consciousness, idealism, self-sacrifice and persistence."

In the creation of the soviet state the main difficulty is "in the economic domain: to raise the productivity of labor, to establish strict and universal accounting and control of production and distribution, and actually to *socialize production*. . . .

"Keep accurate and conscientious accounts; conduct business economically; do not loaf; do not steal; maintain strict

discipline at work. . . . The practical realization of these slogans by the toiling masses is, on one hand, the *sole* condition for the salvation of the country. . . .

“Without the direction of specialists of different branches of knowledge, technique and experience, the transformation toward socialism is impossible. We should try out every scientific and progressive suggestion of the Taylor system. . . . The possibility of socialism will be determined by our success in combining the soviet rule and the soviet organization of management with the latest progressive measures of capitalism.”²⁰

The Press. The press should cease to “amuse and fool the masses with spicy political trifles.” It “should serve as a weapon of socialist construction, giving publicity in all details to the success of the model communes, studying the principles of their success, their methods of economy. . . . Statistics under capitalism were used exclusively by government employees or narrow specialists — we must bring them to the masses, we must popularize them so that the toilers gradually learn to understand and see for themselves that work and how much work is needed and how much rest they can have. In this way a comparison between the results of the enterprise of different communes will become a subject of general interest and study.”

Compulsion. Efficient organization and higher discipline requires compulsion. The introduction of obligatory labor service should be started immediately, but it should be introduced gradually and with great caution, testing every step by practical experience.

“The old state of society left the people with a great distrust of anything connected with the state. But without thorough state accounting and control of production and distribution the authority of the toilers, and their freedom cannot last, and a return to the yoke of capitalism is *inevitable*.”

Social and Economic Results.—It is impossible at this

²⁰ See Lenin, *The Soviets at Work*.

early date to reach any sure judgment regarding the social achievements of the Soviet Government. Many attacks have been made against the soviet régime on the ground that, under its "dictatorship," the Russian industrial system has become ever more chaotic.²¹ On the other hand, while admitting that conditions are still in a tragic state in Russia, the Soviet Government maintains that, despite difficulties—including the difficulties raised by the Allied blockade—productivity increased in certain parts of the country during the first year of the soviet rule.²²

Work in Education and Art.—The Soviet Government has also given much attention to education and culture. Maxim Gorky, at first a bitter opponent of the soviet régime, later a supervisor in the Department of Foreign Literature, paid a high tribute late in 1918 to this phase of the soviet's work, in part as follows:

"The creative cultural work of the Russian Government, which operates under the most difficult conditions and at the price of heroic effort, has begun to take a leap forward and a form as yet unknown in human history. That is not an exaggeration. Only a short time ago, I was an enemy of the government, and am still at the present time in disagreement with it in its methods of work. But I know that the historians of the future, when they come to estimate the value of what has been accomplished by the Russian workmen in the course of one year will not be able to refrain from admiring the magnificence of their creative work in the domain of culture."²³

²¹ See *The Living Age*, Apr. 12, 1919, p. 121 *et seq.*

²² Such is the report of A. Lomov, attached to the People's Commissariat of Industry, appearing in a volume published in Moscow in December, 1918, and published in *The Nation* of May 17, 1919.

²³ In *Le Populaire*, Jan. 12, 1919. Arthur Ransome in "Russia in 1919" (pp. 179-188), writes of the growth of the universities from

Anti-Bolshevik Russian Forces.— During 1918, the Soviet Government was bitterly opposed by numerous Russian forces, who received the aid of the Allies, by the Czecho-Slovaks and by the troops of other countries. In August, 1918, some 200 members of the dismissed Constituent Assembly met in Samara in an attempt to organize another national government, but without success. A failure also was the attempt of Paul Miliukov to form a "League for the Rebirth of Russia," from among the members of the old Constitutional Democrats. In October, 1918, a national convention was held in Ufa, in eastern Russia, composed of members of various political parties, excluding the Bolsheviks. This convention, after adopting a provisional plan for the government of Russia, appointed a directorate of five with full power.

In mid-August also, under the protection of the military and naval forces of the Allies, was formed the "Government of Northern Russia" led by Nicholas Tchaikovsky, for many years a leader of the peasant and revolutionary movements. This government proposed the reestablishment of local self-government, and advocated universal suffrage, the reorganization of the national army, the renewal of the war against Germany, and the repudiation of the treaty of Brest-Litovsk.

Kolchak and Semenov.— In May, General Semenov, an anti-Bolshevik commander, and Admiral Kolchak, formerly commander of the Black Sea Fleet, set up an independent government in Eastern Siberia, near Lake Baikal. A bitter quarrel, however, took place between the two leaders, and for a time the whole movement seemed

6 to 16, the increase in the number of libraries, reading rooms, etc.,— an increase of educational institutions in Moscow alone from 369 to 1,357— the astonishingly large number of classics reprinted by the Russian Soviet Government, etc. See also the report of A. V. Lunacharsky, Commissar of Education, *The Liberator*, May, 1919.

to be about to fall into pieces. The landing of the forces of the Japanese and other Allies at Vladivostok, and the development of an army of some 50,000 Czecho-Slovaks, former prisoners of war, helped to stimulate the Semenov-Kolchak forces.

On July 26, another government, claiming power over Siberia, was formed at Omsk. The succeeding month, August 25, General Horvath declared himself military dictator over all of the Russian forces in the Far East and, in early October, an attempt was made to capture the Omsk Government, but this came to grief through the intervention of the Czecho-Slovaks.

Kolchak Coup d'État.— On October 7, the Horvath and Omsk governments were merged, the cabinet consisting of the directorate of five formerly appointed at Ufa. This, however, failed to settle the dissensions and, on November 18, a further *coup d'état* occurred, and three of the five directors were arrested after which, with the consent of the chief of the council of ministers, Kolchak proclaimed himself dictator and commander of the All-Russian army and navy. A month later, it was announced that harmony between Semenov and Kolchak had been restored, on condition that the latter would retire in favor of General Denikin, the leader of the Cossacks, when the union of the Cossack and Siberian forces could be effected.

On November 20, a force of Cossacks, led by General Denikin, expelled the Ukrainian National Assembly and established a provisional government, anti-Bolshevik in its make-up.

Foreign Intervention.— Numerous Allied military expeditions took place during the year on Russian soil. On April 5, 1918, contingents of Japanese and British forces were landed at Vladivostok, for the purpose of

protecting property, and, nine days later, it was announced that British and French troops had been landed at Murmansk to reinforce a marine detachment sent there some weeks before, with the stated object of protecting munitions and stores against a Finnish-German attack. On August 3, President Wilson made the following declaration regarding the position of the United States:

“Military intervention is admissible in Russia now only to render such protection and help as is possible to the Czecho-Slovaks against the armed Austrian and German prisoners who are attacking them and to steady any efforts at self-government and self-defense in which the Russians themselves may be willing to accept assistance.

“Whether from Vladivostok or Murmansk and Archangel, the only present object for which American troops will be employed will be to guard military stores which may subsequently be needed by Russian forces and to render such aid as may be acceptable to the Russians in the organization of their own self-defense.”²⁴

Socialist Critics of the Bolsheviks.—The Soviet Government in Russia has been widely applauded and bitterly condemned by socialists and non-socialists throughout the world. The socialists who condemn the soviet rule dwell, principally, not on the ultimate goal of the Bolsheviks, but on the methods employed. They condemn the Communist Party for regarding the moderate socialists as counter-revolutionists; for dissolving the Constituent Assembly; for suppressing free press and free speech; for

²⁴ This statement was reiterated by the President on July 25, 1919, when he declared to the Senate his intention of keeping troops in Siberia. The main difficulty with the anti-Bolshevik forces was that they had no unity of purpose, outside of their opposition to the Bolsheviks. They consisted of monarchists, liberals and socialists and were hopelessly split whenever a constructive program was considered.

arresting, jailing and killing anti-soviet forces,²⁵ and, most of all, for their advocacy of "the dictatorship of the proletariat," and the soviet form of government as contrasted with a democracy under universal suffrage.

Berne Conference Condemnation.—Undoubtedly one of the most authoritative statements issued by socialists against the soviet rule was the resolution of the International Socialist Conference at Berne in February, 1919, in part as follows:

"The reorganization of society, as it becomes more and more permeated with socialism, cannot be realized, much less established unless it rests upon the triumph of democracy and is firmly rooted in the principles of liberty.

"The institutions which form the basis of all democracy: liberty of speech and the press, the right of assembly, universal suffrage, the parliamentary system with governmental responsibilities, the right of coalition, etc., provide the working masses with the instruments necessary for carrying on their struggles.

"As the result of recent events, the conference desires to make the constructive character of the socialist program absolutely clear to all. Socialization consists in the methodical development of different branches of economic activity under the control of democracy. The arbitrary taking over of a few undertakings by small groups of men is not socialism, it is nothing less than capitalism with a large number of shareholders.

"Since, in the opinion of the conference, the effective development of socialism is only possible under democratic law, it follows that it is essential to eliminate from the out-

²⁵ In the summer of 1918, during a period characterized by bitter agitation against the government, many socialists and non-socialists were summarily executed. Widespread protests were made against the government for this action, President Wilson vigorously denouncing the "mass terrorism" of the soviet régime.

set all methods of socialization which would have no chance of gaining the adhesion of the majority of the people.

“Such a dictatorship would be all the more dangerous if it rested upon the support of only one section of the proletariat. The inevitable consequence of such a régime could only be to paralyze the forces of the proletariat by fratricidal war. The result would be the dictatorship of reaction.”²⁶

Bolsheviks Non-Marxian? — The Bolshevik position, its opponents claim, is non-Marxian. When Marx advocated the dictatorship of the proletariat, he had in mind a proletarian movement which had become “the self-conscious, independent movement of the immense majority.” Furthermore, he urged that the great change be made only when industrial development was prepared therefor, and frowned upon various proposals of gaining power by a *coup d'état*. In Russia the Soviet Government obtained control as a result of the *coup d'état* of a minority.²⁷ After it secured the reigns of government, as a

²⁶ While this resolution received the support of the majority present, it was opposed by Longuet, Adler and others, who introduced another resolution claiming that the conference did not have sufficient knowledge at its command regarding the Russian situation to warrant any resolution of condemnation. (See section under “The Berne Conference.”)

²⁷ Mr. Spargo (*Bolshevism*, pp. 211-12) quotes a statement from Lenin (taken from the *New International*, Apr., 1918) as follows:

“Just as 150,000 lordly landowners under Czarism dominated the 130,000,000 of Russian peasants, so 200,000 members of the Bolshevik party are imposing their proletarian will on the mass, but this time in the interest of the latter.”

Mr. William Hard, in *The New Republic* (July 9, 1919, p. 306), however, calls attention to the fact that this sentence was written before the Bolshevik revolution; that Lenin was alluding to the fact that the party voters of any political party are many times more numerous than the party-members. He calculated that the Bolshevik party then had a strength of 240,000, and a voting strength of 1,000,000. He declared furthermore that they could, by summoning

minority, the opponents maintained, it was necessary to use coercion to suppress the majority, and not only were the anti-Bolshevik forces outside of the soviets harshly dealt with, but certain soviets were dispersed, where they did not roll up a Bolshevik majority.

Soviets Called Undemocratic.— Furthermore, urges the anti-Bolshevik, the soviet constitution does not give a vote to all citizens. A vote is given only to those who do “productive and useful work in society,” and an arbitrary authority is left to decide what is productive and what is not. A vote under the constitution is withheld from persons who hire help in order to obtain profit, from private merchants, from trade and commercial brokers, and from persons who derive their income without doing any work. Clergy and monks of all denominations are denied the vote, as well as “persons who have been deprived of their rights of citizenship because of selfish or dishonest offenses, for the period fixed by the sentence.” Apparently the proletariat of the city have a larger representation than the rural voters. When once the principle of one vote one man is ignored, the way is opened to a dangerous dictatorship.

Lenin has not only introduced the rule of the minority in politics, but also in industry he points out the need for compulsion and dictatorship, the “complete submission to a single will.”²⁸ Is not such dictatorship repugnant to the spirit of democratic socialism?²⁹

Defense of Bolshevik Methods.— The replies to most of these objections have been set forth in the preceding pages. Dealing with the right to vote under the soviet the poor to the work of managing the state, increase their state apparatus many fold.

²⁸ Lenin, *The Soviets at Work*, pp. 29, 32, 34 *et seq.*

²⁹ See Spargo, *Bolshevism*, Chs. VI, VII; see also Bullard, *The Russian Pendulum*, Ch. XIII.

régime, defenders of the Soviet Government maintain that all who are willing to work are given the right to vote; that the Russian citizen has the alternative of enjoying the special privilege of an unearned income, or the privilege of participating in the control of politics and industry; that there is some discrimination against voters in every country — in the United States, in many states, against women, against the negro and against the migratory worker, who is generally unable to vote because of residential requirements — while naturalization and other restrictions, not evidenced in Russia, disfranchise a considerable number of the population.

Representation by Occupations.—Defenders of the Bolshevik régime furthermore declare, as has been pointed out, that the soviets have many advantages over the old form of political organization, inasmuch as “all bureaucratic formalities and limitations of elections are done away with,” while the city soviets emphasize a valuable variation in political government — representation according to occupation, rather than according to territorial groupings.³⁰

In reply to the accusation of tyranny in the workshop, the Bolsheviks point to the actual examples of democratic control with workshop committees that have been developing all over Russia. Accused of suppressing anti-Bolshevik papers, they state that those papers which advised armed insurrection against the government were suppressed, but that criticism against the administration was in general permitted. It must be added, they declare, that the country was defending itself on all fronts, and that it was also being attacked from within.³¹

³⁰ See *supra*, discussion under “The Nature of the State.”

³¹ See *New Republic*, July 9, 1919, p. 306 *et seq.*; see also, in regard to the so-called Red Terror, *The Nation*, Oct. 4, 1919 (The

Allied Advances.—In the early part of February, 1919, William C. Bullitt of the American Peace Delegation was sent on a special mission to Russia, accompanied by Captain W. W. Pettit and Lincoln Steffens, with an offer for Allied peace with Russia, proposing an armistice on all Russian fronts. Lenin accepted the offer, but the open invitation, which was supposed to be dispatched on April 10, 1919, never appeared, and the formal negotiations were nipped in the bud in a manner similar to the Principo proposals.³²

During the summer and fall of 1919, the Allies gave military and economic aid to Admiral Kolchak and Generals Denikin and Yudenitch. In the late fall it was reported that the Soviet Government had captured Omsk, the headquarters of Kolchak, and had repulsed Yudenitch in the northwest. It was repeatedly reported that the Bolsheviki had united with other Russian parties, in order that the Soviet Government might present a united front against their opponents, and that the government had adopted a more opportunistic position than formerly.

Summary.—As we have seen, in March, 1917, as a result of a combination of political and economic forces, Russia passed painlessly from black autocracy to a political democracy—the Czar being actually deposed on March 15. The revolutionists, however, wanted a change more fundamental—they wanted industrial democracy. The government shifted from the control of the liberals to that of the Social Revolutionists. The latter, however,

Bullitt Report), Ransome, *Russia in 1919*, and the reply of Maxim Litvinov to President Wilson. For accusations against Admiral Kolchak's anti-soviet forces, see *The New Republic*, July 9 and 16, 1919.

³² See *The Nation*, July 12, 1919, p. 31, and October 4, 1919, pp. 475-82; also Ransome, *op. cit.*, pp. 44-63. See also Bullitt, *The Bullitt Mission to Russia*.

retained non-socialists in the ministry, and, during the Summer, failed to take any decisive steps toward solving the problems of peace, and of control of land and industry. The Bolsheviki, with their more definite program and a program more akin to the wishes of the active masses, became increasingly stronger, and, finally, by a *coup d'état*, on November 7, 1917, obtained control of the government, dissolved the Constituent Assembly, transferred all power to the soviets, started peace negotiations, declared an end to private ownership in land, socialized important industries, and proclaimed a temporary dictatorship of the proletariat.

The anti-Bolshevik forces became active, particularly in Siberia, where Admiral Kolchak established a dictatorship and immediately sought the aid of the Allies. Such aid was extended during the Spring of 1919 in one form or another, against the protests of numerous labor groups in Allied countries, while a strict blockade was kept up against the Soviet Government. Later aid was given to Denikin and other opponents of Bolshevism. England withdrew further military aid from the anti-Bolshevik forces in the Fall of 1919, and the Soviet Government, after capturing Omsk, continued its efforts to obtain peace.

It is as yet too early to judge what results have been attained by the soviets. On the one hand the Bolshevik régime has been characterized by observers, non-socialists, and many socialists, as devoid of any redeeming feature. On the other hand, numerous non-socialist and socialist observers have declared that the Soviet Government, despite very great obstacles, has been responsible for a number of valuable social achievements.

CHAPTER XII

REVOLUTIONS IN THE CENTRAL EMPIRES: GERMANY — AUSTRIA — HUNGARY

GERMANY

Beginning of Opposition to War.—As has been pointed out, the Social Democrats in the Reichstag voted as a unit for the first war budget on August 4, 1914, although some fourteen members had so vigorously opposed this decision at the caucus that Liebknecht was led later to describe the session as accompanied by “a violence hitherto unknown in our deliberation.”

With the passage of time, opposition to the decision of the majority grew. The Berlin *Vorwaerts* maintained a critical attitude toward the government and was several times suspended for its vigorous attacks. Richard Fischer, who finally replaced the radical, Stadhagen, agreed that the paper, during the war, would make no further mention of class hatred or the class struggle. The *Vorwaerts* and other papers, however, continued to attack the malady of jingoism with which the German people was stricken.

In the Prussian Landtag, the socialist group maintained its position of opposition to the government policy and continued its fight for democratic measures. Because of the failure of the government to make any concessions in respect to suffrage, the laws regarding association and the exceptional laws, the group of ten Social Democrats refused, in March, 1915, to vote for the Prussian budget.

Liebknecht's Stand.— On the occasion of the second war budget, December 2, 1914, the socialists again voted for the loan, fifteen, however, abstaining. Haase again read the position of the majority, and declared, in justification of the stand of his fellows, that the frontiers of the country were still menaced by hostile troops. He demanded that "the end be made to war as soon as the goal of safety has been reached and the enemy is disposed to make peace and that this peace be one that makes possible friendship with neighboring nations." The group also condemned the government for its opposition to the invasion of Belgium.

A sensation was created at this time by the negative vote of Karl Liebknecht, accompanied by the following strong statement of condemnation:

"This war, which none of the peoples interested wanted, was not declared in the interests of the Germans or of any other people. It is an imperialistic war for capitalization and domination of the world markets, for political domination of important quarters of the globe, and for the benefit of bankers and manufacturers. From the viewpoint of the race of armaments, it is a preventive war, provoked conjointly by the war parties of Germany and Austria in the obscurity of semi-absolutism and secret diplomacy. It is also a Bonaparte-like enterprise tending to demoralize and destroy the growing labor movement."

Liebknecht was later condemned by the Social Democratic group by a vote of 82 to 15 for breach of party discipline.

When the third budget was passed upon in March, 1915 — a budget for civil as well as military purposes — thirty socialist members absented themselves from the Reichstag. Liebknecht and Ruehle alone, however, voted

against the loan. Haase took occasion to demand equal civil rights and to protest against the cutting down and destruction of the rights acquired by socialist and labor unions.

The Party Split.—The opposition to the majority action continued to increase and, on the passage of the fourth budget, December 15, 1915, a group of twenty voted against the loan. This group, led by some of the most powerful of the socialist leaders, including Ledebour, Haase, the former chairman of the Social Democrats; Bernstein, the revisionist; and Kautsky, the foremost Marxist scholar, thereupon formed a "Social Democratic Workers' Community," a separate Reichstag group. This group finally took the momentous step at Gotha of organizing a separate party, the Independent Social Democratic Party of Germany. This party at first contained the Internationale group, of which Mehring, the historian of the movement, Liebknecht, Rosa Luxemburg and Clara Zetkin were the moving spirits. With the exception of one or two minor branches on the extreme left of the movement, including the "Spartacus" group, most of the anti-governmental forces joined the new organization. The "Independents" were practically one in their fight against imperialism and their advocacy of disarmament and peace.

Intense government opposition to this group inevitably arose. Many of their number were put in jail until the end of the war, their newspapers were suppressed and the national conference, arranged for August, 1917, was forbidden. Liebknecht was arrested for delivering a May Day address in Berlin in 1916, which concluded: "Let thousands of voices shout: 'Down with the shameless extermination of nations! Down with those who are responsible for these crimes!'"

He was first sentenced to thirty months' imprisonment, and, on appeal, to more than four years. In 1917, Rosa Luxemburg and Franz Mehring were also imprisoned. Mehring, however, was released, on account of the condition of his health. Two months later, he was elected to the Reichstag from a district left vacant by Liebknecht, by an overwhelming vote against the combined opposition of the Majority socialists and the non-socialist forces.

Peace Proposals (1915-1917).— On several occasions, both Majority and Independent socialists formulated peace proposals. In August, 1915, for instance, the party committee and the socialist members of the Reichstag issued a joint statement opposing annexations and economic barriers after the war and favoring an international court for the settling of disputes, freedom of the seas, the abolition of the right of capture and the internationalization of important straits.

Scheidemann's visit to Stockholm, the Russian revolution and Lloyd George's Glasgow speech were among the factors which led, in the summer of 1917, to a renewal of peace discussion.

Reichstag Resolution.— The Majority socialist press openly hinted that the Social Democrats were not inclined to vote the credits unless they received from the chancellor a public indorsement of their peace formula, "without annexations and indemnities," as well as the assurance of immediate political reform. Early in July, Erzberger, the leader of the Catholic Center Party, deserted the Pan-Germans and, on July 13, a Reichstag "bloc," formed of the socialists, the catholic center and the "liberals," introduced a resolution which declared in part:

"Germany took up arms in defense of its liberty and independence and for the integrity of its territories. The

Reichstag labors for peace and a mutual understanding and lasting reconciliation among the nations. Forced acquisitions of territory and political, economic and financial usurpations are incompatible with such a peace. The Reichstag rejects all plans aiming at an economic blockade and the stirring up of enmity among the people after the war. The freedom of the seas must be assured. Only an economic peace can prepare the ground for the friendly association of the peoples."

The resolution also favored "the creation of international judicial organizations" and declared that, so long as the Allied countries did not accept such a peace as was here proposed, so long the German people would stand together as one man.

It was the belief of many that Chancellor Bethmann-Hollweg wanted to come out publicly in favor of the formula "no annexation, no indemnities," and to take steps toward parliamentary government. On July 14, however, after the emperor had conferred with the Crown Prince, Hindenburg and Ludendorff, the chancellor fell. The July 19th speech of the new Chancellor Michaelis, who was appointed at the behest of the military party, caused keen disappointment. He declared that no parley was possible with an enemy who demanded the cession of German soil and that "we must by means of understanding and in a spirit of give and take guarantee conditions of the existence of the empire upon the continent and overseas." "These aims," he continued, "may be attained within the limits of your resolution, *as I interpret it.*"

Following this speech, the Reichstag resolution was passed by a vote of 212 to 126, twenty-two of the Minority socialists voting against it on the ground that it was too conservative. Herr Scheidemann of the Majority social-

ists expressed the hope that "other people would understand that we are not aiming at the acquisition of foreign property and that we are ready for a righteous peace, secured by international legal guarantees." He protested against submarine warfare as calculated to do more harm than good; declared that neither Germany nor its enemies "are able to bring the war to a conclusion by military means," and asserted that the chancellor's remarks about democracy were unsatisfactory. "Prussian electoral reform," he declared, "must come this autumn. We demand the deliverance of the press from the censorship and the liberation of political offenders and we vote for the war-budget in the spirit of the resolution."

Opposition to Resolution.—Haase, leader of the Minority socialists, demanded as an urgent preliminary condition of peace "the complete democratization of the Constitution and Administration of the empire and its several states" and vigorously attacked the monarchical system. He declared:

"Our monarchical institutions have not stood the test and must be set aside. . . . The people has awakened from its war-intoxication. . . . The origin of the war was quite different from the superficial account of it which was given by the new Imperial Chancellor and it is quite impossible for anybody to wipe away the policy of conquest which has been pursued for years. . . . All [German] attempts hitherto to reach peace have been mistaken and the memorandum of the Socialist Majority at Stockholm was not calculated to promote peace; it has been rejected everywhere. . . . We reject the war credits, because we have no confidence in the government."

Discontent Among the Masses (1918).—Michaelis soon resigned, von Hertling being appointed in his place.

The socialists continued their pressure for a peace offer, but without avail. During the Fall, there were mutinies at Kiel and strikes in the munition shops, the strikers demanding peace without indemnity and annexations. The difficulty of getting food, the profiteering, the slow progress of democratic legislation, and the Brest-Litovsk treaty increased the discontent.

On January 6, 1918, when the terms exacted at Brest-Litovsk became public, the Social Democrats held great protest meetings throughout Germany, described by the *Vorwaerts* as "perhaps the most momentous since August, 1914." Herr Scheidemann and Haase bitterly attacked the treaty in the Reichstag, Scheidemann declaring that "the socialists stand for the unrestricted self-determination of the people," while the Social Democratic Party resolved resolutely "to combat the misuse of the right of self-determination for the purpose of disguised annexations."

The socialists, likewise, in a number of instances, broke up the meetings of the Fatherland Party, arranged to celebrate the treaties. At Jena, the socialists entered the hall, passed a vote for "a general peace of understanding" and expelled the Fatherlanders. At Frankfort, also, they turned the mass meeting of the Pan-Germans into a huge demonstration in favor of peace and political reform.

Effect of Austrian Strikes.— Later in January, 1918, further discontent was evidenced when the news of the Austrian strikes reached Germany. The *Vorwaerts* was suspended for three days for suggesting that the Austrian strikers be extended a helping hand. Herr Frederick Ebert welcomed the action of the proletariat of Austria-Hungary, and added: "German workmen, when necessary, will use their full power to combat the efforts of those who are preventing an early peace based on under-

standing and right." Scheidemann warned the authorities that they were playing with fire.

A week later the strike reached Germany. Nearly a million workers left the factories and shipyards, demanding internal reforms and peace on the Russian terms. Martial law was proclaimed and the newly formed workers' council of 500 delegates from different parts of Germany was dissolved. Deputy Dittmann and other strike leaders were given a five years' sentence. The Majority Party Executive used its efforts to stop the strike which soon died out. "It is all very well for the Allies to talk of the German people rebelling against their government," declared the *Vorwaerts* at that time, "but if they did, the Entente armies would be in Cologne in a week."

Growing Unrest.— During the Spring and Summer, the main attention of the people was given to the German drive. All during the early Fall, discontent among the masses constantly increased. War weariness, the successes of the Allies, the refusal of the government to grant suffrage and other reforms, the constant agitation of many of the socialists, and the economic situation and the growing belief that the Allies, in any peace negotiations that might be undertaken, would adhere to the fourteen points put forth by President Wilson, were all factors increasing the gap between the government and the people. In the debates in the Reichstag, demands for peace and for the abdication of the Kaiser were heard with ever recurring frequency, while the troops demanded peace and demobilization.

In October, the government, fearful of the results of this agitation, invited Scheidemann and other Majority socialists into the cabinet. They entered, making it a condition, however, that the government repudiate any policy of annexations and indemnities, that it grant suffrage re-

forms and adopt other liberal measures. These concessions, however, failed to stem the tide of growing discontent, and the radicals bitterly attacked the Scheidemann group for accepting governmental responsibility, and thereby retarding the movement toward revolution.

“Workers, awake!” reads one of the appeals of the Spartacus group. “The dreams of world domination of German imperialism have vanished into smoke. On heaps of corpses, in seas of blood, they wanted to establish that domination. Vain are their efforts! . . .

“At this moment the government socialists, the Scheidemanns, offer their services to sustain the tottering power of the German bourgeoisie. . . . They want to patch up things, to blur the class character of capitalist rule and Prussian reaction, in order to make these acceptable to the people. . . . The proletariat of all countries must end the slaughter by means of revolt. . . . The revolutionary proletariat alone can dictate terms of peace in the interest of freedom and socialism.”

