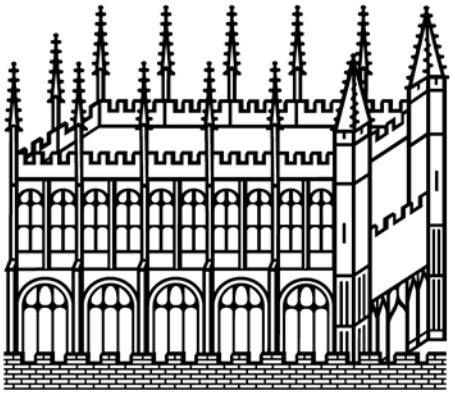

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DEMOCRACY

W. H. MALLOCK

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DEMOCRACY

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1910 THE NATION AS A BUSINESS FIRM

1914 SOCIAL REFORM AS RELATED TO REALITIES AND DELUSIONS

1918 CAPITAL, WAR, AND WAGES

DEMOCRACY

BEING AN ABRIDGED EDITION OF

'THE LIMITS OF PURE DEMOCRACY'

By
W. H. MALLOCK

With an Introduction by the
DUKE OF NORTHUMBERLAND, C.B.E., M.V.O.

LONDON
CHAPMAN & HALL, LTD.
1924

"Au moins nos égaux par l'habileté, et d'autant plus facilement que la spécialisation n'a pas abaissé leur intelligence, les Orientaux nous sont supérieurs par leur sobriété, leur absence de besoins et leurs mœurs patriarcales. Il ne leur manque qu'une chose—fondamentale il est vrai—pour égaler les peuples civilisés de l'Europe, c'est de posséder une couche suffisante d'hommes supérieurs et quelques grands hommes. Il est heureux pour nous, d'ailleurs, qu'ils ne les possèdent pas, parce qu'alors les qualités de la masse de leur population leur permettraient facilement de nous supplanter et de se placer à leur tour à la tête de la civilisation. Si jamais se réalisait le rêve de nos socialistes modernes, d'une société d'hommes d'intelligence moyenne, d'où toute supériorité aurait été graduellement éliminée, l'empire du monde appartiendrait bientôt aux populations de l'extrême Orient."

GUSTAVE LE BON,
La Civilisation des Arabes (1884), p. 674.

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PUBLISHERS' NOTE

"THE LIMITS OF PURE DEMOCRACY" was divided into seven Books. In the abridged edition will be found a few pages from Book I, most of Book II, and practically the whole of Book IV, of Chapters I and II of Book VI, and of Chapter IV of Book VII. It may be added that out of Chapters II and III of Book IV have been formed the first three chapters of the abridged edition.

A few necessary, but trivial alterations and additions have been made in and to the text, and certain salient passages in it have been italicised. The headings of the chapters are not always the same as those of the unabridged edition. Sentences or words in brackets are not from the pen of W. H. Mallock.

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INTRODUCTION

THERE can be no more opportune moment than the present for the issue of this abridged edition of the late Mr. Mallock's classical work. Its clear, ruthless and searching analysis of those fallacies which shelter under the all-embracing term "democracy" cannot but bring conviction to any unprejudiced mind. Pure democracy in its literal sense is, as he shows, a *reductio ad absurdum*, and he pertinently observes that to use the term democracy to describe any rational form of government without taking into account its essential corollary—some form of oligarchy—is simply to talk nonsense. This false and ancient philosophy, which is known to our generation as socialism, is by far the greatest menace that our civilisation has ever known, because it denies not only all the premises upon which that civilisation has been reared, but the facts of human nature. Pure democracy, as this book shows, can be attained only by communities which deliberately forego the conditions necessary for the propagation of the human species, for the production of the necessaries of life and for the carrying on of industry. It is attainable, in fact, only by celibates in the cloister, and it is not surprising to find that one socialist pioneer after another has seen his projects shipwrecked on the rock of that fatal obstacle, the human family.

Nevertheless, illogical, absurd and repulsive as this philosophy is when examined in the cold light of reason, to the multitudes who are utterly incapable of reasoning it has the attraction that a glittering toy has for a child. The danger, however, does not arise from the actual number of socialists, which is comparatively small; it arises from their powers of organisation and co-ordination. Not that they are a united body; on the contrary, few movements can have ever contained so many adherents of totally contradictory theories, for the different forms of socialism are innumerable and their factions conduct a bitter and continuous warfare with one another, but they are united and organised for one end on which all agree: the overthrow of the existing system. Since this is the immediate end in view and opinions only differ as to the method to be employed and the time it will take to attain it, all the forces of subversion can unite in the Labour or Socialist Party. The term "Labour" as applied to the party is, of course, an anachronism, but the pretext for using it is—and this alone gives it its strength and its formidable nature—that it has captured the machinery set up by the working classes for the protection of their own labour. By the use of this machinery and the funds of its members it has gained political power.

Even so, were it a purely British organisation it would not be very dangerous. Unfortunately—and this is by far the most serious aspect of the matter—it is part of an international movement, and since 1865 has been organised for the purpose of undermining European society. Marx was not merely a philo-

sopher and a writer, but an organiser, and he used this international movement for furthering German designs. Ever since his day German social democracy has dominated the international socialist movement, as the late Mr. Hyndman, a patriotic socialist, was the first to testify, and it is greatly to his credit that he exposed these designs and denounced them, roundly declaring that on the outbreak of the Great War the German social democrats had betrayed the cause of international socialism. Nevertheless, our socialists have to-day placed themselves again under the same domination by affiliating themselves to the Hamburg International and subordinating the party to the control of that body in international affairs. Moreover, however stoutly it may be denied, the fact remains that the distinction between the Hamburg International and the Third International of Moscow is merely that one may be described as the right wing and the other the left wing of the same movement. Indeed, the former has refused to condemn the methods of the latter; it realises well enough that they cannot afford to quarrel. Both are engaged in the work of overthrowing the present social system. Why quarrel with your neighbour merely because he does it in a different way? Similarly, the British Socialist Party has found it impossible to exclude communists from their party, and many of its leading members openly express sympathy with "the glorious Russian Revolution."

What is this great world movement, after all, but a combined attack on civilisation by the forces of subversion, professing a creed which denies all the implications of Christian civilisation? This may

seem to some an extreme statement; they are misled by the fact that the movement contains many whose aims and character are unexceptionable, to whom the very idea of violence or wrong-doing is obnoxious, who are sincerely desirous to better the lot of their fellows and remove the terrible evils of an industrial society. There has always been this element in every revolution; they are the dupes, and their fate is always to be submerged by their followers, who are deterred by no scruples and who are actuated only by the terrible logic of the fanatic. It should never be forgotten that a moderate man who professes a creed the logical conclusions of which he shrinks from attaining has placed himself in a false position. Either he repudiates his own creed—in which case he may, if a very great man, stem the tide which he has himself let loose—or, as is much more probable, he either swims with the tide or disappears from the scene altogether.

The tragedy of socialism is that it is preventing any possible solution of the great industrial problems of to-day. Mr. Mallock points out, on page 183, that it is by no means inconceivable that that greatest of all evils, unemployment, might be in a considerable measure removed were it not for the prejudice against capitalism and the failure to see that prosperity for the workers is solely dependent upon the united efforts of all classes to increase the wealth of the country. It is the same with profit-sharing and with all other schemes which recognise the implications of capitalism. All alike are taboo because they are opposed to the socialist Utopia. And that Utopia is the last word in reaction. It is the creed of those

who would return to barbarism. "Go back into the woods," said Rousseau, "and become men." "From the beginning," says a well-known British socialist leader of our own day, "that thing called civilisation has been on the wrong track." The poet did not exaggerate when he described this philosophy in the words:

> "Have we risen from out the beast?
> Then back into the beast again."

In the final resort civilisation must rest upon some principle of authority. Christianity has invested all legal authority with a religious sanction. When this motive fails to satisfy, society still possesses a bond of unity in national sentiment. Pure democracy repudiates nationality and admits no principle of authority, and thus strikes at the root of every ideal on which our civilisation has been based.

There is no higher mission before any man to-day than that of fighting this movement in all those forms in which it may display itself, and nobody could arm himself with a better weapon than Mr. Mallock's "Limits of Pure Democracy."

NORTHUMBERLAND.

AUTHOR'S PREFACE TO UNABRIDGED EDITION

THIS work was planned, and the opening chapters were written, in the earlier months of the year 1914, when the outbreak of a great war was only a remote contingency. Since then, and more especially during the last twelve months, the subject here discussed—namely, the nature and the limits of the power of pure democracy—has acquired day by day a more immediate importance. Indeed, all practical controversies may be said now to turn on it. It thus has happened that the principles here laid down in general terms have, whilst the work was in progress, been illustrated by a series of extraordinarily apt examples. References to many of these have been added in brief footnotes. Four-fifths of the work were, however, substantially complete before the world was astonished by the revolution in Russia; and, though it has been possible to add a few footnotes relating to that movement, such notes are necessarily inadequate to the magnitude and significance of the occasion.

The author has therefore thought it desirable to rewrite the concluding pages, and substitute a more detailed mention of recent events in Russia and other countries also, for a final discussion of various general facts and problems, such as the genesis and functions

of a leisured class, the possible equalising of certain industrial faculties by education on the one hand, and the probably increasing difference between the highest and the lowest on the other, the increasing pressure of the world-population against the means of subsistence, and the increasing importance of mere mental efficiencies in combating this pressure, etc. The publication of these discussions (growing as they do out of the questions here dealt with) is deferred.

The author desires to record his obligations to the singularly interesting work on oligarchy in revolutionary parties, by Professor Michels of Basle, which was published in England in the year 1915 (see Book I, Chap. I); to Mr. Stewart Graham's account, published some years ago by Mr. Murray, of the socialist experiment in Paraguay known as New Australia (see Book IV, Chap. III); and also to *The Daily Mail*, for the letters published by it from a socialist correspondent in Russia.

Further, the author regrets that it has been impossible to include any reference to certain articles on "Industrial Revolution or Ferment," which were published in *The Times* in October, 1917, and attracted wide attention. The whole of the present work was by that time in the printer's hands.

November, 1917.

CHAPTER I

SOCIALIST EXPERIMENTS IN NORTH AMERICA

IF a detached spectator—a tourist from some other planet—were to visit the earth to-day, and give his attention to the socialist or social democratic movement, what would probably strike him as its strangest feature is this, that those who take part in it are willing, on behalf of their principles, to do everything in the way of activity except to show that they are practicable by putting them into experimental practice.

He would have heard orators at a thousand Trade Union meetings who proclaimed that all the difficulties of the modern world would be solved if only the labourers were masters of their own capital, and secured for their own class the entire product of their exertions. He might have heard them declaring that "the employers have never done anything for labour which we, the labourers, could not any day do for ourselves." But although—to take, for example, the case of the United Kingdom—the wage-earning classes at the beginning of the twentieth century owned a collective capital of a thousand

million pounds, our tourist might have failed to discover that any serious attempts were being made by them to employ this capital themselves under their own corporate direction. If of this capital they would venture but one hundredth part, ten socialist businesses, each with a capital of a million, might, as modest experiments, be set going to-morrow; and if socialism is correct in principle, the success of these could not fail to be such that others would soon follow, till the employers of to-day were eliminated, not by violence but by competition, and all who now work for wages would presently be the employers of themselves.

Why, then, our tourist might ask, does nothing of this kind happen? The socialists, he might say, were like the prisoner who, according to the story told by an American humorist, had been locked up for ten years in a cell, "when one day a thought struck him. He opened the window and got out."

But to this fear on their part of testing their principles by experiment there have been many memorable exceptions. Experiments have been made of the precise kind in question, which, curiously few as they are in comparison with what might reasonably have been expected, are quite sufficiently numerous, sufficiently different in some respects, and sufficiently like in others, to

constitute a body of evidence astonishingly coherent and illuminating.

Many of them, in respect of their origin, have been British or European; the latest and largest was Australian; but the actual scene of most of them has been naturally in the New World, where land is acquired more easily than in the Old, and where life is less encumbered by old habits and traditions. Records of some eighty have been collected by Macdonald, Noyes and Nordhoff, the Australian experiment being the subject of a volume devoted to itself. They cover a period of a hundred and thirty years, and are separable into two groups—namely, those which were animated by a sentiment having its basis in religion, and those from which the religious motive has been practically, if not formally, excluded. Socialism or social democracy as a scheme founded on a sentiment which demands equality in distribution represents socialist thought, not only in its latest, but in its earliest forms also. As an object of possible endeavour, and also as a subject of ridicule, it was perfectly familiar to the citizens of ancient Athens; and the first and most successful attempt to realise it in the modern world was initiated nearly forty years before the word "socialism" was known.

This experiment, which was the formation of

the sect or community of the Shakers, began in the year 1774, and thirty years later another experiment followed it—that is to say, the formation of the sect or community of the Rappites. The animating principle of both these was religion. The foundress of the Shakers was an English woman, Ann Lee, of humble birth but of very remarkable character, who believed herself to be the recipient of a number of divine revelations, and who, acting under this belief, emigrated from England to America, where she hoped to establish a polity consonant with the mind of Christ. George Rapp, the founder of the Rappites, was a native of Southern Germany, the son of a small farmer. He, like Ann Lee, had from his youth upwards divine revelations of his own; and in the year 1805, accompanied by three hundred disciples, he, like her, set sail for America, with the object of founding a Kingdom of Christ on earth.

But though both these leaders were visionaries, both of them, like St. Theresa, united to religious enthusiasm a singular aptitude for affairs; and their respective schemes, as expressed by them in business terms, may be said to have resulted in almost the same prospectus. The principle of the Shakers was, as Ann Lee put it, "that all the members should have a united interest in all things"; that the Society should

be primarily the owner of whatever was produced by individuals, and should then dispense to the individuals whatever each might need; each according to his abilities, whether these were great or small, performing in return such work as the Elders might see proper to assign to him. The principles of the Rappites were embodied in a series of Articles of Association, to which every member had to affix his signature. The first of these Articles constituted a deed of gift on the member's part "of all property whatever possessed by him or her to George Rapp and his heirs or assigns for ever, to be held and administered on behalf of the members generally; and the said George Rapp covenanted on behalf of himself and his successors that they would supply the members severally with all necessaries of life, whether in youth or age, whether in sickness or health, together with such care and consolation as their situations might reasonably demand."

During the next seventy years these two pioneer experiments were followed, in the United States, by nearly eighty others, whilst the great Australian venture, of which mention has just been made, came twenty-five years later, its actual scene being in Paraguay. Some of these were religious, most of them essentially secular. Otherwise, the object proposed was in all cases the same. It was precisely the object

described, as we shall see, by Mr. Bernard Shaw* —namely the production by the community of an adequate total income, and the distribution of this amongst the members, not in accordance with what each produced (which would vary), but in accordance with a sentiment relating to their equal needs, and now commonly expressed in the formula " Each for all."

Between all these experiments there was another point of likeness also, which exhibits the projectors as men who, up to a certain point, gauged human nature accurately in the light of sound common sense. They all of them proposed to secure the triumph of socialism by means similar to those which had secured the triumph of the modern private capitalist. *Modern capitalism has developed itself and spread itself throughout the world, because wherever it has been tried it has generally been found to work*—to be industrially more efficient than any other system which had preceded it. Its general success has consisted in a multiplication of successful units. *The practical socialists, with whom we are now dealing, proposed to establish socialism through units of success likewise, but through units of a different kind.* Instead of establishing single successful businesses, what they aimed at establishing was

* See pp. 133-151.

equally successful communities; and the difference between a business and a community was understood by them to be this: In an ordinary business the employer and the employed alike work severally for the benefit of themselves and their own families. In a socialist community all families would be one. As matters stand, they argued, within the limits of the family circle economic advantages are not divided, but shared. Each home, in short, is a miniature socialism in itself. In order, therefore, that socialism might develop into a working system, the first thing to be done was, according to them, so to extend the socialism of the family circle that a considerable number of men, women and children might be welded together into a family of a larger kind, not by blood relationship, but by a sentiment of human brotherhood, and by a consequently "united interest" in the fruits of their collective industry. The idea of all the projectors was to begin with an extended family, comprising from two or three hundred up to fifteen hundred persons; and if one such group were successful, others would be bound to follow. At all events *they realised that if an effective socialist sentiment could not extend itself throughout a community of a few hundreds of persons, it would be idle to look for its extension through the world, or even an entire nation.*

Let us now consider how these experiments worked, beginning with the religious, which deserve special attention, and of which the two just mentioned are curiously contrasted, but equally instructive types. Of these two, when Nordhoff published his accounts of them, one—namely, the Shakers—had lasted for more than a century; the other—namely, the Rappites—had lasted for seventy years. Both had been constantly prosperous; the Rappites had achieved great riches; and yet each body had, according to its own lights, been faithful to the doctrine of a "united interest in all things." Both may be regarded as triumphs of that precise sentiment which, as Mr. Shaw describes it, "renders the very idea of unequal incomes intolerable."* As applied, however, to the details of practical life, they understood this sentiment in very different ways.

I

The RAPPITES, though unswerving socialists in respect of their own fraternity, made no pretence of socialism in their dealings with the outside world. Possessing, as they did, considerable funds to start with, they used these in the following ways. In the first place, all rough

* See p. 135.

work within the borders of their own settlement they committed to hired labourers, many of whom were Chinamen, and of whom it was caustically said that "they did as much work in a day as the brethren would do in six." In the second place, they became investors, on an ever-increasing scale, in outside enterprises such as mines, oil-wells and railroads, and were ultimately found to be the principal sleeping partners in a cutlery business, then the largest in the whole of the United States. Their success, in short, was the success of a species of exclusive club, their socialism being a pious eccentricity uniting the members, but uniting the members only, and related to socialism in the wider sense of the word, not as an example, but as a negation of it.

Very different in this respect have been the principles and practice of the SHAKERS. Continuously successful as they have been in producing an income adequate to their modest wants, they have depended on no labour but their own; and their tasks, assigned to them by the Elders, have been faithfully performed by each in obedience to a sentiment which, identifying each with all, and eliminating every thought of gain for self as sinful, makes the labour of each a sacrifice owed, through all, to God. If a polity like that of the Rappites is comparable to a

religious club, a polity like that of the Shakers is comparable to a Franciscan monastery. That such a polity may prosper and be self-supporting, the experiment of the Shakers, like that of the Franciscans, shows; and if this were the whole of the matter, it would show in a very striking way that the principles of modern socialism are practicable.

As a matter of fact, however, it shows something else also. The Shakers being rigid celibates, it is obvious that a socialism like theirs, though self-supporting, cannot be self-renewing. Denying marriage to its members, it postulates a world outside in which marriage is prevalent. This fact might conceivably be no more than an accident; but it actually was a consequence and an illustration of a fact much deeper than itself. The Shakers enjoined celibacy, not as an isolated merit, but as one detail of a sacrifice co-extensive with the socialist life, another detail of which, and one of prior importance, was the sacrifice of all desire for private or unequal gain; and the fact that these members were not members by birth, but had to be chosen from postulants reared in the outside world, was a means of demonstrating, as the Shakers themselves attested, how rare those persons are from whom, in their inmost hearts, a true renunciation of the hope of unequal gain is possible. No member

was accepted till after a year's novitiate, and before a year was over most of the postulants would depart. Thus a socialism like that of the Shakers is, in its very essence, no less exclusive than a socialism like that of the Rappites, although for a different reason. Just as in the latter case, the magic circle of socialism does not include the average manual labourer, so it does not include in the former the typical or average man. Neither of such schemes is comprehensive in any general sense, or contains in it any promise for the masses of the human race.

II

The only socialist experiments which can yield a direct moral of any general import are those which appeal to the motives of average men and women, and no more confine their promises to persons of exceptional character than they do to persons of exceptional business intellect. We will, therefore, now turn our attention to the secular experiments comprised in the list just mentioned, and see how their fortunes compare with the signal, if limited, success attainable by those of the religious or quasi-conventual type. Of these secular experiments, something like seventy in number, it would be not only impos-

sible to deal with all, but useless. Most of them came to an end in their third year, or earlier. We will, therefore, confine ourselves to the few which outlived or reached their fifth. Of such experiments there are five—namely, that of the Owenites, or, to give it its full name, The New Harmony Community of Equality; three other communities, extended families, or (as they preferred to call themselves) Phalanxes—namely, the Brook Farm, the Wisconsin, and the North American; and, lastly, most ambitious of all, the experiment called New Australia.

The earliest of these, the NEW HARMONY COMMUNITY of Equality, was financed and founded in the year 1825 by a prosperous British mill-owner, the celebrated Robert Owen. He was fortunate in finding a site equipped already for his purpose. The Rappites, then in the twentieth year of their existence, had acquired amongst other properties an estate of 30,000 acres, and had built on it a model village which they had christened by the name of Harmony. This estate, having ceased to satisfy their ambitions, was offered for sale as it stood, and Owen became the purchaser, taking possession of it with nearly nine hundred followers. To them, at a meeting held in the old town-hall of the

Rappites, he formally recapitulated the principles of the venture on which they were now embarking. In language almost identical with that in which Ann Lee had expressed the aims of the Shakers, their own aim, he said, was to extinguish all inequalities " by doing away with divided money transactions," and " thus uniting all separate interests into one." All would have to labour, for such is the lot of man. Each would naturally labour according to his best abilities, but the products of all alike would be congregated in a common store; and each, for no other payment than the labour already performed by him, would have an equal right to select from the total stock whatever particular articles he or his might need.

Since, however, some time must elapse before their own labours could fructify, Owen stocked the communal store himself with all such things as in his opinion were necessary, from clothes and flour down to tea, pickles and pills. Such measures were those of a mere dictator. They were wholly opposed to the principle which he set out to establish, and as soon as they were in his opinion complete he refused to exert his personal powers further. He transferred the management of affairs to the hands of a Preliminary Committee, and took himself off for nearly a year to England, hoping to find on his

return that the mustard-seed of his socialism was already a thriving tree.

What he did find was something signally different. The Preliminary Committee had indeed given general satisfaction by lavishing his money on bands and on nightly dances; but their sole capacities otherwise had proved to be those of talkers, not of industrial managers. The goods in the store were dwindling. Industry, in a state of chaos, gave little promise of replacing them. The Preliminary Committee was dissolved in feverish haste, and a new body formed instead of it, called an Executive Council. This, however, in spite of its grander name, proved no more competent than its predecessor, and the whole undertaking would have come to an ignominious end if the flock of members had not, by their universal request, compelled their shepherd who had led them into the wilderness to become once more dictator, and do what he could to save them.

As soon as he resumed his authority, matters began to mend. The community bore some resemblance to an orderly private business, the head of which, though the profits might not be large, was known to allot the whole of them in equal shares to his workpeople; and the novel prospects which it thus offered to labour became soon so widely known, and proved to be so

attractive, that new applications for admission to its ranks multiplied, which, as matters were then arranged, it was not possible to entertain.

In order, therefore, to provide for the new influx, the original group was supplemented by three others. The single community thus re-appeared as four, each of which, devoting itself to industries of a more or less specialised kind, was, as occasion required, to exchange its own products with those of the other three, in quantities to be measured by paper money, or labour-checks. Owen, who seems not to have perceived, or not to have been disturbed by the fact that the serpent of "divided money transactions" was thus re-entering Eden, was fully convinced that socialism would now become self-acting; and the rôle of dictator was again, and for the third time, renounced by him. The method of management by Executive Councils was resuscitated, and each of the four groups had a separate Council to itself.

Hereupon there arose a confusion worse confounded. The question of production was entangled with the question of commerce. The four Councils could manage matters no better than one; and at last a day came when a great general meeting urged on Owen that dictatorship must be forthwith revived. Owen, who refused to accept the supreme office, agreed, by

way of compromise, that the Councils should be abolished, each group being managed by a dictator of its own; and of four co-equal dictators he consented to act as one. Things being so settled, there were some signs of improvement, but they were not of long duration. The groups quarrelled with their dictators, the dictators quarrelled with one another, and industry, thus disorganised, was again coming to a standstill. One socialist principle alone retained its vitality. This was the sentiment in favour of equal distribution—a sentiment which expressed itself in getting from the communal stores a great many more commodities than the members of the community produced. This sentiment was one day found to have been so active that there were two commodities only of which the popular consumption did not thus exceed supply. One of the commodities was glue. Terrible to relate, the other commodity was soap.

Owen could endure a great deal, but all endurance has limits. Anxious as he had been to divest himself of any dictatorial power in the business of communal management, he was still the legal owner of the whole communal property, and he was now driven to an expedient the success of which was complete. He began to allocate buildings and portions of land to individuals in whom he detected some spirit of enterprise. The

effect was as startling as that of an electric shock. Facing the communal hall, there was soon a glitter of goods in the windows of a private grocery. Sign-boards began to show themselves on one building after another, announcing the establishment of various private manufactures. Such being the trend of events, Owen accepted the inevitable. After a struggle of twelve years, during which the constitution of his polity had been six times changed, those of his followers who deserved this he converted into private owners, allowing them to lapse into a cluster of variously prosperous families, each pursuing its own "divided interest," and indistinguishable from the families of the commonplace world around them.

The Brook Farm, the Wisconsin and the North American Phalanxes, and, lastly, New Australia, all ran a course which, in substance though not in detail, resembled that of the Owenites. All began with the same high hopes. All encountered and succumbed to the same fundamental difficulties; and out of the ashes of each, in greater or less vigour, there re-arose the spirit of private enterprise.