Thousands besieged the government for the release of Liebknecht and other political prisoners, and, on October 24, when Liebknecht left prison, big demonstrations were given in his honor. At first the Majority socialists deprecated all talk about revolution. On October 17, the executive committee of the Social Democratic Party declared that agitation for a revolution made peace and democracy more difficult. It added:

“As the authorized representatives of the Social Democratic Party have always declared, we wish to transform our political structure into a democracy and our economic life into socialism by means of a peaceful change. All agitation for an attempted revolt runs counter to this road and serves the cause of the counter-revolution.”

The Revolution.—The revolt proper may be said to have started on November 5, with a mutiny among the sailors of the German fleet at Kiel.¹ The sailors of the Baltic fleet refused to obey orders when it was rumored that preparations were being made to attack the British fleet, and soon practically every battleship in the German fleet was sailing the red flag.

As the revolt spread, the Majority socialists began to change their attitude and to demand the abdication of the Kaiser, and, as late as Friday morning, November 8, the socialist ministers, Ebert and Scheidemann, were apparently of the belief that the revolution could be avoided by the Kaiser's removal. In their ultimatum issued that morning to Prince Max's government, they demanded, among other things, the abdication of the Kaiser and Crown Prince by Friday mid-day; the strengthening of the Social Democratic element in the government and the conversion of the Prussian ministry to conform with the program of the majority parties of the Reichstag. "If no satisfactory answer is given by Friday mid-day," they declared, "then the Social Democrats will resign from the government." The time was afterwards extended from mid-day to Friday night.

During the day events moved with great rapidity and when, early Saturday morning, the Kaiser had at last consented to leave Germany for Holland, the mass will had determined on revolution. That morning the workers struck in many of the factories of Berlin, and, at one o'clock, both branches of the socialist movement sent a

¹ This was approximately a year after the Bolshevik revolution in Russia. For a more complete account of the activities of the German socialists from the outbreak of the war to the revolution, see *German Social Democracy during the War*, by Edwyn Bevan (Dutton, 1919).

proclamation broadcast throughout the country, calling a general strike. It read in part as follows:

“The Workers’ and Soldiers’ Council of Berlin has decided to call the general strike. All factories are to stop. The necessary feeding of the population will continue. A large part of the garrison has put itself at the disposal of the Workers’ and Soldiers’ Council in units armed with machine guns and rifles. The movement is to be led jointly by the Social Democratic Party of Germany and the Independent Party of Germany. Workers and Soldiers! See to it that quiet and order are maintained! Long live the Socialist Republic!”

A few hours were all that were required to accomplish the “bloodless revolution.” By three o’clock Saturday afternoon motor cars were rushing through the streets proclaiming the success of the revolution, the abdication of the Kaiser, and the appointment of Ebert as Imperial Chancellor.

The Formation of the Government.—The proclamation called upon the people not to dishonor the revolution by any act of thoughtlessness and was signed by the Executive Committee of the Social Democracy of Germany and the Workers’ and Soldiers’ Council. That afternoon Scheidemann appeared on the balcony of the Reichstag and announced the change of government, while Prince Max handed over the chancellorship to Ebert.²

That afternoon and evening were consumed with negotiations between the Majority Social Democrats and the

² While, for all practical purposes, the Kaiser’s abdication took place on November 9, the official abdication did not occur until nineteen days thereafter (November 28), at which time the Kaiser renounced “forever the rights to the crown of Prussia and to the German Imperial Crown” and released all officials from their oaths of loyalty to him.

Independents. The latter, prior to coöperation, demanded that Germany become a Socialist Republic; that the whole executive, legislative, and judicial power of the republic be placed "exclusively in the hands of the chosen men of the total laboring population and the soldiers"; that the government exclude from its councils all bourgeois members; that departmental ministers count merely as technical assistants, and that equal power be given to the joint presidents of the cabinet. They desired the coöperation between the two groups to last for but three days.

Independent Socialists Join Government.—The Majority socialists replied that their goal was socialism, but that the Constituent Assembly would be the final judge of developments. They rejected a policy of "dictatorship of the proletariat" and believed that the exclusion of bourgeois members would interfere with the smooth running of governmental machinery and thus endanger the food supply. They agreed to the subordination of departmental ministers and to equality of power as between cabinet members. They felt that the coalition government, composed of Majority and Minority socialists, should remain in office until the meeting of the Constituent Assembly. Following the reply, the Independents agreed to join with the Majority socialists, and a coalition was formed with Ebert, Scheidemann, and Landsberg representing the Majority group and Haase, Dittmann, and Barth, the Independents.³

³The cabinet positions were as follows: Premier and Interior and Military Affairs, Frederick Ebert; Foreign Affairs, Hugo Haase; Finance and Colonies, Philip Scheidemann; Demobilization, Transport, Justice and Health, Wilhelm Dittmann; Publicity, Art and Literature, Herr Landsberg; Social Policy, Richard Barth.

Two days later, however, a Council of National Plenipotentiaries insisted that another and more representative cabinet be appointed, which, for some time, acted in coöperation with the former. Dr. W.

The Workers' and Soldiers' Council.—In the meanwhile the Workmen's and Soldiers' Council became active. On Sunday, November 10, the council members held their first meeting, elected Herr Barth, a member of the socialist left wing, chairman of the meeting, and chose, as members of the Executive Committee, six Majority socialists, six Independent socialists — including Barth and Ledebour — and twelve representatives of the soldiers — including Molkenbuhr and Haase. The council issued a manifesto, emphasizing the socialistic character of the revolution, in part as follows:

“The old Germany is no more. . . . The workers' and soldiers' councils are now the bearers of political sovereignty. In garrisons where no workers' and soldiers' councils exist, the formation of such councils will proceed rapidly. In the rural districts peasants' councils will be formed for the same purpose.”

The manifesto declared that the first task of the provisional government was “to conclude an armistice in order to end the bloody massacre. Immediate peace is the watchword of the revolution. Whatever that peace may be it will be better than a prolongation of the atrocious butchery.”

Its program of economic reconstruction was a radical one:

“In view of the social structure of Germany and the degree of development of its economic and political organization, a rapid and consistent socialization of the capitalistic means of production can be accomplished without serious dis-

S. Solf was appointed the Minister of Foreign Affairs in this second body, under the Prime Ministership of Ebert, and Matthias Erzberger, a Minister without portfolio. On December 20, Count Brockdorff was appointed Foreign Minister to succeed Solf.

ruption. This is necessary in order that a new economic structure may arise out of the blood-soaked ruins, and to avert the economic enslavement of the masses and the destruction of civilization."

The manifesto called on all workers of hand and brain desiring to assist in the realization of this ideal to cooperate with the council and declared that it was convinced "that a revolution for the accomplishment of the same ends is in the process of formation in the entire world," and that "it confidently expects that the proletariat in other countries will set in motion all its powers to prevent a violation of the German people at the termination of the war." Greetings were sent to the Soviet Government and hope expressed that international relations be immediately resumed with Russia.

The same day an appeal was issued to the rural population of Germany to form peasants' councils "in order to render secure the food supply to the people and preserve peace and order."

The Program of the Coalition Government.—The program of the new government, announced on Tuesday, November 12, was concerned primarily with political reforms and social legislation, and was of a less radical nature than the proclamations of the council. It proclaimed the unlimited right of association, the abolition of the censorship, and the establishment of freedom of expression; granted amnesty to political prisoners; restored pre-war labor legislation; declared that the eight-hour law would be enforced after January 1, 1919; favored a better system of social insurance; promised that efforts would be made to solve the unemployment problem, to feed the population and to build houses, and proclaimed that all elections would be carried out "according to

equal, secret, direct, and universal franchise on the basis of proportional representation for all males and females of not less than 20 years of age."

The same day the government issued a statement to soldiers, maintaining that discipline must be maintained in the army, so as to avoid the evils of chaotic demobilization, and urging "the willing submission of the ranks to the officers and comradely treatment by the officers of the ranks." In a further appeal to the soldiers, the government expressed its approval of the socialization of those industries which were ready for it. It reiterated its other promises, and declared that the soldiers had gone forth from a land in which they had no say, "in which a handful of men in authority had shared out between themselves power and possession." Now "you are returning," the appeal read, "not only to find all the political rights of which hitherto you have been deprived; your country is also to become your possession and your inheritance in an economic way, in that no one shall any more, without your consent, exploit and enslave you." And in its various manifestoes, the government urged the maintenance of order, so that the feeding of the people might be carried on more expeditiously.

The Reforms of the New Government.—On November 13, in order to deal with the unemployment problem, the government established an Imperial Bureau for Economic Demobilization, urged industries to hire their old hands and declared that the state would provide for all persons unable to find employment. On November 15, the censorship over the postal and telegraphic communications was lifted, in so far as "military or political matters" were concerned. Next all military agencies were placed under the Ministry of War, and this ministry under the control of the Workmen's and Soldiers' Council.

Several reassuring manifestoes were issued about that time. The government asserted that it had no intention of seizing deposits in banks, etc., of declaring loan subscriptions or of making claims for salaries. The Bundesarat was officially permitted to continue its administrative functions and the following day a further ordinance continued in force the law insuring the payment of war taxes.

Power in the Councils.—No sooner did the government start to function than the Workmen's and Soldiers' Councils began to assert their power, and within a few days after the revolution the Council of Greater Berlin and the Council of People's Commissioners came to a joint agreement regarding the vesting of power during the transition period, as follows:

(1) That all political power be vested in the Workmen's and Soldiers' Councils of the German Socialistic Republic, their duty being to preserve the results of the revolution and to repress the counter-revolution; (2) that the Berlin Executive Committee exercise the functions of the Workmen's and Soldiers' Council of the German Republic, acting in concert with the Councils of Greater Berlin, until the assembly of the delegates of the Workmen's and Soldiers' Councils has elected an executive committee of the German Republic; (3) that the Council of People's Commissioners, appointed by the Workmen's and Soldiers' Councils of Greater Berlin be given executive power; (4) that the appointment and discharge of members of the acting cabinet be vested in the Central Executive Committee, (5) which committee is to be consulted with reference to the appointment by the cabinet of technical heads of ministries.

This assumption of power by the Berlin Council gave rise to protests from certain Majority socialists who were fearful of the idea of proletarian dictatorship. The fear

of the alleged dictatorship, however, was allayed by the action on November 23 of the Councils of Great Berlin in issuing a call for a Congress of Workmen's and Soldiers' Councils throughout Germany, to be held in Berlin not later than December 16, and by the enlargement of the Executive Committee to include representatives from various parts of Germany.

The Demand for the Dictatorship of the Proletariat.

— These steps on the part of the government, however, failed to satisfy the socialists of the left wing, and a demand began to be voiced — particularly by the Spartacans — that Germany follow in the steps of Russia; that all power be given to the Councils of Workers' and Soldiers' Deputies; that a dictatorship of the proletariat be established; that the proletariat be armed and the bourgeoisie disarmed, and that the government proceed to the immediate socialization of industry. The Spartacans opposed the calling of a Constituent Assembly on the ground that it would delay the progress of the revolution and rob the advanced proletariat of their power. On the other hand, the Majority socialists urged the Assembly's speedy convocation, claiming that the Allies would not recognize any but a responsible government formed as a result of such an assembly. The Independents finally came around to a compromise position, favoring the calling of the assembly, as an accelerator of peace, but urging its postponement until the government had time to socialize industry.⁴

The Spartacans, during these days, urged every opportunity to create sentiment against what they conceived

⁴ Kautsky, however, declared that a postponement would "give an impression of insincerity, of hesitation and lack of faith in one's own strength," and that socialization could not be carried out with the present government machinery.

to be the reactionary policy of the government. From their motor trucks, which were constantly rushing through Berlin's thoroughfares, they distributed thousands of circulars, which warned the people that the revolution was in gravest danger, and called on them to hold mighty protest meetings against the timid policy of the coalition government. They frequently came into sharp conflict with the government forces, and, on December 11, no less than 11 were reported killed and 35 wounded. The militant program enunciated by the Spartacans at that time was as follows:

“Disarmament of the police officers, non-proletarian soldiers and all members of the ruling classes; confiscation by the Soldiers' and Workmen's Councils of arms, munitions and armament works; arming of all adult male proletarians and the formation of a Workers' Militia; the formation of a proletarian Red Guard; abolition of the ranks of officers and non-commissioned officers, removal of all military officers from the Soldiers' and Workmen's Councils; abolition of all parliaments, and municipal and other councils, the election of a general council which will elect and control the executive council of the soldiers and workmen; repudiation of all state and other public debts, including war loans down to a certain fixed limit of subscriptions; expropriation of all landed estates, banks, coal mines and large industrial works; confiscation of all fortunes above a certain amount.”

The Congress of Councils.—The Congress of Councils of Workmen's and Soldiers' Deputies, which met in the Lower House of the Prussian Diet on December 16, 1918, was dominated throughout by the moderate, rather than the extreme, element among the socialists. It twice refused to permit Karl Liebknecht and Rosa Luxemburg to address the delegates. It expressed its confidence in the Ebert government. It criticized the soviet executive for

using money from an unknown source. It refused to assume dictatorship over the empire, and agreed, by a vote of 400 to 70, to transfer legislative and executive power to the People's Commissioners until the meeting of the National Assembly. It decided on an early convocation of this assembly — January 19, 1919, instead of March 15 as urged by the Independents. It abolished the Berlin Soviet Executive, and constituted a Central Council of German Soviets composed of 27 Majority socialists. The Independents, who opposed this plan, refused to put forward their candidates. Throughout the council's actions were motived largely by a desire to effect an early peace. Such arguments as those advanced by the *Vorwaerts* had sunk deep:

“It must be declared openly that there is danger of the whole government apparatus crumbling and the armistice and peace negotiations being broken off on the ground that no competent German Government exists, and then all Germany will be occupied by Entente troops.”

Scheidemann also stressed this note, declaring that, if the Workmen's and Soldiers' Deputies continued in operation, unspeakable woe would befall Germany. The warning against Bolshevism was frequently heard at the Congress.

Spartacan Activity.—The left wing groups, nevertheless, were not completely silenced. Ebert was severely criticized for refusing to have dealings with the Moscow Government, for arousing national indignities against the Poles, and for the government's food policy. A delegation of soldiers demanded the dismissal of all officers and military control by the councils while a committee representing a large number outside of the Diet submitted a list of Spartacan demands.

Two democratic measures passed by the congress were the extension to the soldiers of the privilege of appointing their own officers, and the abolition of orders, badges and honors of nobility.

After this congress the Spartacans continued an aggressive agitation, while, on the other hand, the Ebert government, feeling more secure than formerly, began a systematic campaign for disarming the opposition. The first step in this campaign was the order of Otto Wels, the Military Commander of Berlin, to disband the majority of the 2,000 revolutionary sailors in that city who were causing considerable anxiety among the mass of citizens and the government. The sailors refused to disarm or to leave Berlin and, on December 23, they appointed a delegation of these to march to the headquarters of Wels on Unter den Linden to protest against this order. The protest was answered by machine guns from the Republican Guards. This, in turn, led to counter attacks by the sailors, who seized the headquarters and made Wels a prisoner. A further detachment of sailors marched to the chancellor's palace to interpellate the ministers, but was confronted by the Potsdam Guard. Sailors and civilians thereupon seized the Royal Castle and the adjoining stables, and occupied the Königstrasse. Other groups captured the *Vorwaerts'* office, and issued a *Red Vorwaerts*, while demonstrations were held throughout the city demanding that a new government be formed by Liebknecht and Ledebour. Street fights were of frequent occurrence. The Spartacans were joined by the Alexander and Franzer regiments, and General Lequis was brought from the front by the government to crush the opposition. After a hot exchange of shots, a compromise was finally effected between the contestants, the government agreeing to send the Lequis soldiers out of the city; the sailors in

turn declaring that they would not take part in any future revolt against the government.

The Resignation of the Independents.—The events of these days, and particularly the government's order to shoot down the sailors, caused the three Independent members of the cabinet to appeal to the decision of the Executive Committee of the Workmen's and Soldiers' Councils. Ebert and Scheidemann assumed full responsibility for the events; claimed that "the strongest and most uncompromising action must be taken to prevent riots and further lawbreaking by civilians as well as the military," and threatened to resign unless they were supported in their attitude. They added:

"There is no government without power. Without power we become a prey of any one sufficiently unscrupulous to use his comrades and their arms for vainglorious purposes and his own profit. Do you really desire a German Social Democratic republic? Do you want us to make peace as soon as possible and secure food for the starving? If so, then help the government to create a people's army that may protect its dignity and freedom of decision and action against base attacks and coups."

Haase, Dittmann and Barth, on the other hand, demanded that the council state its attitude toward the action of Ebert, Scheidemann and Langsberg, in giving unlimited power to the War Minister to use military force against the sailors in the castle and royal stables, toward General Lequis' ultimatum, the abolition of all distinctions of military rank, the removal of the government from Berlin to central Germany, and the complete demobilization of the standing army. Finally, the Independents asked :

“ Is the council of the same view with us that the Socialist Republic must not rest on the support of generals and the rest of the standing army, but on Citizen’s Guards to be formed on democratic principles? ”

“ Does the council approve that the socializing of industries as far as practicable should begin at once? ”

The council replied that it approved of the use of force against the sailors; that it was opposed to General Lequis’ ultimatum, and that it would have to have more complete reports before answering the other questions.

In turn it put the following questions to the ministers:

“ Are the People’s Commissioners prepared to protect public order and security and especially private and public property against violent aggression? ”

“ Are the People’s Commissioners in a position to defend with what forces they command the public offices against any violence, no matter from what side, so as to secure their own administration and the effective service of subordinate organs? ”

On December 30, the three Independent socialists resigned on the ground that they could not approve of the use of force against the sailors, as a proper attitude on the part of the government would have made force unnecessary, and as they did not believe that the power of life and death should be given to a representative of the old régime.

Noske and Wissel were appointed to fill the positions left vacant by the Independents, and the new cabinet assigned the Ministry of Foreign Affairs to Herr Scheidemann, the Ministry of Military Affairs to Herr Noske, and the Ministry of Social and Political Affairs to Herr Wissel. The new ministry declared that, pending the

convening of the National Assembly, the government should devote its activities to the preparation of plans for the Assembly, the conservation of food, the beginnings of socialization, the confiscation of war profits, the solving of the unemployed problem, the promotion of national defense and the disarming of unauthorized persons. It would also strive to bring about peace as quickly and as favorably as possible and to see that the German Republic be represented abroad by new men with a new spirit.

The Spartacans Separate from the Independents.—During December, the Spartacan group, which had continued up to that time as a part of the Independent Socialist Party, were bitter in their criticisms of the three Independent socialists for remaining members of the government. On the Sunday before Christmas, while Haase, Dittmann and Barth were still members of the cabinet, the Independents held a conference for the purpose of clarifying their position. At this conference the Spartacans presented a resolution embodying their former demands for the giving of all power to workmen's and soldiers' councils, the creation of a Red Guard to protect the revolution, and

The immediate resignation of the Independent representatives from the government.

The repudiation by the conference of the calling of a National Assembly, on the ground that such Assembly could only strengthen the counter-revolution and cheat the revolution of its socialist aims.

This resolution, however, was lost, and that of Hilferding, which declared that the most important task of the I.S.P. at the present time was the organization of a campaign for the calling of a National Assembly, was adopted by a vote of 485 to 195.

The Spartacans, on December 30, after their defeat,

held a convention in Berlin, took the Independent socialists to task for their failure to repudiate the National Assembly, and their delay in leaving the Ebert cabinet; separated completely from the Haase group, and formed a new party—the “Revolutionary Communist Labor Party of the German Spartacus League.”

The January Revolt.—Early January, 1919, witnessed a further attempt on the part of the Spartacans to seize power. The revolt this time centered around President Eichhorn, Chief of the Police in Berlin, and the last Independent socialist to hold an important position. Eichhorn was accused of permitting Joffe, the Bolshevik Ambassador, to continue his propaganda in Berlin, and was summoned on January 5 before the Prussian cabinet to answer questions regarding his alleged large expenditures and his action in calling a strike of 1,500 workmen on “Red Christmas,” and in arming the strikers with rifles belonging to the government. Following the hearing in which he denied several of the charges brought against him, he was deposed and told that Herr Emst had been appointed in his stead. Eichhorn refused, however, to give up his office, contending that he had received his appointment from the revolution and not from the Majority socialists and could only be deposed by the people. The Spartacus group came to his aid, and demanded the arming of the proletariat in his defense. For the next two weeks a battle royal was waged in the streets of Berlin between the Spartacans and the government forces. The former seized, at various times, newspaper offices, fortresses, railway stations, breweries, telegraph stations, gas plants, electrical power houses, water works, and other strategic places; proclaimed a new government under the title of the “Revolutionary Committee,” composed of Ledebour, Liebmann and Tiek and interrupted food sup-

plies. Similar tactics were adopted in Essen, Dusseldorf and other cities. On January 9, the government issued an appeal to the people, calling attention to these activities, and declaring that "force can only be fought with force," and that the organized might of the people would "make an end of suppression and anarchy."

Martial law was proclaimed, and Gustave Noske was placed in charge of the government's measures of defense. On January 10, when the revolt seemed in jeopardy, the Spartacans called a general strike, and urged the workers to use their arms against Ebert and Scheidemann and to "deal these blood-stained criminals an annihilating blow."

Murder of Liebknecht.—The government soldiers, with machine guns and superior forces, however, finally got control of the situation, but not before many Spartacans, soldiers and by-standers had been killed and millions of dollars of property had been destroyed. On January 15, after scores of Spartacans had been made prisoners, Liebknecht and Rosa Luxemburg were found in the Hotel Eden in the western part of Berlin, and, on their way to prison, were killed in cold blood. The government officially denied that it had anything to do with the murders, which it denounced as a disgrace, but was held responsible by tens of thousands throughout the empire.⁵

The National Assembly.—On January 21, a week following the revolt, the elections for the National Assembly took place, and resulted in a plurality vote for the Majority Social Democrats, who obtained 164 seats and polled 11,112,450 votes, or 39.3 per cent. of the total vote cast. The Independent socialists won 24 seats, and received 2,188,305 votes, or 7.68 per cent. of the total of the

⁵ The murderer of Liebknecht was afterwards arrested, sent to prison for a short term, but later escaped.

country.⁶ The Spartacans did not take any part in the election. Twenty-eight women were elected to the Assembly, of whom 12 were Majority socialists and 3, Independents. The Social Democrats were the only ones in the elections, according to Herr Ebert, who were able to record a considerable increase in votes.

The Assembly convened in early February, and, on February 12, Herr Ebert, a saddle maker, was elected president. Chancellor Scheidemann, the following day, outlined the national and international policy of the new German Republic. The national measures advocated included:

the socialization of industries which have attained the character of private monopolies; "the raising of educational standards; the control of wages and conditions of employment by the organization of employers and employees; the improvement of public health; the construction of houses; the extension of protection for mothers, and the care of infants and children; the assurance of political liberties, and "the creation of a people's army on a democratic basis for the protection of the Fatherland with a considerable reduction in the period of service and extensive care for war survivors."

The foreign policy included:

(1) The bringing about of an immediate conclusion of peace. Adherence to Mr. Wilson's peace principles; (2) Re-

⁶ The Democrats, a new party, consisting of former members of the Progressive People's Party, National-Liberals, some pacifists and a number of strong annexationists, came second, with 5,552,930 votes, or 19.5 per cent. of the total and a delegation of 77. The Christian People's Party, formerly the Centrists (a Catholic group), was a close third, with 5,338,854 votes, or 18.8 per cent. The German National Party cast 2,739,196 votes, or 9.62 per cent., while the German People's Party received the smallest vote cast by a party of any considerable size (1,106,408, or 3.8 per cent.).

constitution of German colonial territory; (3) Immediate return of German prisoners of war; (4) Equal rights in the League of Nations and the abolition of secret diplomacy; and (5) Simultaneous and equal disarmament.

The German Constitution followed the lines of western republics, rather than those of the Russian Soviet Government. According to the Constitution, the chief officer of the German Republic is the president, elected for a term of seven years by the popular vote of the electors, who consist of the men and women of the republic over the age of twenty years. The president appoints the cabinet, including the chancellor, who determines the country's foreign policy. The legislature consists of two houses, the lower house, or Reichstag, and the upper house, or Imperial Council. The latter is composed of the representatives of individual states. Every state is given at least one vote in the Council. Representation of the larger states is based on population and no state is privileged to more than two-fifths of the total number of votes in the Council.

Members of the legislature are elected for a four-year period. The republic is given legislative rights over all manner of legislation, including that relating to the socialization of natural resources, economic undertakings, manufacture, distribution, price fixing, economic production, etc. Provision is made for the operation of the initiative and referendum. Military courts are abolished except in wartime. An extensive bill of rights is incorporated in the constitution, ensuring freedom of speech, of press, of assembly, of organization, etc. Equality of rights is guaranteed. An important departure is made in providing for the creation of a system of industrial councils by which employees will have a voice in the decisions reached

by the employers. The constitution permits of easy amendment, a proposed alteration requiring merely a two-thirds majority of the Reichstag, where two-thirds of the members are present. Imperial legislation cannot be introduced in the Reichstag without the consent of the Council except under certain specified conditions.

In the first stages of the Assembly at Weimar, the Spartacans were very active in the vicinity of this town and in other parts of the empire and for a while telegraphic and railway communications were cut off. The Council of Workmen's and Soldiers' Deputies held its second congress in April, 1919, and demanded representation in the government. A counter proposal was made by the government that the councils be represented in the new government to be formed on the ratification of the constitution in an advisory capacity.

Signing of Peace Treaty.— Much of the political discussion during the Spring also revolved around the peace treaty. When finally the treaty terms were announced, indignation was expressed on all sides, and this the subsequent modification by the Allies did little to allay. Herr Scheidemann definitely committed himself against the treaty, and the ministry finally resigned. Gustave Adolf Bauer, former Minister of Labor, and Second Chairman of the General Commission of the Federation of Trade Unions, was selected the new Chancellor, and Dr. Hermann Mueller, the Majority socialist leader, Foreign Minister.

The National Assembly, on June 22, against the opposition of many of the conservatives, decided, by a vote of 237 to 128, to sign the treaty, twenty-five abstaining. The Assembly subsequently, on July 10, ratified the treaty by a vote of 208 to 115. "We are about to enter upon a forty years' march through a desert," declared Herr Mueller, in introducing the government bill. "I can find

no other term for the path of suffering fulfillment of the treaty prescribes for us.”

Following the signature, strikes and riots were reported in various parts of Germany, particularly in Hamburg. The chief cause for the disturbances was the difficulty of getting food. Predictions were rife in many places of another civil war, and many radicals were arrested.

The July Strike.—On July 21, 1919, the Workmen's Councils, dominated by the Independent socialists, decided on a general strike as a protest against the conservatism of the government and as a demonstration of international solidarity of the workers. The stoppage of work in Berlin was complete. The Majority socialists strongly opposed the strike, and its success indicated the growing power of the Independents.⁷

Many strikes and riots were reported in various parts of Germany during the Summer and Fall. Increasing discontent was evidenced in the ranks of the socialists against the compromise policy of the government. Discontent was augmented by the death of Hugo Haase, shot on October 8, while on his way to the National Assembly to speak against the government's Baltic policy. He succumbed November 7.

⁷ Bavaria developed a more radical movement than other parts of Germany. Kurt Eisner, a journalist of distinction, and a thorough idealist, was selected first head of the Bavarian Republic. He was assassinated at the end of February, because of his radical views. This murder and the wounding of another socialist leader Auer caused bitter resentment and strengthened the communist socialists. On the night of April 6-7, 1919, the Revolutionary Central Soviet decided to dissolve the Landtag, and establish a Soviet Republic of Bavaria. The cabinet fled to Bamberg under the leadership of Premier Hoffman, the Majority socialist leader.

The leadership of the new Bavarian Government was, however, weak. Business came to a standstill in many places, and food imports into Munich largely ceased. Hoffman organized a government army and Noske put a large force at his disposal, and on May 1 and

AUSTRIA

Majority Socialists Support Government.—The evolution in Austria during the war was not dissimilar to that in Germany. The Austrian Social Democratic Party, at the threshold of the conflict, protested against Austria's declaration of war on Servia, but, when Russia entered the war, the party declared it was their duty to defend their country against Russian despotism, and the majority threw their support to the government. As in other countries, with the progress of the war, the anti-war minority gradually increased and, in July, 1915, the party issued a manifesto expressing the earnest desire of the people for peace.

At the national conference of the Austrian Social Democracy in Vienna, on March 25–28, 1916, a sharp debate took place over the party's position between Dr. Victor Adler, the conservative leader of the party, and his son, Dr. Friederich Adler, the militant party secretary. The elder Adler declared that the socialist party in each country must set the interest of its own proletariat above all other interests, striving the while for a union of the proletariat of the world.

Friederich Adler, on the other hand, contended that the traditional position of the socialists was responsible for the present split in the unity of the workers throughout the world, and affirmed that the "unity of the socialist movement of the world can be assured only when the socialists of all countries recognize as binding decisions of

2, the army entered the city. Hundreds of Red Guards and workmen were shot without a trial, and on both sides much cruelty was evinced. The city was thereupon placed under martial law. See Hiram Moderwell's account of the Munich revolution in *The Liberator*, September, 1919.

the international congresses in all international questions." The resolution of the younger Adler, however, received but 15 votes. In order more effectively to reach the masses, "Fritz" Adler, after this convention, gave up his editorship of the party organ, *Der Kampf*, and, in July, 1916, founded a weekly propaganda sheet, *Das Volk*.

The Trial of Friederich Adler.—Austrian conditions during the year grew steadily worse. The government refused to convene Parliament, ruthlessly suppressed socialist and radical papers, and imprisoned hundreds of radical agitators, while the masses of the population suffered tragically from lack of food and clothing. On September 15, 1916, a combined meeting of the National Executive Committee and of the parliamentary group of the Social Democracy demanded that Parliament be immediately convened, and that steps be immediately taken for peace negotiations. The younger Adler also urged that the officials arrange mass demonstrations to give weight to the demands of the party, but this the executive refused to do. A few days later, after the Premier, Count Stuerghk, had refused to attend a conference called by the leaders of all parties for the purpose of restoring constitutional government, Friederich Adler shot and killed the Premier.

The assassination and the subsequent trial caused tremendous excitement throughout the empire. The Social Democracy washed its hands of the deed, and declared that the party was opposed to all such individual acts of vengeance. Adler, in his defense, agreed that, "in an orderly state of society, murder cannot be a political weapon." However, he contended, the Austrians were not living in an orderly state. As early as July 25, 1914, the Stuerghk-Hochenburger ministry "issued an imperial edict abolishing all jury courts, . . . and providing for

trial before a military court of persons who commit a punishable act." He continued:

"We live in a state whose absolutism is unequalled in the whole world. . . . There is in Austria today no authority that is competent concerning Austrian constitutionality. . . . The Emperor is not responsible, because, according to the Constitution, he is irresponsible. . . . True, we have a special Supreme Court to which the Ministry is responsible, . . . but more than three years ago Count Stuerghk deprived the Supreme Court of its power. . . . Stuerghk has removed the one body that could have impeached him. . . . Nay, more, on the day before he fell, he bluntly refused even to consult Parliament."

Party Attitude Needed Changing.—Adler claimed that he committed the act for the good of Austria, "which had never recognized the right of the individual to act according to his convictions," and for the good of the Social Democracy, which had "lost its honesty to itself." He continued:

"I did not hope by my deed to call forth a revolution but I wished to force the party to consider its attitude toward a revolution. . . . They have taken a stand. Today no Renner, no Seitz will dare to say to the workers of Austria that forcible action is impossible in Austria."

Adler declared that he thought it would be a grave error if the party resorted to terroristic methods, but that, in peculiar cases, where the party had lost its revolutionary spirit, "an individual act may revive this spirit."

The prisoner recited the suppressions throughout Austria, stated that the government had made it illegal to speak of a constitutional government, and declared that,

two days after his deed, a conference was held in Sylvester's home emphatically demanding the calling of the Reichsrat. Eight days later the Koerber administration was already in sight. The prisoner ended by declaring that he was opposed to all killing, and always regarded the killing of a human being as something inhuman, but that they were living in a barbaric age. He stated that the six judges who were trying him were illegally constituted, and that he did not recognize their jurisdiction.

Adler was sentenced to death. On the ground that the trial was illegal, the death penalty was finally commuted, and, in the fall of 1918, Adler was released. Three weeks after Stuerghk's death, the government decided on a convocation of the Parliament.

Demand for Peace and Revolution.—During 1917, the movement for peace became ever stronger, and, on January 20, 1918, a "peace strike," involving 100,000 workers in Vienna alone, broke out, and extended throughout the empire. On May 4, owing to the increased signs of revolt, the Premier decided, against the angry protests of the socialists and the Poles, to adjourn Parliament and to take measures to prevent its reassembling. Czech agitation in Bohemia and mutinies on the warships increased the government's difficulties. On June 3, the Social Democracy demanded the reconvening of Parliament and the taking of immediate steps toward peace. The government answered by threats of increased severities against agitators. Mutinies and desertions in the army and resignations from the cabinet followed. On June 29, the Parliament was called to meet July 16, and, after another change in the cabinet, it was finally announced that extensive reforms would be adopted, including a revision of the Constitution and autonomy for the Czechs and other non-German people.

In early October, the socialist deputies demanded peace on the following basis:

“The creation of a league of nations; no economic warfare; no annexations; the restoration of Serbia, Montenegro, and Belgium; revision of the treaties of Bucharest and Brest-Litovsk; a settlement of the Eastern questions on the basis of nationalities; the regulation of the Polish question by the Polish constituents; the establishment of autonomy for each nation in Austria-Hungary.”

Fall of Monarchy.—On October 5, the Hussarek Ministry resigned, and was succeeded by one under Professor Lammasch, a peace advocate. This change failed to stop the developing discontent. Riots became a matter of daily occurrence, railroad communications with Berlin were cut; demands were made for the severance of relations with Germany, and, on November 3, the Emperor abdicated, and the royalty began its flight to Switzerland. A provisional government was organized with Dr. Karl Seitz and Dr. Karl Renner, the Majority Social Democrats, among its most prominent members, the latter two holding, during the early part of 1919, the positions of president and chancellor respectively.

During the Spring of 1919, owing to the lack of food, the economic breakdown in many industries, the dissatisfaction over the peace conference, the failure of the government to adopt a more aggressive program of action, the general discouragement over the terms of the peace treaty, the agitation of the adherents of the soviet idea, and the measures of suppression adopted by the government, much disorder was evidenced in Austria. At times it was reported that the government had been overthrown

by the communist-socialists, but these reports proved to be untrue.

Elections.—In the May 4, 1919, elections in Vienna, the socialists won by a large plurality, outvoting by a considerable majority the Christian Socialist Party (an anti-Semitic party) which had dominated the council for 25 years.⁸

On July 21, the socialists called a general strike as a part of the international strike, which completely tied up business in Vienna. Strikes were frequent during the Summer and Fall, and much Spartacan agitation. Many protests were made against the treaty, but its signature was inevitable.

HUNGARY'S REVOLUTIONS AND COUNTER REVOLUTIONS

Early Days of War.—Hungary, like Russia, entered the war a benighted autocracy, and came out of the conflict a soviet republic. Unlike Russia, however, it was soon forced back again through foreign intervention into the control of a member of the former ruling family.

For some time after the declaration of war, it was difficult for the Hungarian socialist groups to get together and decide on any effective line of action. In the Spring of 1917, the party held a secret convention—the first

⁸ Of the 165 members of the Vienna Board of Aldermen the Socialists elected 100, the Christian Socialists 50, the Czechs 8, the German Nationalists 3, the Jewish Nationalists 3, and the Bourgeois Democrats 1. The popular vote cast by the various parties was as follows: Socialists, 368,203; Christian Socialists, 177,883; Czechs, 55,803; German Nationalists, 34,546; Jewish Nationalists, 13,075; Bourgeois Democrats, 20,149. The Socialists sent 16 women to the board and the Christian Socialists six.

The new Diet of Lower Austria in May, 1919, was composed of 64 Socialists, 45 Christian Socialists, 8 German Nationalists and 3 Czecho-Slovaks. Five of the socialist members are women, two of whom came from Vienna.

since 1913. At this gathering it demanded that the Hungarian Parliament support the Russian people; protested against the use of arms against the Russian revolution and reaffirmed its adherence to the International. It urged that the Central Powers publish their peace proposals, that they declare themselves against annexations and punitive indemnities and that they advocate compulsory boards of arbitration for the settlement of international disputes, gradual disarmament and the development and independence of nations. The convention likewise demanded political freedom for the people of Hungary and equal suffrage for men and women, pledged itself to work for peace and expressed its sympathy for all who suffered as a result of their fight against war and militarism.

The government during the war repeatedly offered official recognition to the party, providing that it drop its anti-war activities. All of these offers, however, were spurned and the party kept up, as best it could, its agitation against the war and for revolution.

During the fall of 1917, the government, as a result of prostration of Austria-Hungary before Italy, and the break-up of the economic life within the Hungarian Empire, approached a state of virtual collapse.

The October Revolution.— Thus, when the revolution broke out on the evening of October 31, it rapidly and smoothly overcame all opposition during the night, and, at the break of day, had triumphed without the shedding of blood.

Following the revolution, the Hungarian Parliament was dissolved, and the supreme power was exercised by the National Council, consisting of the Karolyi Party, the Social Democrats, the bourgeoisie and the radicals. The council appointed Count Michael Karolyi, who had spent

years agitating for the independence of Hungary, as Premier, while two socialist ministers, and a young socialist, Denesz Diner, assistant of Karolyi in foreign affairs, were appointed members of the cabinet. On November 16, a republic was officially declared with Count Karolyi as president.

Revolt Against the Karolyi Government.—The inability of the Hungarian population to obtain food and coal and the disorganization of industry led to increasing discontent with the coalition government. On the last day of 1918, street demonstrations and riots broke out in Budapest and elsewhere.

“Budapest today,” declared a news dispatch at that time to the *Chicago Tribune*, “is like a city built over an active volcano. The various organizations supposedly accountable for law and order seem to be tottering. The Russian epidemic of Bolshevism has reached a virulent stage. Famine and freezing are its active allies.”

Dr. Bela Kun, who had formerly been held as prisoner in Russia and who later worked with the Lenin government, was among the most active of the leaders in the revolt. The prison was besieged and a demand made for the release of all political prisoners. The revolt, however, was finally broken. Further disturbance occurred in January, and in the middle of February, “a communist revolt broke out with such violence that the Karolyi government was forced to declare martial law and use troops to retake part of the city under the control of the rebels.”

Many appeals were made to the Allies to conclude a just peace and not to cripple Hungary. The Social Democratic Party, which opposed the extremists, issued a statement in which they drew attention to the promise of the

Entente to preserve the liberty of small nations and the safety of democracy. It continued:

“ But the Entente, which promised to liberate the world from the yoke of German absolutism, has subjected Hungary to the greedy clutch of Rumanian, Serbian, and Czechoslovak imperialisms. . . . The troops of occupation suppress the right of association and assembly, and impose a censorship of the press . . . ; destroy our social policy, shackle our private associations and in the place of liberty of labor establish a new serfdom.”

The appeal declared that the occupation also cut off the coal supply, and destroyed the nation's industries, and that this was giving encouragement to the monarchists and to others opposed to the government.

Communists in Control.—These appeals, however, were apparently unheeded. On March 19, the Allies decided to establish a neutral zone on the Hungarian-Rumanian border, and it was reported that the Rumanian, French and Czech troops were to occupy portions of Hungary. Karolyi thereupon resigned in favor of the communist group, declaring, among other things:

“ The government has abdicated. . . . The management of production can only be assured if the government takes the power into its own hands.

“ The Paris Peace Conference has secretly pronounced the sentence which surrenders to military occupations nearly the whole territory of Hungary. The Entente mission has announced that henceforth the demarcation lines will be regarded as political boundaries.

“ The apparent purpose of the further occupation of the country is to utilize Hungary as a field of deployment and occupation against the Russian Soviet army fighting on the Rumanian border. But the territory taken from us is to be

the reward of the Czech and Rumanian troops for defeating the Russian Soviet army.

"I, the provisional president of the Hungarian People's Republic, turn from this decision of the Paris Conference to the proletariat of the world for justice and aid. I abdicate and transfer the power to the proletariat of the Hungarian peoples."⁹

The republic thus passed into the hands of the communists. "The Entente made Bolshevism inevitable," declared Karolyi in a later statement, "by creating an impossible economic condition. Through the military operation of the most and the best of Hungary's territory, we were cut off from our raw materials. The factories were obliged to shut down, our money declined in value, the unemployed filled the streets. For weeks our coal supply was only enough to last us from day to day. . . . Then came the new Allied demands which would have taken away nearly all our remaining land, and left Budapest with its two million inhabitants to be supported on—nothing."

He declared that he could not retain the support of the Hungarian capitalists because of their contradictory demands, and that the inevitable result was the uprising of the people. "The Entente policy . . . killed the capitalist system in Hungary."

Activities of Bela Kun Government.—The reins of government were turned over to the revolutionary government of the Workers', Soldiers' and Peasants' Deputies. Alexander Gorbai was selected president, and Bela Kun, Foreign Minister. The government immediately sent greetings to Lenin "as leader of the international proletariat," and Lenin returned "communist greetings and a

⁹ See Hiram Moderwell in *The Liberator*, July, 1919, p. 16.

handshake." The first decree of the new government read substantially as follows:

"The proletariat of Hungary from today has taken all power in its own hands. By the decision of the Paris Conference to occupy Hungary, the provisioning of revolutionary Hungary becomes utterly impossible. Under these circumstances the sole means open for the Hungarian Government is a dictatorship of the proletariat.

"Legislative, executive and judicial authority will be exercised by a dictatorship of the Workers', Peasants', and Soldiers' Councils. The Revolutionary Government Council will begin forthwith work for the realization of communist socialism.

"The council decrees the socialization of large estates, mines, big industries, banks and transport lines, declares complete solidarity with the Russian Soviet Government, and offers to contract an armed alliance with the proletariat of Russia."

As is indicated in this declaration, the government socialized all large industries. It nationalized retail stores which employed more than ten workers. It proclaimed "all houses used for residential purposes" to be the property of the soviet republic. It began the regulation of agriculture on an extensive scale and provided for the organization of workshop committees, for the coördination of various branches of industry, and for the control of consumption.¹⁰

Great difficulty was experienced throughout the Spring

¹⁰ According to H. N. Brailsford (*The New Republic*, May 24, 1919), private property, under the soviet rule, "in all but the smaller forms of capital vanished in a night." Alcoholic beverages were abolished. The homeless were provided with rooms in which to sleep, while restrictions were placed on the number of rooms to which each family was entitled. In mines and factories, the workers were represented by their own soviets, which had a maximum of

in securing supplies for Budapest because of the Allied blockade and attacks and threatened attacks from many sides. On July 20, 1919, it was reported that Bela Kun and his cabinet were deposed, and that communist-social-

seven members. They also nominated the manager, but appointment and dismissal were in the hands of the central Ministry of Production. Mr. Brailsford continues: "I visited a great factory at Budapest which makes electric lamps, telephone and telegraphic apparatus. The soviet consisted of three scientific and four manual workers. The manager was a former engineer of the works, a man obviously, of ability and good sense. Three former directors were employed as consultative experts. All the infinitely skillful work of this vast mechanism went on as before, with this difference, however, on which workmen and managers both insisted, that men and women alike worked with more spirit, more conscience, more honesty because they felt that they were 'working for themselves,' and no longer for an exploiter. The Taylor system will shortly be introduced."

Agricultural guilds were also formed on estates of over 200 acres, "the entire working staff from steward to milkmaid" being organized into a permanent society. The only condition of membership was "the obligation to work at least 120 days in the year." The maintenance of the workers was the first charge on the farm. Each family received produce in proportion to its numbers. The remaining produce, according to the plan, was then to be taken to the district central agricultural association which was subordinate to the county association and the Ministry. These associations were to purchase seed, manure and machines, and to sell produce to the town populations. It was provided that half of the surplus would go to improvements, and that the other half would be distributed in time-wages to the working members of the community.

Pretentious plans were under way for education. It was proposed to maintain certain artists at the public expense to continue their productive work. Theaters were socialized, plays of the more trivial type suppressed. The "intellectuals" were extensively utilized from the first. The suffrage, as in Russia, was given to every productive worker, manual and intellectual. The election lists, however, were, at least at first, prepared by the Socialist Party caucus and the administration erred "rather on the side of excessive authority than on the side of anarchy."

The government also provided for the national organization of the workshop committees and for the coördination of the economic life of

ists of a still more extreme type were placed in control of affairs.

Allied Intervention.— During the Spring the Bela Kun government held soviet elections. Within ten days of these elections in Budapest, declares H. N. Brailsford, “ the Allied intervention began. The Rumanian army invaded and the Czech-Slovaks followed, while under the wing of the French command a royalist ‘ White Guard ’ counter-revolutionary army was formed in the occupied territory. Three months’ war followed, during which time the Hungarian army won notable victories, but the Rumanians finally marched under French command within twenty miles of Budapest.”

In the meanwhile the labor unions were approached by emissaries of the Peace Conference regarding the overthrow of the Bela Kun government. They inquired whether, in case of the setting up of a new anti-Bolshevik government controlled by moderate socialists and labor unions, the Paris Conference would deal with it and support it morally as well as with supplies. In response to this appeal, the Peace Conference issued a statement on

the country. Trade unions were likewise given representation in the production councils of the various trades and industries. A system of distribution was worked out in connection with the coöperative societies. (See also *The Nation*, International Relations Section, July 12, 1919, pp. 59–61, and the *New York Call*, July 19, 1919.) In general the Hungarian soviet constitution followed that laid down in Russia. It provided for a National Congress of Soviets, a Directing Central Committee, which elected the Revolutionary Soviet Government and its President. Section 25 declared, “ the members of the Revolutionary Soviet Government are the People’s Deputies. The Revolutionary Soviet Government shall appoint the People’s Deputies to the heads of the various People’s Commissariats and of the main sections of the People’s Council for Political Economy.” The members of the government were responsible to the national Congress of Soviets and the Directing Federal Central Committee. (See *Class Struggle*, August, 1919.)

July 26, promising in such a case to remove the blockade and to give the new government its support.¹¹

The Soviet Appeal to the Proletariat.— On July 30, Bela Kun, as Minister of Foreign Affairs, replied to this Allied statement by an appeal to the proletariat of the world, in part, as follows:

¹¹ Philips Price of the *Manchester Guardian* (August 22, 1919), gives the following statement of a moderate socialist of Budapest whom he regarded as trustworthy, regarding the events preceding the resignation of Bela Kun:

“About two months ago the Hungarian Red Army was advancing victoriously into Slovakia and being received with acclamation by the working class population. Clemenceau sent a courteously worded telegram to Bela Kun, proposing that the Hungarians should withdraw from Slovakia, and that the Rumanians should retire from the Theiss to the line arranged under the armistice at the end of the last year.

“Before accepting the offer, Bela Kun asked Clemenceau what guarantee the soviet had that the Rumanians would carry out the agreement. Clemenceau replied that his word was his guarantee.

“Thereupon the Hungarians withdrew from Slovakia, but the Rumanians refused to budge an inch from the Theiss.

“The Hungarians sent a note to Clemenceau asking courteously for an explanation. For a long time Clemenceau refused to answer at all, but at last a reply was sent stating that as long as the Hungarians did not carry out the terms of the armistice of November, 1918, he would not negotiate with them. Bela Kun then asked Clemenceau to be good enough to state what were the terms of the original armistice that Hungary had not carried out. To this he never received any reply.

“The morale of the Red Army began to fall, for the soldiers felt that after accepting the word of the Allies they were now betrayed. . . .

“The Allied military missions in Vienna, through the Hungarian Minister Boehm, got in touch with moderate socialist and trade union leaders — Weltner, Buchinger, Argoston, Buchin — and gave them to understand that the blockade would be raised if the Bela Kun government retired, and a Social Democratic Government came in its place. On the strength of this the Soviet Government resigned and was replaced by a Social Democratic Government, which within two days was violently dissolved by agents of the counter-revolutionary government whom Clemenceau had been supporting by military and diplomatic aid.”

“Proletarians of all countries!

“The bourgeois governments of the Entente Powers now wish, through the force of weapons and of starvation, to reimpose upon us the yoke of capitalism which we have shaken off. . . .

“They make common cause with that capitalist country against which they waged war at the price of the bloody misery of the proletariat; they wish to restore the power of the bourgeoisie and to collect the costs of their campaign of pillage from the entirely prostrated country.

“Through the circle of the blockade, with which they surrounded the Hungarian Socialist Federated Republic, they are smuggling in from all sides the means with which to stir up a counter-revolution of the bourgeoisie in order to install as ruler the White Terror in place of the proletariat and to be able to continue the slaughter of proletarians after five years of war. They are smuggling arms, money and calumnies over our borders in order to shake the confidence and the faith of a proletariat, in order to convert the liberated working class into its own Judas.

“They declare that they cannot negotiate with Soviet Hungary, because the power of the proletarian state does not rest upon the will of the people. And this is asserted by those who got their authority from bourgeois Parliaments elected eight or ten years ago, by those who, contrary to the people’s will, waged war for years; by those who made allies of bandit chiefs from exotic lands and hold the colonies in subjection. They look upon us as enemies, but they regard Rumania and Serbia as friendly powers; they recognize Poland and Bohemia, which had no elected representation and whose ‘people’s will’ was expressed through the unlimited wishes and dictatorship of kings and of the bourgeois class.

“They talk about a terror, they who, with the force of arms, drove millions of people into a war forced upon them; they who beat down with arms the struggle of the working class for a better existence and drown in blood every audibly expressed desire. They talk of a reign of terror, who promoted

the White Terror in Finland; they who protect the makers of pogroms in Poland; they who, following the example of the German imperialists, carry on a slave trade in prisoners of war. They reproach us with a reign of terror, and in the meantime they wish to throttle our children with the choking arms of the blockade.

“In the name of a higher civilization, they turn the Balkan hordes loose upon us; they try to arouse the representatives of militarism and of pro-war agitation in the occupied parts of our country; there they have already put the White Terror in power in spite of all the manifestations of the working-class movement.

“In Budapest alone 500,000 working people voted at the first election of the Workers’ Councils—in a city that has hardly a million inhabitants! But that is naturally no expression of the people’s will in the eyes of those for whom the popular desire consists in the expression of the wishes of the bourgeois class. For them the people’s will is the blockade, which serves to starve us out, to put our capitalists on their feet again and to give back to them land and houses, mines and factories, and to make the country a colony and the workers colonial slaves.

“We confront all calumnies with the unadulterated facts. We call upon you, workers of all countries, proletarian organizations of the whole world, to send your delegates here and to see through their eyes our work that is tearing down capitalism and building up socialism.”

Bela Kun’s Overthrow and Rumanian Aggression.—In the beginning of August, pressed by the Allied blockade and the plea of the more moderate groups, Bela Kun resigned, and Jules Peidll, a moderate Social Democrat, and former Minister of the People’s Welfare under Karolyi, succeeded as Premier and formed a cabinet consisting for the most part of moderate socialists and members of the former Bela Kun government.

Contrary to the instructions of the Allies, the Rumanians, after the change of government, refused to stop their advance, and on August 4, 30,000 troops occupied Budapest, took charge of public buildings, arrested some of the members of the new government, demobilized the local police and mounted machine guns in different parts of the city. They likewise issued an ultimatum to the government, demanding a reduction of the Hungarian army to 15,000 men, the surrender of 30 per cent. of the harvest, animals and farm machinery, 50 per cent. of the railway supplies, a large proportion of the Danube shipping, and equipment and supplies for an army of 300,000, together with rations for the Rumanian forces pending a peace settlement. The government was given until 8 p. m. August 5 for reply.

The Peace Conference protested against this ultimatum, which, they declared, was in violation of the terms of the armistice, and of the pledges of the Allies to the Hungarian people when the latter were induced, on August 1, to establish a new government. At the expiration of the time set by the ultimatum, the Rumanians, who had prevented the publication of the ultimatum in Budapest, seized live stock, farming implements, rolling stock and food — although Hungary was on the verge of starvation — and began to send them back to Rumania. Railway communication between Budapest and Vienna was cut, and many assaults upon the citizens were reported.¹²

Dictatorship of Archduke Joseph.— For some time before, Archduke Joseph, a member of the House of Hapsburg, and his royalist supporters had been plotting a

¹² In early September it was reported that the Rumanians were continuing their plunder and that "only the blocking of their lines of transport by the very immensity of their spoils is stopping them from completely stripping Hungary. Allied agents are disregarded." (See *Manchester Guardian*, September 3, 1919.)

coup d'état and, on August 6, a number of gendarmes, led by the chief of police, surrounded the palace in which the new government was sitting and forced the cabinet to resign. Archduke Joseph immediately took over the new government and was invested with supreme powers. Stephen Frederich, former chief of a department in the War Ministry, was made premier.

This change in government was followed by the arrest of the supporters of Bela Kun and the suppression of the soviet organs.

On August 13, a new ministry was appointed, many of the members of which were identified with the old Tisza régime. Paul Caromi, leader of the Social Democrats, announced that the socialists would not participate therein unless Archduke Joseph abandoned the regency.

On August 23, the Supreme Council were at last incited to action and delivered a note to the Hungarian Government demanding the resignation of Archduke Joseph, declaring that the government had "at its head a member of the House of Hapsburg, whose policies and actions were largely responsible for the calamities under which the world is suffering, and will long suffer. A peace negotiated by such a government is not likely to be lasting; nor can the Allied and associated governments give the economic support which Hungary needs."

The ultimatum presented a demand for a coalition government. The Archduke resigned, and a new Hungarian cabinet was formed by Premier Frederich, which contained four other members of the Archduke's ministry, and which was in no way representative of all parties, as had been urged by the Allies.

The "White Terror."—Under the Frederich régime many outrages were committed against the Communists, the Jews and others by the so-called "White Terrorists."

According to the *Arbeiter Zeitung*, "numerous hangings, whippings and extortions have taken place, the victims being Jews and persons suspected of Bolshevik tendencies or of former affiliations with the Reds."¹³

¹³ See New York *Times*, September 19, 1919.

On August 20, 1919, the Budapest special correspondent of the *Manchester Guardian* wrote regarding the terror (see *Manchester Guardian*, August 29): "The Rumanians are in actual occupation of the country. They are deliberately making themselves a scourge and a terror. . . . They have already concluded a more or less open alliance with the feudal landed gentry and the anti-Semitic clericals.

"It cannot be too strongly insisted that this country is now undergoing a terror — conducted by the Archducal government under Rumanian protection and support — that is as bad as any terror in modern times."

On August 29 the correspondent added: "Great bankers, famous statesmen, manufacturers, responsible men generally assure me that they would infinitely prefer the Bolshevik régime. . . . The Rumanians are gutting the whole country. . . . The nation is being turned into a desert."

In early September, he reported (see September 10 issue): "All newspapers are suppressed until and unless they support the government. . . . Through the double terrorism of the Rumanians and White Guardists it is impossible for the mass of respectable or working-class opinion to offer any protest. . . . So little support has Frederick among the working-class that he cannot find nine or ten printers required to set up his two-page government sheet. His sole force is his White Guard and of officers of the old army, with the aid of which he usurped power."