The BROOK FARM PHALANX, established in the year 1842, when the failure of the

Owenites was a tragedy still recent, would, if for no other reason, be memorable on account of the character of its chief projectors. They were mostly persons of education and culture, the philosophic Emerson being a prominent figure amongst them. Their immediate aim was to found, as they themselves put it, a sort of secluded college which, whatever might be its own peculiarities, would show how, on socialist principles, life might be transformed for all. The first thing needful for such a pattern community of equally lived lives was, they said, that it should be self-supporting. It must, therefore, have its basis in agriculture, and " the perfume of clover must linger over it, though it aims beyond the highest star." But work in the fields, if cordially shared by all, would, they said, soon require but a fraction of the members' time. All desirable manufactures would almost at once be added to it, and would " provide the elegancies as well as the comforts of life, together with all means of study, and all means of beautiful amusement," without an expenditure of more industrial toil than was just sufficient for imparting a healthy zest to leisure.

The members had a capital large enough for all their initial purposes till their labour should begin to replace it; and in two years' time they were able to announce publicly that " every step

has strengthened the faith in which we set out, and the time has passed when even initiative movements ought to be prosecuted in silence." Their lands, they said, had yielded abundant harvests; weavers and other artificers were installed in a great workshop; and one great wing of their communal college was finished—a building with a frontage of a hundred and forty feet. A little more capital might, they said, be acceptable, and in all investments, theoretically, there is doubtless a risk of loss; " but we," they went on, " have now reached a point where such risk hardly exists. We have before us a solemn and glorious work—to prepare for the time when the nations, like one man, shall reorganise their townships on the basis of perfect justice such as ours."

Three years later the college home was in ruins, the college lands had been sold, and the lately sanguine members—men, wives and children—were seeking to resume their places in the world which they had left behind them.

The WISCONSIN PHALANX, established but two years later, was better equipped than the Brook Farm Phalanx in one way. Most of its members were men more habituated to manual work, and it lasted a year longer; but its

earlier history, otherwise, was very nearly the same. At the end of its second year it, too, published an account, equally sanguine, of what had been accomplished so far. "We have had," said the writers, "two excellent harvests. To a large steam saw-mill, which we bought along with the property, we have added a flour-mill, a smithy, a bootmaker's shop, a laundry and a general store. We have, moreover, completed a communal residence, with a façade twice as long as that of the Brook Farm College." It was further announced that their capital in the form of agricultural improvements, buildings and implements of production was increasing at an annual rate of £4 or £5 per member.

Three more years went by, and no check was admitted. Indeed, by the end of the fifth year accounts had become so glowing as to raise a curiosity in many minds that was not very far from scepticism, and inquiries made on the spot by an emissary of the *New York Tribune* brought to light certain details by which popular doubts were justified. The official accounts were, he found, so far accurate that the money capital with which they began their enterprise had, by conversion into buildings, goods and improvements, not only not been diminished, but actually did, as was claimed for it, show an undoubted increase. It appeared, however, that

the increase had been largely over-computed, and other revelations were added of a much more important kind.

Despite the length of the great communal residence, the individual lodgings, he said, were of such a kind that "few labourers in the Eastern States would tolerate them." Still more was the writer astounded by the wretched and filthy condition in which the rooms were kept, and also by the manner in which this fact was explained to him. The occupants, whose lot had been painted as one of growing prosperity, told him that "the struggle for necessaries was such that it left them no time to be tidy"; and they further confessed that many of them were driven to supplement the little—namely, the equal pittance—which the Phalanx was able to allow them by wage-paid labour for employers on the ordinary farms around them. Such being the actualities of their situation, which underlay the publicly issued accounts of it, it will not be thought surprising that before another year was over the Wisconsin Phalanx was dissolved.

The communal property was broken up into lots, some of the members acquiring their own freeholds, and what was left of the Phalanx reappeared as a common village.

We now come to the NORTH AMERICAN PHALANX, which Noyes describes as "the great test experiment on which practical socialism in America was prepared to stake its all." The projectors fully admitted the complete failure of experiments like Brook Farm and Wisconsin, and claimed to have discovered the cause to which this failure was due.

The projectors of these, they said, made the initial blunder of so pooling their capital that no account was taken of the amounts of the individual subscriptions. No one subscriber could claim or identify so much of the total as his own. To arrange matters thus, they continued, "is simply to substitute for the individual employer the corporate employer; and the corporate employer is still more irresistible, for the individual worker can have no rights as against him. We," they said, "on the contrary, have stricken the relation of employer and employed from the categories of existence altogether" by arranging that each member shall be the owner of whatever may be the amount subscribed by him; and in virtue of his particular holding he will be able to claim from the communal management as a right, "that work shall be found for him suitable to his own endowment." He will thus be employed, they said, not by the community, but by himself. As a member of the community he

will receive in the way of wages an equal share of what the labour of the community produces; but the capital used by the community produces an income also, and this income from capital will, as a supplement to wages, be divided amongst the members, not in equal shares, but in strict proportion to the capital held by each. If the members desire, by saving, to increase their capitals they can do so. The better it will be for them, and the better for the community also. Though this recognition of saving may lead to some inequalities, these will not be serious, since life will be lived in common; and that spur will be provided by it to individual diligence, the want of which has been the secret of all previous failures.

Such, in outline, were the principles of the North American Phalanx, and it so far justified the high hopes entertained of it that of all the secular socialisms attempted in the United States, this community, which lasted for twelve years, was for something like nine years apparently the most successful. The standard wage allotted to current labour seems, indeed, never to have exceeded sixteen shillings a week, but the officials of this community claimed, at the close of its eighth year, that the average capital holding per family of five persons had risen from three hundred and fifty to as much as seven

hundred pounds. A better test, however, of its prosperity, as compared with the squalors of Wisconsin, is to be found in the picturesque descriptions given by successive visitors of the manner in which the members lived.

The earliest of these relate to it at the close of its second year; and not till the beginning of the ninth do any of the later descriptions appreciably differ from the first. The communal dwelling, with its hall and its endless rows of bedrooms, was surprising, said all these witnesses, in respect not alone of its size, but of its planning and equipment also. The fittings were severely simple, the floors were without carpets, but cleanliness reigned everywhere. The meals, well served at long tables, were plentiful. The lighting at night was brilliant. The members, in summer at all events, would go to their outdoor work as though it were some healthy game. In the hayfields they often sang. After supper the younger members danced, the girls in summer wreathing their hair with flowers.

Such, till the community was entering on the ninth year of its existence, were its principal features as viewed by the eyes of strangers. In that year, however, a fresh inquirer arrived who, though met by all outward signs of unabated prosperity, could not get rid of the impression that something was wrong somewhere. When,

not content with appearances, he tried to discover on what precise principles the business of the community was managed, and how all this prosperity was maintained, the official to whom he addressed himself would give him no plain answers, but wandered away into discussions as to why, when tested by experiment, socialism always failed. Another member, a woman, descanted to him on the same subject. But, whatever the cause of these ominous symptoms, the same inquirer, returning a year afterwards, was led to conclude that it could not have been more than temporary. Several things had happened, and the air was alive with optimism. A new member had arrived, bringing with him a large capital. The direct wages of labour had been raised from fifteen to sixteen shillings a week; the new member had insisted on building a house for himself, on having his meals alone, and on living in his own way. It appeared, moreover, that the new member's exclusiveness was so far from unpopular that it merely represented a sentiment which in secret had long been general, and which had now expressed itself in action. The original system of communal meals had been abolished, and the great hall was now a restaurant, where friends or solitary persons could eat by themselves, and choose what dishes they pleased.

An interesting light on the sentiment which had thus revealed itself is thrown by another inquirer about a year afterwards. Many members, he found, were beginning to admit plainly that, though communal life was not without its advantages, they could any day make a very much better living by working directly for themselves or under a good employer than they could under a socialist system of so-called self-employment.

A little later these further facts were recorded. Although the officials of the community had not very long ago claimed for the members a capital which, through their various savings, had come to represent an average of £700 per family, the truth had leaked out at last. Few of them had in reality managed to save anything, and those who had saved something had been, for some time past, investing their money, not in the stock of the community, but in various outside ventures which promised securer dividends. The wisdom of these persons was presently justified by the event. It appeared that from the very beginning that part of the members' incomes which had been paid to them in addition to their earnings as interest on their own capital, had not really been interest, but had come out of the capital itself; and that, though the new subscriber might have eased the situation somewhat,

the cash of the Phalanx presently would have dwindled to the last dollar.

That such was indeed the case became soon painfully evident. Provisions began to fail. The communal hall remained, with its apparatus of tables, but the tables at supper-time would very often be empty; and the socialist edifice was sensibly tottering to its fall when the final crash was precipitated by a purely extraneous accident. A large communal outhouse was one day destroyed by fire. The damage amounted to barely £2000, or less than what, according to the sanguine officials, had been the capital holding of any three average families; and Horace Greely offered to restore the building himself. But the general opinion of the members was that affairs were hopeless. The end was not long in coming. The North American Phalanx, having lived out its twelfth year, was, in the language of its projectors, "stricken out of the categories of existence," and its lands, like those of its predecessors, were once again submerged by the tides of individual ownership.*

* As an example of the relative efficiencies of the socialist and capitalist systems, it may be mentioned that one of the religious communities of America, not included in the accounts of Macdonald, Noyes or Nordhoff, came to an end about the year 1906. The members numbered about two hundred, the annual value of their property, as they themselves utilised it, having been about £40 per member. The short newspaper paragraph in which the incident was recorded wound up with the bald statement that the property had been acquired by a neighbouring millowner, who was erecting on it model dwellings for three thousand workpeople.

Experiments such as these, if each of them stood alone, might be looked on as too narrow in their scope, too much at the mercy of chance causes or accident, to afford a basis for any general conclusions. But *the causes which proved fatal to all before twelve years were over were, in all these experiments, the same.*

To speak broadly, they may be reduced to two, one of them inhering in the nature of all collective industry, the other inhering in the nature of human beings, with the sole exception of small and essentially select minorities. *The first of these causes was a want of ability in industrial direction. The second was a want of any general sentiment sufficiently strong and persistent to ensure that directions, if given, should be accepted with submission on the one hand, and carried out with a diligence punctual and sustained on the other,* under a social system the essential object of which was to render the conditions of the worst worker equal to the conditions of the best. But before we discuss this question in any greater detail, there is another experiment which awaits our examination still—the experiment of "New Australia," projected by William Lane.

CHAPTER II

NEW AUSTRALIA, A SOCIALIST EXPERIMENT IN SOUTH AMERICA.

LANE, by birth an Englishman, had early in life been frenzied by the doctrines of Karl Marx, and had sought a career in Canada as an apostle of the universal strike. The effects of his oratory there, however, being not equal to his expectations, he betook himself to Australia, about the year 1890, in quest of human material more quickly inflammable.

What he hoped for he found. Australia was at that time being agitated by a series of strikes so savage, so obstinate, and concerted with such deliberate care, that business was largely paralysed, banks were suspending payment, and the whole industrial structure seemed on the verge of ruin. Lane at last found himself in a thoroughly congenial atmosphere. To the native apostles of the strike-movement he added himself like a second Paul; but even here the trend of events, when he had watched it longer, disappointed him. The employers were, in appearance, being brought rapidly to their

knees; but the strikers more rapidly still were reducing themselves to a state of destitution; and the movement threatened to collapse, having only effected this—that wages, which had been rising for the previous forty years, would have sunk back to the level of the year 1850.

With a flash of genuine insight Lane adapted himself to the situation. The popular logic of democracy was, he realised, vitiated by one great defect. Labour was accustomed to tell itself that labour was all-powerful, for if the labourers ceased to labour, the employers would have nobody to employ; but a general cessation of labour was, so he saw, impossible, since, before the employers were ruined, the labourers would, if they still stood idle, be dead. He accordingly began to address the Australian wage-earners thus: "As a method of getting rid of the employers I have," he said in effect, "hitherto preached the strike to you. I was wrong. I am here to show you a more excellent way. Instead of withdrawing our labour in the sense of ceasing to exercise it, the proper course for you and me to pursue is to withdraw our bodily persons, and our active labour along with us, and find some place of our own where we can labour for ourselves only. The employers, with no one to steal from, and nothing left to steal, will die like flies, as they should do; but as for us, who produce all

wealth already, whatever we produce we shall keep, instead of getting in wages not more than a third of it."

Lane, who was gifted with remarkable powers of persuasion, was soon the head of a large throng of disciples—men who, drawn from the upper ranks of labour, had been earning, before the strikes, an average annual wage of some £170, and who, if they worked in concert under no other master than themselves, would, according to his prospectus, all have uniform incomes of something above £500. In a time incredibly short he had, for the purpose of carrying his ideas into action, founded a Company, the subscriptions to which were beyond his extremest hopes. He was not, however, betrayed into any undue precipitancy. He began with paying certain men of experience to visit the likeliest countries, and discover what available territory would be fittest for the impending enterprise.

Such a territory was at last discovered in Paraguay. It was eminently rich in pasture, in cultivable lands, and forests, these last comprising some of the finest timber in the world; it was half as large as an average English county; and, so long as the settlers did their best to develop it, the Paraguayan Government would concede it to them as virtually their own for nothing. This offer was accepted, and so ample were the

Company's funds that Lane purchased a vessel which, packed to its utmost capacity, conveyed to the land of promise a first contingent of shareholders, and which would, it was so hoped, be making in the near future constant similar journeys.

The voyage was marked by but two embarrassing incidents. Some of the immigrants were so affected by the air of equality that they wished to have their say as to how the ship should be navigated. It appears that they were somewhat surprised when ordered to hold their tongues. But greater friction was caused by certain of the younger members, not of the same sex, who developed a propensity to haunt the decks at night, two by two in joint contemplation of the moon. Lane may not have regarded romance as the tainted child of capitalism, nor capitalism as unmasked romance, but, he being a rigid puritan as well as a professed atheist, the one shocked him just as much as the other. He issued an edict that these proceedings must cease, and battened the young ladies down at the first approach of twilight. The would-be lovers, however, were more restive than the would-be navigators, and disputed the right of an equal to order his equals thus. Lane's answer was, "This ship is owned by a Company. Companies are governed by the shareholders, and share-

holders have votes in proportion to the shares held by them. I have in my pocket a proxy for every shareholder we have left behind us, and my votes alone will outweigh those of the lot of you."

To this anti-capitalist logic the lovers had no answer, and all disagreements were forgotten in the joys of a safe arrival. The purchase of cattle and implements, and the erection of temporary dwellings, had all the excitements of a picnic. These dwellings, constructed of rough woodwork and mud, were, as the builders observed, less fitted for men than animals; but everything must have a beginning, and these were well enough as a makeshift. Meanwhile, money was so plentiful that one of their early transactions (as happened in the case of the Owenites) was the purchase of instruments for a band; and as soon as matters were sufficiently far advanced, the incipient township was visited by officials of the Paraguayan Government: there were trumpetings, speeches, a great unfurling of flags, and the settlement was formally recognised under the title of "New Australia."

The way to universal wealth, to universal equality, to true social democracy, to the brotherhood of emancipated man, now seemed to be clear. As the settlers looked around them at their great herds of cattle, at the prairies green

with pasture, at their forests waiting for the axe, at the soils promising plenty at the first touch of the spade, at all their accumulated implements of cultivation and woodcraft, and even at their simple shelters which soon would be solid mansions, their emotions were similar to those of the members of the Brook Farm Phalanx. They foresaw themselves setting an example which, at no very distant time, "the workers of the world" would follow, but first and foremost the wage-slaves of old Australia, who would presently come in their thousands, leaving that land of bondage, to enjoy the freedom and plenty of the New Australian paradise.

In twelve years' time New Australia was a thing of the past. Most of the members were starving. Many of them were begging the officials of capitalist governments to pay their passages back to the home they had so rashly left. Lane himself disappeared as a ragged fugitive, and the only members of his company left in the socialist paradise were a few vigorous men who acquired lands of their own, and, growing into capitalists on their own account, became all of them substantial, and some of them very opulent, farmers.

The precise events which led up to this catastrophe were partly due to the character of Lane himself, partly to that of his followers. In him,

as in most demagogues, were united two tempers, and two sets of convictions. He was no doubt a believer in the natural equality of men, and in the equal and astonishing affluence which the masses would secure for themselves, the moment they escaped from the depredations of a small, dominant class. At the same time, as not only his conduct but also his own statements show, the conviction lay deep in his mind that these, his natural equals, could only achieve equality by submitting their wills to that of some one exceptional man—" some better Napoleon," it was thus that Lane described him, " with the brain of a Jay Gould and the heart of Christ." In drawing this picture, he was undoubtedly drawing what he took to be a portrait of himself; and, so far as the conception of his enterprise and its earlier stages are concerned, it is obvious that, apart from him, there would have been no such enterprise at all. Indeed, it may be said that on his part some measure of autocracy was inevitable up to the time when the settlers took final possession of their territory, and certain divisions of labour had at once to be made by somebody, for the purposes of running up dwellings, driving their cattle to pasture, and beginning some sort of cultivation.

But though the spirit of the autocrat never deserted him to the last, a time came when he

was compelled by his avowed principles, and also by a formal agreement of which he was himself the author, to place the control of industry on a purely democratic basis by handing it over to directors chosen by the workers themselves. This step came none too soon; for the spirit of pure democracy, which had twice asserted itself on the ship, had been subsequently exasperated by Lane on two still graver occasions.

Lane was a strict teetotaller. He did not believe in God, but he believed that alcohol was the devil. Whilst the mass of his company were making their way to the settlement, he discovered that some of the mothers had brought with them jars of treacle, not for themselves, but for their children, to whom it was extremely soothing. Lane, who declared that treacle had the venom of alcohol lurking in it, gave instant orders that the jars should be snatched from them and thrown away. But the consternation which this act produced was mild in comparison with that produced by another. As soon as the settlement had assumed some semblance of order, Lane issued a formal and general edict forbidding the consumption by anybody of intoxicating liquor of any kind. But, although men's lips might obey him, he could not command their cravings, and at last it came to his knowledge that certain obstinate rebels had been drinking

native whisky in taverns beyond the border. Faced by so gross an outrage on the part of his dear equals, Lane at once invoked the aid of the Paraguayan army, and those who had dared to disobey him were expelled from the socialist Eden by the bayonets of alien capital.

It is not surprising to learn that a sentiment which had long been smouldering began now to express itself in the observation that Lane was "a changed man." But the spirit of pure democracy had its own triumphs before it. On one occasion, indeed, it had shown its mettle already, when Lane, by a happy accident, was too far off to interfere with it.

Before the mass of the immigrants transferred themselves to their new kingdom, a party was dispatched in advance to make some preparation for their arrival. The journey took two days, the pioneers of democracy had to sleep on the way, and accordingly, when night drew on, the question arose as to where they should pitch their tents. No action could be taken till the general will had expressed itself. Hereupon there ensued a general chatter. One man was in favour of one spot, another was in favour of another, and whilst they were still disputing they were startled by drops of rain. These drove them at once to the only decision possible, which was to set up their tents on the nearest ground accessible into

which they could drive a tent-peg. Of all the spots they might have chosen it happened to be the most exposed. The rain turned to a deluge, the wind was rising rapidly; their tents were blown down as fast as they set them up; the lamps in their stoves were blown out as fast as they put a match to them; they could not cheer themselves with so much as a cup of tea; and they at last exhibited to the sunrise, after a night under the naked sky, the first practical triumph of the principles of pure democracy.

This event may seem trivial enough in itself, but it is not trivial as a type of what was about to follow during the twelve years that were ahead of them. At a very early stage of the drama, when Lane still acted as autocrat, the different groups of workers, whatever might be the tasks assigned to them, began to complain that their own work was the hardest, the rest being unduly favoured; and when Lane's initial autocracy gave place, as agreed, to a system of industry controlled by "the people themselves," they were fully determined that these wrongs should cease. The workers under the new constitution were directed or superintended by officials of their own choosing; and so complete was the concession made to the principles of pure democracy that if any group of workers was dissatisfied with the man chosen to direct them, a bell might

be rung, a popular meeting called, the obnoxious official deposed, and another chosen instead of him.

The general result was that, in every group, whenever a director tried to secure from his men work which seemed to them either too hard or too orderly, instant revolt ensued. The tocsin of democracy was sounded, and the director superseded by another, certain sooner or later to suffer the same fate. The only work, indeed, to which they took with spontaneous vigour was that of ringing the bell—a species of exercise in which the boys delighted.

But this was not all. Except when united for revolt, the workers respected one another no more than they respected their officials. One of their industries was the cultivation of melons; and so completely was the spirit of "each for all" absent, that they would trample down the fruit raised by the labour of their fellows if they could, by so doing, take a short cut home to their dinners. When they left their work they would constantly lose their tools, as things which, belonging to everybody, anybody might be left to find. They allowed their cattle to deteriorate for want of sufficient attention. Though they did a little dilatory wood-cutting for their own immediate purposes, one man only, whose example was not followed, endeavoured to show

what wealth was lying idle in their enormous forests. Even in the matter of their dwellings, the settlers proved so helpless that many of them, when the enterprise ended, were occupying the huts which, when first hastily constructed, had been said by themselves to be fit only for animals.

Nevertheless, these stalwart men, in possession of a most fruitful soil, and a very considerable live-stock, would hardly have been human if, however disorderly their work, they had not for a time provided themselves with the bare necessaries of life. It is true that, under their new conditions, their way of living at its best was poverty as compared with what it had been in the days of what they called their slavery; but for many years they were far removed from want, and even when it approached they were not at first conscious of it. But, meanwhile, the industrial millennium was as far off as ever; and at last, as they waited in vain for it, their efforts, such as they were, began gradually to decline. A certain number seceded, demanding from Lane repayment of a portion of their own capital, and new arrivals from Australia did but in part replace them; but their first general awakening to the actual facts of the situation was due to Lane himself, who one day informed them of the interesting fact that, as matters then stood, the average value of the total product of

each of them was less than the actual wages of an English agricultural labourer, and that ruin was directly ahead of them if they did not at once bestir themselves and do better than this.

So desperate, indeed, did the situation prove to be that another remedy was needed of more immediate kind. This was the raising of capital by the sale of all their cattle, now miserable beasts, to some capitalist speculator, who gave for them little more than the bare value of their hides. The community breathed again, and Lane informed his followers that all would yet be well if they, who had once been earning 70*s*. a week, would only do work of the value of as much as £7 a year. His appeal would, however, have been fruitless if it had not, from some quarter or another, called forth a proposal which was accepted as a new revelation.

"Our cattle," it was said, "may have gone, but our forests still remain. Let us use our capital as wages, and turn our forests into gold by employing cheap native labour."

Whatever Lane may have thought of this proposal himself, he gave it his sanction as the sole immediate means of securing the triumph of pure social democracy; and John Lane, his brother, was forthwith dispatched to Melbourne with the new programme in his pocket, to canvass for fresh members, and also for fresh subscriptions.

He succeeded in obtaining neither. His failure, he explained on his return, had been due to two causes. One was what he described as " a slump in Australian socialism " ; the other was the fact that they, whose avowed object was to escape from the tyranny of employers, were about to re-establish on their own account the accursed thing themselves. He had urged on the objectors that the principles of pure social democracy, and the doctrine that all men are equal simply because they are men, were applicable to white men only, and did not apply to their dealings with men who were black or yellow; but the long and the short of it was that his arguments and his mission had been in vain.

Convinced at last that his enterprise as it now stood was hopeless, William Lane turned round on his followers, and informed them, like a Hebrew prophet, that their ruin was on their own heads; that the life-blood of socialism was a living and sustained enthusiasm—an enthusiasm of each for all, and that this in them was wanting. "As for me," he said, " I can work with enthusiasts only; and amongst you," he proceeded, " though most have been found wanting, there are yet a chosen few who are men after my own heart." These he would take away with him, and he and they together, the majority being abandoned to their fate, would

presently build up elsewhere a Kingdom of Heaven for themselves. Of the abandoned majority, most, as has been said already, were shipped back to Australia by the charity of the heartless rich, whilst some remained behind and blossomed into substantial farmers on parts of New Australia which were granted to them as their own property. But the story of Lane and his remnant still remains to be told. It forms the climax of a drama which combined the incidents of an Aristophanic farce with the fatalities of a Sophoclean tragedy.

It was alleged by many that Lane had retreated to a portion of the original settlement which he had long been coveting as the choicest for his own exclusive use. This was wholly untrue. He obtained from the Paraguayan government the concession of a new tract, comparatively small, called Cosmé, and there in the wilderness he and his chosen band began, with unquenched hopes, their work of construction over again. They erected a preliminary hamlet—a cluster of forlorn shanties, adding to these, as the heart of their distributive system, the inevitable common store, stocking it with such simple goods as their funds enabled them to purchase, and leaving each as a part of the " all " to draw from it whatever particular articles were for him or for her necessary. The faith of these persons in the principle

of "each for all" was plainly a living force in them up to a certain point. Whilst waiting for the dazzling wealth which they still believed to be imminent, it enabled them to bear with patience conditions of the nudest poverty—food of the scantiest, dwellings that would barely shelter them, clothes that were little better than carefully mended tatters. But even in these elect Lane had occasion to observe that the spirit of private gain was by no means wholly wanting. For example, by the women constant efforts were made to secure from the one poor store better clothing or more of it than could possibly be supplied to all. He was, however, still so satisfied that the true socialist spirit would completely triumph in the end that he presently set out for England, prophesying a quick return with a new contingent of members—crushed victims of capitalism, who were burning to exchange slavery for freedom and impending opulence.

Within limits he was as good as his word. He duly returned himself, and there came, visibly enough, some new converts along with him. These, indeed, might have been much more numerous had he only consented to add free love to his programme; but they could not, however numerous, have created on their arrival a greater sensation than they did. The old members were

as wretched and as ragged as ever, but the new victims of capital had an air of such signal prosperity that those who were enjoying economic freedom already could at first sight hardly believe them real. The feminine victims, in particular, were such figures of frills and fashion that Lane was soon the spectator of even more enthusiasm than he wanted. Every woman amongst his old adherents was glaring at her new sisters, and was eager, we need not suppose to tear them limb from limb, but at all events to appropriate the best of their boots and blouses.