A bitter protest against the government in Hungary and the attitude of the Allies toward the problem was made in early September by the Social Democratic Party of Hungary in part as follows (see *Manchester Guardian*, Sept. 12, 1919): "Through an unjust limitation of the future frontiers of our country pieces have been torn from our living flesh from the purely Magyar body corporate of our land. The harshest possible blockade has been held over us, and we had to remain without raw materials, iron and coal, without food. The industry of our capital city has been condemned to death, and several hundreds of thousands are not merely metaphorically, but in dread reality, menaced with death by hunger.

"It was an act of desperation on the part of Hungarian labor that Bolshevism came. It came only, and could only have come, after all hope in the West seemed vain. Bolshevism has now col-

In late November, 1919, the Frederich ministry resigned, and a coalition ministry was formed, headed by Carl Hussar, and including several socialists, among them

lapsed, and Hungarian labor, emerging from this most frightful and critical illness of its sorely-tried existence is now turning itself towards social democracy, trusting to the political methods of the West.

"We Social Democrats can only condemn the methods of the Dictatorship and the Red Terror. Yet at the moment that we are in the mood to make up for past mistakes we find ourselves face to face with a cruel White Terror of a mediaeval and barbaric character. We have for Bolshevism only words of condemnation. Nevertheless, we are compelled to point out—and can establish it by documentary evidence—that the White Terror in the four weeks since the usurpation of the "Archduke" Joseph of Hapsburg and the government of his adventurer lackey Frederich has spilt a hundredfold more blood than the dictatorial régime of the now-overthrown Soviet Republic did in the whole four months of its existence.

"Men's lives and workers' organizations have been destroyed that have not had the least thing in common with Bolshevism. Thousands upon thousands of innocent workers have been thrown into jail and there have been bloodily flogged and tortured. Simultaneously has the Frederich government, under the false pretext of hunting down communists and through the lavish expenditure of money and the exercise of other official pressure, called into existence a pogrom movement and inaugurated a race war on a scale that is perilous for all Europe.

"The intellectual and working population of Hungary might easily rid themselves of the forces of darkness and political reaction but the Magyar nation has been deprived of its political autonomic rights.

"Hungary is occupied by a foreign military Power. Military occupation pursues its own political and economic aims. Meanwhile we are not free to move or breathe. Neither newspapers nor leaflets can be published. We are not permitted to hold public or private gatherings. All that we behold is the raging of the darkest reaction. All that we behold, too, is that no food trains are entering; that no coal is coming in for the winter and for the needs of our factories; that in one way after the other every possibility of economic production—nay, every possibility of existence now and for the future—has been taken away, and that in consequence a frightful anxiety is seizing upon the working population of the country.

"We are overwhelmed by the prospect of a dreadful future in which scores upon scores of thousands of workers will seek to leave this land in the search for a new home, only to find every door closed

Peyer, as Minister of Public Safety. Frederich was made War Secretary.

Summary.— It is thus seen that the constant agitation of the socialists and the economic and military breakdown of the Central Empires led in Germany, Austria and Hungary to revolutions effected with hardly the shedding of a drop of blood. Hungary followed the Russian model, and strong elements in Germany and Austria were constantly at work during 1919 endeavoring to organize soviet governments in their respective countries. However, the Majority socialists, assisted by other democratic elements, retained control during the first part of the year, although discontent against their conservatism increased. The Hungarian Government swung still further to the left in March, 1919, but, through the intervention of the Allies, the Bela Kun government was overthrown and a Social Democratic régime was installed, only to be superseded by a dictatorship of a member of the House of Hapsburg, and, after his resignation, by another reactionary cabinet and later by a coalition ministry.

against them. We have the feeling that our beautiful land is being treated by the victorious Powers like a corpse on the dissecting table and that the Western Powers lack either the will or the strength to take those decisive steps which it is incumbent upon the victor to take.

“In face of this situation, so frightful for us, we appeal with all our force to the peoples of the West, and first and foremost, to our working brothers in these countries. Hungary has become a Balkan problem—that is, upon Hungary now depends the peace of the Balkans, and for that reason and in that sense Hungary is a concern of European democracy.”

CHAPTER XIII

OTHER EUROPEAN COUNTRIES: SOCIALISM SINCE 1914

GREAT BRITAIN

Introductory.— Although the war was not immediately followed by revolution in other large European countries, the socialist movements in practically all of these countries grew in importance and vitality during the war, and were all influenced to a more aggressive policy by the revolutions in Russia and in the Central Empires.

Great Britain.— The political labor and socialist movements in Great Britain during the war grew materially in strength and in intellectual maturity, and took a more fundamentally radical position as the war progressed.¹

British Labor Party.— Immediately following the opening of hostilities, the Labor Party, it will be remembered, definitely assisted in the recruiting campaign of the Joint Committee and in other ways supported the war. The party ratified this policy later in the year, and, when the coalition government was formed, agreed that the chairman of the parliamentary group, Arthur Henderson, should enter the government on their behalf. Henderson later became President of the Board of Education.

The labor group during the first part of the war strongly advocated governmental control of food, coal

¹ See Kellogg and Gleason, *British Labor and the War*, for an exhaustive account of the British movement.

and other necessities, and fought for a strengthening of measures to safeguard labor. The party entered upon a political truce, under which all political parties agreed that, in case of parliamentary by-election, the seat should be filled without a contest by the party in possession.

On the reorganization of the government in December, 1916, Lloyd George appointed to the ministry six representatives of organized labor, among them Arthur Henderson, who retained his seat, and George N. Barnes, who was appointed Minister of Pensions.

The Party and the Stockholm Conference.—The British Labor Party had, in the early stages of the war, fought shy of communication with socialist representatives from the Central Powers. In January, 1917, the Manchester Convention voted against participation in the proposed international conference at Stockholm. Two months later its executive refused to accept the invitation of the French Socialist Party to attend a Paris conference of Allied socialists. In May, it refused the Dutch Scandinavian Committee's invitation to attend consultations at Stockholm. It also failed to respond to the messages of the Russian socialists, suggesting a later Stockholm meeting.

Meanwhile Arthur Henderson had been sent to Russia as one of three governmental representatives to help to strengthen the Russians in their opposition to a separate peace with Germany. He went to Russia a vigorous opponent of the Stockholm plan. He returned to England, after meeting the leading members of the Council of Workers' and Soldiers' Deputies, an enthusiastic advocate of this plan. He was assured that a restatement of war aims by the Allies was necessary, if the provisional government of Russia was to retain power. He looked on a socialist and labor conference as a means to that end.

Henderson returned, in the belief that it would be

“highly inadvisable and perhaps dangerous for the Russian representatives to meet representatives from enemy and neutral countries alone.” On the other hand, he felt that such a labor conference should be merely consultative, not obligatory, and, on August 10, at the Labor Party Conference, his position was sustained by an over two-thirds vote.

Lloyd George, following this decision, bitterly attacked Henderson, stating that he misrepresented the view of the Russian Government. A few days later, Kerensky cabled that he believed that the conference would prove of great value, although personally he thought that “it would have been of greater importance if it had taken place while we were advancing instead of in the present condition. But I am not opposed to it, no. I have insisted again and again that any opposition offered to it by the Allied governments, any difficulties put in the way of delegates, is simply playing into German hands.”

Resignation of Henderson.—This controversy led to the resignation of Henderson from the cabinet. On August 13, passports to attend the Stockholm Conference were refused to the delegates. The next day, the executive of the Labor Party passed a vote of confidence in Henderson, appointed eight delegates to Stockholm and protested against the government’s action. This position was sustained by a narrow margin at the Labor Conference of August 21.

The Conference at Blackpool.—In September, 1917, the Blackpool conference of the British Labor Congress, which represents the trade unions organized on industrial lines, passed a compromise resolution by a vote of 2,849,000 to 91,000. This resolution protested against the government’s refusal to grant passports to Stockholm, declared that general agreement among the working classes

of the Allied countries was necessary for a successful international conference and recommended that the Parliamentary Committee of the Congress be empowered to assist in the arrangement of such a gathering. This resolution was accepted by the executive of the Labor Party. This body and the congress afterwards drafted a memorandum on war aims which was adopted at their joint meeting of December and which formed a basis for the Inter-Allied socialist and labor program formulated at the London conference in the following February.

The Nottingham Conference.— In January, 1918, another gathering of the Labor Party was called at Nottingham. This conference affirmed the war aims adopted in December; urged that the Allied governments prepare a joint statement of the purposes of the war at the earliest possible moment; called on the working classes of the Central Powers to declare their war aims and to influence their governments to state their position and urged the various countries to permit delegates to attend an international socialist and labor congress. It also approved the aims of President Wilson and of Lloyd George, in so far as they coincided with those announced in December by labor.

Concerning Coalition.— The conference clearly showed that the labor movement felt itself distinct from the coalition government. While it refused to call for the resignation of Messrs. Barnes and Roberts from the cabinet, on Henderson's plea that such action might interfere with the prosecution of the war, it gave its vigorous approval to the statement of Henderson that he would never again be a member of a cabinet in which labor was in the minority.

It likewise referred the tentative draft of its new political platform, "Labor and the New Social Order," to the

June Conference. Before the war, the Labor Party as such had never adopted a constructive platform. The high cost of living, the confusion regarding war aims, the concentration of great industrial power into the hands of governmental bureaucrats as a result of the Defense of the Realm, the Munition of War and other acts, and the refusal of the government to grant passports to labor delegates led many members of the party to demand a more constructive and a more militant program than they had formerly considered. A sub-committee was therefore appointed to assist in the formulation of a reconstruction program, and the delegates present at Nottingham indicated their approval of the draft submitted.

The London Conference of June, 1918.—Next in succession came the London Conference of June 26-28, 1918—in some ways the most significant since the outbreak of the war.

The question of the labor truce caused heated discussion. At the outbreak of the war, as has been stated, representatives of the Labor, Liberal and Conservative parties agreed not to contest elections in case of parliamentary vacancies. The truce held good until December 31, 1916, when some of the non-labor groups undertook to institute provisions unsatisfactory to the Labor Party. On that date the written compact ceased, although the spirit of the agreement in general was kept for some time longer. Dissatisfaction with the no-contest policy steadily increased, and finally the executive decided to bring the matter before the party. After prolonged discussion the conference, by a vote of 1,704,000 members to 951,000, decided to break the truce. This action, however, did not apply to labor members of the cabinet.

The Reconstruction Program.—The Labor Party at the conference also adopted in substance the proposals of

the sub-committee on reconstruction, thus taking a position in favor of a new economic system. The program demanded "the retention in public hands of the railways and canals; the expropriation of the present stockholders on equitable terms"; a steadily increasing participation of organized workers in the management of public industry; the construction by the government of a score of gigantic super-power stations by which the whole kingdom may be supplied with electricity; the public ownership of the nation's coal supplies and the fixing of a uniform price; the appropriation by the state of the whole function of insurance and of the nation's agricultural lands; the reorganization of the distribution of foods; strict regulation of private industry; conscription of wealth to pay for the war debt; the development of the Post Office Savings Bank into a national banking system for the common service of the whole community; the construction of public works as one method of eliminating the unemployed problem; the building by the government of a million soundly constructed, spacious and healthy cottages; a systematic reorganization of the whole educational system, which shall eliminate "all class distinctions and class privileges, and bring effectively within the reach, not only of every boy and girl, but also of every adult citizen, all the training, physical and mental and moral, literary, technical and artistic of which he is capable" and the maintenance of standard rates of wages relatively to the cost of living in all trades.

The task of reconstruction, according to the party, ought to be regarded as involving

"not any patchwork or gerrymandering of the anarchic individualism and profiteering of the competitive capitalism of pre-war time . . . but a gradual building up of a new

social order, based not on internecine conflict, inequality of riches, and dominion over subject classes, subject races, or a subject sex, but on a deliberately planned coöperation in production, distribution and exchange, the systematic approach to a health equality, the widest possible participation in power, both economic and political and the general consciousness of consent which characterize a true democracy."

The conference also denounced the refusal of the British Government to permit Troelstra, the Dutch socialist, to attend the conference, as well as its failure to allow Margaret Bondfield to attend the convention of the American Federation of Labor.

One-third of the executives elected were members of the Independent Labor Party, including Sidney Webb, Philip Snowden, F. W. Jowett. Henderson and MacDonald were reelected secretary and treasurer respectively.

At the meeting of the Trade Union Congress held in Derby in September, Havelock Wilson urged the formation of a separate labor party, opposed to the present Labor Party, but his motion was defeated by a vote of 3,815,000 to 567,000. The congress again went on record in favor of an international conference, and called upon the government to open negotiations as soon as the enemy, voluntarily or by compulsion, evacuated France and Belgium.

The British Elections of 1918.—During the fall much attention was given to the parliamentary elections which took place on December 14, the first general election since December, 1910. Lloyd George waged a jingoistic campaign, urged that the government be retained in power so that it might finish the peace, and promised a large war indemnity, a square deal for the returned soldiers and the punishment of the Kaiser. Problems of reconstruction, on the other hand, were neglected.

During the campaign the Labor Party issued a manifesto, "Labor's Call to the People," which called for:

"A special tax on capital on the ground that those who made fortunes out of the war must pay for the war; free trade; no tariffs; immediate nationalization of all land; immediate nationalization of vital public service systems; better housing conditions; free public education; freedom for Ireland and India; immediate withdrawal of troops from Russia; no conscription; equal rights for women; a peace of reconciliation with no secret diplomacy and no economic war; the charter of labor to be incorporated in the fundamentals of the league of free peoples."

The electorate proved indifferent, only 10,679,020 out of a total of over 21,000,000 turning out to vote. The coalition candidates, led by Lloyd George, were overwhelmingly victorious. The Labor Party, however, increased its representation in Parliament from 38 to 59, and received a vote of two and a half million. The 400 coalition seats were won by a vote of four millions. "This is one of the most glaring anomalies of the British system of redistributed constituencies," declared Arthur Gleason,² "that labor shall hold but one-eighth as many seats as the coalition, when it polled five-eighths as many votes." The Labor Party, as a result of the election, became the chief opposition party, the Liberals securing but 26 members. On the other hand, the coalition led to the defeat of Arthur Henderson, and of such internationalists as Ramsay MacDonald, William C. Anderson, Philip Snowden and F. W. Jowett. Roberts, Havelock Wilson and others on the extreme right were swept into office on the nationalistic wave inevitably following the military victory.

² Kellogg and Gleason, *British Labor During the War*, p. 270.

Special Elections of 1919.—During the next few months, however, the attitude toward the coalition underwent a distinct change. The peace terms, the slow demobilization, the continued war in Russia, the menace of conscription, the Irish situation, and the lack of any constructive program in solving the problem of the cost of living, of housing, of the mines, and of the railroads, caused widespread dissatisfaction. By the end of July, in the six by-elections, the Labor candidates won four out of six seats formerly held by the Coalition. In late August, Arthur Henderson regained his seat in Parliament. In the municipal elections in November, 1919, the Labor Party made huge gains throughout the country. In London it secured majorities in 13 out of the 28 borough councils in which there was an entire change of councillors.

Strikes.—Of importance to the labor and socialist movement in Great Britain during the early part of 1919 were the numerous strikes of the transport workers, the miners, police, etc., for wage increases, for the reduction of hours — the 44-hour week being a frequent demand — for the participation in the management of industry, for nationalization of mines and railroads, and for other advances.

Following the publication of the peace terms, the Independent Labor Party denounced the treaty “as a violation of the conditions of the armistice,” and as “a capitalist, militarist and imperialist imposition” which gave the world not peace, but “the certainty of other and calamitous wars.”

The Southport Conference.—The most important gathering of the Spring of 1919 was the Southport Congress of the British Labor Party held in late June. The congress urged that June 21 be set aside for demonstrations throughout Great Britain against the Allied inter-

vention in Russia; requested the Trade Union Congress, by a card vote of 1,893,000 to 935,000, to take industrial action to compel the British Government to recall the troops from Russia and to lift the economic blockade; unanimously passed a resolution against conscription, recommending that the Trade Union Congress and the Triple Alliance take industrial action to abolish it; and indorsed the six-hour day in all industries.

The Glasgow Trade Union Congress.—The Parliamentary Committee of the Trade Union Congress refused to heed the instructions of the Labor Party and of the Triple Alliance to call a special national conference for the purpose of considering these demands of labor, i. e., the abolition of conscription, the withdrawal of troops from Russia, the raising of the blockade and the releasing of conscientious objectors. The failure of this committee to act led to bitter criticism, and, at the Glasgow Conference of the Trade Unions called for September 8, 1919,—representative of more than 5,000,000 workers—a motion of virtual censorship was passed by a card vote of 2,586,000 to 1,876,000. By some present the vote was interpreted as a vote for “direct action.” Others denied this implication.

By an overwhelming vote of 4,478,000 to 77,000, the congress demanded that the Parliamentary committee visit the Prime Minister and insist on the adoption of the majority (Sankey) report of the Coal Commission which favored the nationalization of the mines, and that, if the government refuse to accept this position, a special Trades Union Congress be called to decide what action should be taken to force nationalization. The Congress, by a unanimous vote, also demanded the adoption by the government of the repeal of the conscription acts and the immediate withdrawal of troops from Russia, and, failing

this, the calling of a special Trades Union Congress. Later Lloyd George declared before Parliament that the government would not adopt the Sankey report. In November Lloyd George declared that Great Britain would withhold further military support from factions opposing the Soviet Government.

Ireland.— At the beginning of the war the Irish Socialist movement was weak. The Independent Labor Party had about 1,000 membership. The Irish Workingmen's Party, organized prior to the war, a representative of the Irish unions, was not strong, although it showed some success in a number of the municipal elections. In 1916 these movements — which did not officially take part in the rebellion of that year — suffered a great loss in the execution of James Connolly, Skeffington and others for participation in this rebellion.

Several hundred members of the I. L. P. and I. W. P. were also imprisoned in England for their refusal to be conscripted. A number of socialists took part in the Sinn Fein campaigns which swept the country. The small Revolutionary Socialist Party of Ireland, in the Summer of 1919, issued a manifesto warning the workers that even "if Sinn Fein prevails, there will still be an Irish working class. There will still remain an Irish master class." It called on the people to form workers' committees as the first step in building up a new social system.

Other Developments.— The shop stewards' movement, the development of the Triple Alliance, the growth of the guild socialist idea, the increasing demand on the part of labor for a share in industrial management, the reports of the mining commission favoring nationalization of mines and participation of the worker in the management — were further developments of the war of importance to the socialist and labor movements. The Independent Labor

Party emerged from the war with increased strength and influence.

FRANCE

The Majoritaires and Minoritaires.— In August, 1914, the French socialists, to all outward appearances, showed remarkable unity in their support of the war. It was not long, however, before dissensions arose. The moderate and at first the dominant group in the party known as the Majoritaires demanded vigorous prosecution of the war until the Allies secured a complete victory over the Central Powers. They also opposed any conference between the French socialists and delegates from Germany and Austria. Forty of the Majoritaire group in the Chamber of Deputies, following the visit of the American labor delegates in the Summer of 1918, formed themselves into a separate bloc known as the Varenne Quarante. Albert Thomas, for some time Minister of Munitions, finally joined this group, and was its outstanding figure.

The second group, stimulated partly by the propaganda of the anti-war Kienthal socialists, was designated Minoritaires. In the congress of the Socialist Federation of the Seine in 1918, this group showed three divisions: The extreme left, who believed that the socialists should refuse to vote for the war budget, and demanded social revolution and peace; the Longuet group,³ who also advocated refusal to vote for the war credits, opposed intervention in Russia, demanded a revision of the war aims of the Allies and urged the participation of the French

³ This group was led by Jean Longuet, grandson of Karl Marx, and a prominent member of the Chamber of Deputies. Their organ was *Le Populaire*. It cannot be said that the vote in the Federation of the Seine was typical of the sentiment in the party throughout France, as this federation, which includes the socialists of Paris, was, during the war, more radical than those in other portions of France.

in the international socialist and labor peace conferences; and the Centrists, led by M. Cachin and others, who emphasized the necessity for vigorous participation in the national defense, but who, nevertheless, favored a "political offensive" in the form of an international conference at which the proletariat would endeavor to establish peace on the basis of President Wilson's declaration. At this congress, the left and Cachin groups obtained for their resolutions approximately 1,000 votes each, as compared with 6,099 for the Longuet resolution. The Majoritaires presented no set resolution.

Minority Becomes Majority.—The Minoritaires continued to gain in strength, with every passing month, and, at a meeting of the Socialist National Council in July of 1918, became the majority group, securing 1,544 votes as against 1,172.⁴

While the successful resolution reiterated the party's determination to support the defense of the nation, it denounced the political, diplomatic and military mistakes of the leaders of the country, and particularly the government's refusal to grant passports to the socialists to attend the Stockholm Conference. It asked why the peace proposals of 1917 were rejected without serious examination and demanded that the French Government revise its war aims and that it publicly condemn militaristic schemes. It urged "a clear and definite statement of our peace conditions on the basis defined by the Russian revolution and by President Wilson," opposed intervention in Russia, and called for the preparation of a scheme for a League of Nations in the terms and spirit indicated by President Wilson.

"A definite peace can only be assured by the establish-

⁴Seven hundred of the 1,172 were voted by the Majoritaires as proxies.

ment of a socialist régime, capitalist society being essentially the régime of disorder, of despotism and of violence. The Socialist Party renews its adherence, complete and without reservation, to the assembly of an international congress. . . . The National Council affirms its desire to obtain complete liberty of national and international action for the working class organizations and for the Socialist Party. . . . The National Council determines to employ, in agreement with the working class and socialist organizations in the Entente countries, every means in its power to obtain passports. . . . On its side it calls upon its parliamentary representatives to prosecute a vigorous campaign before proceeding to refuse the military credits."

The National Socialist Congress, which opened its session on October 6, 1918, again urged the Allies to declare their purposes, and stated its support of the terms of President Wilson.

After the Signing of the Armistice.—Following the signing of the armistice, the socialists held numerous demonstrations urging just terms of peace and opposing chauvinistic demands of French imperialists. When it was announced that President Wilson planned to attend the Peace Conference, the Socialist Party decided to hold a great parade in his honor, declaring that, though he was not one of them, he alone among the statesmen stood for the new diplomacy. They approached Clemenceau, but he strongly objected to the demonstration, and it was finally called off. Smaller demonstrations, however, took place when Wilson arrived in Paris. Jean Longuet and other delegates presented Wilson with a memorandum, in behalf of the party and of the General Confederation of Labor, in which they declared that "the silent mass expects that its heavy sacrifice will be compensated by the organization, at the proper time, of a world peace based

on the principles contrary to all those which constituted the danger of militarism and imperialism." . . .

During the early part of 1919, the party consistently, within and without the Chamber of Deputies, protested against interference of the Allies, by military or economic weapons, with the revolutionary movements of Russia and the Central Empires. It likewise protested against the draft of the peace treaty and of the proposed League of Nations; held a huge parade on April 6, denouncing the acquittal of Raoul Villain, the assassin of Jaurès, and conducted a great May day demonstration throughout Paris and other cities.

The French Socialists and the Second International.

— The party congress, held in April, decided, by a majority of 894 votes, to continue as a part of the second International, *providing that all those who are socialists in name only are excluded*. The motion demanding immediate adherence to the third International at Moscow under the leadership of Premier Lenin and the Bolshevik government, on the other hand, received but 270 votes.

On July 15 the National Council of the party voiced its opposition to the ratification of the peace treaty by an overwhelming vote of 1,420 to 114, some 387 refusing to vote. The party also denounced the "capitalistic" League of Nations.

The General Confederation of Labor.— With the progress of the war came a distinct change of front in the General Confederation of Labor, the chief labor federation in the country, which, in 1918, claimed a membership of nearly 1,400,000. Prior to the war, a large section of the confederation shunned independent political action, as leading to opportunistic parliamentarianism.

In the Summer of 1918, however, it commenced to give more attention to the subjects of a political nature

and to cooperate with the Socialist Party. At its first convention since the beginning of the war, it passed a resolution, by an overwhelming majority, denouncing secret diplomacy and demanding that the people be acquainted with the terms on which a general, just and durable peace might be concluded, such conditions to embrace among others the following:

No annexations, the rights of peoples to control their own affairs, no war indemnities, no economic war to succeed hostilities, freedom of the seas, the establishment of compulsory arbitration to settle international differences, the constitution of a Society of Nations; these conditions being defended by President Wilson, by the Russian Revolution at its beginning and confirmed by the Inter-Allied and International declarations and even at Zimmerwald.

The resolution condemned the government for its refusal to grant passports to socialist and labor delegates to attend the Stockholm Conference, suggested that future refusals be opposed by all the strength of the C. G. T., and declared against armed intervention in Russia, if opposed to the will of the Russian people.

Before and after the signing of the armistice, it issued proclamations similar in sentiment to those of the French socialists — the two groups frequently signing joint manifestoes — opposing French chauvinism, denouncing any interference with the revolutionary movements in Russia and the Central Empires, and demanding the restoration of civil liberties. At its meeting in August, it favored nationalization of industry, with workers' control and urged the transport workers to refuse to transport ammunition to be used by the Kolchak army.

Labor and the League of Nations.—Following the publication of the draft of the League of Nations, the

confederation characterized the League as merely "a treaty of defensive alliance" and declared that only international coöperation of the workers would prevent the league from becoming a center of reaction.

Opposition to Russian Policy.— This was followed by a declaration against the Russian blockade and military intervention, and, on May 28, by a further resolution protesting against what were termed "the denial of the right of self-determination of peoples; disguised annexation; the repudiation of the solemn agreements concerning the League of Nations and the return to the old system of alliances; the absence of an international financial system and economic organization; a continuation of the economic war, and the failure to incorporate in the treaty a real international labor charter."

On May 2, following the government's repression of the workers during the May day parade, Leon Jouhaux, the secretary of the confederation, resigned his seat in the Peace Conference on the Labor Commission, declaring, in a letter to Clemenceau:

"As representative of the French workers, I must inform you that it is impossible that their delegate at the conference should be present on the morrow of the day on which your government has brutally forbidden these workers from giving expression to their views. Liberty having been refused to the workers, their representative cannot hope to have it in reality in the Peace Conference. I hand you my resignation."

During the first part of June, nearly a million men went out on strikes, many of which were called for the purpose of enforcing political demands.

Proposed General Strike. In June, the Executive Committee of the Confederation announced that, together with British and Italian labor, the federation would con-

duct a general strike of 24 hours duration on July 21, the object of the demonstration being "the cessation of armed intervention in Russia, the rapid demobilization of armies, the restoration of constitutional rights, full and absolute amnesty, and, above all, a war on the increased cost of living by all possible means." The railway men later indorsed the action of the federation, and decided on a complete cessation of traffic throughout France, Alsace-Lorraine, Tunis and Algeria. On July 19, however, the Chamber of Deputies refused a vote of confidence in the administration of the Food Minister, who subsequently resigned, and the government promised a revision downward of the food prices, a speedy review of the question of political amnesty and a hasty demobilization. The latter was interpreted as meaning the withdrawal of French troops from Russia. The strike was thereupon called off.

In Latter Half of 1919.—In late July, as a result of the insistence of the socialist deputies, it was announced in the Chamber of Deputies that French political prisoners would be released as soon as the peace treaty was signed.

In mid-July the national council of the French Socialist Party furnished instructions to their deputies by a vote of 1,420 to 54 not to favor the ratification of the peace treaty. The council declared that the treaty perpetuated the iniquitous status quo ante.

The special congress of the French Socialist Party convened on September 11, 1919, considered at length the resolution to expel from the party the group of eleven socialist deputies who voted for the last war credits, and finally empowered the Permanent Administrative Commission of the party to take the necessary measures of discipline against them. It also decided, by an eight to

one vote, to prohibit all electoral ententes with other parties.

On September 18, Jean Longuet created a turmoil in the Chamber of Deputies by characterizing the peace as one "of force and violence like those terminating conflicts in the past."

In the fall campaign of 1919, Clemenceau succeeded in forming a national bloc of non-socialist parties against the socialists who made the Russian question a prominent issue. In the November elections the Unified Socialists claimed a vote of approximately 1,700,000, an increase of several hundred thousand over 1914. Owing to the national bloc and the combining of many small electoral districts into a few large ones, early returns indicated that the socialist delegation in the House of Deputies had been decreased from 101 to the neighborhood of 55, Longuet and Renaudel being among the defeated candidates.

ITALY

Continued Opposition to War.—The Italian Socialist Party, after Italy entered the war, reiterated its anti-war position, and aligned itself with the more militant socialist groups which supported the Zimmerwald and Kienthal Conferences. The Reformist Socialist Party, the small opportunist organization, on the other hand, supported the government. Its leader, Leonida Bissolati, accepted the position of Minister of Military Aid and War Pensions, and others became active in governmental circles.

In the Summer of 1917, the directors of the Italian Socialist Party, the General Federation of Labor and the socialist parliamentary group issued a significant program on national and international reconstruction.⁵

⁵ Internationally, it called for no forcible annexations, self-deter-

The Italian defeat at Caporetto in the Summer of 1917 tended to lessen the anti-war propoganda of the socialists, many of whom adopted the motto, "neither defense nor sabotaging of the war," while the Bolshevik Revolution of November in Russia led the Italians to make vigorous demand for an armistice on all belligerent fronts. In December, 1917, Signor Morgari, a socialist Deputy, went so far as to demand, in the Italian Parliament, amid the hostile shouts of the opposition, not only a Bolshevik peace, but a peace by Bolshevik methods.

Imprisonment of Leaders.—As a result of the socialist agitation, the "Sacchi" decree of October 4, 1917, was passed, penalizing "defeatist" propoganda. The government refused to permit the party to hold a congress in November of that year, and, during the first half of 1918, many prominent socialists were arrested and imprisoned, among them Constantino Lazzari, the secretary of the
 mination, freedom of the seas, immediate and simultaneous disarmament of every state, the suppression of economic barriers, and the establishment of a Judicial Federation.

Nationally, the group advocated a republican form of government; the abolition of the senate; universal suffrage without sex discrimination; the initiative, referendum and recall; unrestricted freedom of association; the suppression of the political police; parliamentary responsibility over diplomatic relations; decentralization of administrative functions; regional and municipal autonomy, reform of government service; a simplified organization of executive departments according to the industrial type; the eight-hour day, the minimum wages, and compulsory education legislation; promotion of coöperative agriculture; the "socialization of lands by the organization of a vast, collective domain the first nucleus of which will be formed by lands belonging to the government, to charitable institutions, and to uncultivated or poorly cultivated lands"; and the granting of land only to those who directly cultivate it. The declaration also urged the compulsory association of farmers, technical control and direction of agricultural production, in order to obtain a maximum production at a minimum cost, heavy income and inheritance taxes, and a prompt and efficient reorganization of the International.

party, Niccola Bombacci, the vice-president, and Giacinto Serrati, the editor of the *Avanti*. The sentences, ranging from 2 years 4 months to 3 years 6 months, gave rise to numerous anti-governmental demonstrations throughout Italy.

Prior to the armistice, in the fall of 1918, the party convention reiterated its anti-war position, called the socialist Deputies to task for failing to take a more aggressive stand in the Italian Parliament, and gave to the party committee power to expel recalcitrant deputies. It also refused to send delegates to the Inter-Allied Socialist and Labor Conference scheduled for London, on the ground that Mr. Gompers and the A. F. of L. would be represented, and delegates from the Socialist Party of America and of the Bolsheviks of Russia would not be present. The party, also, repudiated both the mission from the A. F. of L. and from the Social Democratic League of America.

In the meanwhile, the pro-war socialists organized, in the Spring of 1918, an Italian Socialist Union, which largely absorbed the Reformist Socialist Party. This group coöperated with an Italian Federation of Workers, a group of independent unions that claimed something like 150,000 members.

After the Armistice.—Following the signing of the armistice, the executive committee of the Italian Socialist Party, on December 12, 1918, issued a declaration, stating that it would not “join in the homage to the representative of the United States,” as, despite his personal liberality, he represented a capitalistic government, and was not in a position to make his ideals actualities.

The party aimed, according to the manifesto, “at the establishment of a socialist republic and the dictatorship of the proletariat,” with the following scope:

“ 1. Socialization of the means of production and transportation, land, mines, railroads, steamships, operated and managed directly by the peasants, sailors, miners and workers.

“ 2. Distribution of commodities through coöperatives or municipal agencies, exclusively.

“ 3. Abolition of military conscription and universal disarmament, following the union of all socialist proletarian international republics of the world.”

The declaration also vigorously advocated the withdrawal of troops from Russia. When President Wilson visited the Chamber of Deputies, he found the forty seats of the socialist Deputies unoccupied. Throughout his visit, the radical press constantly asked why a president with his ideals could permit a ten years' jail sentence for Eugene V. Debs, and condemned Wilson for failing to denounce the known imperialism of the Italian Government.

By the end of the year, even Bissolati of the Socialist Union found it impossible to continue as a member of the cabinet, and resigned, on December 28, declaring that the foreign policy of Baron Sonnino in regard to the west coast of the Adriatic would lead to new wars. The Socialist Union also practically repudiated Bononi and Berenini for retaining their places in the cabinet following the resignation of Bissolati. It recorded itself in December against secret diplomacy and in favor of a league of nations.

The 1919 Activities.— During the first half of 1919, the party continually reiterated its demand for the withdrawal of troops from Russia, waged a campaign for amnesty of political prisoners, securing the release of Lazzari and others; demanded for all people “ the right to dispose freely of their own destiny, particularly for the peoples of Dalmatia and Asia Minor, whose independence is now threatened by the menace of Italian imperial-

ism"; again recorded itself "in favor of a general strike, for the purpose of obtaining the conquest of power by the Italian people," demobilization, liberty and the withdrawal of troops from Russia, and instituted numerous strikes and demonstrations to impress its demands.

The Italian Party and the International.— Signores Lazzari and Morgari were sent in February to the Berne International Socialist Conference and were authorized to support it "if it adheres to the old International spirit." The delegates, on their arrival, declared that this spirit was absent and that the Italian party "cannot consent to participate in partial conferences of parties and groups which worked hand in glove with the bourgeois governments during the war." The party later issued a scathing denunciation against the International Socialist Bureau, for organizing the Berne Conference,— "a caricature of an International Socialist Conference"; declared that "it is impossible to conceive the co-existence in a single organization of those who were loyal to the principles of the International and those who betrayed those principles and are still opposed to the realization of socialism"; gave its adhesion to the Moscow Conference, and promised to do what it could to unite those socialists who remained true to internationalism.

The Party and the Peace Conference.— The party denounced, at the first meeting of the new executive in Milan, the proposals of the Peace Conference for the League of Nations—"illusions," as the committee termed these proposals,

"craftily disseminated in the Conference of Paris which, under the ingenuous mask of Wilsonian bourgeois ideology, is re-creating the Holy Alliance among the conquerors, to oppress not only politically but also economically the conquered

populations, dumb victims of the mistakes and rapacity of the bourgeoisie, captained by imperialistic militarism, and against the international proletariat.”

This statement was followed, on April 3, 1919, by a caustic criticism of the Peace Conference signed by the group of forty-one socialist members of the Chamber of Deputies, in part as follows:

“The Entente tends to crush down the defeated nations. New nations are organizing, not for their own interests, but as foils for the victorious ones. The peace that is outlined at Paris is equal to the Brest-Litovsk Treaty. Therefore, war will hover, as in the past, over the earth. France is carving for herself new territories, with coal underground and men overground. Italy wavers between a false Wilsonian and a true imperialism. England and America tend to the economic conquest of the world. The proletarian class of all countries should consider if the general strike, which has already won so many partial conquests, cannot internationally affirm their will to peace and life.

“We shall compel the Paris Conference to respect what was voluntary promised, and to give to the working class the real disposition of the executive powers; which, for Italy, means the radical reform of the constitution, participation in the larger ballot, direct representation of the syndical organs, the abolition of every arbitrary power, the abolition of the Senate, the right of self-convocation of Parliament, a larger technical and administration decentralization and so forth, that is a real sovereignty of the people. Thus will the people affirm and progressively maintain a stricter brotherhood between the nations, until the construction of a new state that includes all.”

During the Spring also there were numerous disturbances in Italian cities — twenty-four hour strikes in Rome, Milan, Bologna, Turin, and other cities, some as a protest

against the government's action in refusing permission to parade, some in order to enforce economic demands.

In early July food riots occurred in many cities, thousands of stores were ransacked, municipal governments were ignored and Chambers of Labor were entrusted with the distribution of food.

The international general strike of July 21, 1919, completely tied up Milan, Trieste and several other industrial centers. In the November, 1919, elections the Socialist Party practically doubled its representation in the Chamber of Deputies, electing 156 candidates. The Reformist Socialists elected 16 deputies, the Liberals, 161, the Democrats, 23, the Republicans, 9, Discharged Soldiers, 23, and miscellaneous, 8.

The Socialist candidate, Lazzari, secured 143 votes for President of the Chamber to 251 for Signor Orlando. In the late fall, strikes again occurred in Italy with great frequency.

THE SCANDINAVIAN COUNTRIES

The strong socialist movements in Denmark, Sweden and Norway were active during the war in preserving the neutrality of their respective countries, and in assisting in the organization of an international socialist conference.

In Denmark and Sweden, where the parties are plurality, although not majority parties, the socialists entered for a time into coalition ministries with the liberals. The moderate course pursued in those countries led to the formation of left wing groups. In Norway, the party swung during the war definitely to the left. All three movements increased steadily in influence among the masses.

DENMARK

Efforts Toward Peace.— The manifesto of the Danish Socialist Party shortly after the beginning of the war attributed the conflict fundamentally to the forces of international imperialism. It urged the socialists of other countries to work for peace proposals which would constitute a basis for international disarmament and for the democratization of foreign policies. It protested against the violation of the law of nations as evidenced in the invasion of Belgium and it pressed for the calling of an International Socialist Congress.

Joins the Coalition.— In 1916, the party took an active part in connection with the sale of the Danish West Indies to the United States. When the disposal of these islands was under consideration, the conservative parties conducted an ultra-patriotic campaign, demanding that the sale be not completed and that a new election be held. In order to prevent the Agrarian and Conservative parties from winning out, the government asked the socialists to participate in the cabinet. A special meeting of the party was called for October 1, 1916, and, by a vote of 293 to 32, the convention took the unusual step of permitting one of its members to join the ministry without portfolio. The parliamentary group selected Theodore Stauning, one of the foremost leaders of the party, as its representative. Stauning remained a member of the cabinet throughout the war.

Increased Socialist Vote.— Party strength steadily increased during the war, and, in the Spring elections of 1918 — the first elections in which women were given the franchise — the electorate returned 39 socialists to the Folkething, an increase of 7 over 1913, and 32 radicals. This gave to the radical-socialist coalition 71 seats as

compared with 68 seats for the opposition parties, led by ex-Premier Christensen. The socialists polled 263,000 votes, the radicals, 192,000 — a total of 455,000, while the liberals and conservatives secured 230,000 and 167,000 respectively, or a total of 397,000. The highest popular vote was thus received by the Social Democrats. The latter also gained full control over Copenhagen, from the mayoralty down, obtained a majority in 14 city and 34 rural councils, and elected to the city and rural councils throughout the country some 1,479 municipal councilors. The party reported a dues-paying membership in the beginning of 1918 of 80,000, as compared with 60,000 in 1915.

Formation of Left Wing Party.— Taking a moderate position in the International, it refused to send delegates to the Zimmerwald Conference, and kept up its affiliation with the International Socialist Bureau. In the Summer of 1918, a radical minority, who opposed the opportunism of Stauning and others, formed, under the leadership of Mr. Nicolaisen, a Socialist Party.

As in other countries, the war was attended in Denmark by measures of suppression against radical expression. The editor of the *Class Struggle* and other papers were sent to jail, and hosts of meetings were broken up by the authorities. Owing to the scarcity of food and other necessities, Denmark adopted, during the war, a vast amount of state control of industry. The socialist parliamentary group were effective in 1918 in forcing through remedial legislation in regard to the unemployment problem, and an increase in direct taxation. As a result of their efforts, 76 per cent. of the revenue collected in the latter part of the war came from direct taxation; 24 per cent., from indirect. This was an entire reversal from conditions of a few years before.

SWEDEN

The Party Strength.— In 1914, at the beginning of the war, the Social Democratic Party of Sweden had the distinction of holding in the Lower House of their Parliament a larger number of seats than that of any other party — 87 as compared with 80 seats occupied by the conservatives and 45 by the liberals. It held 14 seats in the Senate, and 426 in the municipal councils. In 1915, the party elected 126 deputies to the Landsting (the provincial Parliament), a gain of 45 over the previous election.

In November, 1914, the party decided to form, against the opposition of the Young Socialists, a coalition ministry with non-socialist parties. It opposed, by a vote of 70 to 61, the parliamentary demand for gradual reduction of armaments, and expelled Steffen, a member of Parliament, for advocating intervention on the side of Germany.

Separation of Young Socialists.— At the national convention of February 22, 1917, the party went on record in favor of the Stockholm Conference, and advocated strict prohibition of alcoholic liquors. By a vote of 136 to 2, it forbade the Young Socialists from running separate candidates and demanded that they indorse the unity resolution of the former party conference as the unalterable condition of party unity.

On May 12, 1917, the young people's organization met, unanimously rejected the conditions set forth by the party and formed a new party which they called the Swedish Socialist Party. Lindhagen, the Mayor of Stockholm, and fourteen other members of the parliamentary group immediately joined the new movement, which adopted a

program on the lines of the Zimmerwald and Kienthal conferences.

The membership of the older party showed a considerable decrease during the year on account of this secession of the Young Socialists, although the September, 1917, elections indicated a socialist gain of eleven seats, the Social Democratic Party electing 86 of their candidates, and the Young Socialists, 12.

Democratizing the Constitution.— In the early Fall of 1917, both the Socialist and the Liberal parties fought against the Conservatives on the three issues of (1) reform of the upper house, (2) votes for women, and (3) government by parliamentary majority. The conservatives, who went into the elections with 86 seats, witnessed the return of but 57, and M. Schwartz, the Premier, was forced to resign. The Liberal Party, with 62 seats out of 230, thereupon united with the socialist moderate group, with its 86 seats, and formed a coalition government with M. Eden at its head and three socialist cabinet members, including M. Branting, the leader of the Social Democratic Party, and the first socialist to sit in the Swedish legislature, Baron Palmsierna and M. Ryden among its members. After a few months, Branting resigned.

For the next two years, the liberal and socialist groups fought for a more liberal constitution. While they held a majority in the lower house, they were in a minority in the upper chamber (62 against 86), and here their proposals were constantly held up. The threat of revolution because of this attitude and the warning of the German revolution, however, finally forced the upper chamber, in December, 1918, to yield to the liberal demands. Under the new constitution, women were given the vote, property qualifications in the election of the upper house were

abolished — though the election was still indirect — and the electorate was increased three fold.

Demands of the Radicals.— The newly formed Socialist Party, during the war, continued its criticism against the Branting socialists, and, in the latter part of 1918, the Young People's Socialist League and the Swedish Soldiers' and Workingmen's Council issued a joint manifesto, demanding the formation of a socialist government, supported by the workmen's, soldiers' and peasants' councils all over the country; a republican form of government; the abolition of the upper chamber of the Parliament; the immediate convening of a constituent national assembly on the basis of unlimited suffrage for men and women above 20 years; immediate abolition of militarism; a systematic raising of wages for all workingmen and civil service employees; the immediate introduction of the eight-hour day; the confiscation of estates held by companies and of crown possessions, and their distribution, under the control of communities, among the working classes.

In late December, 1918, and early January, 1919, conservative groups in Sweden conducted a vigorous recruiting campaign to secure volunteers to aid the conservatives of Esthonia in their fight against the Bolsheviks. Huge mass meetings were held by the socialists throughout Sweden protesting against the campaign which, they believed, aimed primarily to involve Sweden in war on the side of Germany. Shortly thereafter the recruiting stations were closed. Throughout the European war, the socialists fought persistently against joining hands with the Central Powers.

NORWAY

Anti-Militarism.—The Social Democratic Party of Norway has, for the past few years, taken a decidedly more radical position than has the majority party in the sister country of Sweden. The party conducted an energetic anti-militarist campaign throughout the European war.

Control by Left Wing.—At the Spring convention, in 1918, the left wing groups obtained complete control of the party. The convention voted, against the opposition of the executive committee, to invite the left wing of the Swedish socialist movement to participate in the convention. It defeated the committee's resolution which condemned "a dictatorship of force, either from the upper classes or from the working classes," and which appealed to the workers to rally to their trade unions and to political organizations as a means of protection. On the other hand, it passed, by a vote of 158 to 127, the left wing resolutions in substance as follows:

"The Socialist Party cannot recognize the right of the possessing class to economic exploitation of the working class, even if this exploitation is supported by a majority in Parliament. The Norwegian Labor Party must, therefore, reserve to itself the right to employ mass action or revolution in the struggle for the emancipation of the working class."

The party also expressed its approval of the formation of soldiers' and workmen's councils. The proposal to undertake a military strike, however, was defeated by a vote of 115 to 120.

Party Strength.—At the 1915 election, the party secured one-third of the total vote. During the year 1918

it enrolled 10,000 new members, making a total of 80,000 in all.

The trade union movement in Norway is more conservative than are the socialists and, in October, 1918, voted against sabotage and the general strike.

SMALLER EUROPEAN COUNTRIES

BELGIUM

On account of foreign occupation, it was impossible for the Belgian socialists effectively to function during the war. However, the party did effective work in the feeding of the population, in defending the workers against interference by the Germans and in promoting international conferences.⁶ In November, 1919, the socialists increased their representation in the Chamber of Deputies from about 40 to 70, the Catholics electing 73, a loss of 26 seats; the Liberals, 34, a loss of 11. The Socialists obtained the largest popular vote of any party.

HOLLAND

Peace Activities.—The Dutch socialists throughout the war kept up a consistent agitation in favor of neutrality. Troelstra, the leader of the Social Democratic Party, was also active during the war in an endeavor to bring about some agreement between the socialists of the Allies and those of the Central Powers.

The party likewise led in the campaign against the high cost of living, against militarism and in favor of political reforms. During the latter part of 1918, and the early part of 1919, food riots occurred throughout Holland, rumors of a revolution were widespread, and cries were

⁶ The *Rapport du Bureau du Conseil Général sur L'Activité du Parti Ouvrier Pendant La Guerre* compiled after the armistice gives a remarkable picture of these activities.

heard at many meetings for the abdication of the Queen. The address of Troelstra in November, in which he declared that, "as the bourgeois parties all side with the capitalists, we are forced to consider the possibility of our following the example of Berlin," and intimated the use of violence, caused considerable anxiety in governmental circles.

Program of Economic Reform.—On November 12, 1918, the party and the Federation of Labor Unions issued a manifesto in which they urged immediate demobilization, the enfranchisement of all women and of all persons who are of age, abolition of the upper house of the Dutch Parliament, the imposition of direct taxes to meet the costs of war and of the reconstruction period, "socialization of every branch of industry that can thus be reformed upon a sound basis," provision for decent living quarters for the workers, improvement of the condition of the farmers, abolition of the strike law of 1903, better distribution of food, old age pensions for every one above sixty years of age, institution of an eight-hour day and of a six-hour day for miners, state insurance for the unemployed, increase in salaries of government employees, and the acceptance of all of the demands of the International Association of Labor Unions.

SWITZERLAND

Approves Zimmerwald Conference.—The Swiss socialists throughout the war kept up a continuous anti-war agitation, and placed their emphasis increasingly on the general strike as a means of social progress. In November, 1915, the party congress indorsed the Zimmerwald program, called on the socialists of all belligerent countries to adopt revolutionary action to stop the war, urged the abolition of military courts, and demanded

that, in the Swiss army, the officers be allotted the same rations and sleeping quarters as the men.

Another resolution demanded the reorganization of the party by complete merging of the Grütli Union — the more opportunistic wing — with the general organization — a demand with which the Grütli Union afterwards refused to comply. Owing to the secession of this group, the party books at the Zurich Congress of November, 1916, showed but 27,485 dues-paying members.

Anti-Militarist Stand.— On June 9 and 10, 1917, at an extraordinary convention, called for the purpose of considering the socialist attitude toward war, the party, by a vote of 222 to 77, took a most definite stand against militarism and war, urging “fundamental opposition by the party and its elected representatives to all demands, budgets, and laws which serve the purpose of upholding and strengthening militarism or which threaten to create international complications. It decided to send its delegates only to the Zimmerwald Conference.

Unrepresented at Berne.— A militant anti-war stand was also taken by the party on the eve of the International Socialist Conference in Berne in February, 1919, when delegates by a vote of 238 to 147, against the advice of the executive committee, refused to send representatives to the Berne Conference, and asked the national executive to issue a call for an international conference of all parties which were organized on the basis of the class struggle, and which had in general followed the policies enunciated at the Zimmerwald and Kienthal conferences.

The General Strike.— Socialists throughout 1918 and 1919 united with organized labor in efforts to obtain political and economic reforms through the general strike. In November, 1918, such a strike was called for the purpose of securing a new parliamentary election on the basis

of proportional representation, woman suffrage, popular reorganization of the army, a better distribution of food supply, a forty-six hour week, general obligatory labor, state monopoly of importation and exportation, old age and invalidity insurance, and the payment of the public debt by the propertied classes.

It was rumored that the strikers aimed to follow the lines of the Russian revolution and secure possession of the armories, but federal troops, chiefly peasants, were rushed to guard these institutions, and no attempted seizure took place. The leaders of the Social Democrats presented their demands to the Federal Parliament on November 9, and, for the next five days, public business, the mail service, and the railways were at a standstill. Parliament conceded the calling of an earlier election of members of the National Council, but no further demands were complied with, and, on November 14, the strike was called off.

The socialist movement during the war grew in influence among the workers of the city, the civil employees, and the professional workers, although it did not succeed to any great extent in reaching the peasants whom the war made more prosperous.

In the Fall of 1919, the socialists elected 39 of their candidates to the national legislature, an increase of over 100%. During the summer the party decided to refrain from joining the second or the Moscow International.

SPAIN

Attitude Toward War.—The war and its resulting oppressions gave to the Spanish socialists for the first time in their existence considerable influence in the politics of that country. After the outbreak of the European

war, the socialists in this country at first took a definite position for neutrality and against militarism and war. Later some of the leaders of the party, particularly Iglesias, the one socialist in the Cortes, strongly urged that Spain enter the war on the side of the Allies. These sentiments, however, were not shared by the rank and file of the party.

The Strike of 1917.—Throughout the war economic disturbances broke out in many centers of population. In March, 1917, the General Workers' Union and the General Confederation of Labor issued a manifesto in which they declared that, unless the economic situation was relieved by social legislation, a general strike was inevitable. During the early summer strikes became more frequent, and, finally, a railway strike was called, followed by a general strike, in which demands were made both for political and economic reforms. Claiming that the object of this strike was the revolutionary overthrow of the government, the ministry dispatched federal troops to industrial centers, shot down hundreds of workers and arrested scores of others.

The Socialist Victories.—Among those arrested were such strike leaders as Signores Julian Besteiro, a university professor, Caballero, Anguiano and Saborit. These were tried and sent to Santa Barbara prison at Cartagena under a life sentence. In the succeeding municipal elections in December, 1917, all four prisoners were nominated as candidates for the municipal chamber in Madrid and elected at the head of the polls. Their election, however, was declared invalid, on the ground that they were prisoners.

In the subsequent elections in the late Spring of 1918, their names were placed on the socialist ticket again, and again they were overwhelmingly victorious, the socialist

delegation being increased from one to six members. Following this election, the Cortes — the federal parliament — granted them complete amnesty, even restoring to Besteiro his professorship, and they were brought in triumph to Madrid. In the Cortes, they immediately began an exposure of the treatment accorded to the strikers by the government during the August strike, and forced a federal investigation. This event was regarded by many as the beginning of a real socialist movement in Spain.

Further strikes of a more or less general character broke out in the first part of 1919 in Barcelona, Seville and other cities against the high cost of living, unemployment and other evils.

Further Suppression.— Following the May day riots, the King dissolved the Cortes, on account of its possible failure to support drastic measures of suppression, and increased the garrisons in industrial towns. The government also proceeded ruthlessly against any foreigners who were alleged to have any "Bolshevik" tendencies, and deported hundreds of Russians and other foreigners to Odessa and elsewhere. The socialist sentiment stirred by the Russian Revolution seems destined, despite these persecutions, steadily to advance in this backward country.

PORTUGAL

Following Portugal's entrance into the war, the party, on account of its strong anti-war stand, was at first bitterly persecuted by the government, but, with the increasing war weariness of the country, gradually regained its rights and developed in influence. It indorsed the Zimmerwald Conference, at the same time refusing to send delegates to the Stockholm Conference called by the International Socialist Bureau. Subsequently it appointed

a representative to the second gathering at Stockholm. The representative, however, was denied passports.

THE BALKANS

Servia.—The socialists in the Balkans throughout the war were placed in a particularly difficult position. The Servian socialists remained anti-war throughout, indorsed the Zimmerwald Conference, and sent delegates to the meeting called immediately after the second Stockholm Conference. After the German invasion it was not permitted to hold meetings which dealt directly or indirectly with the war.

Rumania.—From the very beginning of the European War, the Rumanian socialists agitated for peace, and it was this agitation that was, to a considerable extent, responsible for the neutrality of the country for some sixteen months after war broke out. This crisis again led to persecution. Dr. Rakowsky was arrested and imprisoned incommunicado. When the Germans overrode Rumania, he was taken to Russia and there imprisoned, but released with the revolution, becoming a member of the Russian Soviet.

The war greatly demoralized the movement, and, under the German rule, as in Servia, it was next to impossible to hold meetings. Two huge gatherings, were, however, held in Bucharest in 1917, one to agitate for a reduction of the high cost of living, the other to demand peace. The socialist vote in 1910 was but 1,557, in 1914, 2,047. In the Summer of 1919, the Socialist Club of Bucharest was closed by the Rumanian authorities, and socialist meetings prohibited. Rumanian socialists in Paris issued a protest in August against the attack of Rumanian militarism against the Hungarian Soviet Republic.

Bulgaria.—The Bulgarian socialists divided into the

“broad-minded” and “narrow-minded” socialists, the former supporting the war, and being rewarded with government positions; the latter firmly protesting against all wars, and indorsing the Zimmerwald Conference. No less than 1,000 members of the party were thrown into prison for their opposition. In January, 1916, the pro-war socialists claimed 5,800 dues-paying members; the “narrow-minded,” 3,800. In May, 1919, at the party congress, representative of party members and trade unionists, the Communist Party of Bulgaria was formed, and a program was adopted on lines laid down by the Communist International. The elections of 1919 placed the socialists in the very forefront of Bulgarian political life.

Greece.—When war broke out, Venizelos of Greece secured the support of a large number of the party for his Greater-Balkan plan, and this section agitated for participation in the war on the side of the Allies. Drakoules, the founder, was expelled from the party in 1915 because of his pro-war agitation. The smaller of the two socialist parties, the Labor Federation, urged neutrality, joined the Inter-Balkan Socialist Federation and the Zimmerwald Conference and, in August, 1915, sent a communication to the “narrow-minded” Socialist Party of Bulgaria, in which it vigorously attacked the alleged imperialistic plans of Germany, England and Russia in their control over the Balkans. This note brought bitter prosecution, but assisted in making the party more popular than it had been in the past.

FINLAND

First Socialist Premier.—During the war, the Finnish socialist movement steadily grew and, in June, 1916, captured the majority of seats in the Finnish Diet (103

out of 200), thus making Finland the first country in Europe in which the socialists outnumbered the deputies of all of the other parties combined. After this victory, a coalition government was formed with Oskar Tokoi, a socialist parliamentarian, as President of the Senate, a position corresponding to that of prime minister in other countries. The socialists of the Diet, after the Russian revolution, urged the absolute independence of Finland, and its separation from Russia, but the provisional government of Russia, while restoring the Finnish Constitution, held that this question should be left for settlement to the Constituent Assembly.