From that moment there was new discord in Eden, and Lane, who had thus far survived discords so grave and many, was unable to compose this. Having admitted that socialism, or pure social democracy, had difficulties to contend with which he had not at first realised, but predicting that, nevertheless, its future triumph was inevitable, he took himself back to a land where capitalism still was rampant, and sought for a private livelihood in the offices of a Melbourne newspaper.

Of all the secularist experiments in socialism, as attempted in the United States, it has already been said briefly, after a survey of the most important of them, that their failure was due to two and the same two causes, both of them inherent in, and peculiar to, the socialist scheme as such.

The proximate cause, it was said, was the want of efficient industrial direction; but the primary cause was the absence of any industrial motive which could, when the motive of preferential gain was eliminated, compel any regular response to industrial orders of any kind.

Let us now, with the experiment of Lane before us, take the five together, and see how they all unite in teaching the same lesson.

CHAPTER III

DETAILED LESSONS OF EXPERIMENTS IN AMERICA

WITH regard to these five entirely independent experiments, the most obvious fact to note is that the plot or story of all, as though they were Synoptic Gospels, is in substance, if not in every detail, the same.

In each case we have a group of human beings, nearly all of whom, with the exception of the Brook Farm venturers, were drawn from the upper ranks of wage-paid manual workers. In each case they were led to believe that the average man produces from three to four times as much as the modern employing class, in the way of wages, allots him. In each case they were led to believe that, when once the employer "had been stricken from the categories of existence," and the labourers had access in common to land and capital of their own, their lot would be one of equal and almost fabulous affluence. In each case they left the employer behind them. In each case they were provided with land carefully chosen, and a capital sufficient for starting those basic industries which, having—such was their

hope—supplied them at once with comfort, would soon be followed by others productive of universal wealth. And yet, in each case, so far as their socialist lives were concerned, these dreamers of golden dreams ended in helpless beggary.

That this could not have been the result, as some persons pretended, of a mere series of errors made in the choice of lands is shown by the fact that in each case, when the socialist community was dissolved, a certain number of the ex-members—those who had any grit in them—restored once more to the world of private motive and property, began on those selfsame lands to make an ordinary peasant's livelihood—some, indeed, to lay the foundations of considerable and enduring fortunes. The industrial paralysis of which, so long as they submitted to a socialist rule, they were the victims, and from which, when that rule was ended, they forthwith recovered, was the visible result of a paralysis of industrial motive, and this it is the avowed object of a socialist polity to produce. It consists of a temporary severing of those nerves or muscles by which the prospect of unequal gain is normally connected with the exercise of unequal effort, and a replacing of such prospective gain by the prospective gratification of a vague and diffused sentiment which, though not wholly fictitious,

has no permanent tendency to stimulate those prosaic activities on which a continuous supply of even the necessaries of life depends.

Every chapter in the history of all these experiments shows this. Thus, for example, the Owenites, so far as their lives depended on their own produce, would have died of want except during those periods for which Owen himself consented to wield the powers of an autocrat, which were only his because the undertaking belonged to him, and he could, had he not been obeyed, have done at any moment what at last he did, and brought the entire scheme of equal distribution and "undivided interests" to an end. Whenever he transferred the control of affairs to Councils, obedience to which was a matter of mere socialist sentiment, there was no obedience at all. Industry lapsed into indolence. Consumption outran production, and want once more began.

Of the cultured idealists, who projected the Brook Farm experiment, one, looking back on it, said with regretful candour that its failure was inevitable from the first. Its success, he said, was contingent on the absolute supremacy of a sentiment which has, as a motive to work, no actual existence. In the mere fact of the family, he added, "we have an element so subversive

of enthusiasm for general association that, for practical purposes, the two cannot co-exist."

In the case of the Wisconsin Phalanx, socialist sentiment was for a time more operative, but was finally extinguished by the wretchedness of its own results. Indeed, its more active members were in their heart of hearts so little enamoured of equality, as an end in itself, that they sought to increase their incomes by wage-work in the world outside. The North American Phalanx owed its greater longevity—and such, it appears, was the explanation of its own projectors—not to the driving force of a greater desire for equality, but rather to its careful concessions to the spirit of private gain. Moreover, quite apart from the question of the desire for equality as a motive, many of the members, long before its end was imminent, had begun to express their weariness of equality as an experienced thing; and one of their number, with reference both to that body and others, subsequently made public, as the results of close observation, his own diagnosis of equalitarian sentiment generally. What he said may be briefly summarised thus.

The sentiment in favour of equality, if taken in the socialist sense, owes much of its vogue, as the basis of a practical polity, *to a certain class*

of propagandists, to whose temper, as though by instinct, that of the mass is always ready to adjust itself. These men are drawn, he said, from a class which is quite peculiar, " and is always to be found floating on the surface of any complex society—*a body of discontented, jealous, indolent spirits, disgusted with our present social system, not because it enchains the masses, but because they cannot render it subservient to their own private ends.* This class," he said, " as experience shows, stands ready to mount any new movement that promises ease, abundance and individual freedom ; it has entered as an active element into all these socialist ventures ; and then, as soon as it becomes evident that the enterprise cannot continue to support men, unless everybody works his hardest, and in strict subservience to orders embodying general principles, these persons raise at once the old cry of tyranny and oppression. Anarchy ensues, and the enterprise goes to pieces."

These words, which were used with reference to the American experiments generally, and to one experiment in particular, would have been still more poignantly applicable had they been used a generation later with reference to the experiment of Lane. What Lane learnt from experience—what the conduct of his followers taught him—was this, that the equalitarian senti-

ment on which he, taking it at its face value, relied as the driving force of an industry by which all, irrespective of their various individual efficiencies, should be made the possessors of equal and almost fabulous wealth, was, in so far as it existed, a sentiment very different from that which he himself imagined. This sentiment was found by him, when viewed through the prism of experience, to resolve itself into three, all equally incompatible with the achievement of their professed object, one being a secret impatience of the burden of any industry whatever; another being an open impatience of anything like industrial discipline; and the third being a jealous fear on the part of most lest some should, through superior energy, rise to any position which would overshadow their own. Sentiments such as these are not only insufficient to stimulate the production of any such wealth as it is the primary promise of socialism to distribute equally amongst all, but as Lane, like his predecessors, found out to his cost, they render the maintenance of even a tolerable poverty impossible.

And yet, if we take a wider view of the matter —if we take the sentiment which, identifying each with all, will tolerate nothing for self unless all alike share it—and if we consider this sentiment as applied, not to any planned experiments,

but to those vicissitudes of life which are intended or planned by nobody, we shall find that it is far from being altogether a dream. We shall find that, on certain occasions, it exerts a force so great as to be clearly measurable by the dynamometer of precise results; and, thus seeing what it *can* do, we shall be better able to sober ourselves by a definite understanding of what it cannot.

That this sentiment may be practically operative in certain religious sects which are in their nature exceptional, and which aim in a material sense at nothing more than the competence which is necessary for a penitential peace, has been pointed out already. But it still remains for us to note that on certain exceptional occasions it is actually operative likewise amongst ordinary men and women, and turns them for a time into socialists without either their will or knowledge. Of this fact we have a trenchant example in the conduct of crews, either rowing to save themselves in the boats of a sinking ship, or struggling, in the hope of rescue, for food on a barren island. The objects and ambitions of all are here reduced to one—that is to say, a bare escape from death. Even in situations such as these, a preferential care for self sometimes comes to the surface in singularly brutal forms; but when the persons concerned are sufficiently few

in number to constitute an undivided flock, all hedged in by circumstances from which there is no escape, and each member being a witness of the struggles and sufferings of the rest, a sympathy of each with all becomes constantly so acute that each will work for the others as though their lives were his own, the strongest in particular being stimulated to supreme exertions by the spectacle of those who can do little or nothing for themselves.

But desperate situations of this kind are not only in fact exceptional. They are the precise conditions which socialism aims at abolishing; and even though socialist experiments, with the exception of one detail, have resulted in conditions which were certainly no less desperate, these have, in case of such experiments themselves, entirely failed to produce that self-identification of each with the equal welfare of all which in other emergencies is, as a rule, conspicuous. The reason is that, when socialism has been attempted in practice, there has been no hedge of circumstance, as there is on barren islands, which excludes the persons concerned from any choice but the choice between selfless enthusiasm and death. The socialist experimenters have had always a third alternative—namely, that of walking away, and pursuing their own interest under circumstances of a

different kind; and this was the very alternative which they all in the end adopted.

The actual extent and the limits of a selfless enthusiasm for others may be further illustrated by other examples, which, though less extreme, are of wider range than these. In no countries is a generally democratic sentiment supposed to be more active than it is in America and Australia; and this sentiment includes, we may safely say, a sympathy with human suffering and a practical desire to alleviate it on the part of multitudes who are not sufferers themselves. Thus, if Japan were visited by an appalling famine, appeals on behalf of its victims would at once be made to Australian and American sympathies, and to no class of appeal would popular response be larger than it certainly would be to this. Nevertheless, when in normal times the Japanese have evinced a desire, by working for themselves in either of these two countries, to reach a higher standard of life than they found to be possible at home, American and Australian sentiment, the sentiment of Labour more particularly, has not only failed to welcome them, but has actually insisted on driving them back to conditions which, as measured by American and Australian standards, are poverty.

Such diffused exhibitions of the actual extent and limits of average human sympathy are

merely phenomena which, from the Middle Ages onwards, have been recognised by Catholic moralists as part of the order of nature. The sympathy which, in respect of the distribution of material things, is possible for the average man, and the Christian religion demands of him, is, according to them, divisible into three grades, these being determined by the circumstances of the person or persons by whom the "all," as objects of sympathy, happen to be represented. Let the "all" be represented by a single person A, and the generalised "each" by a single person B. If A be moderately prosperous, B, though much richer than he, will owe him nothing but a sentiment of general amity. If A be in difficulties but not in extreme distress, it will be meritorious on B's part, though not obligatory, to use his wealth in giving him judicious aid. If A's situation would be desperate unless aid were forthcoming, it will then be obligatory on B to give him what aid he can.

To suppose that a sentiment proper to the last of these three cases could be or ought to be raised to the same pitch by the others is, unless we resort to a supposition more ridiculous still, to contemplate a change in human nature which would render peace or happiness impossible for any human being. *For if all men should ever grow sensitive to such an extreme degree that*

each man bewailed the lot of all other men as miserable whose incomes, though sufficient for life, fell short of his own, even the poorest classes in any rich country like England would be constantly tortured by the thought of countries like Russia and China, the total incomes of which, if divided equally amongst all, would still leave everybody poorer than the least skilled English labourer.

But the matter does not end here. If human sympathy grew so acute as this, it would not concern itself with matters of income only. Other ills would remain independent of wealth or poverty, from the pangs of toothache to those of despised or bereaved love; and these, diffused amongst all by a sympathetic contagion, would make everybody unable to smile whilst a single human being was weeping. Every bride and bridegroom would have to wear black at the altar for those who at the same hour would inevitably be burying their dead, and the news of one old woman with a toothache in Pekin would cast the gloom of midnight over every home in Europe. This œcumenical misery would be curable on one supposition only, which is merely the logical sequel of the root-supposition of the socialists. This is the supposition that, if sympathy were really so super-sensitive that the wants and sorrows of others produced affliction in each man

as though they were really his own, the happiness of others would conversely have a like effect on the miserable. In that case, not only would every bride feel her happiness blighted by the thought of contemporary widows, but every widow would be consoled for the loss of her husband if on her way to his funeral she encountered a wedding-party. Not only would Mrs. Smith be robbed of all satisfaction in the silk of her Sunday gown by the thought that Mrs. Jones, her neighbour, went to church in alpaca, but Mrs. Jones, as her eyes strayed from her hymn-book, would be filled with satisfaction by the spectacle of Mrs. Smith in silk. This last supposition is one in which not even socialists would indulge—Lane, as we have seen, discovered its fallacy for himself—but it is in reality not more absurd than their own.

The truth is that a certain thickness of skin, or a certain sluggishness of the sympathetic imagination, is necessary for the mass of mankind in order to make life tolerable, just as a certain degree of obtuseness in the matter of hearing is necessary to protect them from sounds that would otherwise drive them mad; and that kind of super-sensitive sympathy which will not be satisfied till all men are not only removed from want, but are equal in wealth also, may indeed haunt men's minds as a sort of ideal pro-

test against certain forms of inequality, but it does not provoke, or even tend to provoke, most men to any attempts at realising an ideal equality which they in their hearts view with repugnance, or at best with complete apathy.

[Keeping in mind the lessons to be derived from socialist experiments, let us now see under what conditions pure industrial democracy is realisable.]

CHAPTER IV

PURE INDUSTRIAL DEMOCRACY

PURE *political* democracy, or government in which every citizen plays really an equal part, is not in itself, or under all circumstances, impossible. On the contrary, it is the type of government which in certain communities actually tends to exist. These are communities which are minute, primitively simple in their conditions, and isolated. In such communities pure democracy is possible, and indeed inevitable, because all the questions are simple which the government has to settle, and everybody tends to think about them in virtually the same way. Thus, according to Cæsar, the Gallic tribes of his day were democracies in times of peace, and oligarchies in times of war; for in times of war alone was there any scope or need for the leadership of men more sagacious and more courageous than the rest. Further, since in all communities, no matter what their character, certain simple questions persist as the basis of associated life, there is an element of pure democracy in all governments alike.

In proportion, however, as communities increase in size, advance in civilisation, and come to have chronic dealings with communities other than themselves, the problems of government multiply, and most of them become more complex. With regard to most of them there is room for endless differences of opinion. The mere task of considering them carefully is congenial only to men whose mental energy is somewhat above the average, whilst the task of solving them successfully calls for talents and knowledge of special and unusual kinds.

For these reasons, two results are inevitable. In the first place, the business of dealing actively with political problems at all tends, from the mere fact of its being laborious, to pass into the hands of the more energetic minority, this body being thus a sort of oligarchic nebula. In the second place, since the solution of these complex problems is not only laborious but difficult, out of this large and nebular oligarchy smaller oligarchies nucleate themselves, which represent, not energy only, but energy combined with various unusual talents, until at last some group is reached (or on critical occasions some one individual) under whose will the wills of the nebular oligarchy range themselves, and are transmitted by oratory or by other means to the mass.

We will now extend our inquiry, and con-

sider whether the expulsion of oligarchy and the establishment of pure democracy are projects more practicable in the spheres of industrial and social life than they are in the sphere of politics, as the word " politics " is still commonly understood.

The idea of extending the application of the democratic principle beyond the scope of such government as is commonly called political is in itself no novelty. The speeches which Aristophanes in his play, *Women in Parliament*, puts into the mouths of his agitators male and female correspond almost word for word with countless actual speeches which are made on socialist platforms and at street corners to-day. This idea, however, in the forms with which the world is now familiar is distinctively modern in respect of its theoretical details, and also of the extent to which it has become prevalent.

Democracy to-day, in the extended sense of the word, is commonly described as " Industrial " Democracy, or " Social." These two epithets are often used interchangeably; but implications of the latter, as we shall see more fully hereafter, differ from those of the former in the fact that they are more comprehensive, and less easy to define. It will be necessary, therefore, to consider Industrial Democracy first, and rigidly exclude, in doing so, all refer-

ence to activities which do not pertain to the process of actual industry itself. How important precision with regard to this point is, will be seen from the following statement made by a well-known socialist, which we may take here as our text.

"Every day," says Mr. Sidney Webb, "there is a growing consensus of opinion that the inevitable outcome of democracy is the control of the main instruments of production by the people themselves, and the consequent recovery of what John Stuart Mill calls 'the enormous share which the possessors of industry' are able to take of 'the total produce.'" Now, this short statement, which seems simple enough, is in reality a combination of three.

The first is to the effect that, though the actual process of production is carried on mainly by a body called "the people themselves," they get at present only a part of what they produce, the remainder being appropriated by persons who are mere "possessors" of the materials on which, and the great mechanisms and appliances by which, the actual producers operate.

The second is to the effect that if the demo-

cratic principle were really applied to industry, the present privileges of these mere "possessors" would cease, and "the people themselves" would be able, in accordance with their several efficiencies, to secure that "share" of their products which is now unjustly withheld from them.

The third is to the effect that this share is "enormous."*

Now it is obvious that, even if all these statements were correct, there would be no integral connection between the first two and the third. Whether the "share" alleged to be withheld is so great as to merit the name "enormous" or no, is a question which can be determined by statistical inquiry only, and it might conceivably be answered in one way or another without the first statement or the second being in point of principle affected. But the difference between the first and the second is even more fundamental. As Mr. Webb puts these, they are indeed united by the implication that production and distribution should in justice go hand in hand, and that no man should get more than he produces, and no man should get less. But the fact that these two processes are in their

* [In Book III of the unabridged edition, Mr. Mallock went into the question whether the share *is* "enormous." His conclusion, based on official statistics and on facts, was that it is not.]

nature separable, is shown by the socialists themselves, whose chief complaint is that under the existing system the facts of individual production and the principles of distribution are separated.

When Mr. Webb starts with saying that the inevitable outcome of democracy is the transference of the control of industry or production to the people, and that this transference is to be accomplished by putting the people in possession of the great modern instruments, which must include the raw materials, of production, he shows clearly enough what industry is understood to be.

Industry is the fashioning by men of the crude gifts of nature into finished goods with the aid of appropriate implements, and the transport of these goods to the shops or other places where they pass at length into the hands of the final user or consumer. But the process which determines what share of the goods, when they are finished, shall pass into the hands of one class of consumer or another has no effect on the processes by which goods of any given kind are produced.

The income, or, as Mill calls it, "the total produce" of a nation may be compared to a great plum-pudding of specified weight and quality. Now, if nobody was going to eat it or

get any share of it at all, it is perfectly true that the pudding would never have been made; but the fact that it is there, and ready to be eaten by somebody, is the primary fact that Mr. Webb's statement pre-supposes. Such being the case, then, the processes involved in the production of it will have consisted of a number of operations, such as the getting together of certain given materials—flour, suet, sugar, spice, raisins and so forth—the mixing of them in given quantities, and the boiling of them for a given time; which operations performed by human hands might be accurately recorded in a series of photographic diagrams; and these operations, which are a type of what is meant by industry, would, if the pudding were to be produced at all, be in themselves the same, no matter whether this man or that man should eat more or less than the rest.

This is what the doctrinaires of Industrial Democracy forget, and the origin of their error is not far to seek. Assuming as they do that a few men, under existing conditions, tend to swallow up most of the national income between them, they fix their attention on the fact that great masses of men engaged in industrial work are already able, by forming themselves into Trade Unions, to secure in the form of wages a larger share of what Mill calls "the total pro-

duce " than the " possessors " or the employers would have conceded to them had compulsion of this kind been absent. Hence, to such thinkers it seems that we here have a living example of industrial democracy beginning to come into its own. Now such thinkers may be perfectly right in claiming for the Unionist movement a democratic character of some sort, but the error which they commit is this. They assume that because the action of Unions as a means of augmenting wages is the action of men who happen to be engaged in industry, it must of necessity be in itself industrial. They might just as well argue that if some important fortress had been captured by the gallantry of a regiment made up wholly of post-impressionist painters, the feat was a triumph of the principles of a particular school of painting.

Let us suppose that the English dyeing industry, having suffered for years from the scientific competition of Germany, suddenly gets the better of its rival through the discovery and perfecting of some secret and hitherto undreamed-of process. The wage-earners employed in an industry thus resuscitated might conceivably manage by strikes or other concerted action to raise their collective wages from (let us say) half the total gains of the business to two-thirds, three-quarters, four-fifths or even a larger

fraction. But such action on their part would not have the least effect on any one of those novel actions, elaborately prescribed and timed, which their hands would have to execute in order to render that total gain possible out of which their wages, whether large or small, would come.

What they did as members of a Union would have been democratic action of some sort, but it would not have been action of the sort which alone is industrially productive. It would have belonged, not to the province of industrial democracy, but to that wider province of democratic action which must . . . . . be comprehended under the term "social." We will, therefore, in discussing Industrial Democracy, use the word "industrial" here in its sole legitimate sense—the sense indicated by Mill, when he says that every action which is commonly called "industrial" or "productive" resolves itself ultimately into one species of operation—namely the transference by human hands of material substances from one position to another. Mill ought to have included the action of the human intelligence in determining what the substances selected for transference should be, and how and in what order the various rearrangements should be made; but the fact remains that no action is industrial which does

not subserve or culminate in the rearrangement of material substances in such a way as to convert them into material or economic goods, or which does not consist of such services as may be requisite for the final enjoyment of them.

The scope of our present inquiry having been, then, thus delimited, we may now go on to consider what, according to current conceptions of it, the principle of pure democracy as applied to industry means. When extended to the sphere of industry, the idea of pure democracy means that every worker, not indeed because he is a man, but because, and in so far as, he is a man who works industrially, shall play an equal part in the technical process of production; or that production, as Mr. Webb and others say in more general language, "shall be controlled by the people themselves."

If we wish to arrive at any conclusion as to how far the conception of pure industrial democracy is in any way consonant with the facts or the possibilities of life, let us consider it as reduced to a strict and ostensibly scientific theory by the thinker to whom, however widely they may have come to differ from him in detail, the industrial democrats of to-day all owe their inspiration. That thinker is Marx; and he has this merit, at all events, that he provides us with a doctrine

which, if we can accept it as true, invests the idea of production as a purely democratic process with a clear-cut and intelligible meaning, and also connects this meaning with daily-experienced fact.

CHAPTER V

KARL MARX ON WEALTH-PRODUCTION

[BEFORE approaching the doctrines of Marx] it will be instructive to consider what, as shown by his conduct, the practical mind of the great master was. The principal life-work of Marx, apart from his theoretical writings, was the founding of the International—a society which was to exhibit his own theories in action. The International was to be a Union of the manual labourers of the world, having for its object to combine them as equal units in pure democratic action against one common foe—the ubiquitous oligarchy of the present employing classes. It was necessary that, like every other organisation, this world-wide democracy should have some central executive. There thus came into existence a supreme General Council, and if this Council was to be an implement of democracy in any sense, it was further necessary that the labourers of every included country should, by some means or other, be represented in it. It was, therefore, not unnaturally proposed that for this purpose the labourers of each country should elect and be represented by a President—a

compatriot, a labourer like themselves, and acquainted with their own conditions.

This proposal, however, through the influence of Marx was negatived. It was, indeed, resolved that each country should be represented by a Secretary, but this resolution was immediately followed by another, to the effect that these secretaries need have no connection whatever, by way either of birth or election, with the country which they affected to represent, but should be chosen from amongst its own members by the General Council itself. By this means, so Marx and his friends announced, a glorious event had been accomplished, new to human history. The world-wide democracy of Labour "had at last been provided with a common and purely democratic leadership," which announcement was almost directly followed by the nomination of Engels, the intimate friend of Marx, as acting secretary for four countries at once.

Such were the first notes of the overture to the opera of universal democracy—of the overthrow of the few by the many under the guidance of scientific socialism. The active performers were a small circle of men who proposed to make all humanity dance to their own tunes, and out of this small group there was one man whose notes from the very first were heard above all the rest.

This one man was Marx, whose influence as time went on asserted itself more and more. Not only did Marx, in pursuance of his own tactical purposes, shift the meeting-place of the Council from London to New York at his pleasure, but he edited most of the documents which the Council issued, revising them on his own authority; and at last he was openly attacked by two indignant colleagues for having dared to make public a Manifesto to which their signatures were not attached. Jealousy matured and spread. He, and Engels along with him, were denounced as presuming upstarts. One after another most of his colleagues deserted him, declaring that he and they could no longer work together; and mainly owing to the quarrels of these few individuals the terrible International came to an early end. Its collapse was not due to the action of democracy rebelling against oligarchy, but of several oligarchs rebelling against the superior power of one. "The larval monarchy of Marx," as Professor Michels calls it, perished, not by the stones of the populace, but by the daggers of his own associates.

When we consider that Marx is still revered by Socialists as the intellectual founder of the modern democratic movement, his practical career as an autocrat has an almost unique significance, as illustrating how inevitably the

power, which in theory is that of the multitude, is bound, as the condition of its exercise, to centre itself in the persons of a few, whilst when one of the few has appreciably a stronger will than the rest, it tends to centre itself in the person of one man only. [We will now proceed to examine the doctrines of Marx.]

The primary propositions of Marx may be briefly summed up thus. If we take at starting the raw gifts of nature for granted, all economic wealth is the product of manual labour, or the impact of hands on matter; and further, if allowance be made for cases of abnormal weakness, the amount of wealth which every labourer produces by working with normal diligence for a given time is equal.

Marx was careful to add that, when labour is thus spoken of, it must not be taken to consist of mere manual efforts as such, but includes in the case of each individual labourer those mental activities by which his manual efforts are directed, and which form an essential part of his indivisible manhood. But this careful enlargement of the meaning of the term "labour" is so far from enlarging the sense of the original formula that it does but accentuate what were intended by Marx to be its limitations. The essence of his meaning is that, though mental effort of some sort must always direct manual,

this mental effort in the case of each labouring unit must be taken as directing the movements of his own hands only, and not as dictating, controlling, or exercising a mastery over the technical movements of the hands of an aggregate of other men.

That such is his general meaning when he lays down the proposition that the wealth-product of all labourers, hour for hour, is equal, will be seen more clearly if we consider his argument in detail. Labour in all civilised, and even in semi-civilised countries, is, he says, so far divided that different labourers devote themselves to different trades. Each of them, wholly or mainly, lives by producing one class of goods only, of which he himself will consume little, or perhaps nothing. Hence, the results of his labour, in so far as they are wealth for himself, will not consist of the things which he has fabricated with his own hands, but of other and various things which have been fabricated by the hands of others, and which, by parting with his own products, he is able to get in exchange for them.