White Guards Helped by Germans.—Tokoi was succeeded by Judge Svinhufud, a reactionary, supported by the White Guards, and, during the next few months, a bitter civil war broke out between the White Guards, representing the bourgeoisie, and the Red Guards, composed chiefly of Finnish socialists. The White Guards appealed for aid to Sweden, but this was denied. On January 27, 1918, the socialists captured the government, and extended their sway over the country, the former prime minister, Judge Svinhufud, fleeing to Germany. There an appeal was made to help the White Guard, under the command of General Mannerheim, and, by the aid of German troops and warships, the Red Guard was routed, the bourgeoisie was again placed in power, and, on May 2, Judge Svinhufud was declared dictator. The government resigned on May 25 and Paaskivi, a member of the Old Finnish Party, was chosen prime minister. From the Spring until the end of the year, the government worked energetically for the establishment of a monarchy under a German prince.

The "White Terror."—During the Red Guard régime, the official White Guard report states that over 1,000

opponents of the Red Guard were murdered, although it actually records the deaths of 624, a portion of whom died in the ordinary course of the war. After the return of the White Guard, the government proceeded with a heavy hand against the socialists who remained in the country with the result that, according to the official report, 20,000 were shot without trial, while, between June and October, 1918, some 13,000 persons died of thirst and hunger in the camps set aside for political prisoners. Of the 92 socialists then members of the Finnish Diet, all except one, according to the *London Times* (Feb. 11, 1919), were excluded by the government from the Diet, while the legislators remaining passed restrictive franchise and other reactionary laws.

Mannerheim Prime Minister.—On December 13, 1918, the Diet accepted the resignation of Svinhufvud as dictator, and elected General Mannerheim prime minister, the excluded socialists, who constituted 47 per cent. of the Diet, having no say in this decision.

Socialist Successes.—The socialists won several successes in the municipal elections in early January, 1919, sending 26 Social Democrats in Helsingfors to the city council, as compared with a representation of 34 non-socialists. In the March, 1919, elections, despite franchise discriminations, the socialists appeared as the largest single party, electing 80 members to the Landtag, as against 70 Finnish republicans, 22 Finnish monarchists and 22 Swedes. In the Summer of 1919, the Finnish Social Democratic Party urged the Socialist Parties of the Entente “to do everything in their power to obtain from their governments an assurance that they will not insist on any participation by Finland in military operations [against Russia], and to put no pressure on Finland.” Such participation would but strengthen reaction. Dur-

ing the Summer, likewise, the socialists withdrew their candidate for president, and threw their support to the liberal, Professor Stahlberg, candidate of the Young Finn Party. With the election of Stahlberg the rule of Manerheim came to an end.

OTHER EUROPEAN COUNTRIES

Poland.—At the outbreak of the war Russian Poland harbored three socialist movements — the Social Democracy of Russian Poland and Lithuania and the radical wing of the Polish Socialist Party (P. P. S.), and the majority group in the Socialist Party. The first two worked for the Russian revolution. The last saw in the success of the Central Powers a victory for their nationalistic dreams. After the Russian revolution, however, this group lent its aid to Russia. For this support the socialist general Pilsudski was arrested with many of his staff and imprisoned in Germany.

Following the revolution the socialist and labor movement steadily grew, although the many divisions in the party prevented the socialists from gaining a majority of seats.

The P. P. S. sent delegates to the second International meeting at Lucerne, in 1919, but its delegates were not allowed to enter Switzerland. The party executive thereupon issued a manifesto to the International, declaring that Poland was being oppressed by Prussian militarism, by Russia and by the Entente, and urging the International to approve the union of Poland with the Polish provinces of upper Silesia, Teschen and Poznanian. Referring to the Polish struggle with Russia, the appeal declared:

“The victorious Entente . . . impose on us economic and political dependence, and taking advantage of the servile lean-

ings of our possessing classes, pours out the blood of our workmen in the East, debasing the struggle for independence into a war of conquest in the interest of landlords and reconstruction of the Russian Czardom under Kolchak."

It called for the rebirth of the International as the only salvation of the nations.

Bohemia.— Considerable socialist sentiment was shown in the new Czecho-Slovak republic soon after it was constituted. President Mazaryk, the first president of the republic, strongly favored socialist and collectivist policies, while Premier Tusor was an avowed Social Democrat. In the Summer of 1919, many social reforms were announced in this country. The great estates of the Hapsburg aristocracy were confiscated without indemnity. It was decided that each proprietor should be left 300 acres of productive land and 200 acres of forest land, while the rest should be distributed among peasants, former soldiers, and particularly the peasants' coöperatives. The eight-hour day was established in industry and on the land and social insurance against unemployment, sickness, accident and old age.

At the August 30 meeting of the executive committee of the trade unions, said to represent 300,000 members, the 120 delegates present demanded the expropriation of private industrial resources and socialization of industry — of the mines, foundries, corporations for the supply of light, warmth, water power and electric works. The expropriation of lands, they declared, should be carried out as soon as possible and industrial concerns connected with them should also be expropriated.

The conference likewise insisted on labor representation on boards of management in concerns not as yet nationalized.

Jugo-Slav Parties.— The April, 1919, congress of the Jugo-Slav Socialist Parties held in Belgrade resulted in the formation of a single Socialist Party for the whole of the then new kingdom of the Servians, Croatians and Slovenes. Prior to the convention, the Servian Socialist Party, which took the initiative in calling the different groups together, drew up a program, the main points of which were: adherence to the third International, uncompromising opposition to war, hostility to ministerial collaboration, and refusal to be represented in the Parliament at Belgrade on the ground that this Parliament had been constituted arbitrarily and could not claim to reflect the real opinion of the country. These planks were accepted by all of the conferees.⁷

Slovakia.— On June 16, 1919, a Soviet Republic was proclaimed in Slovakia, Anton Yanousek, president, and an alliance concluded with Soviet Russia and Soviet Hungary. On June 22, the Slovak Press Bureau announced that the socialization of all industries, banks and larger business concerns was in progress, and that a Red Guard was being organized. Slovakia, however, was reoccupied by the Czecho-Slovak army in late June and was once more embodied in the Czecho-Slovak Republic.⁸

⁷ According to the informant of *L'Humanité*, the Socialist Parties of Servia, Bosnia and Dalmatia responded unanimously to this manifesto and nearly the whole of the membership was soon after won over to the point of view of the Conference. In Montenegro no Socialist Party existed before the war, but after the armistice several organizations joined the Servian Socialist Party. The Slovene Socialist Party was the only one not represented.

Before the war, according to the correspondent, the Jugo-Slav Socialist Party numbered more than 50,000 adherents, and multiplied greatly following the armistice. A dozen or so socialist deputies took their seats in the Parliament, but were regarded as "The Social-Patriotic" deputies, socialists only in name. The syndicalists called a congress at the same time, proclaimed complete solidarity with the

Summary.— It is thus seen that the socialist movement during the war advanced steadily in influence in those European countries not actually caught in the grip of the revolution. The British Labor Party, which developed an increasingly radical program, became, in 1918, the chief opposition party; the socialists in Denmark and Sweden obtained control of more representatives in the lower houses than any other party, and, in Norway, secured no less than one-third of the votes. The Italian socialists became so influential that prophecies of revolution were frequently heard. The French socialists gained in popular votes, though lost heavily in parliamentary seats. The Spanish socialists, for the first time in their history, became a political factor to be reckoned with. And, in the smaller countries, most of the movements, while terribly shattered by the war, captured the imagination of the masses as never before.

While general socialist sentiment increased, the socialist movement itself swung toward a more radical position in most of the countries, and advocated with increasing enthusiasm the use of such weapons as the general strike. In these countries during the next few years, hand in hand with the struggle between socialists and upholders of the present system for the control of the reins of government will be witnessed a titanic struggle within the movement between the ideas represented by the dominant figures in the second International, and those advocated by the so-called third International, formed by the communists at Moscow.

Socialist Party and arranged for an exchange of delegates between the two bodies.

⁸ See *Manchester Guardian*, July 23, 1919. The correspondent tells of numerous other soviets of a temporary or permanent character.

CHAPTER XIV
AMERICA AND OTHER LANDS:
SINCE 1914

THE UNITED STATES

Feature of Movement.— The socialist movement in the United States during the war was chiefly characterized by its militant anti-war attitude and its peace activities.

For Mediation and Embargo.— Its first act after war broke out was the issuance on August 12, 1914, of a manifesto, expressing its sympathy with the workers of all nations, pledging its support to the socialist parties of Europe in their fight for peace and urging the national administration to open negotiations for mediation and to extend every effort to bring about the immediate termination of the struggle. The manifesto ended by reiterating the party's opposition to this and all other wars waged upon any pretext whatever.

Two days later, the National Committee on Immediate Action urged that the government seize packing houses, cold storage warehouses, granaries, flour mills "and such other plants as may be necessary to safeguard the food of the people. . . . When the government controls the industries, the exportation of foods to Europe can be prevented. The rulers of Europe, unable to supply food to their armies, will be forced to call off their soldiers." The committee also advocated that the exportation of money and of munitions of war to the European countries be prohibited. Inasmuch as the enforcement of these sug-

gestions would have crippled the Allied countries to a far greater extent than the Central Powers, this resolution led to severe criticism.

Call for International Conference.— In September, the party cabled to the socialists in ten of the warring countries, urging that they use their influence to induce their governments to accept mediation by the United States. A few days later, September 19–20, the National Executive Committee urged that an international socialist congress be called in Europe or America, and offered to pay the expenses of the delegates if such a gathering were held in Washington. This conference, however, did not materialize.

In May, 1915, following the *Lusitania* incident, the party issued a manifesto in which it contended that “no disaster, however appalling, no crime, however revolting, justifies the slaughter of nations and the devastation of countries,” and called upon the workers to agitate against war. About the same time it issued a peace program, which advocated an international federation of the world, disarmament, universal suffrage, industrial democracy, the abolition of the manufacture of arms for private profit and the abolition of secret diplomacy and urged the application of the formula, “no indemnities and no annexations.”

The same month the party formulated a new section to the Constitution, Article II, Section 7, which declared that: “any member of the Socialist Party, elected to an office, who shall in any way vote to appropriate money for military or naval purposes, or war, shall be expelled from the party.”

The Neutral Conference Proposal.— At the opening of the Sixty-fourth Congress, Meyer London, the lone socialist in the House of Representatives, introduced a

resolution urging that the United States convene a congress of neutral nations, which should offer mediation to the belligerents and stating that in the opinion of the Senate and the House of Representatives a durable peace could be established if the following principles should be made the basis of discussion: The evacuation of invaded territory, liberation of oppressed nationalities, plebiscite for Alsace-Lorraine, Poland and Finland, removal of political and civic disabilities, freedom of the seas, disarmament and establishment of an international court of arbitration with the commercial boycott as a means of punishment.

The Mexican Crisis.— The Mexican crisis also brought forth vigorous protests from the socialists in June, 1915, the party declaring at that time that intervention would mean “ the practical annihilation of the aspirations of the liberty loving Mexican people ” and that the United States had enough to do to take care of its own affairs.

In the Spring of 1916, the party issued a memorandum to the President declaring that the ownership by American capitalists of four of the seven billions of Mexican wealth and the desire of “ big business ” to have the United States safeguard their investments was one of the underlying causes of friction.

The 1916 Campaign.— The chief event in socialist circles during 1916 was the presidential campaign, waged largely on an issue of anti-militarism, with Allan L. Benson and George R. Kirkpatrick, candidates for President and Vice-President respectively. The platform urged a referendum vote before the declaration of war, the abandonment of the Monroe Doctrine, which, the party believed, was likely to be used to retain Central and South America as a private trade preserve, the immediate independence of the Philippines, and a mediation conference to

be called by this country. It also opposed a large armed force as an imperialistic weapon.

Many liberals and socialists who in former years supported the socialist ticket were led in this campaign to vote for Wilson on the ground that considerable social and labor legislation had been passed during his administration, that the president had satisfactorily settled the threatened railroad strike, that "he had kept us out of war," and that his defeat would result in the election of a reactionary. In addition to these factors, Mr. Benson's campaigning failed to arouse the enthusiasm kindled in former years by "Gene" Debs and many felt that the 1916 candidate emphasized too exclusively the anti-militarist issue. The result was a drop in the socialist vote in November from 897,001 in 1912, to 590,294, a decrease of approximately 45 per cent.

In January, 1917, the Socialist Party again urged the calling of an international congress, suggesting that it assemble on June 3, 1917, at The Hague. On the severance of diplomatic relations with Germany, a further protest was made by the National Executive Committee.

The St. Louis Convention.—On the nearer approach of war, a special emergency convention was called for St. Louis, for April 7-14. It met immediately following the war declaration. The delegates, by a majority vote, adopted an anti-war platform known as the St. Louis Resolution, which was afterwards approved in referendum vote. The resolution reaffirmed the party's allegiance to internationalism, proclaimed its unalterable opposition to the war, recited the reasons for opposing modern wars, condemned the failure of the country prior to the war to observe the spirit of neutrality, expressed the belief that the war would not advance the cause of democracy and asserted that the people had not been consulted before the

declaration of war. The resolution furthermore urged freedom of the press, opposed military training in the public schools and advocated the socialization and democratization of the great industries. The plank against conscription and the platform's characterization of the nature of the war, together with its general anti-war attitude, led to many bitter attacks both from socialists and non-socialists.¹

Two minority programs were introduced at the convention, one anti-war and the other pro-war, and, after the adjournment of the convention, a minority report was signed by a number of the delegates, which merely recognized the war as a fact and urged free speech and press, conscription of wealth, socialization of industry, nationalization of vacant land and the establishment of communications with the socialists within the enemy nations in order to bring about a democratic peace at the earliest possible moment. Following the acceptance of the majority resolution, several well-known socialists resigned from the party.

In June, the committee of the party urged that the government clearly state the objects for which the United States was fighting, the agreements made with the Allied countries on entering the war, and the terms on which the war would be brought to a close.

The 1917 Elections.— In the fall elections, the socialists waged a number of active campaigns. In New York, where Morris Hillquit ran for mayor, the socialist vote increased from 32,057 in 1913, to 145,895. Seven socialists were elected to the Board of Aldermen, which had never before contained a socialist representative and

¹ The platform read: "In all modern history there has been no war more unjustifiable than the war in which we are about to engage."

ten socialists to the Assembly, as against two in 1916. The campaign was waged on the issues of peace, the retention of civil liberties and the "high cost of living." In Chicago, the socialist vote was one-third of the total. In Cleveland, the increase was 350 per cent., in Cincinnati, 400 per cent. and in Toledo, Dayton and other Ohio towns, a large advance was noticeable. "The fifteen cities from which accurate election statistics were available show that the socialists polled 314,000 or 21.4 per cent. of the whole. This is over four times the proportion of the vote usually polled by the socialist candidates in these cities."² Certain of the Spring elections in 1918, however, showed a falling off in the vote. In August, the National Executive Committee adopted a congressional reconstruction program which was widely and favorably commented upon.

Social Democratic League.—After their resignation from the party, a number of the pro-war socialists formed the Social Democratic League. The league was at first officered by John Spargo, chairman, William English Walling, secretary and J. G. Phelps Stokes, treasurer. In 1918, Charles Edward Russell took the place of Mr. Spargo. The league sent a number of missions to Europe, partly for the purpose of discouraging the holding of an international socialist conference except under certain specifically defined conditions.

The National Party.—Several of the members of the league and others organized, on October 4, 1917, the National Party, in their endeavor to coördinate the democratic forces in the country outside of the Socialist Party. There were represented at the first conference delegates from the Prohibition Party, single taxers, progressives, socialists and a miscellaneous group. Some of the supporters of this party ultimately formed "The Committee

² Paul H. Douglas in *The National Municipal Review*, March, 1918.

of 48 " which, in December, 1919, in St. Louis, adopted a program similar to that of the Labor Party.

The 1918 Elections.—The anti-war stand of the socialists, the wholesale suppression of socialist papers and of meetings, the fusion in many parts of the country between the two old parties, and the effect on the workers of a temporary increase in wages, were among the factors which led to a decreased socialist vote in 1918 as compared with that of the preceding year. However, the vote advanced in many places over that of 1916, the gubernatorial socialist vote in New York being approximately 85,000, in 1918, as compared with 38,000 two years before — an increase of about 125 per cent. (The total state vote increased approximately 42 per cent.) The fusion of the old parties in this state, however, accomplished the defeat of Meyer London for Congress, and of eight out of the ten socialist assemblymen.

In Wisconsin, on the other hand, the vote leaped upward. Victor Berger was again elected to Congress, and sixteen socialist assemblymen and four senators were sent to the state legislature. (Berger was subsequently unseated by a practically unanimous vote of the House and was immediately renominated.)

In the April 1, 1919, elections, in Milwaukee, the socialist vote for Circuit Court bench was 27,701, a vote nearly twice as great as that of two years before. In Chicago, with the advent of the Labor Party, the vote in the municipal election showed a decided slump. In the 1919 fall elections the New York City socialists secured a vote of 126,000, electing 5 assemblymen and 4 aldermen.

Nonpartisan League.—Another radical movement which undoubtedly affected the Socialist Party vote in the Northwest in 1918 was the Nonpartisan League. This league was organized among the North Dakota farm-

ers in February, 1915, by A. C. Townley, a former organizer of the Socialist Party. It aimed to capture the Republican Party machine of the state, and, in the Fall of 1916, elected Lynn J. Frazier, the Nonpartisan candidate for governor, with a vote of 87,665, as against a total of 22,966 for his two opponents; and won all the state offices except that of state treasurer, 81 of the 113 members of the lower house, 18 of the 25 members elected to the senate, and the 3 judges of the supreme court. In July, 1916, it sent John M. Baer to Congress as its first representative.

The League Idea Spreads.—The results in this election led to the formation of the league in other states, and, not long after the election, organizations were effected in 13 states of the union. By the fall elections in 1918, the league had enrolled some 200,000 members who had paid \$16 each for their two years dues. In North Dakota it made another clean sweep, this time defeating the left-over senators who had prevented the enactment of the farmer's program; sent three of their members to Congress, and passed ten amendments to the constitution, which, among other things, permitted the state to engage in almost any industry it desired, and to exempt improvements and personal property from taxation. Thirty-six league candidates were elected in Minnesota to the legislature, one congressman and one state officer; fifteen legislators in South Dakota, and others in Nebraska, Montana and Colorado. The vote for the league totaled about 600,000.

The Nonpartisan Program.—The league program included a demand for state terminal elevators, warehouses, flour mills, pulp and paper mills, stockyards, packing houses, cold storage plants, state hail insurance, rural

credit banks and exemption from taxation of farm improvements.

During the session of the state legislature in North Dakota ending March 3, 1919, laws were enacted for the establishment of a state bank as a repository for all funds held in the state; the building of state terminal elevators, flour mills and other distributing, buying and selling agencies; a state home-building association, to aid farmers to purchase their own homes; a system of taxation exempting improvements up to a certain limit from taxation, and other measures. An Industrial Commission, consisting of three members — the Governor, the Attorney-General, and the Commissioner of Agriculture and Labor — was authorized to conduct and operate any and all industrial enterprises the state might establish.

Local Labor Parties.— During 1918 and 1919 also a number of local labor parties made their appearance. Throughout the history of the labor movement in America, numerous attempts have been made to organize labor parties distinct from the Socialist Party. During the eighties the Knights of Labor entered the political arena, but with disastrous results. This "horrible example" of the possible dangers to labor of concerted political activity; the antagonism in the nineties between the Socialist Labor Party, with its competing unions, and the American Federation of Labor; the fear on the part of old-time trade unionists that labor politics would lead to socialist control; the existence of the Socialist Party, the political expression of labor; the racial heterogeneity of the American labor movement, and the antagonism by extreme radicals to all political action, were among the factors which, for the past generation, kept labor in this country from developing an independent labor party.

Rewarding Labor's Friends.—The logic of events, however, forced the American Federation of Labor, more than a decade ago, to adopt the policy of "rewarding labor's friends and punishing its enemies." In 1906, the Federation conducted a vigorous campaign against Congressman Littlefield, of Maine, and other anti-labor candidates, and since then it has frequently taken sides in campaigns as between the candidates of the old parties. Labor has employed its members as lobbyists in state and national capitals, and, in a few instances, as in Wisconsin, the local trade unionists have officially allied themselves with the Socialist Party. Tens of thousands of trade unionists have also as individuals supported the socialist ticket.

Formation of Labor Parties.—Prior to the war, considerable dissatisfaction was manifested with the lack of militant political action on the part of labor as a whole. Discontent increased during the war, particularly following the educational offensive of the reconstruction program of the British Labor Party, and local labor parties began to spring up in many centers of population. The most significant move toward a labor party was the formation, on November 17, 1918, of the Independent Labor Party of Illinois and the United States, at a regular meeting of the Chicago Federation of Labor, and the adoption by that body of "Labor's Fourteen Points."

Indorsements.—The Labor Party idea was indorsed on December 2, 1918, by the Illinois Federation of Labor. The central unions of Greater New York organized another labor party in January, and, during 1918 and 1919, no less than two score such parties were started in various parts of the United States, despite the opposition and threats of Mr. Gompers and the members of the Executive Committee of the A. F. of L. The

Brotherhoods of Enginemen and Firemen, the Pennsylvania Federation of Labor and other groups favored similar action during the early part of 1919.

The National Labor Party.— In late November, 1919, a conference of groups interested in the formation of a Labor Party of national scope was called for Chicago, and, on November 24, over 1000 delegates representing labor and farmers' groups all over the country met in that city and organized "The Labor Party of the United States." Representatives of the railroad brotherhoods participated in the discussion, although the gathering was disapproved by the officials of the American Federation of Labor. The aim of the party, in the words of the constitution, was "to secure economic, industrial and social democracy."

Its declaration of principles included:

Nationalization of all public utilities and basic industries.

Nationalization of unused lands.

Government ownership of the banking business.

Abolition of the United States Senate.

Election of Federal Judges by popular vote for terms not exceeding four years.

International solidarity of labor.

Maximum hours of labor for men and women to be eight hours a day and forty-four hours a week.

Minimum wage for workers to be fixed by law.

Old age pensions, unemployment, and sickness insurance.

Steeply graduated income and inheritance taxes.

National initiative, referendum and recall.

Application of the "home rule" principle in state, county and city governments.

Condemnation of universal military training and conscription.

International disarmament to prevent future wars.

Immediate release of political and industrial prisoners.

Criminal prosecution of profiteers and exploiters of labor.

Free speech, free press, and the right of free assembly.

All government work to be done by day labor instead of by contract.

Equal pay for men and women.

Woman suffrage.

A resolution condemning the Peace Treaty and the League of Nations covenant was adopted on the ground that they did not conform to President Wilson's Fourteen Points and were not in the interest of the working classes.

The delegates vigorously condemned the injunction issued by the federal judge in the case of the miners, demanded the release of Eugene V. Debs and other political prisoners, opposed the blockade of Russia, favored the Plumb Plan for the railroads and the coöperative movement, and denounced the deportation of Hindus. The convention left the way open for coöperation with the Socialist Party, the Nonpartisan League and other groups outside of the two old parties, selected Chicago for its national headquarters, and formed a national committee.

The question of selecting candidates for President and Vice-President was left for a subsequent convention.

The Socialist Party and the Labor Parties.—The formation of these parties in different parts of the country brought a new competitor in the field against the Socialist Party and caused vigorous discussion in party circles. In January, the Executive Committee of the party declared its belief that the entrance of labor into politics was a step in advance of the old trade union tactics, and therefore should not be opposed. Nevertheless it was too early to judge whether the labor parties were destined

to become mere vote-catching organs or revolutionary groups, and the socialists for some time yet must maintain toward them an attitude of "watchful waiting."

The Left Wing Movement.— Another cause for controversy in the party immediately after the signing of the armistice was the "Left Wing" section formed inside the Socialist Party. The movement known as the Left Wing in a sense but continued the struggle evidenced for many years past within the party between the more syndicalistic members who pinned their faith chiefly to the general strike and other industrial weapons and who looked at political action as well-nigh a negligible revolutionary factor, and those party members who believed in the effectiveness of political action and felt that immediate demands should be retained in the party platform. This controversy came to a head in 1912, when, by Section 6 in the Constitution, those advocating violence and sabotage were subject to expulsion.

Impetus to Movement.— The recent impetus given to the left wing movement came largely from the Russian revolution, and the feeling that revolution was imminent throughout the world.

The emphasis on violence as a means to democracy during the war; the wholesale arrests and imprisonment of radicals; the influx into the party of certain foreign, Socialist Labor and I. W. W. elements, and the lack of initiative on the part of a number of the party officials were among the other factors which strengthened this group. Many party members also felt that the birth of the Labor Party necessitated a more radical stand on the part of socialists if a proper distinction were to be drawn between the two groups.

Those who have refused to join the Left Wing section maintained that the Socialist Party in the United States had generally held a left wing position and that the attempt to create in the party in America the same divisions as existed abroad was highly artificial. They also contended that the Left Wing failed to sense the psychology of the masses of the American people, and did not sufficiently take into account the difference between American and European conditions.

Dissensions in Movement.— A separate “Left Wing” section was formed within the party, a Left Wing manifesto was issued, similar in tone to the manifesto of the Communist International, and an attempt was made to capture the machinery of the party.

Because of alleged irregularities, a number of foreign speaking sections and state and local organizations were thereupon expelled from the party.

On June 21, 1919, the Left Wing section held a convention in New York. At this convention a majority decided to continue their fight for the Left Wing position within the Socialist Party, declaring that if the representatives of the suspended and expelled organizations were refused seats at the Emergency Convention to be held in Chicago on August 30, all of the Left Wing delegates would join together and organize a Communist Party. The Russian Federations, who composed the bulk of the membership of the Left Wing, and who favored the immediate formation of the Communist Party, thereupon withdrew from the convention, and, together with the Michigan group which constituted the extreme right of the Left Wing, formed the Communist Party. Subsequently a number of the members of the Left Wing Council affiliated themselves with the new party. These groups issued a call for a

Communist Party Convention to be held in Chicago, on September 1.

Birth of Communist Labor Party.—On August 30, the Emergency Convention of the Socialist Party began its sessions in Mechanics Hall, Chicago. When the convention organized with the uncontested delegates, the Left Wing group were found to be in a decided minority. The following day some 26 of the 150 delegates seated at the convention bolted, and, with a number of delegates from Ohio, Washington, Oregon, California, and other states, organized a party which, on September 2, was named the Communist Labor Party.

Formation of Communist Party.—On September 1, the Communist Party opened its sessions in Smolny Institute, Chicago. During the following days the Communist Labor Party urged that the two groups amalgamate on a basis of equality. The Communist Party refused to unite under these conditions, and required that every delegate from the Communist Labor Party who desired to enter the Communist Party pass individually through the credentials committee. As no basis of agreement could be found, the parties permanently organized as separate entities.

Both the Communist and Communist Labor Parties voted to affiliate with the Moscow International. Both decided to run candidates for political offices merely for propaganda purposes, declaring that chief reliance should be placed on industrial action. Both urged that their respective parties encourage the organization of revolutionary industrial unions, shop committees, etc., advocated "the dictatorship of the proletariat," and formulated platforms and programs similar to the Manifesto of the third (Moscow) International.

The Communist Party voted to exclude from its mem-

bership all who obtained their "entire livelihood from rent, profit and interest" and all who entered "into the service of the national, state or local governmental bodies otherwise than through the Civil Service or by legal compulsion." It forbade any member from contributing "articles or editorials of a political or economic character to publications other than those of the Communist Party"—except that articles may be written to scientific or professional journals. It decided to run candidates for legislative offices, not for executive offices. The party was largely dominated by the Russian Federations. It also contained the state delegations from Michigan, Massachusetts and Minnesota, and scattered groups from other states. The Michigan group refused to sign the manifesto or to assume any offices following the rejection of its minority platform. After adjournment the party urged its members to boycott the November elections. During the ensuing months many Communist Party headquarters were raided, its members were arrested and an attempt was made in several states to prove that party membership was unlawful.