Hence, whenever an exchange is made, the first thing necessary is a common standard of some kind, by which the value of unlike goods may be estimated; and, according to Marx, wealth-value is determined by one thing only—namely the amount of manual labour which, as

measured by time, is commonly required for the production of whatever goods may be in question. Thus, if each of a hundred labourers labouring for a hundred hours produces so many finished commodities, no matter what their character, whether they consist of mince-pies, watches, pints of blacking, delicate carvings, jewels, or flints broken into fragments for the purpose of mending roads, the total product* of each man will purchase as much of the products of any number of the others as requires, if they are taken together, a hundred hours to produce them. Hence, Marx and his followers have contended that the proper medium of exchange would be, not money in its ordinary form, but "labour-checks," each of which would be a certificate that the holder had worked with his hands for so many hours or minutes, and was therefore entitled to so much of any commodities as any other worker could produce in the same time.

If this theory of wealth-production be at once

* The total product of each labourer is to be understood as the value which his own labour adds to the raw material on which he works. Thus the value of an ounce of gold represents the labour necessary, on an average for finding it, and presenting it to other labourers in a workable form. According to Marx every goldsmith who spends a week fashioning an ounce of gold into a spoon adds an equal value to the metal, no matter what may be the artistic quality of his work. An artist adds no more to the value of an ounce of gold in a week than a stone-breaker adds to the value of a heap of stones, or than a pastry-cook adds to the value of so much flour and butter.

correct and complete, it not only provides a logically coherent meaning for the conception of industrial democracy in its most unqualified form, as a multitude of processes conducted by absolutely equal units, but it also gives us a picture of industrial democracy in action—in action not only as a possibility, but as a hard contemporary fact. Indeed, to call it a theory at all, as is often done, is misleading. When Marx said that manual labour is the sole human agency involved in the production of wealth, he did not mean that it would be so under such and such changed conditions. He meant that it is so now, that it always has been and will be, and that no productive agent other than the man who works with his hands is possible. Similarly, when he said that every manual labourer produces in a given time goods of an equal value, he meant that everywhere, in the actual markets of the world, goods do exchange in proportion to the labour-time required for their production, the kind and quality of the labour being matters of complete indifference. And if anybody should ask why, in the minds of Marx and his followers, industrial democracy—a thing already established—should be associated with revolutionary change, the answer is that the kind of change they contemplated had nothing to do with the industrial process as such. It related solely to

the fact that the implements which the equal labourers use (such as factory plant and means of transport) have, owing to political or social accidents, been nefariously appropriated by men who, so far as production is concerned, have nothing to do with the industrial process at all.

Marx was never weary of insisting that the modern " possessors of industry "—the employing or capitalist classes—owe their present positions to historical accidents solely, which enable them to appropriate most of what the industrial democracy produces, whilst they themselves—to use a phrase frequent in Marxian oratory—" do but sit in their chairs watching the machine go." Let these mere parasites be eliminated either by the social pressure of Trade Unions, or politically by the pressure of legislation, or if needs be by armed rebellion, and industry itself—so the argument of Marx proceeds—will not be hampered or dislocated by any technical change. Remaining what it always has been and must be, namely a purely democratic process, it will still be as efficient as before; but the fact that it will operate under changed social conditions will render that vast fraction of the product which the parasites now appropriate available for distribution amongst the manual labourers alone, whose hands and brains have alone played any part in producing it.

CHAPTER VI

THE MARXIAN DOCTRINE CRITICISED

WITHOUT indulging in any non-historical fancies, such as those which constituted the stock-in-trade of Rousseau, it is possible to look back to stages of primitive life in which the process of production actually did conform, with substantial exactness, to the terms of the Marxian doctrine. *In those societies which preceded the organisation of slavery all the little wealth that existed was produced by manual labourers, each using his hands under the direction of his own intelligence.* Further, we may assume that as producers they were all of them fairly equal, and that their products, in so far as there was any occasion to exchange them, exchanged in proportion to the time that was necessary for the production of each.

But, however completely primitive conditions such as these may have realised the Marxian conception of the industrial process in some respects, there is one respect in which they differ notoriously from that process as it exists to-day. Relatively to the time consumed, and to the

number of individuals engaged in it, the volume of products in which that process results to-day is incomparably greater than it was, not only in the primitive, but even in a recent past. If, then, manual labour directed solely by the minds of the labourers themselves remains always and under all conditions the sole productive agency as it was when the world began, and if no one labourer working for a given time produces appreciably more wealth than another, the question arises of how the output of labour as a whole can ever be greater in one age than in another.

The pertinence of this question was recognised by Marx himself, but in the sole answers which he himself could suggest he merely evaded the difficulty by translating it into another form. Manual labour, he said, has in the modern world acquired an efficiency never known before, because " the implements of production have been concentrated," whereas prior to the development of capitalism on a large scale they were " scattered." Thus, for a thousand hand-looms once scattered amongst a hundred villages is now substituted the mechanism of a single gigantic mill; and a thousand weavers, previously working in isolation, cluster round this one mill for a common productive purpose. By such means, says Marx, two results have been accomplished. Manual labour, within the limits of each in-

dustry, has been enabled to divide itself to an extent never before possible; and through the employment of great unitary mechanisms, each actuated by a single monstrous engine, "society" has acquired "a new control over the productive forces of nature."

All this may be true enough, but it leaves the question at issue altogether untouched. Certain changes, such as those which Marx roughly indicates, have no doubt occurred. So much we may take for granted. But these changes must have been due, and their maintenance must be due also, to the actions of human beings—mental actions or manual, or mental and manual combined. The question is, by whom were these actions performed? Were they all planned and performed by average manual labourers, directed by no knowledge and no intelligence but their own? Did no other class play any part in the matter? Does no other class play any part in it to-day? Marx himself admits—he not only admits, he asseverates—that one of the changes in question, namely "the concentration of the implements," was the work of "infamous persons" who never did a stroke of manual labour in their lives, and who concentrated the implements merely by getting possession of them, thus causing the labourers to "concentrate themselves" in the same way. But since the men—

the modern capitalists—by whom the implements came to be possessed, had, according to Marx, no other object than that of extracting a toll from the labourers whom they allowed to use them, these capitalists certainly, if the argument of Marx is correct, can have done nothing personally to make labour more productive. The crucial questions still unanswered are these:—

1. Did the labourers, their concentration being once accomplished, proceed to divide their individual labour-tasks for themselves?

2. Did they, and do they, as units of equal influence, accomplish for themselves the intricate task of co-ordinating them?

3. And finally, to come to the point on which everything else turns, is it solely to the equal talents of average manual labourers, cogitating in their spare time, that we owe that "new control over the productive forces of nature" by which the modern system of production is distinguished from all others?

It will be observed that, in speaking of the triumphs of industrial science, Marx shrinks from the naked proposition that nobody but manual labourers played any part in achieving them. He takes refuge in saying that they have somehow been achieved by "society." But since, according to his own reiterated statements,

"society" is composed of two classes only—namely labourers who produce everything, and idlers who produce nothing—he cannot mean that the most important additions ever made to the productive efficiency of mankind are due to the latter—that the latter, the mere idlers, have had anything whatever to do with them.

He must mean that they are due to the labourers, and due to them only—men no one of whom, in point of productive efficiency, is, according to him, superior to any other. Further, he must mean precisely the same thing with regard to that other process which he notes as no less peculiar to production in modern times—that is to say, the new subdivision of labour-tasks, and the elaborate organisation of the multitudes performing them in scientific concert. He must mean that this subdivision and organisation are devised, determined and carried out by the manual labourers themselves, all of them acting together as units of equal influence, and unaided by any intelligence superior to or other than their own. He must mean that industry in its most elaborate, most scientific and most productive forms, is a process no less purely democratic to-day than it was in the days when the homes of men were caves, when their clothes were skins or loin-cloths, and their implements were sticks and stones. He must mean, in short, that in

any human society the labour of the average units, if we begin with taking it in its rudest and most primitive stage, contains or has contained in itself the potency of indefinitely great developments, solely through the exercise of those mental and manual faculties in respect of which no one unit is appreciably superior to the rest.

Is this the case? Does the history of mankind offer any evidence to show that mere average labour, uninfluenced by any oligarchic authority, becomes able to produce in one age an output of material wealth appreciably larger than it previously had been in another? And the answer is that, up to a certain point, a purely democratic progress of this kind is indubitable, the implications of the Marxian doctrine being up to that point justified.

We may concede to Marx and the earlier socialists that, not only in primitive and sub-primitive times, but even under the ancient slave-systems such as those of Rome and Egypt, the industrial process was, to a very great extent, a process carried on by manual labourers only, who were subject to orders so far as results were concerned, but who, in respect of their methods, operated as a true democracy. Since, then, the wealth of the world in primitive times was small,

and since, owing to the technical actions of manual labourers alone it has increased notoriously up to a certain point, the question is what, as a matter of history, are the utmost limits which this increase has reached, and to what extent, and to the presence of what new causes, has the industrial process as a whole made a further advance since then?

If we take as our standard of efficiency production as it is to-day, we shall find that the progress thus exhibited by the manual labourers themselves, striking as its results have been, does not carry us far. The mere localisation of industries, important though it is as a starting-point, is a process, if taken by itself, the results of which are soon exhausted, as is plain from the fact that it is extant in many communities whose condition is still one of semi-primitive poverty. Of basic inventions and discoveries [*e.g.* the plough and the use of metals], and also of the increased dexterity due to divisions of task-work in its earlier and simpler forms, the effects on the efficiency of the manual labourers as a whole have limits which are susceptible of more accurate measurement. That the great basic inventions such as the loom and plough were the products of industrial democracy when still in its earlier stages, is a fact frequently emphasised by industrial democrats to-day; and the inference

which they draw from it is that all inventions and discoveries—those of to-day no less than those of yesterday—are attributable to the mass of average labourers likewise.

They could hardly have hit on an argument of a less fortunate kind. It is one which proves nothing but the narrowness of its own application; for in all countries where labour is still to be found operating solely or mainly under the direction of the manual labourers themselves, the inventions and processes in use at the present day still remain what they were thousands of years ago. These primitive inventions of democracy having once been made, democracy in its pure state has subsequently made no others. Mere dexterity has, as a productive agent, shown itself capable of a more protracted progress; but this, too, reached its limits before any of the extant civilisations of the western world began. The brick-makers, the masons, the carpenters, and other craftsmen of to-day, if left to perform their tasks under the guidance of their own brains only, would in a given time produce nothing more or nothing better than their predecessors did in Rome at the dawn of the Christian era.

It remains for us to consider the extent to which the product per head of a given number of labourers working under their own direction

may be increased by mere coercion. The increased continuity of effort which was imposed on the labourers from without by the slave-systems of the ancient world, and (we may add) by the *corvée* system of the Middle Ages also, has had effects which spectacularly were very much more conspicuous than any which have resulted from the other causes here in question. But these effects have had their narrow limits likewise. Of all these four causes, indeed, the mere coercion of labour from without is really the one whose influence is least expansive; for its effects are determined, not by the potentialities of the average man's brain, or of his hands as mere instruments of skill, but by something much less elastic—namely the maximum of muscular effort of which, within a given time, a man's organism is, as a whole, capable.

Thus, if so many primitive labourers, working (let us say) for twelve hours a day, would have produced a product per head which was expressible by the number 6, it is conceivable that through division of task-work, simple inventions and so forth, they might, without more physical effort, have come to produce in a labour-day of the same length a product per head expressible by the number 12. But it is obvious that their product could not, by any mere prolongation of their labour-hours, be raised in the proportion

of 12 to 24, for no slave-owner could extort from the strongest slave a regular labour-day of twice twelve hours' duration. It is true that the splendours of Rome, imperial, public and private, could never have come into existence if the manual labour of multitudes had not been intensified by pressure on the part of the ruling few; but mere pressure as thus applied to a mass of manual labourers, though an essential element of the case, was far from being its sole peculiarity.

An accessory feature, in many ways more important, was the fact that the slave-owning classes, besides intensifying to the utmost the labour of the democracy which worked for them, were to a degree far greater able to increase its numbers. The wealthy classes of antiquity, when their wealth had reached a certain point, may be compared to a single individual who, starting with a patrimony (let us say) of five hundred slaves, lets them out to a mine-owner—a case of this precise kind is mentioned by Athenæus—receiving for each a rent of £10 a year, ends with raising his income from £5,000 to £10,000, not by making five hundred slaves work either harder or better, but simply by getting possession of five hundred more. The income of the slave-owner is doubled, but the product of each slave separately is no greater than it was before.

Thus, a labouring population being given, which is in a technical sense a self-directing democracy, the extent to which its output can be increased by mere coercive pressure is, though considerable, nothing like so great as at first sight it may seem; and without attempting to fix an exact date, we may say that it reached its maximum under the earlier Roman emperors. It is needless to enlarge on the fact—for no one is likely to dispute it—that the societies of Mediæval Europe were not richer than the society for which Pompeii was a third-rate watering-place, and Antioch, Alexandria and Corinth, with its four-hundred-thousand slaves, were no more than provincial towns. The movement called the Renaissance was, in industry as in other things, an attempt to recover ground which since the days of the Cæsars had been lost; and *it may be said with confidence that, up to the end of the eighteenth century, there was not a country in the world in which self-directed manual labour produced, relatively to the number of persons engaged in it, more than it did in the days of Nero or Hadrian.*

If, then, we concede to Marx and his followers —as for purposes of argument we may do, though with many actual reservations*—that even up

* Sombart has dealt with examples of capitalist or oligarchic enterprise in the Middle Ages, and in the 16th and 17th centuries. We are dealing here not with existencies, but with predominancies.

to a time so recent as the close of the eighteenth or the beginning of the nineteenth century manual labour as directed by the minds of the labourers themselves was the sole producer of wealth no less truly than it is amongst primitive savages to-day, the history of labour so far, as a productive agent, will be as follows. The productivity of labour having been at the beginning of things not more than sufficient to provide the human animal with the bare necessaries of existence, such as leaves to sleep on and scraps of skin for clothing, the labourers gradually in the course of untold ages, through the simple interaction of experience and common human intelligence, found themselves able to fashion an increasing number of commodities—such as huts adroitly thatched, lake-dwellings of morticed wood-work, gracefully-shaped utensils, hideous nose-rings, and patterned textile fabrics. They thus raised their manner of life to the lower levels of civilisation, and the personal faculties acquired by them were, as Herbert Spencer explains, raised to a higher power when certain warlike races, cradled in barren regions, enslaved the less virile inhabitants of regions exceptionally fertile, and compelled them to exert these faculties with a new and more sustained intensity. Under this stimulation the powers of manual labour rose and fell in one region after another, until, having

reached their maximum prior to the days of Diocletian, they declined or came to a standstill for more than fifteen hundred years. *Then in a manner so rapid that history may regard it as sudden, a change took place the like of which had never been seen before. First in England, and subsequently throughout most of the western world, the industrial process as a whole acquired some new vitality; and the volume and variety of its products, relatively to the number of human beings engaged in it, made a greater advance in the course of a single century than it had done during all the millenniums of human life preceding it.*

With this general account of the matter Marx himself would have been in entire agreement. Indeed, the recent unparalleled increase in the productive efficiencies of mankind is a phenomenon which he and his followers have inclined to caricature rather than to underestimate. Further, they admit, as we have seen, that in order to produce such a change in the industrial result, there must have been commensurate changes in the technical details of the industrial process likewise—changes which, as Marx says, developed themselves first in England, and which, though far from sudden in the strict sense of the word,

became first assured and conspicuous at a date which was not much earlier than that of the battle of Waterloo. How the nature of these changes is explained by Marx himself has just now been briefly stated; but, as has been said already, the only explanations which he suggests must have some other explanation at the back of them, and one which his own do not even so much as hint at. We will now go on to consider what this ultimate explanation is. We shall find that it lies in none of the facts which Marx contents himself with enumerating—not in the mere growth of knowledge, not in the mere development of scientific machinery, not in the mere concentration of the labourers, or in any new subdivision of their labour tasks. All these causes, however real, are secondary, and require themselves to be explained. The basic explanation is to be found in a fact which lies deeper than any of them.

CHAPTER VII

THE SECRET OF MODERN PROGRESS

LET us summarise once again the explanation which Marx gives of the vast productive powers of industry in the modern world. These novel and unparalleled powers are due, he says, to three causes:—

Firstly, a "concentration" of the implements of production which in former times were "scattered," and used more or less in isolation by the individual labourers owning them;—

Secondly, the new subdivision and more intelligent co-ordination of labour tasks which in each business becomes possible by the massing together of all the labourers concerned in it;—

And, thirdly, the new stores of practical scientific knowledge which "Society" has acquired whilst these changes were in progress, and which, embodied in new mechanisms and processes, have given man a "new control over the productive forces of nature."

Of these three causes, the first—namely the concentration of implements—vast as have been its industrial effects, was, according to Marx,

not in itself an industrial process at all. It consisted in the buying up by men otherwise idle of all the little implements previously owned by the users of them, and the stacking of these implements together in so many walled enclosures, to which the labourers had to flock if they wished to produce anything. It was simply the triumphant generalisation of a practice actually rife in England in the middle of the sixteenth century. This was a practice inaugurated by "the great clothiers," and called "the engrossing of looms" (which meant the acquisition of the implements of production in the weaving trade) and "the letting them out to poor artificers at a rent." Its object and its result were, according to Marx, simply to affect distribution by enabling the "engrossers" to appropriate the larger part of the product; but it had nothing to do with the details of the productive process at all. These were still determined by the manual labourers themselves. The causes, therefore, to which modern industry owes those vastly increased efficiencies which are still the wonder of the world, are, according to the Marxian logic, not three, but two—namely the acquisition of "a new control over the productive forces of nature," and a new subdivision and a more elaborate co-ordination of the tasks performed directly by the labourer's own hands.

Now, this explanation of the first cause—namely the acquisition and concentration of the implements by a personally non-productive class—might have at all events some superficial plausibility, if applied to conditions as they were up to the middle of the eighteenth century. In Hogarth's series of pictures, "The Industrious and the Idle Apprentice," there are two representing the interior of the business premises of a rich cloth-weaver; and what we see is one room after another in which a number of hand-looms are being worked, each by a single operative. The implements are practically the same as they had been in the Middle Ages. They have undergone no change whatever, except for the fact that they have been congregated under a single roof.

But between an establishment such as this, which was typical of the eighteenth century, and the kind of establishment which was typical of the century following there is one profound difference of which Marx was fully aware, but of which, when he speaks of concentration, he takes no account whatever. This difference consists in the fact that, whereas in the middle of the eighteenth century the implements of earlier periods had been changed only by being concentrated, they were, from the beginning of the nineteenth century onwards, not concentrated

only, but reconstructed, unified and entirely metamorphosed also. That metamorphosis accompanied concentration—that the two processes rapidly came to be inseparable—was as plain to Marx as to anybody, as his own language shows; for it was only the metamorphosis of hundreds of puny appliances into vast unitary mechanisms actuated by huge engines that gave to the human worker what he calls "a new control over the productive forces of nature." But as to how the metamorphosis was accomplished, the theory of Marx is silent, and he hides its silence under a veil of inept tautology. The metamorphosis, he says, is attributable to the modern growth of knowledge. That, no doubt, is true; but of knowledge acquired, and knowledge applied, by whom? What he aims at proving is that, apart from the concentration of the various implements of production, in respect of their ownership and their locality, by a purely possessive and industrially idle class, the entire progress of industry was accomplished by the labourers alone. If such was the case, then, the manual labourers generally must, from the beginning of the nineteenth century onwards, have not only reorganised for themselves the whole of the various tasks performed by their own hands, readjusting and re-devising them in the light of new and abstruse knowledge, but

the whole of this new knowledge must have been acquired by themselves also. They must themselves have translated it into that new order of mechanisms without which their new accomplishments in the way of self-organisation would be nugatory.

Is there any reason for supposing, or is it even remotely conceivable, that the labourers, unguided by any brains but their own, accomplished by democratic agreement both these processes, or either of them? *The knowledge involved in the metamorphosis of a collection of old hand-looms into the plant of a modern cotton-mill, or of a yardful of old stage-coaches into motor-cars or express trains, was of a very elaborate kind. Did it spring up in the brains of all the labourers spontaneously, as a sense of sin springs up at a revival meeting? Did it even originate in the brains of Trade Union delegates, from whose speeches their constituents imbibed it, assenting to it by a show of hands?* On the contrary, in the process of acquiring the multitudinous knowledge in question, and translating it by means of machinery into "a new control over the productive forces of nature," the labourers as a class have played no part whatever except one which is purely negative—namely that of suspicious and occasionally of violent opposition. As history shows us with minute

biographical detail, this process has in all its main particulars been the work of individuals, or small groups of individuals, who were distinguished from their fellows by doing what the mass of their fellows did *not* do—what few of them had the enterprise to attempt, fewer still the genius to accomplish, and what most of them had not the capacity or even the wish to understand.

It must, moreover, be noted that these exceptional men, though many of them had at one time been manual labourers themselves, did not increase the efficiency of manual work generally by any unusual skill in the performance of such work on their own part, or indeed by the performance of any manual tasks at all. *A man like Watt added to the productive forces of the world, not by means of any engines which his own hands had fabricated, but by the influence which, through his models and instructions, he exercised over the hands of others.* And all inventors who by means of novel mechanisms—" wrought (as Herbert Spencer says they are) from the very substance of the inventors' brains "—have given men " a new control over the productive forces of nature," have done so as powerful thinkers, and not as dexterous craftsmen.

The same considerations are no less pertinent

as applied, not to such mechanisms themselves, but to the reflex action of these on the conduct of the labourers using them—a reflex action resulting in that new subdivision and new co-ordination of labour-tasks by which, Marx rightly says, the efficiency of each pair of hands, as distinct from the mechanisms, has been increased. The argument of Marx implies that both of these new developments are due to some exercise of faculties resident in the labourers themselves, but previously latent because there was no scope for them. Let us, however, consider in detail what this new subdivision and co-ordination of labour-tasks mean.

When the labour-tasks involved in the production of any one finished article are divided, and different labourers are set to fashion different parts of it, each part must be shaped in accordance with a settled pattern, so that all the parts shall ultimately fit together. Now, when the parts are few, when the finished article is of a simple and unchanging kind, and the labourers are a small group at work in the same shed, the allocation of these tasks, and the precise nature of each, can be settled by the labourers themselves. *But when the number of parts into which an article is for purposes of manufacture divided rises, let us say, from four or five to a hundred; when the number of labourers rises from ten or*

twelve to a thousand; when the principles on which the tasks are divided cease to be merely empirical, and involve an elaborate knowledge of mathematics, mechanics and chemistry; when the character of the finished article itself has constantly to be improved or modified in order to meet new demands, and when the specification of each task in particular requires an alert ingenuity of the highest practical order; this constant re-devising and subdividing of tasks becomes, from the nature of the case, a separate task in itself, which cannot be included in the category of labour as Marx defines it.

And the same thing is true with regard to the organisation of the labourers, as distinct from the mere devising of the various tasks prescribed to them. Organisation comprises the allotment of different tasks to the most suitable persons; an accurate timing of their movements in relation to one another, so that no labour may be lost by preventable pauses on the one hand or preventable overstrain on the other; and also an alert inspection of the work of each individual, so that errors may be seen and rectified before any appreciable dislocation of the general process has been caused by them.

Here, again, when the labourers are few, when

their different tasks are few, and when the interconnection of these can be seen at a glance by all, the business in question is easy, and the labourers can accomplish it by talking together as they hold their tools. But when the labourers are numbered by thousands, and their different tasks by hundreds, the business of organising the execution of these last changes like the business of devising them, and changes for like reasons. Whoever may be the persons by whom this business is performed, it is one which engages their entire time and attention; and it cannot be performed by labourers whose efficiency in manual task-work, according to the argument of Marx himself, depends on the fact that each of them gives his time, his attention and his hands to manual task-work, and one kind of task-work only.

With regard, then, to the several arguments by which Marx seeks to exhibit the unapproached efficiency of the modern industrial process as due to capacities which, in the course of a single century, have come to life in the persons of the manual labourers themselves, and in all of them to an equal extent, what we have seen thus far has been this: Firstly, that "man's new control over the productive forces of nature" which is embodied and concentrated in mechanisms

such as those of the modern factory, instead of being due in any sense to the manual labourers generally, is due to the activities of a small minority of individuals—activities which are not in the nature of manual labour at all. Secondly, we have seen that, though the use of each great mechanism by a large number of labourers has resulted in a new subdivision and a new organisation of labour which has enabled the labourers personally to operate with increased effect, the actual business of subdividing and organising no more belongs to the category of labour, as Marx defines it, than the solitary ferments of knowledge and constructive imagination which take place only in the brain of the practical genius, and to which the world owes the steam-engine, the telephone and the electric light. In other words, whatever increased efficiency may in modern times have been acquired by the hands of the labourers themselves through new organisations of their hand-work, is primarily due to men who may never have touched a tool.

And here we are brought at last to the heart of our present question. Human beings, as they come into the world to-day, are very much the same as they were in any previous century; and, whatever the activities may be to which the increased industrial efficiency of the modern world is due, they were always, in a potential

form, as plentiful as they are now. How, then, is it that from the close of the eighteenth century onwards they have produced, and are still producing, effects on industry which they never produced before? What new condition of things is everywhere at the bottom of this unexampled change?

This is the crucial question; and Marx himself, though he completely misses the answer, and could indeed not have admitted it without destroying the whole fabric of his economic doctrines, approaches it very nearly. He takes every step necessary to reach it except the last.

Having assumed that, through the possession of new mechanisms of production, labour has gained a new control over the productive forces of nature, the one other cardinal fact, on which he insists as explaining the increased efficiency of ordinary or average hand-work, is, as we have seen, a new subdivision of labour-tasks into ever simpler parts, so that the work of each man's hands becomes more rapid and easier. Now, in order to understand what his full meaning is we must remember his emphatic assertion that actual labour, as performed by a living man, is in itself a process not single, but dual. Even the simplest manual operation, such as that of sorting nails according to their different sizes, involves the activity, not of a man's hands only, but also of

his mind by which the action of his hands is directed. Hence, in pointing to a subdivision of labour-tasks as a cause of increased productivity on the part of the individual labourer, Marx means that when a labourer devotes himself to one kind of task alone, not his hands only, but his directing intelligence also, acquires a quickness and certitude not otherwise possible.

But here the argument of Marx, so far as it relates to the division of task-work, stops. It stops short just where it ought to begin. He is right in asserting that the efficiency of the modern system of production is closely associated with the principle of division somehow; but the kinds of division with which alone he concerns himself are secondary phenomena only. They are the consequences of another division which is very much more profound. This, which, in respect of the extent to which it has been carried out, is the root-peculiarity of the modern system of production, is not a subdivision of one manual task into several or a large number; it is a division of that composite activity which the execution of all manual tasks involves into its two component parts—the manual part and the mental—so that these are no longer performed by the same persons. A limited control over the operations of his own hands is, of course, necessarily left to the manual labourer himself; but

all intellectual direction of the higher and more comprehensive kinds is transferred to a new, a separate and a numerically small class, whose sole connection with labour consists in the business of directing it.

This fission of industrial effort into the manual and the purely mental, like the fission of a single cell, first shows itself in a very rudimentary form. Whenever more than a score of manual labourers are gathered together in a shed, or (as Adam Smith calls it) a single "workhouse," for the purpose of making and putting together four or five separate parts of any simple product such as a pin, some record has to be kept of the output of each group, so that the multiplication of no one part shall be more rapid or less rapid than the multiplication of the others. When the total output is small, these simple arithmetical records can be made by the labourers themselves; but as soon as the business expands, these records, though arithmetically they will be no less simple than before, will be such that a man or a boy must give his entire time to them. The work of the manual labourers must be supplemented by that of the clerk. Here at once we have a fission of industrial work into manual work and mental; but it is a fission which is embryonic only, and gives no hint of the effects which are peculiar to it when it is carried farther.

The work of the clerk who counts what the labourers do is no more difficult than theirs. All we can say is that the two kinds of work are different, and are naturally assigned to two classes of men. The effects of this fission, which are peculiar to it as a cause of increased production, do not begin to be apparent till the action of the mental workers no longer merely records the various operations of the manual, but begins at the same time to alter and dictate their details, and whilst rendering these last individually more simple, becomes in itself more complex.

This fact may be illustrated by an example which can be pertinently used as illustrating by way of analogy the problem involved in complex political government. All the higher applications of mental activity to manual may be typified by one which, as Herbert Spencer says, is actually amongst the most important of them. That is to say, the application to industry, not of a simple arithmetic which counts the pieces of matter affected by the labourers' hands, but of the higher mathematics, by which application the movements of the labourers' hands in dealing with matter are modified. In proportion, then, as the mathematical knowledge is abstruse on which the joint efficiency of any group of labourers depends, the number of persons diminishes by whom the requisite knowledge is

possessed, or who have even the capacity for acquiring it. High mathematical genius, as everybody knows, is rare. The union of it with practical genius is notoriously rarer still. And of all the other purely mental activities by which industrial production is affected the same thing holds good. In proportion to the extent of their influence in augmenting the output of industry generally, the number of persons in whom they are to be found is small.

Let us suppose, then, that some particular industry is prosecuted, as it might have been in the days of Adam Smith, in a hundred " work-houses " by a hundred groups of labourers, each group consisting of twenty men; and let us suppose, further, that in one of these separate groups one labourer out of the twenty happens to develop a genius like that of a Watt or an Edison, and quadruples the output of this particular group by ceasing to operate with his own hands himself, and merely showing each of the nineteen others how his hands from moment to moment may be used to the best advantage. In that case the rest of the labour-groups will find themselves in a condition, not of absolute, but of relative helplessness, and their natural tendency will be to unite with the group in which a man of genius is present, so that the benefit of his guidance may be extended to all alike.

Here we have the true underlying cause of the modern clustering of the manual labourers in large groups instead of remaining in small ones, or instead of working singly. The centres round which they cluster are not what Marx or the ordinary socialist supposes. These primarily are not great mechanisms, but the mental efficiencies of exceptionally able individuals, to which the mechanisms themselves are due, and to which are due also the new organisation of the labourers, and the new subdivisions of their tasks. By means of such a clustering, exceptional individuals such as these are enabled to do the thinking for thousands and tens of thousands of average men, so that each of these last—even the most incapable of them—is in turn enabled to execute his own special piece of hand-work precisely as it would have been executed had he been himself one of the master intellects of the world.

Never has this fact been more dramatically illustrated than it has been during the course of the great European war. In every belligerent country the objects at which industry aims have been largely changed from commodities for private use and enjoyment into commodities or goods essential to the preservation of national life, such as aeroplanes and anti-aircraft guns; and in order that such weapons might be produced, the first step necessary has been this—

to place the labour required for their construction under the control of those picked intellects who are able to devise the best. In industry for normal, just as much as for military purposes, this fission of productive effort into its two component parts, so that the highest intellects may control the largest number of hands, has been the primary cause of all that increased efficiency by which the modern system of production is so sharply distinguished from all that have gone before it. It alone has rendered possible that application of intellect to industrial effort generally which has gained for man, and which still continues to gain for man, " a new control over the productive forces of nature." In other words, *the increased efficiency of industry in the modern world is due primarily (though, as we shall see hereafter, not exclusively) to a development, not of the democratic principle, but of the oligarchic.*

Let us now go on to consider what kind of reply will be made to this statement of the case by thinkers who have, since the days of Marx, endeavoured to maintain that industry, as a technical process, can conserve, and indeed increase its present productive powers, and yet remain or become what it was in earlier times—a process which is exclusively, or even preponderantly democratic.

CHAPTER VIII

THE NEO-MARXIAN DOCTRINE AND MR. SIDNEY WEBB

If the foregoing argument be correct, one thing is at once evident—namely that the essence of industrial efficiency is the rule of the Many by the Few, or that the modern system of production is more efficient than its predecessors precisely because it has lost the characteristics of a pure democracy. And, curiously enough, in the writings of Marx himself there are passages which show that even he, in moments of transitory insight, perceived that this conclusion had some elements of truth in it. Thus, on one occasion he compares the labourers of the modern world to a company of instrumentalists performing some great oratorio, and adds that no performance of this kind would be possible unless some great composer had dictated to each performer the notes which he had to play. In his case, however, admissions of this kind are merely like isolated boulders, brought down by an intellectual glacier from some distant region of thought, and deposited here and there on a

plain with which otherwise they have no connection.

But what Marx recognised only by fits and starts, later industrial democrats have come to perceive more clearly. Of all comprehensive statements sufficiently brief for quotation, that which illustrates this change of attitude best has been provided by Mr. Sidney Webb. Now, Mr. Webb, as we have seen already, identifies industrial democracy with the "control" of industry by what he calls "the people themselves"; and this control they will, according to him, acquire by appropriating those implements of production which are at present owned by capitalists, and which indeed constitute the bulk of the industrial capital of to-day. But, so he proceeds, democrats must remember one thing—namely, that if, in their capacity of mere possessors, the private monopolists of capital were all dispossessed to-morrow, yet, though one monopoly would be gone, another would still remain, and one of a kind which, so far as we can see, is ineradicable. This, says Mr. Webb, is "a natural monopoly of industrial or business ability"—or "a natural energy with which some men are born," and with which the masses of mankind are not born; "and to dream," he says, "of a complicated industrial state" from which the influence of such men is eliminated,

and " in which the workman is free to work just as he likes, without strict subordination, and without obedience to orders, is to dream, not of socialism, but of anarchism."

Hence, according to him, the business of those thinkers who would, under modern conditions, place the theory of industrial democracy on a practically defensible basis, is not to ignore these facts, but to show that their real significance is quite other than what it seems to be, and that the principle of industrial democracy in spite of them remains intact. And that Mr. Webb is merely describing a view which he shares with his brother intellectuals in this and in other countries is shown by the fact that socialists all over the world have, since the days of Marx, employed much of their speculative ingenuity in endeavours to get over the difficulties which Mr. Webb's language indicates, and which none of them any longer ignore.

We will now briefly consider the nature and the value of the arguments by which the accomplishment of this feat has been attempted. These arguments, though expressed in a great variety of forms, are in substance reducible to five, each of which can be summarised in a few words. Two of them only are deserving of any serious consideration. The other three, though when stated on a platform they may have some popular

effect, will be found when considered soberly to be no better than claptrap. We will first dispose of these.

1. One of these arguments is as follows. *However completely we may admit that the efficiency of modern production depends on a submission by the great mass of the workers to the intellect and technical guidance of the specially gifted Few, yet if this submission is an act of free consent, the Many in the very surrender of their own judgments are exercising them, and the system which requires the surrender thus expresses the will of an industrial democracy after all.*

Of this argument it is enough here to observe that it does but emphasise what nobody in his senses will deny—namely the action of the democratic principle as one element of the situation; but it does not disprove—on the contrary, it implicitly admits—the active operation of the principle of oligarchy as its counterpart. The harmonious working of any system, whether democratic or otherwise, requires the willing consent of all parties engaged in it; but the fact that the Many consent to be guided by the Few would no more prove that oligarchy was pure

democracy in disguise than the fact that a patient chooses his own doctor proves that the patient is the author of his own prescriptions.

2. A second argument, which may be dismissed with equal brevity, is this. *However important the fact that in modern production a few persons must direct the technical operations of the many, this does not mean that the few, considered as human beings, are in any way more capable than the great mass of their fellows. It merely means that they have, by some chance or other, been chosen to exercise what are necessarily exceptional functions.* The great directors of labour, whatever the talents may be which appear to distinguish them from the mass, resemble a watcher on a hill, who signals to an army on one side of it the movements of an army on the other. The signals of this one man may influence the actions of thousands; but any unit of these thousands, if placed in that man's position, could signal with equal effect, and be no less influential than he. In other words, in the school of industrial life men are not at the bottom of the class because they have no conspicuous abilities, but they exercise no conspicuous abilities because they are at the bottom of the class.

This argument does indeed deserve to be noticed, for it forms one of the modern flavour-

ings of the lowest popular oratory; but no serious thinker, whatever his democratic zeal, either affects to believe it himself, or addresses it to a thoughtful audience.

3. A third argument is this. *It is idle to pretend that the great directors of industry are not what they seem to be—namely men who in point of talent are indefinitely superior to the mass. Indeed, the influence of men like these is, in a certain sense, the motive-power of all modern progress. This influence, however, operates only as the initiator of new departures, in the way of inventions and methods, and the industrial application of new knowledge generally. As soon as each new movement has been started, its special connection with its author or initiator ceases.* All knowledge, when once it has been achieved and applied to industrial purposes, becomes thenceforth common property. Any one can apply it who pleases, and in practice become equal to the initiator; and if it were not for patents and other legal devices, which secure for the initiators some interest in the results of their own inventions, whatever these men contribute to the fund of human efficiency would at once diffuse itself through the whole industrial mass, no trace being left of its origin in any special nucleus.

Now, to a very limited extent this argument

is true, but to a limited extent only. It is true in proportion as the knowledge and its industrial applications are simple, and the latter are on a small scale. What is commonly called knowledge—namely, knowledge of general principles—is mainly perpetuated and mainly diffused by books; but it only becomes common to all men in proportion as they are able to assimilate it. Any child can assimilate the contents of a child's book of arithmetic; but a hundred men might live with the works of Newton before them, and only one man out of the hundred be able to grasp their meaning. Any schoolboy to-day, after reading a page of instructions, can make a pound of gunpowder which is better than Roger Bacon's, or a model steam-engine which in principle is more perfect than the engines of Newcomen. But when from the world of pastime we pass to that of practical modern life, in which the object of industry is to multiply as well as to make commodities, in which steam-engines are as big as houses, and steamships are as long as streets, problems arise which in the world of pastime are absent; and these demand for their solution, not only a knowledge which few can completely master, though books may contain it which any dunce can buy. They demand a knowledge of a different kind also, which is not transmissible by books, or even by living example, and which

those who possess it owe to the favour of nature only.

This is the knowledge of how to manage men, and this, in the world of industry, no more becomes common property because certain individuals have already possessed and exhibited it, than the powers of a great general transmit themselves to any nervous book-worm who puzzles himself over Cæsar's Commentaries. The argument, then, that the powers of an industrial oligarchy are, as fast as they are successfully exercised, converted into the powers of a democracy, is, in so far as it is true, so limited in its range of application that the question here at issue is not even appreciably affected by it.

Contrasted with these three arguments, and altogether rejecting them, are two others, of quite different kinds, each of which in a sense is true, and would, were it only relevant, be doubtless of great importance.

4. The first of these is an argument which, though specially applied to industry by the doctrinaires of industrial democracy, is applied by others to human action of all kinds. It begins with admitting that *if men are in reality what to vulgar observation they seem to be—namely, so*

many separate units whose faculties are self-existent—what seems to be industrial oligarchy is precisely the thing it seems, and the idea of industrial democracy must be given up as a delusion. If, however, under the searchlight of sociological science we look below the surface of things and see them as they really are, we shall see that the individuals who present themselves as the Few and the Many are not self-existent or independent entities at all. In any given society the great men and the average men alike are what they are, and are able to do what they do, only because, like variously-tempered puppies who have come into the world together, they are all products of a common corporate past. Hence, *if a certain minority of them happen to have derived from their ancestors a larger share of industrial ability than the rest, this share is the result of an age-long social struggle, to which the strong and the weak were both necessary parties. It does not belong properly to the present possessors of it themselves, but is merely a temporary deposit drawn from a common store.* So far as the possessors are concerned, it is, says Mr. Sidney Webb, " nothing more than a species of unearned increment," and, herein resembling " the unearned increment of rent," *it belongs not to them, but to society, or the community as a democratic whole.*

Of this argument it is sufficient to say here that it is merely an application to industry of a wider philosophic conception which is as old as human thought—namely, the conception of the All or the One as the reality which is behind the Many. According to this conception of things, which appears in various forms as Pantheism, Determinism, and mental or material Monism, the existence of the separate personality is altogether a delusion. There is no question of whether one individual does or produces more or less than another. The indivisible Whole, whether God or the Universe, or (as Herbert Spencer called it) the Unknowable, does and produces everything. The individual, as a separate entity, does or produces nothing.

Now, as a matter of speculative logic, this doctrine may be impregnable; but as Kant, Hume, St. Augustine, and (we may add) common sense point out, the moment we attempt to apply it to practical life philosophers and ordinary men reject it alike as nonsense. If Socrates quarrels with his wife he is quarrelling with Xantippe; he is not quarrelling with the Universe. If a murder has been committed we look for the individual murderer, on the ground that he is the criminal and other people are innocent. If we want a great picture painted we look for an individual artist, on the ground that he can paint it

and most individuals cannot. That is to say, we assume, for all practical purposes, that individuals really do what they seem to do; and unless we assumed this there would be no dealing with anybody.

The application of these criticisms to the industrial process is obvious. The "monopolists of business ability," as a matter of practical experience, are radically different from the average units directed by them. They are able to do things, and they do things, which are not done and which cannot be done by others; and unless these differences were recognised, no complex business of any kind would be possible. The philosophy of industrial Monism, by which these differences are obscured, may amuse the philosopher in his study; but if preached in a factory or a shipyard it would be the maundering of a strayed lunatic.

5. *The last of the arguments is the argument that wealth is the product, not of labour, but of society.* It is an argument which in certain ways is a great improvement on the preceding, because instead of being an exercise in the logic of remote speculation, it addresses itself frankly to the world of concrete fact. It admits that men must be treated as separate entities varying greatly in the scope of their industrial powers, some men directing and others submitting to

direction; and yet aims at establishing the industrial equality of all, not by eluding or transcending these facts, but by facing them. It is, therefore, as a weapon of popular agitation, very much more in vogue than any of the four others. It may be summed up thus. However unequal may be the efforts of individual producers otherwise, such as those of the genius and those of the average labourer, they are practically equal in the fact that they are all equally necessary. Necessity has no laws; it also has no degrees.

The contention that all industrial factors in production are in a practical sense equal if they are equally necessary for the production of a given result, was first formulated by Mill, in connection with the business of agriculture. Some thinkers, he observes, referring to the French physiocrats, have debated whether, of a given agricultural product—such, for example, as twenty bushels of corn—land or labour produces the larger part. All such questions as this, however, he declares to be void of meaning; and he explains this statement by laying down the following principle. Whenever two causes, however different otherwise, are both so necessary to the production of what he calls "the effect" that this (which in the present case is agricultural produce) could, if either were wanting, not be produced at all, it is idle to say that most of it

is produced by one or the other, for the absence of either would make the difference between the production of a given effect or none.

Thus, he adds by way of illustration, it is idle to ask whether, if 2 be multiplied by 10, the 2 or the 10 does most in producing the number 20; for if either the 10 or the 2—no matter which—were altered, the production of the 20 would be equally out of the question. This argument which Mill applies to land and labour is that which is now applied by the theorists of industrial democracy to average manual labourers and "the monopolists of ability" who direct them.

If we make certain suppositions, the argument of Mill is correct. One of these is that land is a constant quantity, the other is that "the effect" is a constant quantity also. Thus, if there were only one acre of land in the world, and if the effect were always twenty bushels of corn or nothing, it would doubtless be impossible to say that the land produced more bushels than the labourer or the labourer more bushels than the land. But in the actual world of agriculture there is not one acre only; there are many—which acres vary greatly in quality. Further, the joint produce of an acre of land and a labourer is not a given number of bushels or nothing. The whole question of produce is a question of less or more; and if the same labourer were trans-

ferred from a bad acre to a better one, and if thereupon "the effect" rose from twenty bushels to thirty, we should at once be able to say that, in a very practical sense, the extra ten bushels were the product, not of the labourer, but of the land.

And the same argument applies to the industrial process generally in respect of the parts now played by the manual workers on the one hand and the mental directorate on the other. If the producers of any commodity—let us say, for example, boots—were always one small group of nineteen manual labourers, whilst a twentieth man directed them; and if "the effect" of their joint efforts were always the same likewise—say, forty pairs of boots in a week; and if, moreover, unless the tale of forty pairs of boots were completed, the whole output would be worthless or would vanish into thin air; it would then be impossible to say that the director produces more boots than any one of his workers, or fewer. But if the director absented himself for a year, and his place was taken by a labourer no better and no worse than the rest, and if thereupon the weekly product fell from forty pairs of boots, not to none, but to twenty pairs; and if, when the director returned and resumed his duties, the product forthwith rose from twenty pairs of boots to forty; we should then be able to say

that, in a very practical sense, that twenty pairs of boots were the product of the director alone.

In other words, any mental director of a group of co-operating workers produces so much of the joint output as would cease to be produced if his mental functions were suspended, and would be produced again when the exercise of these functions was renewed.

Those, however, whose object is to evade this conclusion will endeavour to do so by the method of a *reductio ad absurdum* thus. If it is true, they will say, that the mental director of labour produces so much of a product as the labourers whom he directs could not have produced without him—let us say one-half of it—it must be equally true that the labourers produce the whole, because in the absence of the labourers the director could have produced nothing. This argument, though absolutely worthless, is interesting and demands attention; for its worthlessness is due to a fact which is not superficially apparent. Its worthlessness lies in the fact that it is false to the essential principle on which all reasoning of a practical kind rests. In computing the product of any director of labour as so much of the total as would not be produced on the hypothesis that he ceased to direct, we are arguing in accordance with the laws of practical reason; but if we argue on the counter-hypothesis, that the labourers

ceased to labour, we are indulging in a speculation which practically has no meaning at all; for the first hypothesis represents a practical possibility, the second does not. *The labourers as a whole can never cease to labour, except for very brief periods, for if they ceased to labour they would die, and nothing would be left to reason about; but the direction of labour by the Mind of a non-labouring class is in its present form a purely modern phenomena. Mankind existed for thousands of years without it, and if it disappeared to-morrow mankind would exist still.*

Hence, to say that all wealth is produced by Society—that is, by the labour and the mental director jointly—is no doubt true enough; but it is a truth that tells us nothing. What we want to know is, not how much these agents produce jointly, but how much the second adds to the product of the first. In the estimation of industrial forces, as in the administration of legal justice, that which has to be dealt with is the voluntary actions, and the results of the actions, of individuals. If a society of workers in which one man directs the many produces more than a society in which the many direct themselves, it is idle to say that society is as truly the producer of the larger product as of the less. The sole question is, what produces the excess of the one product over the other? And here we are

brought to the answer already given. The excess is produced by one man—namely, the director, the presence or the absence of whose activities is the only element which differentiates one society from the other.

This method of reasoning is no mere exercise in the logic of remote speculation, like that of the Industrial Monists. It is the instinctive and inevitable reasoning of all practical men. This fact has been brought into prominence by the great European war, as though it were lit up by successive flashes of lightning. War, to an extent never before paralleled, has become a war of intellectual industries as well as a war of armies. In every belligerent country it has made ceaseless demands on industrial intellect in both of its two main forms—the intellect which shows itself in scientific invention, and the intellect which shows itself in the scientific organisation of men; and the demand for each, wherever it has found utterance, has always couched itself in the same inevitable terms.

The cry of all parties alike has not been a cry addressing itself to "society," to "the people themselves," or to the mass of average men. It has been a cry for individuals who stand out from the mass, and are able to do what the average man cannot do. With regard to the mechanisms of war, such as an anti-aircraft gun,

what England has cried out for has been, in the common-sense words of a prominent London journal, "a new inventive brain, capable of large generalisations, and capable of applying them in detail." With regard to the organisation of the mass of average workers, these being already in existence, and equipped with their normal faculties, the demand has been for exceptional brains likewise, which shall organise these men anew in accordance with new requirements. When the food-problem in Germany first threatened to become urgent, this demand found clearer and more instant expression nowhere than it did in the leading journal of the Social Democrats themselves. "What Germany wants," said *Vorwärts*, "in the present internal crisis is one man of large knowledge and supreme business ability." And what do such demands mean—demands which the stress of circumstance has purged of fantastic theory, and restored to that common sense by which all men are naturally guided whether they recognise the fact or no? Such demands mean, when translated into terms of their implications, that, if Society is to act efficiently, the mass of average workers, of which society is mainly composed, must group themselves for industrial purposes, not primarily (as Marx said) round this or round that great mechanism, but round certain centres of control

which are the intellects and localised influence of exceptionally able men.

CONCLUSION

Industrial Democracy is not an impossible system of production, but it is an inefficient system. It is the system of the world in its babyhood. Industry, after a certain early stage of progress has been reached, grows in efficiency in proportion as it ceases to be purely democratic, and becomes a system in which two distinguishable principles—the democratic and the oligarchic—the average intelligences of mankind, and the exceptional intelligences—interact. It is true that, even if the labourers worked solely under their own direction, none of them issuing any orders to others, a certain minority of them would be appreciably more productive than the rest. But the larger products of individuals such as these would be merely like so many molehills which, though lifting themselves here and there, did nothing to alter the general level of a field. "Society," or "the people themselves," may, in their capacity of producers, be compared to a regiment of soldiers ordered to move across country to a given spot by night, and possessing in its ranks one man who can see by night as well as he can by day. If such a man directs his

own movements only, he may reach the spot in question with the utmost ease and promptitude; but unless he is able by his orders to direct the movements of the rest, the mass will be left helpless to flounder or drown in ditches. The same is the case in industry. *If a thousand men of average vision are to derive any benefit whatever from the presence amongst them of one man of exceptional vision, one man must issue orders to a thousand, and the thousand must obey one man; and if this is not oligarchy as definitely distinct from democracy, there is not, and never has been, such a thing as oligarchy in the world.*

That such are really the essential facts of the situation is now being admitted, as Professor Michels shows, by various revolutionary writers without any attempt to disguise the matter. The Italian syndicalist, Labriola, insists that political progress can never be the work of the multitude, but can be accomplished only by "an *élite* who alone can judge of the interaction of social cause and effect"; and what this writer says with regard to political government, other revolutionary writers are now saying with regard to industry. Thus Kautsky, who in some respects is a professed follower of Marx, dismisses as impossible the application of the democratic principle to commerce. Commerce, or commercial distribution (which is production in its final

stage) is, he says, "outside the competence of the rank and file." We may talk, he proceeds, of this or that commercial business as "co-operative"; but in the cases to which this name is applied, the conduct of affairs is really in the hands of a few managers.

Another socialist critic, speaking of a business at Ghent, which claims to be a great example of successful co-operation or democracy, declares that "it bears in every detail the imprint of the strong will that has created it. The one man who is its master issues his orders in the brusque and imperious tone of a bourgeois captain of industry; and this is what he practically is."

It has, says Professor Michels, been claimed that in societies for co-operative manufacture, true co-operation is theoretically far more practicable than in commerce. He goes on, however, to observe—herein agreeing absolutely with the argument of the present work—that this claim is valid for groups of workers only, whose numbers are small, and whose methods are of the simplest kind—such, for example, as ten or twelve village cobblers cutting and stitching leather at the back of a small shop. But as soon as such an industry increases, and endeavours by the aid of science to secure a larger output per head of the workers engaged in it, the case entirely changes. Technical subordination be-

gins, and equal co-operation ends. Thus, he says, one of the foremost leaders of the labour movement in Italy has expressed himself to the following effect: "We have learned by prolonged experience that those businesses only can survive which are headed by a good organiser. Categories of the most various trades, found in the most diverse environments, have been unable to secure organisation and to live through crises, except in so far as they have been able to find first-class men to manage their affairs."