Activities of Socialist Party.—The Socialist Party during the week reaffirmed its belief in the effectiveness of parliamentary action; declared in favor of a system of representation based on occupational groups; emphasized the need for industrial as opposed to craft unionism and decided to create a special department on industrial organization; urged hearty support of the coöperative movement; condemned Mexican intervention, demanded the repeal of the Espionage law, "the reëstablishment of constitutional civil liberty" in the United States, and the release of all political prisoners and conscientious objectors; opposed universal military service and anti-immigration legislation; hailed the fight for greater democracy in Ireland and India; condemned the race riots against the

negroes, and anti-Jewish pogroms and denounced the attempt to unseat Victor L. Berger from Congress.

It also referred to referendum vote two reports on international relations. The majority report repudiated the Berne Conference as "retrograde" and urged the formation of a new international which would include the Communist Party of Russia and only those parties declaring "their strict adherence by word and deed to the class struggle." The minority report indorsed the third (Moscow) International.

The Party Manifesto.—Its manifesto, which caused widespread enthusiasm among all of the delegates present, read in part as follows:

"It was the world wide struggle between the working class and the capitalist class which dictated the decisions of the Versailles Conference. This is clearly shown on the one hand by the desperate attempts to crush Soviet Russia and by the destruction of Socialist Finland and Soviet Hungary, and on the other hand by its recognition of the unsocialistic coalition government of Germany.

"The so-called League of Nations is the Capitalist Black International against the rise of the working class. It is the conscious alliance of the capitalists of all nations against the workers of all nations. . . .

"Recognizing the crucial situation at home and abroad, the Socialist Party of the United States, at its first national convention after the war, squarely takes its position with the uncompromising section of the international socialist movement. We unreservedly reject the policy of these socialists who supported their belligerent capitalist governments on the plea of 'national defense' and who entered into demoralizing compacts for so-called civil peace with the exploiters of labor during the war and continued a political alliance with them after the war. We, the organized socialists of America, pledge our support to the revolutionary workers of Russia in the support

of their Soviet Government; to the radical socialists of Germany, Austria and Hungary in their efforts to establish working-class rule in their countries, and to those socialist organizations in England, France, and Italy and other countries who, during the war, as after the war, have remained true to the principles of uncompromising international socialism.

“ We are utterly opposed to the so-called League of Nations. Against this international alliance of capitalist governments, we hold out to the world the ideal of a federation of free and equal socialist nations.

“ A genuine and lasting peace can be built only upon the basis of reconciliation among the peoples of the warring nations and their mutual coöperation in the task of reconstructing the shattered world.

“ We emphatically protest against all military, material or moral support which our government is extending to czarist counter-revolutionists in Russia and the reactionary forces in Hungary and we demand the immediate lifting of the indefensible and inhuman blockade of Soviet Russia.

“ We demand the unconditional and immediate liberation of all political and industrial class war prisoners convicted under the infamous Espionage Law and other repressive legislation. We demand the immediate and unconditional release of all conscientious objectors. We demand the full restoration to the American people of their constitutional rights and liberties. . . .

“ The great purpose of the Socialist Party is to wrest the industries and the control of the government of the United States from the capitalists and their retainers. It is our purpose to place industry and government in the control of the workers with hand or brain, to be administered for the benefit of the whole community.

“ To ensure the triumph of socialism in the United States the bulk of the American workers must be strongly organized politically as socialists in constant, clear-cut and aggressive opposition to all parties of the possessing class. They must be organized on the economic field on broad industrial lines,

as one powerful and harmonious class organization, coöperating with the Socialist Party, and ready in cases of emergency to reënforce the political demands of the working class by industrial action."

To a careful observer at these conventions, the Communist Labor Party seemed to possess the least unity of purpose, and the least substantial membership. The Communist Party, largely controlled by the strong Russian Federation, gave promise of considerable effectiveness as a propaganda organization, but not as a political party in the generally accepted definition of that term. The Socialist Party remained intact, and, with the issue of political action clarified, and spurred on by the necessity of gaining a larger audience among the English speaking workers, seemed in a strategic position to function effectively in American political life.

Debs and Other Socialists.— While controversies were waging within the party, and the left wingers were condemning socialist officials for their lack of aggressiveness, the government was sending these same officials to long terms in prison for their alleged aggressive action during the war. (See Nearing, *The Debs Decision*.) The trial of Eugene V. Debs, four times candidate for President on the Socialist Party ticket, attracted widespread attention. In June, 1918, Debs delivered a speech in Canton, Ohio, in which he declared, among other things, that if Rose Pastor Stokes — who had been arrested and sentenced to ten years' imprisonment for intimating that this was a government of profiteers — was guilty, he also was guilty.³ Debs was indicted on three counts under

³ He stated among other things: "I want to say that if Rose Pastor Stokes is guilty, so am I. If she should be sent to the penitentiary for ten years, so ought I. What did she say? She said that a government could not serve both the profiteers and the employees

the Espionage Act, tried before a Cleveland jury, where he was the only witness in his own defense, and sentenced to ten years in jail.

He appealed his case to the Supreme Court on the ground that the St. Louis socialist platform and the records from the trial of Mrs. Stokes had been illegally admitted into evidence, and that he had been tried on his "state of mind." The court, however, sustained the conviction, and reaffirmed its decision that the Espionage Act is not an interference with the constitutional right of free speech. In late March Debs was sent to the penitentiary at Moundsville, West Virginia, where he was given the position of a clerk in the hospital and was later transferred to Atlanta, Georgia. The trial and conviction caused an international furore in the socialist and labor movement, and led to bitter denunciation of the Wilson administration throughout Europe.

Other Socialist Leaders.— In February, 1918, Victor L. Berger, editor of the Milwaukee *Leader* and subsequently reelected Congressman, Adolph Germer, National Secretary of the Socialist Party, J. Louis Engdahl, editor of the *American Socialist*, and Irwin St. John Tucker, socialist, publicist and clergyman, were also indicted on the charge of obstructing recruiting and enlisting, and, on February 20, 1919, were sentenced by Judge K. M. Landis in Chicago to twenty years in the Federal prison. They immediately appealed the case. Of importance also are the cases of Kate Richards O'Hare, formerly international secretary of the Socialist Party of the United States, who was sentenced to five years imprisonment for a speech delivered in Fargo, North Dakota, while touring the state under the auspices of the Nonpartisan League — of the profiteers. Roosevelt has said a thousand times more in his paper, *The Kansas City Star*."

a speech which had been delivered scores of times in different parts of the country; that of Rose Pastor Stokes, convicted after her return to the Socialist Party, and sentenced to ten years in prison for her statement regarding the government as a government for profiteers; those of Scott Nearing, of Max Eastman — who escaped prison terms — and of numerous other officials and workers. The great length of many of the sentences imposed caused astonishment throughout Europe.

In the Summer of 1919, the Lusk Committee, appointed by the New York State Legislature, began a campaign against the Rand School of Social Science, the chief educational institution in the socialist movement, with a view to putting it out of existence. The activities of the committee were bitterly denounced.

Summary.— Throughout the war, as has been seen, the Socialist Party of the United States maintained a definitely anti-war position. Many of its leaders, because of anti-war statements, were imprisoned, while the socialist press was greatly hampered, many papers being totally suppressed. After our entrance in the European war, a small group of publicists left the party. The party, however, remained intact, and, in January, 1919, contained a larger membership than at the outbreak of the European war, although not so large as in 1912. The socialist votes fluctuated considerably during this period. Following the armistice, a Left Wing movement developed momentum, and resulted in the formation of two new parties.

CANADA

“One Big Union.”— In Canada the socialists conducted, during the war, in connection with other groups, a vigorous though unsuccessful fight against conscription. Of main interest during the early part of 1919 was the

decision of the labor movement of Western Canada at the Western Canadian Labor Conference on March 16 to work for "one big union" for all of Western Canada. The decision led to the severance of the movement from the American Federation of Labor.

The conference also favored the following revolutionary declaration:

"Industrial soviet control by selection of representatives from industries is more efficient and of more value to producers than the present form of Canadian political government, and we accept without alteration the principle of proletarian dictatorship as a means of transforming society from a capitalistic to a communal basis."

Resolutions for the abolition of the censorship of the press, for the abolition of restrictions on the rights of free speech and for the release of all political prisoners held in Canadian jails were likewise passed. The delegates also demanded the six-hour day, five days a week.

The Winnipeg Strike.— An event of equal importance in the labor world in 1919 was the general strike in Winnipeg and the election in Ontario of a farmer-labor government.

LATIN AMERICA

Introductory.— At the beginning of the war both the socialist and labor movements in most of the South American countries were weak. During the latter part of the war, labor showed greater activity than ever before and there was scarcely a portion of South America not visited by the general strike.

General Strike in Buenos Aires.— The chief center of agitation was in Buenos Aires, Argentina, where the Socialist Party is the plurality party. In January, 1919,

a strike broke out at the Vasena Ironworks near Buenos Aires. In attempting to break it up, the authorities killed several men. A sympathetic strike ensued on January 8, involving the police, firemen, street cleaners, tramway workers and other municipal employees. Machine guns were used against the workers, a number of street battles took place, and, on January 11, martial law was declared and General Dellepaine appointed military dictator. The strike was later declared off, but not before a number of concessions were made to the workers.

Harbor workers refused to return to work for a number of weeks, completely paralyzing the work of loading and unloading vessels. The strike was finally settled, the strikers obtaining their chief demands.

Pan-American Socialist Conference.—The Argentine socialists were instrumental in arranging a Pan-American Socialist Conference, on April 26, 1919, for the purpose of securing greater unity of action among the socialist forces in the various countries. The conference was attended by socialists from Argentina, Chile, Uruguay, Paraguay and Peru. Delegates from the United States were denied passports. The party was also represented at the Berne Conference by two delegates — Drs. Tomoso and Justo. These presented a resolution for a Society of Nations, based upon free trade, disarmament, abolition of international diplomacy, and popular control of international action on international questions.

A small group seceded from the party in 1918, because of the actions of its officials in voting for military protection for the Argentine ships against submarines.

Strikes in Other Countries.—During the summer and winter of 1918 also general strikes broke out in Montevideo, Uruguay. Here likewise the military power was used to break them up. In December, grave labor dis-

turbances were reported in Chili, among the miners. The president was given power to declare martial law with a view of putting down disorders "provoked by Bolsheviks who have managed to reach the country."

In Lima and Callao, Peru, on January 13, 1919, a general sympathetic strike was called in behalf of the cotton mill workers who struck for an eight-hour day and fifty per cent. increase in wages. Practically all stores, offices and factories in both cities were closed, business between Lima and Callao was suspended, and the city for awhile was placed in darkness. Here again the cavalry were called in and several strikers were shot and others arrested. A conference was finally arranged which ended in the establishment of an eight-hour day by government decree and the designation of the Supreme Court as arbitrator. A further general strike of a week's duration occurred in May.

Mexico. In the Summer of 1919, the Socialist Party of Mexico held its first convention. Dissension between the delegates first arose in the seating of the secretary of the Pan-American Federation of Labor and an alleged spokesman for Samuel Gompers, as a delegate, this controversy continuing during the sessions. Toward the close of the convention, the more conservative groups obtained control and the election of delegates to the Moscow International was left to the Executive Committee. This ended in the bolting of the radical element and the subsequent formation of the Mexican Communist Party.

In Brazil, where the socialist and labor movement is weak, the socialists, in 1916, elected a member to the National Congress.

In Cuba, a general strike took place in December, 1918,

for the purpose of securing the repeal of the compulsory military service law, the law for the expulsion of "alien agitators," the provision in the penal code prohibiting strikes, and the law providing for food control. Business in many parts of the country was paralyzed.

AUSTRALASIA

The Australian Labor Party.— At the outbreak of the European War, the Australian Labor Party found itself in control of the Federal Parliament. In that year Andrew Fisher was elected for the third time the country's Prime Minister, and, retiring at the end of 1915 to accept the position of Australia's High Commissioner in London, was succeeded by W. M. Hughes, the Attorney General.

The labor government in the meanwhile had placed Australia's fleet at the disposal of England, and had raised an army of several hundred thousand. Many socialists and laborites protested, though unsuccessfully, against this action in support of "British imperialism," and the government answered this protest by passing a War Precautions Act, which gave to the authorities extensive power over the civil rights of the citizens of the country.

Premier Hughes and Defeat of Conscription.— Early in 1916, Premier Hughes visited England and there his ultra-patriotic addresses soon made him the idol of the British governing class. He returned to Australia intent on passing a conscription law. In October, 1916, a national referendum on conscription was taken, with the result that 1,034,918 voted for, and 1,145,198 against this measure. The Labor Party in Victoria, Queensland and New South Wales decided officially to oppose conscription, and, in the last named state, to expel all members who defied the party policy. Hughes and several other party

leaders thus found themselves outside of the party, while the Labor Party representation in the Australian House of Representatives shrunk, as a result of this action, to a minority. The Senate, however, remained in the control of the Laborites, who were thus able to block much of the government's legislation. Hughes formed a coalition with "the interests" whom he had been fighting for a number of years, organizing the so-called National Government. On May 5, 1917, a general election was held, and the Labor Party polled 47 per cent. of the vote, the coalition — consisting of the conservatives, the liberals and the conscription-laborites — receiving slightly more than a majority. Following that election, the party strength increased in many of the Australian states.

Resolution on Peace and Recruiting.— In the Fall of 1918 the triennial interstate conference of the Labor Party declared for an early negotiated democratic peace based on the Russian formula. Allied statement of willingness to negotiate such a peace was, furthermore, made a condition of future assistance in recruiting. Compulsory military training was approved, providing that it be conducted in the time of the employer and without a reduction of pay, that the military organization be arranged democratically and that those in training be permitted to retain their arms on the completion of their term of service. The conference also repudiated Prime Minister Hughes.

The "One Big Union."— During 1918 and 1919 the labor movement gave much attention to the "One Big Union" idea, and large numbers of unions indorsed the Workers' Industrial Union of Australia, formed "to bind together in one organization all wage-workers in every industry to achieve the purposes set forth in the preamble." The preamble declared that the primary purpose of the

organization was to secure the "abolition of capitalistic class ownership of the means of production and the establishment in its place of social ownership by the whole community." Many unions which approved the general idea of industrial unionism kept aloof from the new organization because of its revolutionary preamble. During the Summer of 1919, the Australian Labor Conference elected an executive strongly opposed to the One Big Union proposal.

Following the signing of the armistice, the party delivered to the government a strong protest against the continuance of the War Precautions Act which, it declared, annihilated all of the liberties which Britons the world over were wont to point to as evidence of the superiority of their institutions.

New Zealand.—Two years after the beginning of the war, in 1916, a New Zealand Labor Party was organized as a protest against the reaction of the liberal government. Many leaders of this party and of the industrial labor movement were imprisoned during the war for alleged seditious activities. The July, 1919, congress of the party gave much attention to the land problem, favoring socialization, and, in the interim, land tenure based on occupancy and use; the securing to the community of all values created by the community and the elimination of exploitation. Internationally it demanded self-determination for Ireland, Egypt, India and all subject peoples, and the withdrawal of troops from Russia, Hungary and all socialist republics. The 1919 vote in municipal elections in Wellington was nearly double that of 1917.

In Asia Proper.—In India the war witnessed the resort to the general strike as a means for gaining greater political and economic power. The labor movement in Japan received a considerable impetus, while the radicals

and socialists in China were occupied in preventing the return of the monarchy, and in endeavoring to keep China out of war. In the Summer of 1919, it was reported that the Japanese Socialist Party had been reorganized, and had ceased to be a mere secret society. In South Africa the Labor Party split on the question of militarism, the seceding group forming an anti-militarist international league.

CHAPTER XV

THE SOCIALIST MOVEMENT BEFORE 1914¹

THE INTERNATIONAL

The "League of the Just."—The "first International" did not come into existence until 1864. Nearly a generation prior thereto, however, in the year 1836, a group of workers from various countries formed a secret organization in Paris known as the League of the Just, and adopted as its motto the shibboleth, "All men are brothers." Eleven years thereafter, the remnants of this league, exiled to London, reorganized under the name of the Communist League, and commissioned Marx and Engels to formulate its principles. The result was the Communist Manifesto. Revolutionary uprisings on the continent and the arrest of many of the leaders of the league led to the dissolution of this league in 1852.

Formation of First International.—Twelve years later, on September 28, 1864, the first International was formed at St. Martin's Hall, London. The Geneva Convention in 1866 advocated the eight-hour day and education for the workers, and turned down the proposal of the French comrades to exclude the intellectuals from membership. Social ownership was advocated at the Lau-

¹ These various movements are described at considerable length in Kirkup's *History of Socialism*, Orth's *Socialism and Democracy in Europe*, Walling, Stokes, Hughan, and Laidler's *The Socialism of To-day*, Hunter's *Socialists at Work and Violence and the Labor Movement*, etc.

sanne and Brussels Congresses in 1867 and 1868 respectively. The Franco-Prussian War, the Commune of Paris, and the fight between the anarchists, led by Bakounin, and the socialists, led by Marx, greatly interfered with effective work on the part of the International. In order to keep the organization from the control of the anarchist element, Marx, in the late sixties, secured the expulsion of the anarchists and the removal of its headquarters to New York. The International met in Basel in 1870, at The Hague in 1872, in Geneva a few months later, and, a short time after its removal to New York, quietly expired.

Second International.— On July 14, 1889, the anniversary of the Bastille, the foundation was laid in Paris for the second International. The first International, as Vandervelde declared, might be compared with a brilliant general staff without an army, while the second International secured the support of strong working class organizations in various parts of Europe.

The International Conferences.— Eleven years after its formation, the International established a permanent Bureau on the initiative of the Dutch delegation to the International Congress. The first International Secretary, Victor Serwy, came into office in 1901, retiring in 1904. Camille Huysmans of Belgium was elected in the succeeding year, and held that office at the outbreak of the European War. Emile Vandervelde was chairman of the International for some years prior to the war. At first the Bureau was “no more than a letter-box and a postal address, a mere medium of communication, without power and without real influence,” but gradually grew in influence until 1914.

International Socialist Congresses were held in Paris in 1889, in Brussels in 1891, in Zurich in 1893, in London

in 1896, in Paris in 1900, in Amsterdam in 1904, in Stuttgart in 1907, in Copenhagen in 1910 and in Basel in 1912. Vienna was selected for 1914, but the war prevented the convocation of this gathering. Chief among the problems discussed at these conferences, as is shown elsewhere in this book, was that of militarism.

GERMANY

Organization of Party.—The German Social Democratic Movement may be said to have been definitely organized on May 23, 1863, a year before the formation of the first International, at the foundation in Leipsic of the Universal German Workingmen's Association. Foremost among its organizers was Ferdinand Lassalle, one of the most remarkable and picturesque characters in Europe.² The association was composed chiefly of workingmen from Prussia. Workers of Saxony and South Germany united in Frankfort about the same time into a movement of a less radical nature. Under the guidance of Wilhelm Liebknecht and August Bebel, this movement in 1868 proclaimed its adherence to the principles of the International, and, the following year, at Eisenach, founded the Social Democratic Workingmen's Party. In 1875, at the Gotha Congress, the Lassallian and Liebknecht-Bebel groups (Lassalle had long since died), merged into the Socialistic Workingmen's Party, with a membership of 25,000.

The Anti-Socialist Laws.—In 1877 the socialists secured about a half million votes and sent a dozen members to the Reichstag. This increase alarmed the Emperor, and, the following year, the Reichstag, influenced by Bismarck, passed the famous anti-socialist laws, which placed

² See Brandes, *Ferdinand Lassalle*.

the ban on socialist meetings and literature. Free speech was enjoyed only in the Reichstag.

Increase in Vote.—Despite this ban, the socialist vote continued to mount. In 1881 it had reached 312,000; in 1890, 1,427,000, an increase of 300 per cent. The anti-socialist laws were thus seen to be ineffective, and were thereupon withdrawn. In 1912, the number of socialists in the Reichstag was 110, while the party obtained 4,250,329 votes or 34 per cent. of the vote of the country. Throughout its history it did effective work in behalf of social legislation and political reform. Its dues paying membership in 1913 was 962,850; its press included 93 dailies with a circulation of 1,800,000, while it conducted an extensive educational work. It worked in close co-operation with the trade union, and, later, with the consumers' coöperative movement.

FRANCE

Organization of Movement.—France was the home of the utopian socialists in the early part of the nineteenth century, and, later, served as the headquarters of many revolutionary leaders exiled from other lands. The Commune of 1871 put a temporary quietus on the activities of the French movement, and it was not until the early eighties that the socialist movement began to revive, through the efforts of Jules Guesde and others. The history of socialism during the next generation was a history of schisms. In 1882 the movement divided into the "Possibilists" and the "Impossibilists." Five years later, after a temporary reconciliation of the groups, the party secured its first representation in the French Chamber of Deputies. In 1891 a further split occurred in the ranks of the "Possibilists." In 1893 forty socialists were elected to the Chamber of Deputies under the standard of various

socialist parties. The forty soon organized a socialist parliamentary group, of which Jaurès³ was leader.

Controversies of the Nineties.— During the late nineties, the socialists gave much attention to the defense of Dreyfus. In 1899 controversy raged over the acceptance by Millerand of the office of Minister of Commerce. In 1904 Millerand, who had further displeased the socialists by his prosecution of anti-militarists and his opposition to international disarmament, was expelled from the movement. In 1906, Viviani and Briand, two other socialists who accepted portfolios in the ministry, were also dropped. In 1905 the various socialist factions were united into the "French Section of the Workers' International Party."

From that year until the outbreak of the war, the parliamentary group spent much of its energies in advocating the disestablishment of the church, the secularization of education, the reorganization of the army, and advanced labor legislation. In 1909 it bitterly opposed Clemenceau, and, later, Briand, for their autocratic attitude toward the striking post office clerks and telegraph operators.

Recent Growth.— The vote of the French socialist parties steadily increased throughout this period as follows: 1885, 30,000; 1887, 120,000; 1893, 440,000 with 40 deputies; 1906, 878,000, with 54 deputies; 1910, 1,106,000 with 76 deputies; 1914, 1,400,000 with 101 deputies. In 1914, the socialists secured about one-sixth of the total votes cast. In 1914, prior to the war, they conducted a vigorous campaign against the three-year military law and worked for a Franco-German "rapprochement." They elected, in 1911, 3,800 socialist members to various municipal bodies, and became increasingly influential among the rural workers. The syn-

* See Pease, *Jean Jaurès*.

dicalist philosophy had early captured the imagination of the trade unions of France, and it was not until after the outbreak of the war that any great amount of coöperation was manifest between the socialist and the labor union movement.

RUSSIA AND FINLAND

During the Nineteenth Century.— Beginning with the early fifties, many organizations of a revolutionary nature — socialist, nihilist and anarchist — existed in Russia, and, during every succeeding decade, thousands were imprisoned, exiled and executed for their revolutionary activities. It was not, however, until the middle of the nineties that the Social Democratic Party was organized. This party took the position that little could be done to effect a revolution until economic conditions were ripe therefor, and felt that little headway could be made among the peasants until the great landlords had expropriated the farmers from their lands.

Formation of Social Democracy.— In 1901 a more radical party, the Social Revolutionists, was formed, to agitate among the peasants, who, in their opinion, were ripe for organization. Nor was this party opposed to violent methods. The next few years were years of great unrest. Discontent was increased by the Russian-Japanese War. In December, 1904, a Congress of Zemstvos demanded a constitution, by a vote of 102 out of 104. In January, 1905, a body of workers, 100,000 strong, led by Father Gapon, marched unarmed through the streets of Petrograd. They were attacked by the troops, and one thousand killed. "Bloody Sunday," as this day was called, was the signal of uprisings in Warsaw, in Odessa, in the fleet of the Czar on the Black Sea, and indeed, throughout Russia. The uprising was finally put down, and the Czar

granted the demand for the constitution, but excluded the workers and, indeed, most of the population, from the suffrage. A general strike followed, which resulted in almost complete stoppage of business in Petrograd and other cities. On October 30 the Czar agreed to summon the Duma, and, later, to grant amnesty. This did not stop the discontent, however, and it was estimated that no less than 1,600 uprisings occurred during the next few months. All were brutally suppressed. It was in this 1905 revolution that the soviets first made their appearance as centers of revolutionary activity.

After the 1905 Revolution.— The first Duma was convened in May, 1906. Despite the fact that the socialists officially boycotted the elections, 107 peasants and workmen were elected. The session lasted 70 days. In the following elections, May, 1907, both socialist parties participated, and 132 socialists were elected to office out of 524 representatives. The second Duma was dissolved in June, following the premier's threat to arrest 16 socialist deputies and to indict 55 others for spreading revolutionary propaganda in the army and navy. After the dissolution of the second Duma, the Czar, without constitutional sanction, divided the electorate into five parts, allotting to the landed nobility one member of the Duma for something like 230 votes, and to the artisan class, at the other scale of the ladder, one member for 125,000. Despite this change, the next Duma, elected in November, contained 14 socialists and 14 members of the Labor Party.

A policy of suppression followed. *Agent provocateurs* were employed by the czarist government by the thousands. Former members of the Duma were imprisoned, others were executed, and, during 1908, no less than 70,000 persons were banished for political offenses and 782

executed, while the persons in exile numbered some 180,000.

Before the War.— In the 1912 elections, 14 socialists and 10 labor members were elected. The Duma refused to approve the budget, partly because of the persecution of the business interests by the autocracy, partly because of the rise of radicalism among the masses. In the fourth Duma, the socialists divided into a group of 7 “liquidators” who opposed the continuance of underground methods of politics, and a revolutionary group of six, who believed that secret propaganda presented the only way out of the difficulty. All of the speeches of the group were reported verbatim in many of the newspapers.

In June, 1914, the socialists precipitated a vigorous discussion on the question of free speech in the Duma by their denunciation of the Czar and their advocacy of a republic. They were charged with sedition and treason, and their indictment led to a remarkable general strike in Petrograd and elsewhere immediately preceding the war. In 1905 the Social Democrats split into two groups, the Bolsheviki (meaning majority) and the Mensheviki (the minority). The former and more radical group believed it possible for Russia to enter a socialist stage of development from a comparative feudalism without passing through the various capitalist stages.

FINLAND

Strength of Movement.— The Finnish Socialist Party is the first in the world to hold a majority of seats in the national house. It was organized in 1899 and officially connected with the International Socialist Bureau in 1903. At the time of organization, it already had nearly 10,000 members. This membership decreased in 1901 because of the Russian persecutions, but grew rapidly again after the Russian revolution, in 1905–1906 possessing some

85,000. A large number of these, however, had joined the movement chiefly as a result of temporary revolutionary fervor. Their membership soon lapsed, and, in 1911, the party had 48,000; in 1915, 61,000. The actual vote from 1904 to 1916 was as follows:

| <i>Year</i> | <i>Vote</i> | <i>Representatives</i> |
|-------------|-------------|------------------------|
| 1904..... | 100,000 | |
| 1907..... | 329,946 | 80 including 9 women |
| 1910..... | 336,659 | 86 9 |
| 1913..... | 310,503 | 90 10 |
| 1916..... | 286,792 | 103 24 |

Prior to the war, the party was continually urged to devote its main attention to the struggle for national rights, but refused, preferring to direct its attacks against the aristocracy at home, pointing out particularly the undemocratic nature of the Diet with its four houses composed of the nobility, the clergy, the business men and the land owners. The socialists in Finland developed, before the war, a splendid system of club houses and a fine coöperative movement.