All this is substantially what is said by Mr. Webb himself. "In any complex system of industry" such as that which prevails to-day, the efficiency of the workers as a whole is the average efficiencies of the Many multiplied by the efficiencies of the Few—the Few whom he describes as "the natural monopolists" of ability, and whose function is to issue orders, whilst that of the Many is to execute them with "strict obedience."

Why, then, do he and other democratic reformers endeavour to hide this fact by declaring that, "according to a growing consensus of opinion," the inevitable outcome of democracy is the "control" of production by "Society," or "the people themselves"? If "the people themselves" include the directing few, production is controlled by the people themselves

already. If the people themselves are the masses, as distinct from the few and excluding them, then, according to Mr. Webb's own opinion, and a growing consensus of revolutionary opinion generally, no efficient production by "the people themselves" is possible. *For what conceivable reason*, then, *can men not deficient in intelligence, who have seen with very fair clearness what the nature of the situation is, have betaken themselves to reasonings and formulæ such as those which we have just examined, and which are practically useless except for the purpose of obscuring it?* The explanation is to be found in the ultimate object which they practically have in view. Their object is not to establish any theory of production, however true, for its own sake. Their object is to provide, as an instrument of popular agitation, some basis in principle for a certain popular demand — a demand which relates, not to the process of production, but to the manner in which the products are, and the manner in which they ought to be, distributed.

In order to realise this fact more clearly we will presently consider the modern socialist programme as set forth and expounded by one of the few socialist writers who has won international distinction as a critic of life generally.

CHAPTER IX

DISTRIBUTION BY DEMOCRATIC SENTIMENT

THE writer in question is Mr. G. B. Shaw, whose peculiar talents, joined with his socialist sympathies, have been made known by his dramas to a wide and international public. These dramas, whatever may be their merits otherwise, display an alertness of thought and logic, a keen observation of character, and an insight into social relationships and the current ideas involved in them, which qualify the author in a very signal degree, not to lead, but to reflect, contemporary socialist thought, and to express its essential content in the most coherent, the most logical, and generally in the most favourable form of which it is, from the nature of things, susceptible; and nowhere can a better or more representative exposition of socialism as a scheme of *social*, to the exclusion of *industrial*, democracy be found than in an exposition of it which was given by Mr. Shaw as a challenge to adverse criticism, on

an occasion designed to secure for it an attention as wide as possible.*

Mr. Shaw begins by saying that the one essential characteristic by which a socialist State, as properly understood, is distinguished from all others has been obscured in the minds of its opponents because they mistake for its essence what is merely one of its incidents. They identify it, he says, with a mere unification of industries, which ought always to be distinguished from socialism by the name of "Industrial Collectivism." If the essence of socialism be, what it really is—namely, an equal distribution of incomes or material circumstance—collectivism, says Mr. Shaw . . . . . would in itself no more tend to produce this than the great Trusts of America. But socialism begins where industrial collectivism ends. Instead of leaving distribution to be determined by the facts of production, it appears on the stage precisely at the critical moment, and imparts to

* Mr. Shaw's views, as here given, were expounded by him at great length in a controversy carried on by himself and Mr. Harold Cox in the *Morning Post*. The nature of the occasion led to great diffuseness of statement on his part, and to much dislocation of the logical order of his arguments. Their true logical order is, however, perfectly clear to an attentive reader, and is carefully represented in the text. Some socialists would probably say that Mr. Shaw presses the demand for an absolute equality of incomes too far. But this is a mere matter of detail, and does not affect the representative character of his reasoning; for a virtual or effective equality is demanded by them all alike.

collectivism a totally new character by subjecting the distribution of its products to a force which has no relation to industrial facts whatever.

This force, he says, which is the soul of socialism, may be best described as a sentiment, of which the nature and the genesis are as follows. The sentiment, he says, is one which will, when fully developed, render the very idea of unequal incomes intolerable; and although at present it is doubtless far from general, to suppose that it will soon become so is no mere idle dream. It has its roots in ordinary human nature.

A sentiment prevails already amongst all civilised men which demands that the beggar shall be covered with clothes of some kind, no less than the plutocrat. Socialism, then, regarded as a practical project, does not require for its basis the creation of any sentiment that is new. It merely requires a development—and this is in rapid progress—of one which is familiar to all of us, as operative here and now, and which will, when developed only a little further, make the spectacle of a poor man as intolerable as the spectacle of a naked man. Hence, it will no longer content itself with demanding a coat for everybody. It will insist on filling the pockets of all coats alike with what Mr. Shaw, in language of almost needless precision, calls "the

quotient of the national income divided by the number of the population."

In short, the socialist State, as expressing the sentiment in question, will, as Mr. Shaw proceeds, say to every one of its citizens, "We guarantee you a standard income from the day of your birth to the day of your death, and whatever else we allow you to do, we will not allow you to be poor."

We must, however, remember, Mr. Shaw hastens on to observe, that if a socialist State is to prosper, the national income out of which all these incomes are to come must, relatively to the population, be certainly not less than the incomes of the richer countries of to-day; and that collectivism, though it may be capable of producing an ideally adequate maximum, depends after all for its success on the efforts of individual workers. Hence, income-producing work must be somehow exacted from everybody; and socialism, if the State is to save itself from "national bankruptcy," "may not dare to tolerate a single idle person."

How, then, he asks, is the requisite work to be secured? Under the existing system, he says, the problem is self-solving; for, "except in the case of the few who are men of property," a man who will not work is necessarily condemning himself to starve. But if socialism guarantees to him

that, whether he work or no, he shall live in equal luxury so long as there is breath in his body, the old stimulus will be gone, and socialism must supply a substitute. And this, says Mr. Shaw, is very easily found. *The status of the socialist citizens as income-producing workers must be assimilated to that of soldiers in the Prussian army. They must all be subjected to a quasi-military discipline. The sluggish, the insubordinate and even the truants will, "up to the day of their death," suffer no diminution of income; but the slothful will have a touch of the cane, the insubordinate will have a touch of the dog-whip, and the truants will be treated like military deserters and shot.*

Now here, says Mr. Shaw, anticipating an obvious criticism, we have a system of society which at first sight might seem to be one of slavery—a system which recalls the condition of the Children of Israel in Egypt, with the melons and the flesh-pots in front of them and the lash of the taskmaster behind. Of all the apparent difficulties which socialism has to encounter, this, he says, is the most important. It is, however, apparent only. It is based, he says, on two misconceptions, which vanish under the touch of analysis.

The first of these relates to industrial work generally. In order to ensure a diligent and

universal performance of it, the socialist State would require certain punitive and coercive powers. Let this be at once granted. But all States—so Mr. Shaw argues—are bound to equip themselves with powers of a like kind, as precautions against theft and murder. This, however, does not mean that the mass of average men are only restrained from larceny, fraud or murder by dread of the policeman's bludgeon, of the cell, or of the hangman's rope. They obey the law spontaneously, not because they are slaves, but because they are free. The State as a punitive, the State as an enslaving power, is felt, in practice, by none but a perverse minority. In a socialist State the case would be just the same. As soon as industrial work was transformed into a legal duty, the majority would perform it freely and as a matter of course, just as they now obey the laws which prohibit murder.

So much for the first of the misconceptions in question. The second, according to Mr. Shaw, is grosser and more unpardonable. It relates, not so much to the amount as to the quality of the work required, and those who give voice to it express themselves in effect thus: "Industrial work is of various kinds and grades, and the vice or absurdity of the socialist system is this: it would pay for all qualities at exactly the same rate." To this objection, says Mr. Shaw, which

can only be urged by the "base" or the blindly foolish, the obvious answer is as follows. This objection assumes that work is invariably performed for payment. No fallacy could be more absurd than this. Work in general is usually, and the higher kinds of work are always, performed without thought of a reward which affects to represent their value in terms of money or its equivalents. Indeed, says Mr. Shaw, not only "is the man base who asks to be paid for doing his best for his country, but the man who thinks that such services can be measured in coin is a fool." "The talents which are precious to humanity and build up great States have (so far as coin goes) mostly a minus value. Indeed, those who exercise them are fortunate if they are not persecuted as well as unpaid."

Mr. Shaw illustrates his meaning by reference to men like Socrates, Paul, Spinoza, Leibnitz, Newton and others, and he very justly contends that the life-work of such men as these owes all its value to the fact that it was performed spontaneously, and not for the sake of any income or "coin" commensurate with it. Who can doubt, then, he asks, that, in a great socialist polity, which starts with assuring an equal and ample income to everybody, most of the industrial workers, and especially the ablest section of them, will eagerly do their utmost in con-

tributing to the total stock, without any other motive than the desire of "being precious to humanity," and without adjusting their services to the likelihoods of any private gain? In socialism, then, as a scheme of equalised incomes, despite the draconian powers which the State would have in reserve for the purpose of extorting work from a certain debased minority, there is nothing which conflicts with the freedom of any reasonable and decent man.

Mr. Shaw's picture, however, is not yet complete. A brilliant finishing touch still remains to be added to it. Industry, says Mr. Shaw, when organised under one directorate, will run with such perfect smoothness and so slight a waste of effort that the hours of daily work requisite for the production of an adequate national income will probably sink to five, and at all events to not more than six. Thus the socialist State will be a paradise, not only of general affluence, and of the happy freedom which comes when work, in any case necessary, is performed with a willingness which anticipates and outruns compulsion; but it will, as Mr. Shaw depicts it, be a paradise of leisure also. In such a State, Humanity will at last come into its own.

The whole of this argument in a certain sense hangs together, and may be taken as represent-

ing, in a signally favourable way, the amount of cohesion that exists in socialist thought generally. Moreover, up to a certain point it is not only consistent with itself, but is also in sober relation to fairly definite facts.

In the first place it is quite conceivable that, though industrial collectivism in itself would have no tendency to result in an equal distribution of incomes, a sentiment so strongly in favour of such a distribution might develop itself that the forces of law would be utilised with some success to secure it. It is also conceivable that, as happened in the days of Sesostris, arduous labour might be extorted from multitudes by mere compulsion, though all direct connection between work and income were eliminated. Nobody will quarrel with Mr. Shaw's argument thus far. Everybody will agree with him when he admits that, if industry in a socialist State would wholly, or even mainly, have mere compulsion as its basis, socialism would be rightly repudiated as a resuscitation of slavery.

But the whole of his argument thus far is simply of the nature of a preamble. His argument proper, as he himself insists, hangs on the thesis that, as a matter of fact, the entire work demanded by the socialist State of the citizens would be, by the vast majority of them, performed of their own free will, coercion for them

having practically no existence; and as soon as he crosses the Rubicon, and comes to this crucial point, his reasoning acquires a totally different character. Comparative clearness gives place to a confusion which is doubly grotesque because he does not himself perceive it. It is a confusion arising not so much from an error in his logic as from a confused conception of the things to which his logic is applied. It is a confusion which reflects itself in his use of the ordinary word "work."

"Work" is a word which is, in different connections, used to denote effort of very different kinds; and what is true of one kind may be quite untrue of another. Now, Mr. Shaw's main argument deals with work of one special kind only, which he, with the utmost precision, defines in terms of the object at which it aims—that object being the production of the national income. All men must work, he says, to produce a national income which is adequate, for if they do not the socialist State will be bankrupt. But when he seeks to prove that a work of this particular kind would by most men be performed so freely, and indeed with so much ardour, that not even a threat of external compulsion would be necessary, and appeals to facts as showing that the best and most effective work is and always has been performed for its own sake only, it is

evident from his own description of them that the kinds of work which he selects to prove his proposition are totally different from that with which, and with which alone, his main argument has any sort of connection.

The kinds of work to which he is here referring are, to take a few of his instances, the kinds of work accomplished by men such as Socrates, Paul and Spinoza; and on these kinds of work he expatiates in the following way. It is evident, he says, that they cannot be due to coercion, for coercion is generally applied, not to stimulate, but to suppress them. It is equally evident that they cannot be performed for the sake of any equivalent in the way of "coin or income"; for they do not produce, and have no relation to, any of the things of which income ultimately consists. Indeed, if financially they have any result at all, this result is, he says, "mostly a minus quantity," and the men who perform them "are fortunate if they are not persecuted as well as unpaid."

If such be the case, then, one thing at least is clear, that however "precious to humanity" these kinds of work may be, they are not work of the kind which produces a national income. They are not the work which, according to Mr. Shaw's definition of it, the socialist State would be bound to exact from everybody unless

all the citizens are to die of national bankruptcy; and not only is the man very far from being a fool who thinks that work of this kind can be measured in terms of "coin" or its equivalents, but the man must be a fool who imagines that it can be measured in any other way. Men produce potatoes in order that they may eat potatoes; and the only ground on which the socialist State would have to insist, "under pain of death if need be," that every man for so many hours should do as much of this work as he can, is that there would not otherwise be enough potatoes to eat. Since, then, every average citizen would know that, whether he himself produced much income, or little, or none at all, or even a minus quantity, the total product would be affected to a barely appreciable degree, and that, whatever he did or did not do, his own reward would be the same, is it likely that he would burn with desire to do more work or better than such as would just save him from the lash of the watchful task-master?

The absurdity of supposing that he would, sufficiently obvious on the face of it, is emphasised further by the two following facts. The first of these facts is this: that when socialists argue about incomes, they think of incomes in the abstract, or as though, like water, they were so many homogeneous quantities, which differed

only in magnitude as measured in terms of money. Now, when incomes are so small that they only suffice to purchase a little more or less of the simplest necessaries of existence, this way of thinking is accurate and clear enough; for the necessaries of life are few, and in most cases much the same. But these are precisely the incomes which socialism aims at abolishing. These incomes of equal primary poverty it aims at expanding into incomes of equal affluence. In other words, to a minimum of bare necessaries it aims at adding a multitude of superfluous and alternative luxuries.

Let us suppose, for example, that all the material commodities, the enjoyment of which distinguishes affluence from poverty, are books, and that the actual substance of each man's affluence is his library. There may be a thousand libraries representing the same expenditure, and yet no actual book ranged on the shelves of one might be a duplicate of any actual book discoverable on the shelves of another. The shelves of one might be packed with nothing but Protestant sermons, those of another with tomes of Jesuit casuistry, those of a third with novels, or amatory verse, or histories of stage dancing. Thus no individual citizen, as a worker in the socialist State, would be asked to be "precious to humanity" by printing and producing books,

Each would be asked to display an impassioned diligence in multiplying copies of this or that book in particular. But any worker might say that, though literature, taken in the abstract, was wealth in its most precious form, the particular book in the production of which he was thus invited to strain himself was not precious but injurious, or at best utterly futile, and that he would be much more precious to humanity by idling as much as he dared, and so diminishing the supply, than he would be by working his hardest, and so raising it to a maximum. If a Catholic were asked to multiply books by Baptists, if a Puritan were asked to colour engraved pictures of ballet-girls, the task imposed on each would be certain to excite in him, not ardour, but antipathy; or if the task, as it might be, were to multiply a sentimental novel, it might well excite in any serious man contempt.

Such conscientious objectors might, it is quite conceivable, do as the State told them, thus bowing themselves in the House of Rimmon; but, since the socialist State would, *ex hypothesi*, pay them an equally ample sum whether they obeyed orders or no, they certainly would not obey them for any conceivable reason other than a wish to save themselves from the whip of the State slave-driver.

The uses of the whip, however, under a régime

of equalised incomes are by no means yet exhausted. They would not be confined to the workshops of State collectivism. The whip would be needed for purposes which, quick though his mind is, Mr. Shaw has apparently never so much as contemplated. If the hours of slave-labour necessary for producing the statutory national income were, as Mr. Shaw suggests, reduced approximately to five, and if seven should be allowed for sleep, the leisure time of the citizens, during which they might do as they liked, would amount substantially to seven-tenths of their waking life. How, then, do socialists suppose that this life of freedom would be occupied?

The question is not an idle one; for here, if anywhere, would be found that spontaneous self-expression of character for which assured and equal incomes can alone provide a basis. According to Mr. Shaw, the State would say to the citizens, "I may rob you of your democratic freedom for five hours a day for the necessary purpose of ensuring that the incomes which you are to enjoy may be produced; but, when once those hours are over, I order and I forbid nothing." But the matter would by no means end here, if a polity of the kind which Mr. Shaw imagines were realised. There are two things, at all events, which, if equalised incomes are

really its special and essential feature, a socialist State would have to forbid absolutely.

It would, in the first place, have to forbid saving. For if any of the citizens took—as they very easily might do—to saving four-fifths of their own ample allowances, equality of circumstance would not endure for a twelvemonth. The State, therefore, besides seeing that an ample and equal income was punctually got by everybody, would have year by year to see that everybody spent the whole of it. But this is not all. It would have to forbid any citizen in his long hours of leisure to supplement the work performed by him in the State workshops by any further productive work on his own account. Unless this were forbidden, the more practical and energetic of the citizens, when their State work was over, might, instead of being precious to humanity by philosophising after the manner of Spinoza, start businesses for themselves, in which the full fruits of diligent labour or genius would go to individuals as the reward of their own efficiency, and not be frittered away as virtual presents to others who had not the skill or the will to produce such things for themselves. In this way an additional income would arise—an income not common to all, but confined to a special class, all of whose members would be richer, some incomparably richer, than the rest.

A socialist State could never tolerate this. All supplementary enterprise would have to be put down at any cost. A situation would accordingly arise for which Mr. Shaw's logic makes no sort of provision; but if incomes were to remain equal, it would have to be met somehow. The whip which, on his own admission, would have to be kept somewhere for use in the collectivist workshops would accordingly have to perform, not one function only, but three. Besides lashing the obstinate or the idle into industry, it would have to be lashing the conspicuously industrious into idleness; and when not terrifying the citizens into producing incomes on the one hand, or abstention from producing them on the other, it would have to be terrifying these unfortunate persons into spending them.

Such, then, according to Mr. Shaw's account of it, would the socialist polity be, as intellectual democrats have now come to conceive it. But whatever absurdities this account may involve, they are, let it be said again, not peculiar to himself. His account is a vivid and signally representative exposition of the idea which is maturing in the minds of the more thoughtful socialists of to-day—the idea, that is, of socialism as a scheme of moral or social democracy superimposed on a scheme of industry the oligarchic character of which, though it cannot be denied

or altered, is for practical purposes metamorphosed by the final scheme of distribution to which it will be made subservient.

The value of Mr. Shaw's account of a polity thus constituted lies firstly in the fact that his critical powers have enabled him to signalise clearly the defects of the old socialist ideal, and, secondly, in the fact that these same critical powers have not only enabled but compelled him, without perceiving it, to exhibit the defects of the new, which, though different from those of the old, belong to an order of thought no less remote from the region of actual life. The Marxian socialists, indeed, were in one respect much more reasonable than their successors. They assumed that the natural sentiment of each man as a worker was what it really is—namely, a sentiment which demanded the full value of his own work for himself; and the demand of the Marxian socialists that all incomes should be equal was merely an incidental result of the theory that no one man in the same number of hours produces more or less wealth than another. This crudely absurd theory the modern socialists have abandoned; but in order to preserve the doctrine that rewards should nevertheless be equal, they have been obliged to replace the original theory by another which is no less absurdly at variance with the character of the average man than the

theory of Marx was at variance with the actualities of scientific industry.

The Marxian conception of labour as the sole agent in production is not more illusory, as the basis of a socialist system, than the general sentiment in favour of equal distribution by which socialist thought now seeks to replace it. Such, at least, is the conclusion to which logical analysis leads us.

CHAPTER X

THE PSYCHOLOGY OF SANE REFORM

IF, beginning with its manifestations in the later years of the eighteenth century and the earlier years of the nineteenth, we consider socialism or social democracy firstly as a sentiment having an absolute equality of material conditions as its object, and secondly as a reasoned scheme by which this ideal object may be realised, we shall see that, as a principle and a project, it has passed through three stages, which are broadly distinguishable as follows.

According to the earlier socialists, such as Ann Lee and Owen, the one peculiar element requisite for the realisation of a socialist polity was a general sentiment in favour of equal wealth for all; and it seemed to them that, such a sentiment being given, the process by which wealth was produced would naturally adjust itself to an object in which it was assumed that the producers were all equally interested.

Except in the case of religious sects like the Shakers, this expectation was completely falsified by events; and, considered as the basis of any

practical system, socialist thought might have died a natural death if, some forty years after the collapse of Owen's experiments, it had not been reconstructed by Marx on a practically new basis. The change which Marx effected in socialist thought was this. Whereas the earlier socialists had regarded the equalisation of wealth as a feat to be accomplished by the magic of a peculiar sentiment to which the facts of production would adjust themselves, the relative importance of these two factors was by Marx inverted. The equalisation of wealth required, according to him, no sentiment of a peculiar kind at all. Its basis lay in the purely economic fact that wealth is produced by manual labour only, one labourer producing as much wealth as another; and the only kind of sentiment for which there was any occasion was simply the common desire of every man to get and to keep the whole of what he individually produces.

So long as this doctrine as to manual labour prevailed, everything for the socialist mind was invested with a false simplicity. But, as time went on, intellectual socialists themselves began to discern that this so-called "scientific" doctrine was, as Bismarck said of a certain British diplomatist, "nothing more than a lath painted to look like iron." They began to see that in the complex production of to-day the mental workers

are agents no less real than the manual; that the former are in many cases incomparably more productive than the latter, and that if distribution is to be based on the mere facts of production, a régime of equalised incomes will be farther off than ever. They have, therefore, in respect of the two main elements of the case, had to restore these to what was their original order, sentiment as the equalising element being put once more in the first place, and the mere facts of production being relegated to the second, as subservient to it.

This third stage of socialist thought may, in Tennyson's language, be described as "a riper first." It is riper in two senses: firstly, in the sense that socialist thought in this third stage includes a far more scientific conception of the nature of modern production, with all its complex inequalities in respect of powers and functions; and, secondly, in the sense that it involves a more complex conception of the task which socialist sentiment must perform as an instrument of equal distribution—a task which must comprise, not the act of distribution only, but also that of providing some overwhelming incentive to all those complex submissions and complex inequalities of effort, without which there would be nothing, or very little, to distribute. But with whatever care this conception may be

developed, it remains a mere conception, a mere figment of the imagination still. Indeed, its very development, whether implied or explicit, into fuller logical form, has but rendered more plain than before how remote it is from any sentiment which is actually operative amongst men.

One illustration of this remoteness may be here pointed out—namely, the fact that this imaginary sentiment, if it is to do the work required of it, must be in reality not one sentiment but two, each being the opposite of the other, so that some men will be animated by a passion for producing more than they get, whilst some will be animated by a passion for getting more than they produce. But in the whole conception of a sentiment which, as a stimulus to individual work, has for its object an equality of rewards for its own sake, an error is involved far deeper than any which comes to the surface in the form of such a paradox as this. It is an error which goes to the very roots of the whole psychological process by which the feelings and actions of the individual are normally brought into contact with the affairs of his fellow-men. It amounts, indeed, to neither more nor less than a farcical turning of this process upside down.

When socialists conceive as possible a senti-

ment which shall so affect the industrial workers of a community that the happiness of each is identified with a purely objective fact—namely, the material equality of all—they do not, indeed, maintain that the individual will forget his own interests altogether, or regard them with complete indifference; but they do maintain or assume that the equal conditions of all will be the primary object habitually present in his mind, his own welfare being a miniature image of these, which is reflected in his consciousness of the fact that the "all" will include himself as a thousandth or a millionth part of it. If such were really the nature of the psychological process by which the self-interest of the individual as a productive agent is brought into relationship with the material welfare of others, the process would not be peculiar to this special relationship only. It would be a type of the process which was normal in the case of all relationships through which the interest of the individual in his own affairs is associated by him with an interest in the affairs of others, no matter what the nature of these affairs may be. A man who was liable to sea-sickness would, when embarking on a voyage, be primarily occupied by an anxiety that none of the passengers should be sea-sick—a mass of vague persons altogether unknown to him—and would surprise himself by discovering

that he, as one of the crowd, hoped to escape sea-sickness amongst them.

A mother's love for her daughter would be the result of the following psychological syllogism: I love all daughters. My Jemima is a daughter. Therefore I love Jemima. To suppose, as is supposed by the later logic of socialism, that self-interest is deduced in this way from a prior interest in others, is like supposing that the flame of a lamp in a lighted room is a miniature condensation of the light diffused over the illuminated walls, instead of the light on the walls being an enlarged reflection of the flame. A mother does not desire the welfare of her own daughter because she first desires the welfare of daughters generally. She desires the welfare of daughters generally because her sympathies have been previously quickened by solicitude for the welfare of her own. Like the ripples on the surface of a pond, which circle outwards from the spot at which a stone has struck it, the inclusive emotions and interests circle outwards from the centre of self or family, becoming fainter and less precise in proportion as they become more and more comprehensive.

If any one doubts this fact, he may very easily find ocular proof of it. Let him watch the faces of a crowd which, drawn together by the news of some great shipwreck, is searching

the lists of those who have been saved or lost. What each member of the crowd will be looking for, in obedience to an eternal instinct, is the name of parent, wife, husband, child or lover; and if the person in question is named amongst those surviving, the expression of the searcher changes from one of agonised tension to one of supreme relief. A shadow of sadness may overcast it, as a sign of sympathy with the bereaved, but this sympathy will be a secondary, not a primary, fact. It will be a surviving emanation from the pangs of personal anxiety which a few moments ago had been undergone by self.

In the same way, with regard to material welfare or income, a man's solicitude for self is not a miniature deduction from an antecedent solicitude for the equal welfare of all. A solicitude for the welfare of all, so far as regards income, is an enlargement partly rational, partly emotional also, of an antecedent solicitude for his own. The enlargement is rational because in no community are the material conditions of any one unit isolated. It is emotional because a certain good will towards his fellow-citizens generally, a compassion for extreme distress, and a preferential affection for his own chosen associates are for each unit essential to those pleasures of social intercourse, without which life would have few, if any, pleasures at all. But

an interest of this kind in the affairs or incomes of others has nothing to do with any quasi-religious belief—for this is what the sentiment which socialists postulate comes to—that nobody can be happy, let his income be what it may, unless everybody else has an income of precisely the same amount. If a man, in view of what he takes to be his own needs and abilities, should judge that six hundred a year was a proper income for himself, he might well wish that everybody was rich enough to escape privation; but his judgment as to his own income will not even tend to enlarge itself into a passionate conviction that nobody should earn either less or more. It would certainly not stimulate him—and this is the important point—to strain himself in producing a thousand pounds instead of a bare six hundred, merely for the sake of securing a certain objective symmetry by handing over four hundred pounds to a neighbour who was earning a substantial income of two hundred pounds already.

The simple fact is that, except in the case of persons of a quasi-monastic temperament who regard equality as a sort of religious discipline, equality as such, and for its own sake, is a thing desired by nobody; and if we ask why, as an ideal object of endeavour, equality appeals so readily to the imagination of multitudes, the

answer is this: that it is, by those who desire it, not desired for its own sake at all, but is desired because, in the mind of this man or of that, it happens to be associated with one or other of certain incidental results, which are generically different from itself. Let us suppose, for example, that ten shipwrecked men are waiting for rescue which will take many days to reach them, their sole provisions, meanwhile, being bread which is just sufficient to keep life in their bodies until the rescue comes. Such men will no doubt insist that the bread shall be allotted to all in absolutely equal proportions, but they will not do so because they all wish for equality. They will do so because, by accident, equality is for the time identified with escape from death. Apart from exceptional and extreme cases like this, an equalisation of incomes would, if the forces of production were not generally crippled by it, have two incidental results, each of which two would appeal to men of a very common type. One of these results would appeal to the man temperamentally idle, by ensuring that the worst work was as well paid as the best. The other would appeal to the man temperamentally jealous, by making him feel secure that, whatever he got himself, no detested superior would affront him by getting more.

As to these incidental results of artificial

equality, it might to many people seem enough to observe that the sentiments of idleness and jealousy hardly make up between them that passion for equality as such, which the logic of socialism postulates as the great motive to labour, and which it also presents to the world as the apotheosis of brotherly love; but this obvious criticism does but touch the surface, not the root, of the matter. The fundamental fact which requires to be noted is as follows.

Though a system of equalised incomes might minister, through its incidental results, to the self-interest of any idle man or any jealous man individually, it would be absolutely hostile to the self-interest even of the idle or the jealous as classes. It may be to the self-interest of A, as a man temperamentally idle, that all incomes should be equal, because such a system as this would secure for him the maximum reward, though his own contribution to the total were little or next to nothing, as in that case it would be. But it would not be to A's self-interest that a system of equality should prevail which would have the same effect on the several contributions of B, C and D; for if work were generally reduced to a minimum quantity like his own, there would soon be next to nothing either for himself or for anybody else. The socialist polity would, as Mr. Shaw admits, die of corporate

bankruptcy, which, in the case of all socialist experiments, other than the quasi-monastic, is precisely the thing it has done. Hence, since general equality must be a general system or nothing, it is not to the self-interest even of the idle that general equality should exist; and there can, even amongst the idle, be no such thing as a corporate sentiment in favour of it.

The same observation applies to the equalisation of incomes as a scheme whose incidental results would be gratifying to the temperamentally jealous. Any jealous man, taken singly, might well be pleased with a system which would prevent super-competent men from getting, through their exceptional talents, an income larger than his own; but jealous men, as a body, would not be pleased with a system which, affecting all alike, would prevent super-competent men from producing more than the minimum they were likely to get; and would thus reduce to a minimum the equal shares assignable to the jealous men themselves.

The socialist supposition that a scheme of equalised incomes, unless incomes stand for beggary, can be brought about by a sentiment in favour of equality for its own sake is a mere psychological mare's nest. It is an absurdity of a double kind. In the first place, equality for its

own sake, as an object of practical endeavour, is a thing of no interest to anybody. In the second place, though the most obvious of the immediately incidental results of it might be gratifying to each idle and each jealous man individually who looked upon these as embodied in himself alone, they would be fatal to the expectations of each man the moment they were embodied in all. In a word, *equality of reward irrespective of unequal work, whilst promising that the many, no matter how little they were able to produce, or were willing to produce, for themselves, should all be financed into affluence out of the products of the super-competent few, would deprive the few of every conceivable motive which could prompt them to produce the fund from which the affluence of the many was to be drawn.*

SANE REFORMS

Such, then, being the radical errors which, due to an inverted psychology, render all the social conditions promised and projected by formal socialism absurd, let us now proceed to consider those conditions which, demanded alike by common sense and justice, the absurdities of socialism indicate even in the very act of obscuring them.

Of such conditions the first—and it is for practical purposes the basis of all the others—is one which relates to wages, these being considered in respect, not of their absolute amount which will differ in different cases, but of the elements of which, in every case, the ideal wage is composed. The essential feature of the ideal wage—the wage demanded alike by common sense and by justice—is this: that it represents a value in excess of the value of the personal product of the wage-earner, the excess being provided out of the product the production of which is contingent on the directive ability of the employer. Now this contention is, in a certain sense, identical with the socialist promise that, under a system of socialism, the many shall live very largely on the efforts of the super-competent few, which promise has been here held up to ridicule as the crowning absurdity of the whole socialist programme. Why, then, is the ideal wage, as here described, rational, if the ideal income, as it figures in the socialist programme, is absurd?

The answer is that, whereas the socialist programme disregards or annihilates those motives of self-interest by which all productive work in the actual world is animated, the ideal wage, which has here been described as rational, appeals to such motives in a way which is at once the most precise and the most comprehensive pos-

sible. *By substituting for a maximum income assignable to all alike a minimum wage assignable to the workers of least efficiency, and by making this minimum contingent on honest work*, a guarantee is provided that the workers of least efficiency shall persistently do their best, whatever that best may be. By including in this minimum a large—possibly the larger—part of it, an element produced by the efforts, not of the wage-earner himself, but of the employer whose mind directs him, *the stability of the system is secured of which the directing employers are the head.* The fact that, according to the scheme here set forth as rational, all work (that of the employers included) which exceeds in value the work of the wage-earners of least efficiency, shall, whatever the excess may be, receive rewards which exceed the minimum wage proportionally, will constitute a stimulus to every higher efficiency, as measured by its results, from the minimum standard upwards.

Finally, as to the surrender which the greater, and especially the greatest, producers would have to make of a portion of their own products for the purpose of raising both the minimum and every wage to a total greater than anything which the wage-earner could produce himself, this surrender, though absurd as it figures in the programme of formal socialism, is, as a part of the

programme here described as rational, not an absurdity, but a sound business transaction.

As it figures in the socialist programme, it is absurd for the simple reason that it would, if viewed from the standpoint of those who would have to make it, be surrender without a motive, and would, if enforced by law, ensure that the things surrendered should never be produced again. It would give every man an interest in the utmost efficiency of others, but would, at the same time, deprive every man of the smallest interest in his own. The kind of surrender here described as rational is rational because, as made by the great employers, whilst still leaving them with fortunes (not, indeed, equal, but proportional to the magnitude of their own products), it would yield them a *quid pro quo*—something for themselves no less important—namely, the stability and solidarity of the system on which their own fortunes depend.

In other words, whilst the promises and postulates of formal socialism are absurdities, the conditions which, though closely resembling these, are here described as rational, are rational because they rest on a totally different basis. The method by which they are reached is one which, instead of deducing the material interests of the individual from some fantastic vision of the united interests of all, deduces a reasonable con-

ception of the united interests of all from its true psychological source—namely, the self-interest of the individual.

Here, then, we have the main material conditions which, as the essentials of a sound and practicable polity, socialism discredits by investing them with impracticable forms, and placing them in impossible settings, but which reason and sober justice at the present day demand. In addition, moreover, to these material conditions, *reason and sober justice demand certain moral conditions also. One of these relates to the status of the wage-earner as a man, the other to his status as a man who, possessing or believing himself to be the possessor of talents beyond the ordinary, demands the right to rise.* These latter conditions are more than rational renderings of a something which, however obscurely, the logic of socialism suggests. *They are conditions which the logic of socialism, if it means anything at all, positively and definitely excludes, thereby denying,* little as socialists recognise this, *two of the main demands which are really instinctive in the masses to whose passions formal socialism addresses itself.*

That such is the case with regard to the right to rise is obvious.

It is less obviously, but no less truly, the case with regard to that moral recognition which, it

has here been insisted, is due to the wage-earner as a man. Such a recognition, it has been said, is, in the last analysis, a recognition of each man's life—even that of the commonest labourer—with all its affections and all its possibilities of pleasure, as an end in itself, like a statue complete on its own pedestal.* But this is precisely what the logic of socialism denies. It assumes, as we have seen already, that the sole direct object of the endeavours of the human unit is not to promote his own welfare, bodily or spiritual, in any way, but is solely to aid in the production of an aggregate of material equalities which are essentially external to himself, and merely include his own lot by accident, as an insignificant and barely distinguishable part of them.

Let us now consider the various conditions, mental and moral, together, which have been here set forth as representing whatever is vital and practicable either in the concepts of formal socialism, or in those popular desires which formal socialism ignores; and let us consider how far these conditions, if fulfilled, would be calculated to allay that widely diffused unrest of which the promises of formal socialism may, despite

* Professor F. Nitti calls attention to the dictum of Hegel which, he says, the German socialists adopt as the basis of their social sentimentalism: "*Man is beyond all doubt an end in himself, and should, as such, be respected, not with regard to the State.*"

their absurdities, be seriously taken as a symptom, or a vaguely tentative symbol.

In considering this matter, we must begin by once more noting that the conditions in question are here set forth as reasonable because they have as their basis two general facts, one of which is now admitted by all serious socialists themselves, whilst the other is attested by the demands of the democratic spirit whenever men, and the wage-earners more especially, express them in terms of what the masses really feel.

The first of these facts—that admitted by modern socialists themselves, or by those, at all events, who claim to be serious thinkers—is that efficient production—the kind of production which they postulate as the basis of their ideal polity—involves the interaction of workers of whom a few are productive to a degree incomparably greater than others, whilst the various degrees of productivity between the highest and the lowest are numerous. The second fact is this. Whatever socialists may foolishly say to the contrary, the natural and real demand of workers of all classes, more especially the skilled wage-earners, is that men shall get and keep, and be protected in getting and keeping, a wage or reward in proportion to what they produce. We may, therefore, assume as given, and not open to dispute, the general fact that, in any

satisfactory polity, the scheme of distribution will be not equal but graduated, and that some men consequently will, in an absolute sense, have a larger interest in the total product than others. Hence, the crucial problem is how to adjust these interests so that all parties may feel that relatively, if not absolutely, their various interests are equal, that all their interests rise and fall together, and their various lots in life may, from the simplest upwards, be severally the best which the nature of things makes possible.

Such being the desired end, the conditions here set forth as the practicable means of securing it may be restated as follows.

First comes a minimum wage for the workers of least efficiency, far in excess of anything which, as a body of self-directed equals, the recipients could produce for themselves, this condition being taken as carrying with it an assured continuity of the work on which the earning of the wage depends.

Secondly, for all whose efficiency exceeds the minimum comes a wage which exceeds the minimum wage in exactly the same proportion; this condition being taken as carrying with it a provision for exceptional talent of encouragement to develop, and adequate opportunities of applying, itself.

Thirdly comes a respect on the part of the em-

ploying class for the wage-earner, not merely as an industrial implement, but as a man—a being whose life has an absolute value in itself, and is therefore a type of the values in which all human effort and human existence culminate.

If, then, we assume that these conditions are realised, is there any reason for doubting that, as a matter of theory at all events, the masses of mankind, even those whose present "unrest" is most conspicuous, would accept these conditions with contentment, in the sense that, as practical men, they could not, if asked to do so, formulate or devise better?

Whilst none of these conditions are capable of being realised completely, they are all capable of being realised to a degree quite sufficient to change the popular mood from one of unrest and of protest against the established order generally to one in which a reasonable content shall be at least the prevailing element; but even this consummation is beset by certain objective difficulties, which, in order to overcome or remove them, must be clearly faced and recognised.

CHAPTER XI

OBJECTIVE DIFFICULTIES

THE objective difficulties are all exemplified in connection with the minimum wage, and, although they are not confined to it, it is in connection with the minimum wage that they are exemplified most clearly.

The first and most obvious of such difficulties is this. The whole scheme of wages which, having as its basis or starting-point a satisfactory minimum, has here been represented as calculated to produce content, must, it has been said, carry one condition along with it. Every wage must, from the minimum upwards, be contingent on the exercise, by such persons as claim it, of the best efficiencies they possess; and for indolence, for carelessness, or for want of prompt obedience there must always lurk in the background some curtailment of the wage which would otherwise be the worker's due.

By workers of special skill this species of penalty need not be felt as any serious hardship. They might, indeed, find occasionally that the pleasures of partial idleness were well worth some

loss in money. But for the average worker, who would normally earn the minimum, any such loss through indolence would, if frequent, be a very much graver matter. It would soon mean substantial inconvenience, then galling privation; and only a renewal of diligence would at last save him from destitution. This possibility of destitution is one of the primary conditions against which Mr Shaw informs us that the sentiment of socialism protests. *One of the favourite themes, indeed, of all socialist orators is the fact, which they describe as terrible, that for the great mass of the workers of the modern world nothing but a week's wages stands between them and famine. In a general sense this may be true enough; but it is not true of the wage-earners, or of the modern world only. In a general sense it is true of the whole human race. It always has been true, and to the end of time it will be.* A small minority of men in highly civilised countries may enjoy what is called "an independence" by having created for themselves in the past, or else by having inherited from their fathers, certain permanent things the use of which assists the productive efforts of others, and for which use those who use them pay a certain price to the owners. But such owners are exceptions; and if all their possessions were distributed amongst the working mass, the plight

of the mass would in this respect be just what it was before. *All the capital of the world might be divided in equal shares amongst everybody; but if the human race at large did no work for a week, everybody at the end of a week would be either dead or dying.*

The capital of the world may be compared to so many million spades, and the masses of mankind to cultivators. If one man owned all the spades, and let them out to the cultivators at a shilling a year for each, this one man, without working, might have a colossal income of many million pounds; but if the spade of every cultivator suddenly became his own, every cultivator would, if he were not prepared to starve, have to go on with his digging just as he did before. No individual would join his fellows in working unless want or pain of some sort lay in wait for him if he failed to do so. Thus no minimum wage, however ample its amount, could prevent men from being miserable who were not willing to work for it. Even socialists themselves, as Mr Shaw bears witness, admit that this is true in principle, and can only propose to mend matters by visiting wilful idleness, not with want, but with the whip. No conceivable constitution, political, economic or social, could ensure content for everybody; but by making the material conditions of a healthy life accessible to every

plain man who is honestly willing to work for them, the material bases of content would be provided for an overwhelming majority, and nobody in his senses could demand or hope for more.

So much, then, for the first material difficulty which would stand in the way of rendering our ideal conditions complete. The second arises in connection, not with the perversities of men temperamentally idle, but with an assured provision of suitable work for the industrious. This provision, which means an assured continuity of wages, is a matter no less important than that which assures their quantity; for if quantity means the enjoyment of superfluous plenty in the present, continuity means freedom from something even more fatal to happiness than a lessening of present plenty—that is to say, anxiety as regards the future.

Now . . . . . could such a provision of continuous work be complete, it would be equal to a re-diffusion of industrial property generally. A peasant, let us say, who by cultivating his own plot has been making an income of £30 a year, sells his plot to some scientific farmer, and by working under his direction earns, let us say, an annual wage of £60. His income, whilst it lasts, is doubled, but he is no longer, as he once was, master of the means of

earning it. He is no longer master of the means of earning any income at all. But if he had the right of earning such a doubled income continuously in one way or another, even though this particular farmer should some day have to dismiss him, he would be no less secure of access to the means of an undiminished livelihood than he was when the plot which he once cultivated was his own. If a skilled engineer, earning £3 a week in a factory, had a similar right to exercise his skill somewhere and get for it the same payment, though this particular factory was compelled to close its doors, his position would be as secure as it would have been if, as a village blacksmith, he were earning half that sum by blowing his own bellows under the shade of his own chestnut tree. Indeed, if we assume that, at any given time, all the wage-workers in a great manufacturing country are provided by the employers with work which is paid for in proportion to its full value, and if we suppose, further, that this state of things is permanent, security would be self-established. There would be no need to guarantee it.

The possibilities of insecurity, apart from those due to sickness, can arise only from one or other of two things—either that the population increases whilst the opportunities of work remain stationary, or that whilst the population is sta-

tionary the demand for work declines. In either case the result would be unemployment, unless certain businesses already prosperous could be multiplied, or businesses which were naturally declining could be artificially kept alive, or new businesses created of kinds unknown before by which the declining businesses might be replaced.

Now . . . . . in countries sparsely occupied, and sufficiently rich in cultivable lands and pasture (such, for example, as New Zealand, with an area equal to that of England and Scotland, and a population equal to that of Glasgow), the first of these feats—namely, a multiplication of businesses already prosperous—would be easy. Every new family could, as the population increased, be provided with a new farm, and thus enabled to supply itself with the primary needs of life. But *in any country which is already so thickly populated that its inhabitants need more food*—more bread, more meat, more milk—*than all their acres can yield them in response to their utmost labour, certain of the inhabitants are already dependent for their very lives on the manufacture of goods exclusively designed for export.* That is to say, every crust of bread they eat is the product of other nations, and it comes to them only in return for certain products of their own—such as

coal, dyed fabrics, lace trimmings, machinery—which the food-producing nations want, but cannot, or cannot as yet, produce so well for themselves. *If then, the foreign demand for the manufactures of such a country declines, this will mean that the goods which it manufactures for export are failing to satisfy the desires of the food-producing countries any longer.* The continued production of them would be so much labour lost; and if, for the benefit of those who have hitherto lived by producing them, new industries are to be created by which they may live still, the goods which these industries produce must be goods of a novel character, devised by inventive genius, not to supply the wants of the home consumer, but to stimulate or captivate afresh the alienated appetite of the foreign, so that the latter may be willing to give food in return for them.

By many foolish sentimentalists this fact and its consequences are altogether forgotten. Such persons are accustomed to argue that no country, equipped with the modern mechanisms of production, need necessarily suffer from any lack of employment so long as one cottage remained in it for labour to improve and amplify, or one poor man who would be the better for a new suit of Sunday clothes. But this argument ignores the entire crux of the situation. In any country

which cannot, by means of its own agriculture, provide food, let us say, for more than a half of its population, the primary meaning of unemployment due to a decline in exports is, for the unemployed, this, that no employment, as matters stand, is open to them, the prosecution of which will procure for them imported food. Such food is the first necessity; for mere employment, as such, is nothing more than a name if it does not, before all things else, enable the employed to eat. If thousands of English workers had hitherto made their living by producing cloth of some special tint for America, and getting bread and meat in return for it, and if the Americans come to want this cloth no longer because they could get a cloth which they liked better from Germany, how would the English unemployed be profited should some socialist sage tell them that, instead of working to get food from America, they might make any number of things, which were not food, for themselves? To such a consoler men in this plight would answer, "We ask you for beef, and you tell us to enlarge our kitchens. We ask you for bread, for tea; and what you offer is a double supply of trousers."

However a state such as that of England was organised—whether production was controlled, as now, by many private employers, or, as

socialists propose, by the directors of a great national trust, the crucial difficulty would in this case be the same. The directors would have to devise, by an exercise of the constructive imagination, a variety of new commodities, together with the machinery for making them, which commodities would so titillate the fancy of food-producing workers in America or elsewhere that they would, for the sake of securing them, be willing to send food to England which English workers could not produce at home.

Here we have a task which, in England or in any country whose home-grown foodstuffs cannot keep pace with the population, might any day prove impossible; and no scheme of insursurance—no contrivance for providing continuous work for all—could, under all circumstances, render its achievement certain. Thus, except in such countries as have within their own borders reserves of agricultural land which are still waiting to be developed as the needs of the population demand, assured continuity of work for wage-earners of all capacities can at best be only partial. But this is true, not of the wage-earners only; it is true of the employers also. No particular business or class of businesses, however great, or however flourishing to-day, could by any system of insurance be rendered secure in perpetuity. Unemployment and ruin, so far as

their present occupations are concerned, would always be possible for masters and men alike. *Of all occupations, the most indestructible is agriculture, which can never perish so long as mankind endures. It may, however, dwindle in this or in that locality; and of other businesses even the greatest may be locally, or even universally, destroyed. What system of insurance could have secured perennial prosperity for the owners of stage coaches when once the railway had begun to outdo the road?* What system of insurance could possibly perpetuate the fortunes of the Standard Oil Trust when, as will probably happen before the end of the twentieth century, not a well in all America has a drop of petrol left in it? But beyond the inherent insecurity of individual businesses there always lies an insecurity of a more comprehensive kind. This is the insecurity of the corporate fortunes of States. What system of insurance could have rendered the trade perpetual which enriched Venice and Florence when the Doges wedded the Adriatic, and the Pitti Palace was the home of a private citizen?

Complete security, then, either for wages or profits, or even security from the effects of all recurring vicissitudes, is no less impossible for the individual wage-earner than it is for the individual employer. It is no less impossible for

the employer than it is for the State or nation, and a recognition of this fact is very necessary as an antidote to a certain childish idea with which sentimentalists are apt to besot themselves. Thus a writer, in many ways remarkable for sound judgment, has observed, with regard to England, that "we (the English) have given, it may be, too much thought to wealth—that we should, on the whole, be happier and better men if we had less wealth, and more open air and elbow-room; but we have," he proceeds, "got the wealth. Here it is as a fact, and our business is to make the best use we can of it."

Persons who use such language as this are living in a land of dreams. *To their eyes the wealth of a country like modern England resembles a marble column, which will stand up erect forever when once placed on its pedestal. What it really resembles is a column of water forced into the air by the action of complex and unresting mechanisms—mechanisms which a careless or hostile blow might dislocate, and any dislocation of which would cause the column to collapse.* All modern wealth, in short, in proportion as it is great is essentially artificial and precarious. This must never be forgotten. So long, however, as in any given country such wealth lasts—so long as it exhibits no serious symptoms of a decline likely to be permanent, or of any permanent

failure to keep pace with the population, and so long as it is subject only to local and temporary fluctuations—assurance for the wage-earners that opportunities of work shall be continuous is a condition which, unlike the fantastic ideals of socialism, is capable of being practically approached to the advantage of all parties, and the disadvantage of none. It is capable of being approached in the large, if limited, sense, that wages might, by some system of insurance, be rendered not less secure than the profits of the employers, if the employers are taken as a whole, and more secure than the profits of any one employer individually.

CHAPTER XII

OBJECT LESSONS OF 1917

LET us suppose it to be granted by all clear and serious thinkers that the higher achievements of civilisation, whether in the way of wealth or culture, are not, indeed, the work of the superior few exclusively, but are contingent on the activities of the few as influencing those, which must always be pre-assumed, of the many. But, even if this be granted, the question still remains of what the basis ultimately is on which the influence of the few over the activities of the many rests. Now, so far as mental, moral and religious civilisation is concerned, the influence of the few depends on the voluntary assimilation by the many of what the few teach. It depends on what is called *influence* as something distinct from external force or authority. But in the social processes which may be called "subservient"—namely, political government, military action, and industry—the power of the few must necessarily have some external force at the back of it, which imparts to influence the character of dictatorial orders. Hence with regard to these sub-

servient processes there arises the immemorial question of what the force or sanction is which renders such orders operative.

To this question the great majority of thinkers, including the most conservative—we may say, indeed, all thinkers who have ceased to believe in the divine right of kings—would answer that the force in question resides ultimately in the people. Thus, when the principle of absolute monarchy still held undisputed sway in Europe, a school of Catholic theologians, who had no thought of overthrowing it, proclaimed this doctrine as axiomatic, and asked, with supreme self-confidence, "If the force which is the essence of authority does not come ultimately from the people, from what possible source can it come?"

If we regard this argument as meaning that monarchs govern, not in virtue of a quasi-sacramental power which heaven bestows directly on the heads of particular families, but that they govern with the divine sanction so long, and only so long, as their peoples are thereby benefited, this way of stating the case may be accepted as correct and rational. But if it be taken in the more general sense that the will of the people, if unanimous, can, by mere force of numbers, determine government in whatever manner it pleases, and that a monarchy or an oligarchy in itself, as distinct from the people, has no power

at all, the argument, seemingly axiomatic, expresses a pure delusion.

In what, then, does its error consist? As opposed to the physical force of a monarch, or even of an oligarchy, the physical force of the people arrayed in their millions is overwhelming. It may seem, therefore, at first sight a self-evident truth that the millions, if they object to any order issued by the one or the few, can, if they are substantially unanimous, issue for themselves whatver orders they please, and compel the official power, whether a king or otherwise, to execute them. Thus it is constantly said to-day, not by socialists only, that the people are sovereign in the sense that their power has ultimately no limit at all. How and why is this supposed power illusory? How does the illusion arise?