AUSTRIA AND HUNGARY

Development of Austrian Movement.— Socialist propaganda was first openly conducted in Austria in 1869. It was not, however, until nineteen years later that a unified party was organized. As in numerous other countries, the socialists in their early days spent much of their time in ridding their movement of anarchist elements. In 1897, a number of seats in the Austrian Parliament was for the first time apportioned to the proletariat, and, four years later, the party secured 10 seats in the national body. During the next few years the party conducted huge

demonstrations and general strikes in order to force a universal suffrage, and, finally, in January, 1907, a law was passed permitting all men above the age of 24 to vote. The following May, the socialist vote reached 1,041,948, nearly one-third of the total cast, while 87 socialists were returned to the Parliament out of 516.

Composition of Movement.— In 1911, the representatives decreased to 82, although the popular vote increased. The movement prior to the war had two branches, the Austrian Social Democratic Labor Party of Vienna, with a dues-paying membership of 145,524, and the Czecho-Slovak S. D. L. P. of Prague, with 144,000. Dr. Victor Adler was the leader of the former. The municipal councilors at that time numbered 3,000.

HUNGARY

The socialist movement in Hungary began about 1867. For years prior to the war, its leaders, however, were hounded, imprisoned and beheaded, and free speech and press were greatly restricted. Before the war, despite restricted franchise, the socialist vote was reported at 85,000, and party representation in municipal bodies, 136. The trade union movement, the backbone of the socialist movement, reported, in 1913, a membership of 111,966, and of these, 59,623 were paying party dues.

ENGLAND

The Social Democratic Federation.— British socialism made its first appearance in 1881 on the formation of a group named, in 1883, the Social Democratic Federation. The federation, supported by H. M. Hyndman, William Morris, Edward Carpenter and others, nominated its first ticket in 1885. The dockers' strike of 1889, in which John Burns, Tom Mann, Ben Tillett and others

played leading parts, gave a new impetus to the movement. In 1908, the federation changed its name to the Social Democratic Party, and, three years later, the party, together with several minor organizations, united in the British Socialist Party. This group has always been definitely Marxist in its point of view, and, although it has contributed much in an educational way to the spread of socialism, it has never become a political factor. Will Thorn was for many years its only representative in Parliament. Its membership in 1914 was scarcely 10,000. *Justice* was its principal organ.

Formation of Independent Labor Party.—More influential than this group was the Independent Labor Party, organized by Keir Hardie and others in 1893. The I. L. P., from the beginning, gave more attention than did its predecessor to immediate reforms, worked more closely with the organized labor movement, and emphasized the ethical phase of socialism. In 1915 the party was represented in Parliament by seven members, most prominent of whom were Hardie, J. Ramsay MacDonald and Philip Snowden. Its dues paying membership was approximately 35,000. The program of the party is a thoroughly socialist one. It is an integral part of the British Labor Party.

The British Labor Party.—The third organization of a political nature to make its appearance was the British Labor Party. In 1899 the Trade Union Congress appointed a committee "to devise ways and means to secure an increased number of labor members in the next Parliament." The following February a Labor Representation Committee was formed as a means to that end, with Ramsay MacDonald as secretary. During the succeeding elections, which occurred at the time of the Boer War excitement, Hardie and Bell were elected to Parliament.

These were afterwards joined by Arthur Henderson. In 1903, as a result of the Taff-Vale decision and other forces, a new party, afterwards known as the Labor Party, was formed. Three years later the old parties were startled by the election of twenty-nine labor members, subsequently augmented to thirty-one. Hardie was elected chairman of this group. In 1908 the Miners' Federation joined the party. In January, 1910, some 40 labor members were returned to Parliament.

Achievements of Labor Party Before the War.—The parliamentary labor group forced through measures for the feeding of school children, the minimum wage and workmen's compensation and other laws, secured the passage of the Trades Disputes act, and closely coöperated with the Liberal Party in the fight for Irish Home Rule, for the Welsh Disestablishment, for the Plural Voting and other bills. In 1907 the congress of the party went on record in favor of "the socialization of the means of production, distribution and exchange, to be controlled in a democratic state in the interest of the entire community, and the complete emancipation of labor from the domination of capitalism and landlordism, with the establishment of social and economic equality between the sexes." The executive of the party in 1914 contained representatives from the trade unions, the I. L. P. and the Fabian Society, who united at elections on the same candidates. The party is a member of the International Socialist Bureau.

The Fabian Society.—Of great importance as an educational movement is the Fabian Society, organized in 1882, with the motto: "For the right moment you must wait as Fabius did when warring against Hannibal, though many censured his delays; but when the time comes, you must strike hard, as Fabius did, or your waiting will be in

vain and fruitless." The Fabian basis proposes "the reorganization of society by the emancipation of land and industrial capital from individual and class ownership, and the vesting of them in the community for the general benefit." Its members are critical of Marxian formula, and believe for the most part in the gradual development of society into a coöperative system, and in the permeation of the educated class with socialist thought.

Under the direction of Sidney and Beatrice Webb, George Bernard Shaw, Graham Wallas and others, the society has published numerous books and pamphlets; has made extensive surveys of trade unionism, collectivism, social insurance, and other industrial problems, and has secured the enactment of many measures of social reforms in municipalities and legislatures. At the beginning of the war, it had a membership of slightly more than 2,000.

In 1915 the National Guilds League was formed by G. D. H. Cole and other national guildsmen for the purpose of spreading the guild socialist idea.

Other Socialist Groups.— Other parties and labor and socialist groups in England are the Socialist Labor Party, a small party organized in 1903, the Socialist Party of Great Britain, a secession in 1904 from the Social Democratic Party, the Church Socialist League, the University Socialist Federation, the "Herald" League, the "Clarion" Fellowship, the Women's Labor League, the Central Labor College, etc.

ITALY

Beginnings of Party.— The Italians were represented in the first International, but chiefly through the anarchistic groups supporting Bakounin. It was not until 1882, however, that the socialists received their first representation in the Chamber of Deputies. Ten years later, the so-

cialists definitely separated themselves from the anarchists, and formed a distinct party, at the Genoa Congress, under the leadership of Philip Turati. In the following elections, the party cast 26,000 votes, and elected six members of the Chamber of Deputies. By 1904, the vote had increased to 320,000, and the parliamentary representation to 27.

The Party Split.— In 1906 the party congress was the scene of a bitter controversy between the syndicalist and socialist elements, the more moderate groups winning out by a vote of five to one. Arturo Labriola later resigned, and formed a separate syndicalist group. In 1910 another struggle took place between the Integralists or Marxists, led by Enrico Ferri, the Revolutionists, led by Lasari, and the Reformists, led by Turati. The Reformists carried the day by a large majority. Two years later the Tripoli War precipitated another crisis. The party took a definite anti-war stand, and expelled Bissolati and three other deputies. Sixteen of the 39 socialists in the Chamber thereupon formed a Socialist Reformist Party.

Extension of Franchise.— In 1913, the Italian franchise was greatly extended, and, as a result, the vote of the Socialist Party jumped to 960,000, while the Socialist Reformist Party obtained 200,000. The dues paying membership in that year was about 50,000. The two socialist parties returned 72 deputies to the Chamber, of which 51 were regulars, while a number of independent socialists were elected on other tickets. The vote in that year approximated 25 per cent. of the total. The movement in Italy contains a particularly large number of intellectuals among its numbers. It is closely connected with the trade unions.

BELGIUM

Triple Character of Belgian Movement.—The distinctive feature of Belgian socialism prior to the war was the close integration between the political, the trade union and the coöperative branches of the labor movement.

The socialist movement in Belgium came into prominence during the days of the first International. With the death of this organization, the Belgian section lapsed, to be revived again in the early eighties by the weaver Anseele and others. The modern Belgian Labor Party was founded in 1885.

Fight for Suffrage.—Following its organization, the party immediately began its fight for universal suffrage. It held great demonstrations in Brussels and elsewhere in 1886, and again in 1890, when 40,000 paraders took a solemn oath, the "oath of August 10," not to give up the fight "until the Belgian people, through universal suffrage, should regain their fatherland."⁴

In 1893 the demonstration for the suffrage was in the form of a general strike involving 200,000 workers. Although the strike lasted but a few days, it had its effect. A limited franchise was granted. The socialist vote in the following elections rose to 345,959, and the socialist representatives, to 29. A further general strike, participated in by nearly two-thirds of the industrial workers of Belgium, was carried out in 1913 for a still further extension of the suffrage, and was effective in securing from the governmental commission a statement that the question of universal suffrage would be considered.

Pre-War Strength.—In 1912 the party possessed 30

⁴ Orth, *Socialism and Democracy in Europe*, p. 128.

representatives in the Chamber of Deputies and 7 in the Senate. Socialist municipal councilors totaled 850, and the popular vote was estimated at 600,000.

HOLLAND

The organized socialist movement in Holland was launched in 1878, at the formation of the Social Democratic Union. Ten years later, Nieuwenhuis, its founder, was elected to the Dutch Parliament as the first socialist representative. Nieuwenhuis finally became discouraged with the slowness of parliamentary action, and joined the anarchists. In 1894 the anarchist group definitely separated from the socialists, and the Social Democratic Labor Party was founded, with Pieter J. Troelstra as its most prominent leader. From that time to the outbreak of the war, the vote steadily increased. In 1897, it totaled 13,000, with three deputies, and, in 1913, 144,000 voters, with 18 deputies. In 1908 a small Marxist party was formed as a protest against the action of the socialist deputies in throwing their weight in favor of the more liberal of the two factions in Parliament.

Shortly before the war, the socialists were asked to cooperate with the government in a coalition government, but, after heated discussion, replied in the negative. The membership of the party, in 1912, was 13,968. Their representation in Parliament was one-fifth of the total. The party has made considerable headway among the intellectuals and has close connections with the coöperative movement, although not with the somewhat anarchistic trade union movement.

SCANDINAVIAN COUNTRIES

Denmark.—The history prior to the war of the Social Democratic Party of Denmark, founded in 1878, has been

one of steady growth. The year of its organization it received 767 votes; in 1913, 107,365. In the latter year there were 4 members of the Landsting, 29 socialist members of the provincial legislatures and 500 municipal representatives.

Norway.—The Social Democratic Party in Norway was founded in 1887. Seven years later, at its first elections, it polled an insignificant vote of 732. In 1903, it secured its first representatives in the Storting, and, in 1915, counted 196,000 voters, 20 representatives and a party membership of 53,800.

The party conducts many educational enterprises, including a socialist school in Christiania, manages over a hundred labor lyceums in coöperation with the trade unions and the coöperative societies, has a strong women's federation and a vigorous young people's movement and is closely allied with the labor movement.

Sweden.—The Swedish Social Democratic Labor Party was organized in 1889. The following year H. Branting was elected to the Lower House as the first socialist representative. The growth of the movement since 1902 has been as follows:

| <i>Year</i> | <i>Vote</i> | <i>Representative</i> |
|-------------|-------------|-----------------------|
| 1902..... | 8,751 | 4 |
| 1905..... | 26,083 | 17 |
| 1908..... | 54,004 | 33 |
| 1911..... | 172,000 | 64 |
| 1914..... | 230,000 | 73 |
| 1914..... | 265,000 | 87 |

The socialist movement possesses a score of newspapers and magazines, including the weeklies and monthlies of the Young People's Federation and the women socialists. It also owns a number of "People's Houses" and "People's

Parks" valued at six million crowns and works in the closest harmony with the trade union movement.

OTHER EUROPEAN COUNTRIES

Switzerland.—The socialist movement in Switzerland is of less importance than in most of the other European countries.

The Grütli Union claims the distinction of being the oldest political party organization of the working class in that country, having been in existence since 1838. While at first a merely progressive party, in 1878 it declared in favor of socialism and in 1901 joined the Marxian Social Democratic Party, becoming the opportunist wing of that movement. In 1902, this party polled 55,000 votes, electing seven members to the National Council. The vote steadily increased, and in the Fall of 1914, the Social Democratic Party had 18 representatives out of a total of 200, and 212 members in the cantonal councils. At the outbreak of the war, the party membership was 33,238.

Spain.—The Spanish socialist movement had its early beginnings in 1869, in which year a branch of the International was formed, as a result of the agitation of La Fargue and others. This organization, however, soon fell into the hands of the anarchists and it was not until 1879 that a socialist party, the Social Labor Party, was formed, partly through the influence of Pablo Iglesias. Twelve years later, it nominated its first candidates, polling 5,000 votes. This number grew to 23,000 in 1907. In 1910 the party formed a coalition with the Republicans, in which election Iglesias was elected in Madrid, receiving 40,000 votes. A few years ago, the party possessed some forty municipal councillors.

Portugal.—The Socialist Party in Portugal was formed

in 1876, largely at the instigation of La Fargue and other Spanish internationalists. For years, because of the suppressive acts of the government, it barely maintained an existence. In 1910 it had about 1,000 members, but in 1911, after the overthrow of the monarchy and the separation of the church and state, it took on a new lease of life, and three years later claimed a membership of 3,300. In 1917 it was represented by one socialist, a printer, in Congress and many members of municipal bodies.

Servia.— In Servia, the Socialist Party entered for the first time in national elections, in 1904, when it polled 2,508 votes. This vote increased to 30,000 in 1914. The movement throughout has been anti-militarist. In 1912, the two socialist deputies elected to the Skuptchina voted against the war budgets and against all war demands of the government.

Rumania.— The first Rumanian socialist organization was formed in the nineties by a group of Rumanian students educated in Western Europe. For a few years after the organization of the party, the enthusiasm of the students continued, but, in 1889, discouraged by the slow growth of the movement, the young founders deserted and joined the Liberal Party. Following this secession, Dr. C. Rakowsky gathered up the remnants of the movement, and, with the aid of C. Dobrogeanu-Gherea, a well known writer and economist, succeeded in putting it on its feet. Socialist clubs were organized throughout the country, newspapers published, and national conventions planned. In 1907, following a revolt of the farmers, the party was subjected to severe persecution. Clubs were dissolved, the property of the party was confiscated, and about a thousand Jewish socialists were expelled from the country. The Balkan War of 1913 brought to the party another

period of stress. At that time, several socialists who indorsed the expansion policy of the government were expelled from the party together with some of the extreme opportunists. In 1914 the socialist vote was 2,047.

Greece.—The Greek socialist movement has been largely a democratic reform party, rather than a party of the working class. Attempts to organize the movement were made in 1885, by Dr. Drakoules, a Greek educated in Paris. Eight years later, the party polled some 4,000 votes. In 1912, the vote mounted to 28,000, falling again to 12,000 in 1914. Dr. Drakoules was elected to Parliament in 1901.

THE UNITED STATES

Formation of Socialist Labor Party.—From 1850 to the early seventies numerous attempts were made to organize socialist groups in this country, and much educational propaganda was carried on. It was not, however, until 1876, at the formation of the Workingmen's Party of America — called, the following year, the Socialist Labor Party of North America — that a group with any considerable amount of staying power was organized. This movement at first emphasized educational work, and called on all workingmen, "for the time being, to refrain from participation in elections." The next year, however, it was reorganized along political lines. Its next fight was with the anarchist groups. In 1892 it nominated its first presidential ticket, with Simeon Wing, a manufacturer of photographic instruments, as candidate for President, and Charles H. Matchett, for Vice-President. These candidates secured 21,512 votes in six states. Four years later, Matchett, for President, received 36,275 votes, and, in 1898, the party reached its zenith with 82,204.

Split in S. L. P.—A bitter controversy with organized

labor, the formation of a competing union, known as the Socialist Trade and Labor Alliance, and the dictatorial policy of Daniel De Leon, the leader of the party, led to dissensions, and, in 1899, to a split, Morris Hillquit and others forming the Rochester branch of the party.

Western Movements.— In the meanwhile another movement, more American in its nature, was growing up in the Middle West, around the *Coming Nation* and the *Appeal to Reason*. It first organized the Brotherhood of the Co-operative Commonwealth, and, on June 18, 1897, united with the remnants of the American Railway Union, led by Eugene V. Debs, in the Social Democracy of America. At the first convention of this group in Chicago, on June 7, 1898, the majority of the S. D. favored a plan for colonization. The minority who opposed this plan withdrew, forming the Social Democratic Party of America, with an executive board consisting of Eugene V. Debs, Victor L. Berger, Seymour Stedman and others. The S. D. P., during the next two years, had considerable success, particularly in Massachusetts, where it elected two state representatives, and mayors in Haverhill and Brockton.

Birth of Socialist Party.— In March, 1900, it met in Indianapolis, was addressed by Morris Hillquit, Max Hayes and Job Harriman, of the Rochester or dissenting branch of the Socialist Labor Party, and appointed a committee to arrange terms of a union between these two groups. A presidential ticket was nominated with Eugene V. Debs as candidate for President and Job Harriman, for Vice-President. Dissensions afterwards arose, but the two groups worked together during the campaign, which resulted in a socialist vote of 97,730.

Increase in Strength.— On July 29, 1901, a Unity Convention was held in Indianapolis, representing various factions, and the Socialist Party was launched. The

party rapidly grew in membership, and, in 1904, Debs and Hanford obtained a vote of 402,321. In 1908, owing to the progressive nature of the two old party candidates — Roosevelt and Bryan — the Socialist Party barely held its own, obtaining but 424,520 votes. In 1912 it took another leap forward with 901,000 votes, despite the appearance in the field of the Progressive Party. The Socialist Labor Party, in the meanwhile, steadily decreased in numbers and influence.

Educational Work.— The party during this period conducted an extensive educational work. The most important of the educational institutions connected with the movement was the Rand School of Social Science organized about 1907 in New York City. Although this was not officially an organ of the party, the members of the American Socialist Society, the controlling body, were all members of the Socialist Party.

In 1905 the Intercollegiate Socialist Society, a purely educational organization, unaffiliated with any political party, was organized in New York City “for the purpose of promoting an intelligent interest in socialism among college men and women, graduates and undergraduates.” The society has established chapters for the study of socialism in many colleges and centers of population. It conducts a magazine, sends lecturers to colleges, organizes conferences and conventions, publishes pamphlets and assists in the publication of books. In contrast to the Fabian Society of England, it does not require its membership to adhere to any economic or political creed.

CANADA

The Canadian socialist movement was unable, before the war, to grip the imagination of any considerable number

of the workers of that country. As far back as 1890, branches of the American Socialist Labor Party were organized in several cities. In 1899 a Canadian Socialist League was formed by those dissatisfied with the De Leon leadership, and six years later all existing socialist organizations were united into the Socialist Party of Canada. The *Western Clarion* became the official party organ. The party membership increased from 3,507 in 1903 to 17,071 in 1913.

In 1911 a second socialist group, the Social Democratic Party, came into existence, and, in January, 1915, claimed a membership of 5,380. In 1912 it joined the International Socialist Bureau. Its organ is the *Forwards*. The older and more radical of the parties refused to unite with the International so long as the British and Australian Labor Parties remained as members.

A third party of a socialistic nature is the Labor Party, founded, but only weakly supported, by the labor unions of Canada. The two socialist groups did not succeed, prior to the war, in electing representatives to the Dominion Parliament, although a few were elected to provincial legislatures.

LATIN AMERICA

On account of the late development of modern industry, the low educational and living standard of the workers, and other factors, the socialist and labor movement in Latin America failed until recently to gain any considerable headway.

Argentina.—The oldest of the socialist movements is that in Argentina, organized in 1896 by Italian and German socialists. In 1904 the movement was represented in the International Socialist Bureau, and the same year cast 1,257 votes and elected one member to the House of

Deputies. During the next few years many socialist leaders were prosecuted on account of their participation in strikes. In 1911 Jean Jaurès visited the country and gave the movement an impetus. In 1912, 1914 and 1916, the socialist votes jumped to 23,000, 40,000 and 60,000 respectively, and the representatives in the House of Deputies, to 4, 9 and 14. The party membership increased from 4,000 in 1912 to 7,400 in 1916. The party's chief organ is the *Vanguardia*, published in Buenos Aires. The movement coöperates closely with the trade unions.

In Brazil, Chili and Uruguay.— The Socialist Party in Brazil was organized in 1916, and shortly after claimed a membership of 2,570. It showed considerable success in its first municipal election. While a Democratic Party, composed chiefly of workingmen of a socialistic character, was formed in Chili as early as 1894, an out-and-out socialist movement was not started until 1912. One representative was that year elected to office, but was subsequently unseated. In 1915 the party held its first national convention in Santiago and established *The Vanguardia* as its official organ.

In Uruguay, the first socialist representative, Professor Emilio Frugoni, of the University of Montevideo, was elected in 1911 with the support of the liberals. A Socialist Party, however, did not come into existence until 1913.

Porto Rico.— As early as 1901, a socialist movement, led by Santiago Iglesias and Eduardo Conde, appeared in Porto Rico, but this movement soon lost its socialist character. Seven years later a Workers' Party was formed, with a socialist basis, and polled 702 votes. In 1914, the votes increased to more than 4,000, chiefly in Arcibo, where the party won the majority in the city council, and,

in August, 1917, following a strike in which the police brutally clubbed the strikers, to 25,000. Iglesias in this year was sent to the House of Deputies.

Cuba.—In Cuba, another of the West Indies, the Socialist Party was formed in 1910, and, two years later, merged with the Radical Labor Party. In 1916 it polled nearly 5,000 votes.

Mexico and Yucatan.—Socialists in Mexico were active for a number of years before the war in numerous revolutionary movements. The most interesting development of socialism was, however, noted in Yucatan. When this section was conquered by General Salvador Alvarado, a socialist, in 1915, idle lands were confiscated, the peons were freed, and land and financial assistance were given to them. At the same time, socialist locals and coöperative societies were formed by Alvarado throughout Yucatan, the government paying the party dues and the campaign expenses, and soon 100,000 workers were enrolled members of the party. Under the slogan, "Socialism, Land and Liberty," Carranza received a ninety per cent. vote from that country in the following December. Alvarado and others then started a propaganda league as an adjunct to the party for the purpose of educating the peons in the principles of socialism. The league soon developed a dues-paying membership of 50,000. The movement prior to the war possessed a comic monthly and two weeklies, each with a circulation of 20,000, while the government paper, *La Voz de la Revolucion*, the only daily paper there, published socialist literature and carried on socialist propaganda. It was reported in 1917 that "all mayors, municipal councils, federal and state officials, are members of the Socialist Party."

AUSTRALASIA, AFRICA, ASIA

Development of Australian Labor Party.—The socialistic elements in Australia have, for the most part, grouped themselves around the Australian Labor Party. As early as 1859, a working class representative was elected to the Victorian Legislative Assembly. It was not, however, until after the Great Strike of 1890 that steps were taken toward the organization of an independent labor movement. The following year, 24 representatives of the Labor Party were elected to the New South Wales Legislature, and from that time the movement steadily grew. The Labor Party has since been in control of affairs at various periods in every legislature and in the national government. At the outbreak of the war, the party had reached its high water mark, every state with the exception of Victoria having a labor government, while in the federal government labor was in the majority. The anti-socialist groups were represented by the Conservative Party.

For "White" Australia.—The party throughout its career has fought vigorously for labor legislation and for government ownership of a number of essential industries. It is definitely nationalistic in its make-up, and has campaigned for a citizens' army and for a "white Australia," on the ground that the importation of coolie labor would mean a definite lowering of the standard of living.

Labor in Parliament.—The labor representation in the Federal Parliament increased from 8 in the Senate and 16 in the House in 1901 to 31 and 40 respectively in 1914; while the anti-socialist members decreased from 26 in the Senate and 59 in the House to 5 and 35 respectively. However, owing to a split in the party resulting

from the fight over conscription, labor, in 1917, was represented by but 12 Senators and 22 Members of the House. The 1914 vote was 1,040,000, the 1917 vote, 947,605.

New Zealand.—While New Zealand has, during the last twenty years, made great strides in social legislation, and has been regarded as the “social laboratory” of the world, it was not until 1912 that workers began to organize into an independent labor movement. Four years later, June, 1916, at a joint conference of the United Federation of Labor, the Social Democratic Party, and the Labor Representation Committee, the New Zealand Labor Party, with a socialist objective, was finally launched.

South Africa.—The beginnings of the political labor movement in South Africa was made in 1909, at the birth of the Labor Party. The following year, four representatives were sent to the legislature, and soon thereafter Johannesburg went almost completely labor. As a result of a bitter industrial fight in 1913, the party returned in the Transvaal—where the fight was most intense—23 of the 25 elected officials, secured a majority of the House, and cast a vote of 26,000 votes as compared with 12,000 for the conservatives, and 3,000 for the liberals.

The party, however, was split by the war, and many resignations took place. Only four members, in the resulting elections, were returned to the Parliament. The anti-war group organized an International League, and, in 1916, with a membership of 1,900, they elected some 180 members of councils and school boards in the various municipalities.

ASIA

On account of the backwardness, industrially and politically, of most of the Asiatic countries, and the obstacles placed in the path of democratic movements by the governments in Asia, the labor and socialist forces in that continent were but little organized prior to the European War.

Japan.—The socialist movement in Japan was organized by a group of young students in Tokio in 1899 and was at first a mere debating society. Soon thereafter the Railroad Workers' Union indorsed socialism as the final goal of the labor movement, and this action so encouraged the socialists that, in 1901, they formed a Japanese Socialist Party. The government became alarmed at this manifestation of radicalism, and suppressed their organ, the *Labor World*, and four other non-socialist journals that had published their party manifesto.

Further Suppression.—The socialists thereafter confined their attention to educational propaganda, and, during the Russo-Japanese War, conducted a strong anti-war propaganda, and increased their membership to 5,000. Following the war, the movement became increasingly popular, and established a daily paper. Further persecutions followed throughout the next few years culminating in May, 1910, in the arrest of twenty-four prominent socialists, charged with entertaining anarchist views. The trial was held behind closed doors, and, in January, 1911, the defendants were declared guilty, and twelve of them were hanged. Socialist literature was confiscated, books were burned, and the party was dissolved.

Later a monthly publication, the *New Society*, was started in Japan for the purpose of giving information

concerning the international socialist movement. Bona fide labor unions were also suppressed prior to the war, although, in September, 1916, workmen of the city of Osaka organized a radical group with socialistic proclivities.

China.— The first socialist organization in China was founded in 1911. During the Chinese revolution the movement spread rapidly and some thirty socialists were elected to the Parliament of the new Chinese Republic. This success led to the establishment of more than two score socialist newspapers, to free socialist schools and labor unions, to the widespread distribution of socialist literature and to socialist theatrical companies. Yuan Shi Kai, in August, 1913, fearful of the results of this propaganda, issued an edict dissolving the party, arresting its leaders and jailing and executing many of them.

The socialists, however, continued to conduct a secret propaganda, and were an important factor in the overthrow of the Yuan Shi Kai imperialistic government and the establishment of a new republican régime under Li Yuan Hung.

In Other Asiatic Countries.— In India and other portions of Asia, little or no socialist movement existed prior to the war, although increasing demands were heard among the masses for a larger control over the governments of their respective countries.

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Marxian Socialism. The most important classics on Marxian socialism are Marx and Engels' *Communist Manifesto*, Engels' *Socialism, Utopian and Scientific* and Marx' *Capital*. Boudin's treatise gives an excellent interpretation of the Marxian system of thought, as do the works of Kautsky, who was regarded, prior to the war, as the chief Marxian theorist of Europe. Other popularizers of the Marxian philosophy are Hyndman, Hillquit, Hughan and Spargo. Bernstein represents the Revisionist point of view. Fraina, Macy and Haywood present the viewpoint of the extreme "left" of the movement.

The Socialist State. The following books have given special attention to the nature of the socialist state and to the objections urged against socialism: Kautsky's *Social Revolution* (latter half), Hillquit's *Socialism in Theory and Practice*, Hillquit and Ryan's debate, Spargo's *Applied Socialism*, and Bertrand Russell's and Hughan's contributions. The works of Wells, Shaw, and Kelly, while somewhat unorthodox, are particularly suggestive along these lines. Wells' *New Worlds for Old* is one of the most readable books on the subject. Blatchford's *Merrie England* has been especially popular among the rank and file of workers.

The Socialist Movement. The most comprehensive history of socialism prior to the war was that of Kirkup, and

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