It arises for the following reason, that persons who argue thus have in their minds a picture of the people as engaged in one species of corporate action only—that is to say, in action the object of which is to obstruct or to destroy. Now if we limit our view of the power of unanimous numbers to powers of this negative kind, it is quite conceivable that, any positive government being given, the people could, were they all so minded, destroy it. *But a nation cannot live by obstruction or destruction only. It can indulge itself in*

these processes for not more than brief and rarely recurring moments. Unless it is to die of anarchy, cold and famine, its normal life-process must be one of continuous production and construction; and as soon as any nation returns from destructive activities to constructive, the unlimited powers which are claimed for the mere force of numbers, as arrayed against authority external to themselves, disappear. *The first thing which the masses of a people must do, when they are hoarse with proclaiming their freedom to do whatever they like, is to cringe to an authority which enforces on them the continuous production of food, and dictates the primary terms on which alone food can be produced. This authority is based on two things, against which a million wills are as powerless as the will of one, the first being the needs and the structure of the human body, the second being the constitution of Nature, and in particular of the earth's surface.*

The primary business which is thus imposed on men, and from which there can never be more than brief intervals of cessation, is that of following the plough in good weather or bad, or bending over the spade or sickle. No popular will could abolish the business of agriculture, or radically change its character; and if the power of the people is thus limited in respect of the pro-

duction of necessaries, it is limited no less stringently, though in part for a different reason, in respect of the production of superfluities. In proportion as nations experience the comforts and luxuries of civilisation, the things—things such as these—on which their keenest desires are concentrated, are things the production and multiplication of which are possible only through the action of a knowledge and intellect which achieves an effective force in the persons of a few men only; and it is only on condition that the people obey these few that such superfluities can be either produced at all, or produced in sufficient volume to satisfy the appetites of the multitudes who are all clamouring for a share of them.

Thus, whatever the powers may be by which masses of human beings are compelled to perform productive work, these powers are not primary, but derivative. So far as the production of necessaries is concerned, these powers represent a pressure put upon men by Nature—by Nature which, with various degrees of severity according to soil and climate, flogs them into labour of some simple and orderly sort, as the sole alternative to death. *So far as the production of superfluities is concerned, these powers represent the monopolist possession by a few of that rare directive capacity, obedience to which by the*

many alone renders an abundance of such superfluities possible, and which compels the many, as the price of obtaining them, to obey. The authority, in short, of industrial oligarchy has its basis in the simple fact that, unless the many submit to it, they extinguish every chance of gaining what they are determined not to lose. The same argument applies to political government and war. The power of governmental oligarchy, whether in war or peace, has its basis in the fact that, unless the many submit to it, even the simplest industries are paralysed, the higher are made impossible, and the wealth, the welfare, the freedom, the lives of all, will be at the mercy of any foreign aggressor whose armies, vitalised by obedience, put them to flight, or make them sane by enslaving them.

The authority of the few, which thus has its real basis in the permanent needs of the many, differs as much from the power imputed to the people in virtue of their mere overwhelming numbers as it differs from any power which has been ever imputed to kings as derived by them from a quasi-sacrament which Heaven administers only to the heads of elect families. *The heads of governments may*, so far as their formal character is concerned, *be Emperors, Kings, republican Presidents, or little groups of Ministers; but the ultimate source of their power, as*

contrasted with the power of the many, is the fact that they possess amongst them certain more or less rare capacities, the exercise of which by somebody is essential to the many themselves, if they wish in the first place to be kept alive, in the second place to be kept in comfort, and in the third place to be kept secure from the attacks of other nations, whether their attacks are in the way of competitive industry or of war.

In this fact lies the meaning of what has here been said already, to the effect that, if reason should prove insufficient to bring home a certain lesson to the masses, there is another schoolmaster always lying in wait for them, who will teach it to them with rods of iron, this schoolmaster being experience. The lesson to be taught is this, that every civilisation, in respect of wealth, government and self-defence, is due to the co-operation of unequals—of the few who lead and give orders, and of the many who follow and obey; that this fact reflects itself in the general configuration of society; and that in proportion as the masses of any country neglect it, they will, as a whole or sporadically, lose what they have in their efforts to seize more.

RUSSIA UNDER KERENSKY

Of this fact, which has here been elucidated in detail, various illustrations have been given in

the body of the present work. It is, however, now possible, owing to a series of unparalleled circumstances, to supplement these by others of a yet more mordant kind. The present work was begun some months before any immediate war with Germany was regarded as a likely event by most men, or by anybody as an event that was inevitable. This book was, in substance, virtually complete by the end of the year 1916.

Since that time two great events have happened, which have given the world a surprise unequalled in history. One of these is the participation of America in a war primarily European. The other, more sensational, and yet more widely instructive, is the outbreak of the Russian Revolution, and certain of its outstanding incidents. As detailed corroborations of the arguments which follow each other in the preceding pages, the author, had he given rein to invention, could have invented none more striking. Whatever the ultimate outcome of the Russian revolution may be, the more important events which have marked its opening will remain for all time as demonstrations of what the principles are on which anything in the nature of civilisation rests, and of the ludicrous ruin which ensues when, or for as long as, these principles are violated. It has therefore been thought well

to substitute, at the present juncture, a brief reference to certain of the events in question for a more general summary of the arguments to which this volume has been devoted.

On the outbreak of the Russian revolution a prominent London journal, with very judicious promptitude, secured as its Petrograd correspondent a writer who was a professed socialist, but who was not afraid of proclaiming that socialism, as a practicable system, must find its basis in reason and common sense before invoking the impulses of mere imagination and sentiment. Such being the case, one of the first and most important facts recorded by him was . . . . . that revolution in Russia had converted itself almost immediately into what, so long as it lasted, was hopeless ruin for everybody—that is to say, into "a rebellion *against all controlling persons.*"

This means, when put into plainer language, precisely what has been argued in the course of the present work. It means that in any great country pure democracy is impossible, or that democracy is impossible unless the principle of oligarchy is its concomitant; and that Russia should be the country in which, on the admission of even a candid socialist, such a conclusion has been first demonstrated by a vast national ex-

periment, is all the more remarkable for the following broad reasons.

Pure democracy, at all events in economic production, is, as has here been urged, not impossible in itself. On the contrary, it is historically the system of primitive or sub-primitive poverty. It is a system founded on the agriculture of self-directed peasant families. Their labour produces little, but is sufficient for their bare support. Now of all great countries, civilised or in contact with civilisation, Russia is the one in which the self-directed agriculture of peasants forms incomparably the largest element; and of all such countries it is, relatively to its population, the poorest. According to the values and prices preceding the war and the revolution, an equal division amongst everybody of the entire income of Russia would have yielded to each adult less than half the wages of the poorest English labourer; and of a total population of 180 millions, the self-directed peasant cultivators represented at least nine-tenths.* Since, therefore, a peasant population, so long as it continues to exist, must at least be capable of producing, by its own self-directed efforts, enough to maintain

* Webb's analysis (Dictionary of Statistics) of the Bulletin of the United States Labour Bureau, Washington, 1908. The agricultural workers who worked for wages were about 7 per cent. of the cultivators taken as a whole. Factory and railway workers, miners, dockers, and industrialists generally, formed only about one-thirtieth of the entire employed population.

its life according to its own standards of living, it might seem that the Russian masses were so far secure in a merely economic sense that their condition under pure democracy could not, except for the better, differ from what it was already. And yet, even in Russia, democracy or socialism, as a rebellion against " all controlling persons," has caused discord, calamity and death even amongst the peasants themselves.

Of this fact the socialist correspondent, to whom reference has just been made, gives the following illustrations. Socialism, he says, as preached to the Russian peasantry, has been identified both by the teachers and the taught with desires and expectations which are wholly incapable of fulfilment, and which, moreover, directly contradict themselves. The peasants have been taught to expect an era of indefinite enrichment by the acquisition of new lands—the property of individuals or of the State—which are to be seized by them at their own discretion under a system of momentary communism, this system to be followed forthwith by a system of private ownership which will re-establish in their own favour every right which they are themselves violating. Thus, with a curiously correct, and yet curiously suicidal logic, the first ambition of each of them has been in many places " to peg out " for himself as many acres as he could, no

regard being had to his own powers of tilling them, and then either to till them by hired labour or sell them—proceedings which have often ended in battles between neighbours, each of whom was determined that the best plot should be his own. Thus the peasants of one village, says the writer here referred to, " were busy in distributing the estate of a local landowner, when a free fight ensued from which hardly a man in the neighbourhood issued without wounds, and in which fifteen were killed."

In another case, according to the same authority, a body of revolutionaries, having seized a large estate, appointed men to work it for them " at three or four times the usual wages. They began with paying these wages out of the cash discovered in the estate office. When this fund was exhausted, they continued the payments in question by selling the trees and cattle ; and when this source of revenue had run dry likewise (the estate being no longer capable of yielding anything), they actually applied to the expropriated landlord for a cheque to pay the wages of men now employed as their own servants." In yet another case a generous proprietor gave the wife of an absent soldier leave to take grass from a small plot. The local agrarian council suggested that he should do the same with his whole property, but the president intervened with the

stipulation that the peasants should only take land on condition that they worked it themselves. A peasant, who had already taken a large slice, calculated on selling many loads of hay to the government, and, finding himself barred from exploiting labour to work it, gave up that particular slice, and, appropriating the plot given to the soldier's wife, sold the hay which the poor woman had raised on it.

Incidents such as these illustrate, not merely the economic chaos to which even the simplest of all possible industries may be reduced by a practical application of the principle of pure democracy. They illustrate also the absence from the natural human character of anything approaching that sentiment of "each for all," on the supremacy of which the more scientific socialists of to-day have been driven to base their hopes of equal conditions and positions as the result of efforts admitted by themselves to be unequal. In accordance with what has been said in a previous chapter as to average men generally, the idea of equality appeals to the Russian peasant, like a match applied to tinder, so long as equality is a mere vague idea; but it does not appeal to him even then for its own sake. It appeals to him so long as it is a symbol of some indefinite change which comprises, as one of its incidents, some indefinite advantage for himself,

and which, when its consequences are complete, will leave him in the possession of advantages greater than those of others. Thus, jealous of the high money-wages known to have been claimed and secured by the wage-earners in various factories—munition works in particular—the Russian peasants have been actually burying loaves sooner than supply them to the government for the benefit, so they put it, "of those idle fellows in Petrograd."

The factory workers, so says the same writer, have outdone the peasants by follies of a similar, but more elaborate kind. They have demanded that the heads of complex and scientific businesses should transfer the management to committees of elected workmen, who proved so incapable of grasping the most rudimentary facts on which a scientific or any other business depends, that they sold, in order to augment their immediate wages, whatever raw materials happened to be stored on the premises, and thus deprived themselves of the means of earning any wages whatever. In certain cases the wage-earners have demanded that the employers, under pain of death, let conditions be what they may, should keep their businesses going, and pay whatever wages the wage-earners happen to demand. Thus, the writer here quoted mentions a group of eighteen engineering companies, the

gross profits of which were less than eight million pounds, whilst the total wages demanded came to nearly twenty-two million. But even this demand was modest when compared with another —a demand in one business for wages which bore to the total value of the product a proportion of not less than two hundred to fifteen.

It is not surprising that, in view of facts like these, one of the revolutionary leaders declared that " Russia was on the eve of a financial and economic crash "; that " never since railways began has transport been reduced to such disorder and anarchy "; and that, unless matters should mend, " winter would find the country in the grip of a colossal famine."

Similar observations have again and again been made by the socialist writer here quoted himself, and by prominent members of the revolutionary party also, with regard to the collapse of all civil order, and to local rebellions (as at Cronstadt) against any central authority; whilst all these events have, with a dramatic fatality, culminated in one which needs no rhetoric to emphasise it—namely, the total collapse of the army wherever, or in so far as, principles accepted as those of pure democracy have prevailed. Well may the socialist writer here quoted say, " It is the irony of fate that the most socialist government ever formed should find its greatest dangers in these

nihilistic (or purely destructive) activities; and that unless the Russian government can quickly destroy *them*, they will quickly destroy government, and destroy Russia along with it."

To what causes, then, in the opinion of this candid critic, are these fatal results ultimately or fundamentally attributable? They are, he says, if we take them generally, due to the fact that "our Russian friends," as he calls them, "have found, rather late in life, some socialist lumber, which has now been discarded by Western democratic nations, and imagine that they have discovered brand-new scientific truths, never used before. It will be useful," he proceeds, "to shatter their flattering faith, and bring them out of the clouds, to a firmer earth, and to contact with grim realities." And of what, then, let us ask once more, do these "clouds" of thought consist, which "Western democratic nations have discarded as so much lumber"? This writer, in words which have been quoted already, puts the matter very succinctly when he says that these "clouds" consist of the fatal idea which identifies freedom and prosperity with the extirpation or elimination of "all controlling persons."

Now if such observations made by a professed socialist are taken together and analysed, it will be found that their substance coincides in a very remarkable way with the arguments which, from

the beginning to the end of it, have been elucidated in the present work, the coincidence amounting in some cases to an equivalence even of phrase. For example, it has here been said that the practical effect of the formulæ of pure democracy is to popularise a mood of mind which may be best described as "a disease of impossible expectations." Further, the dementing effect of these formulæ have been here described as comparable to those of the bite of a tarantula. The socialist writer whose criticisms we have just been quoting, declares that the disastrous first-fruits of revolution in Russia "are the results of the general upheaval of an immature population, ignorant of economics, and vaguely expectant of an immediate millennium." In short, the general mood prevalent amongst the Russian masses —for he, too, recognises the distinction between a mood and precise thought—was described by him as resembling the effects of the bite of a mad dog—in other words, as resembling, not tarantulation, but "hydrophobia." If between the main argument elucidated in the present work and the arguments of a professed socialist there is, as to certain fundamentals, a resemblance so close as this, there must be certain elements of agreement between the principles of the saner socialism and the principles of scientific as distinct from mere party conservatism.

This will be still more obvious if we consider how the argument of the writer here in question proceeds. Having described and analysed the various events and causes which were threatening to make the Russian revolution hopeless, he proceeds to ask by what possible means a situation so desperate could be retrieved; and he answers that, in his own opinion, and in the opinion of all Russians who had not lost their sanity, the cause of democratic revolution could be saved by one means only—this means being a dictatorship entrusted to the proper hands. Further, as the one man in Russia, whose strength of character and whose principles would fit him for the supreme office, he did not hesitate to name M. Kerensky; and what the principles were, on a fearless vindication of which the success of democracy in Russia for the time being depended, he proclaimed in no uncertain language. We can, he says, best grasp them by remembering how in the summer of the year 1917 M. Kerensky deliberately ignored the assumed authority of the so-called Workmen's and Soldiers' Delegates, when he ordered, as an absolute autocrat, "the beginning of the June offensive"; how he threatened death to all who should, by disobeying his mandates, prove themselves, by disobeying him, "traitors to the red flag of revolution"; and how he declared that,

"for the purpose of checking military retreat, and putting an end to economic disorder," he would, were commands insufficient, have recourse to the methods of "blood and iron."

Here, indeed, is a case which might, to the mere cynic, well suggest the question, "Quis tulerit Gracchos de seditione querentes?" But the merely cynical mood will, in a case like this, not carry us far. When men who, as dreamers or agitators, have been clamouring for pure democracy, find themselves transformed by action into oligarchs or imperious autocrats, to denounce them as renegades is not only an unjust, it is also a ludicrously shallow, criticism. If blame attaches to them at all, they are blamable, not because they have renounced their old opinions, but because they ever entertained and promulgated them. The act of renouncing them may be an act of the highest courage; but this courage, unfortunately, is not seldom accompanied by what may fairly, though regretfully, be called a certain continuation of cowardice. Such persons, whilst in action renouncing their earlier principles, permit themselves to pretend, by a gross abuse of language, that these principles are still their own; or at all events they do their best to hide that essential difference between their old opinions and their new, which they recognise as

dividing the principles of military collapse, civil chaos and economic famine, from those of any possible civilisation, of any rational freedom, of any effective industry, or secure material welfare. They endeavour to hide this difference by continued appeals to what they call "the red flag of revolution"; though by every constructive act they are, happily for their country, violating every distinctive hope with which, in the popular mind, the "red flag" is associated. They are in this way constantly fomenting, in the form of a vague mood, hopes which, as thinking men, they have themselves renounced as illusory, and which, as men of action, they have made it their task to extirpate.

M. Kerensky calls in passionate but vague tones on the nation "to come down from the clouds," and fix their minds on the possible instead of besotting themselves with dreams of what is only imaginable. If he would but teach them in what precise respects a possible programme differs from those impossible hopes which many of his own associates have spent their lives in inflaming, he would be accomplishing an act of statesmanship as great as any recorded in the annals of the human race. It would perhaps also be one of the most difficult; but it might, for the following reason, prove less difficult than it seems. The principal difficulty

with which M. Kerensky and his supporters have had to contend in the task of re-establishing order is, according to their own estimate of it, and that of the English socialist who has here been freely quoted, the spirit of pure democracy which, already abroad in Russia, is determined not to submit itself to any guidance but its own. Here, however, the champions of order, and their English critic also, in spite of his sober shrewdness, appear, from facts which the latter himself records, to have gauged very imperfectly the actual nature of the situation.

In the present work the fact has been constantly emphasised that, except as to questions which are either primitively simple, restricted in their scope, or conceived so vaguely that no definite meaning is attached to them, no purely democratic will has ever any real existence, what professes to be a popular will being merely so many reverberations of what various small groups have, by their superior energy, suggested to various sections of the many. It may further be pointed out that this fundamental fact is apt to escape notice because oligarchs and oligarchies are traditionally identified with men of wealth, of distinguished birth, of culture, of commanding knowledge, and a high sobriety of intellect. This idea is altogether a delusion. *Men may be oligarchs, however obscure in origin,*

however unbalanced in intellect, provided only that they have in them an energy and a gift of speech which exceed to any great, or indeed to any appreciable, degree the persuasive powers and energies of most of the men around them. Almost every popular manifestation of discontent and disorder, in so far as it assumes any definite form, is due to such men as these; and the history of all revolutions begins as the history of a swarm of rival oligarchs, most of them squalid, none of them capable of any permanent leadership, each of them (either singly or allied with a small group of associates) *endeavouring to destroy some other group or individual, and each of them pretending, by some trick of successful or unsuccessful ventriloquism, that his own voice is really that of the people.*

Such is the way in which popular revolutions begin, and two forces always combine to end them. One of these is the experience of the people themselves, who learn that of all evils anarchy is the most intolerable. The other is the will of some one man which, associated with that of strong and loyal supporters, reduces the petty oligarchs masquerading as democrats to a nullity, and succeeds in restoring to a nation the order and security without which no tolerable life is possible.

In what precise manner the Russian revolution

may end itself it is idle as yet to speculate; but with regard to the initial events of it we are in a position to say this: that the truth of the above analysis has never been illustrated more clearly than it has, in the case of Russia, been already illustrated by these. Thus, the socialist correspondent, to whose evidence we will once more return, points out that the sub-rebellion of Cronstadt—a rebellion against a rebellion—was the work, not of "the people," as the word is commonly understood, but of a middle-class adventurer of some scientific attainments, who had never done a stroke of manual work in his life. Again, amongst the earlier examples of rebellion which was purely industrial, he mentions a case in which an attempt was made at conciliation by inducing the employers to confer with ten deputies representing manual labour. When the deputies made their appearance, they were found to comprise two labourers only, the remainder being middle-class men, agitators pure and simple, who had no connection with the industries then in question whatever. According to the same writer and others, when independence was claimed for certain of the southern provinces, this was the work of men who neither had, nor pretended to have, so much as the shadow of any popular election at the back of them. The body which pretended to be the voice of all the work-

men and soldiers of all the Russias together consisted at first of some 1500 persons, or one out of every 6000 of those for whom they affected to speak. This mob being found unmanageable, its numbers were reduced to 500, then to five-and-twenty, and then to no more than five, these five persons demanding recognition and obedience as the mouthpiece of 90 millions.* According to trustworthy information, said *The Times* of September 13, 1917, the body of extremists whose ambition is to dominate the country "is a self-constituted organisation of idealists, theorists, anarchists, syndicalists, who are largely of the international Jew type, and who have very few workmen and very few soldiers amongst them."

The lesson, however, which is here indicated, though Russia has been teaching it to the world with unexpected and unequalled emphasis, has not been taught by the example of Russia only. History has been teaching it by example in America and Great Britain also.

The history of the formation, under President Wilson, of a will to war in America is a history less sensational, but no less profoundly signifi-

* These five professed representatives of the pure will of the people must not be confounded with the five quasi-dictators, with M. Kerensky at their head, who formed subsequently the official government.

cant, than the history of the dissolution in Russia of anything like a will, general and practicable of any kind, into a multitude of wills constantly shifting and conflicting—wills either too indefinite to afford guidance to anybody, or serving, in so far as they were definite, merely as guides to ruin—wills which, professing to be democratic, represent nothing more than the dreams of oligarchic visionaries, or the oligarchic ambitions and vanities of criminal or semi-criminal adventurers. In both countries the oligarchic element has been active; but its triumph in America has been constructive, the greater oligarchy of construction having extirpated or crippled the lesser oligarchies of disruption. In Russia, at all events for a time, the latter have done nothing but reduce the former to impotence.

Contemporary attempts at socialist rule in Great Britain have shown themselves to be, as from the nature of things they must have been, not democratic phenomena—that is to say, exhitions of the spontaneous will of the many, but partly as the will of the many manipulated with changing and uncertain results by a few; partly as the will of a few men who, bitterly hostile to one another, have acted, planned and plotted, without any direct reference to the opinions of the many at all.

Anything like an attack on individuals has, in the present work, been, so far as possible, avoided, the aim of the writer being to establish general principles, which always remain the same, however their manifestations vary; but it will not be improper or inappropriate to allude to certain events, the mere mention of which will recall the names of certain individuals to the reader. The professors of pure democracy in Great Britain and elsewhere have constantly, and with perfect justice, declared that, if pure democracy is ever to be a realised fact, the deliberations and plans of the executive must always be public property, anything "secret," as the Russian Council of Soldiers and Workmen put it, being always and everywhere the hall-mark or brand of oligarchy. Such being undoubtedly the case, attention may be briefly called to a series of incidents which occurred in connection with the proposed presence of members of the English Labour Party at a Socialist Conference in Sweden. In the first place, these incidents turned largely on the personalities of particular men—a situation which would have been wholly impossible if the many all thought alike, for in that case any one man would be equal to any other. Events proved, however, that the many, if they had, when left to themselves, any will as to the matter at all, had a will which was never the same from

one week to another. In view of these instabilities, the representatives of pure democracy, in order to make it as real and pure as possible, summoned a conference which was held behind closed doors, not a syllable of the proceedings being allowed to reach the millions of adult persons whose will was being manufactured within.

It might be difficult to imagine any more complete proof of how distinct is the process of will-making from the raw popular material out of which alone any general will can be made, if this secret conference had not been followed by a second, to which newspaper reporters were admitted, and at which the most prominent speaker, whose policy had been publicly repudiated by the very masses to whom he had made appeal, is reported to have exclaimed to his opponents, " with a mixture of defiance and mystery," " *Your* committee and *my* executive may have done things before many hours are over which will make you reconsider your position." This speaker, who had once held Cabinet rank, may, in his reasoning, his will and his policy, have been wrong, or perfectly right. The sole fact with which we are here concerned is that his will was, on his own admission, an element essentially distinct from that of the democratic masses, which, whilst professing to reflect it, it was in

reality his ambition—we may say, if we like, his conscientious ambition—to dictate.

This confusion, however, of the oligarchic element—an element inseparable from all complex social action—with pure democracy, which is an element no less inseparable, is not confined to extremists. By temperate men, men of acute insight, men illustrious as the beneficial wielders of oligarchic power—men illustrious as statesmen, men of business, as political thinkers, or otherwise—this confusion is constantly disseminated in the form of vague suggestions, though every one of such men, were he catechised, would repudiate it as a monstrous error. This feat of suggestion is accomplished by their almost unabated use of the formula of pure democracy, without even the hint of an explanation which might bring this into harmony with the limited meaning which they must, in their own minds, attribute to it.

Democracy is a word which may be conveniently and correctly employed to designate the constitution of any complex State, if by all parties concerned it is understood to mean simply a state in which the democratic principle is powerful within certain limits; in which it is provided with legal means of expressing itself; and which is thus contrasted with States in which no such means exist. But if the word is so used

as to carry with it the suggestion that in political government, and in human affairs generally, merely popular power—that is, a power in respect of which all units are equal—is or can be supreme in any great State whatever, and that it ought to be supreme in all, every time the word is so used by men of light and leading, such men are helping to diffuse, stimulate and perpetuate a mood which, in proportion as it is generally cherished, tends to render their own activities difficult, or at best only half successful. They render it difficult in political government, they render it difficult in industry, and, as events in Russia have demonstrated, they render it impossible in war.

If such men are, then, aware—if they show by their own actions—that the case stands really thus: that in great and complex States the principle of oligarchy plays a part no less essential than that of democracy—why do they continue to use and emphatically insist on a formula by which the principle of oligarchy is denied, or (what is the same thing) altogether suppressed? Would any such procedure be tolerable in chemistry, in medicine, in the manufacture of explosives, or the construction of an aeroplane—a procedure which consisted in laying such exclusive emphasis on one necessary factor that another, equally necessary, was not only ignored,

but actually relegated by implication to the category of things rejected as superfluous, or definitely condemned as noxious?

The real solution of the difficulty lies in a full recognition of the fact to an exhibition of which, under all its aspects, the present volume has been devoted, that democracy and oligarchy are principles not mutually exclusive, but that in any great and complex State the one is the complement of the other. The formula of pure democracy has, for purposes of agitation, the great advantage of being simple, and easily reduced to a few telling words; but in proportion to its simplicity it is false and its effects fatal, for the necessary elements of civilisation are not simple, but complex. A true formula cannot, therefore, from the nature of things, be presented to the masses in the guise of an equally effective aphorism; but an approach to such an aphorism may be made by repeating what has here been said already, that in any great and civilised State *Democracy only knows itself through the co-operation of oligarchy*, or that the many can prosper only through the participation in benefits which, in the way alike of material comfort, opportunity, culture and social freedom, would be possible for no one unless the many submitted themselves to the influence or authority of the super-capable few.

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