

Socialism Summed Up

CHAPTER I.

THE CAUSES THAT MAKE FOR SOCIALISM.

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

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

The cardinal demand of Socialism is the abolition of private ownership in the principal sources and instruments of wealth production, and there was practically no physical basis and no rational justification for such a demand before about the beginning of the nineteenth century.

As an illustration, let us take the economic condition of the United States in the early days of the republic. The main industry of the country was agriculture, and land was plentiful and accessible to all. The mechanical arts and crafts were practiced on a

small scale, and on the basis of individual effort and use. Such tools as there were, were in the main hand-tools, simple and inexpensive. The old-time mechanic could readily acquire them and ply his trade in his home or small workshop. It was not capital, but skill and knowledge that the worker required. As a rule, the apprentice or helper was not in a position of permanent dependence upon his employer. He was a pupil learning the trade from the "master," and as soon as he was equipped for the task, he could set up in business as an independent producer. His tool was his own, his skill was his own, and the finished product was his own in the equitable as well as in the legal sense of the term. He relied on his individual efforts for his living. He had the means for earning his living always ready at hand. It is obvious that under such conditions no advantage could be gained from socializing the tool or from national or collective operation of the industries.

But within the last generations a silent revolution has taken place in our methods of producing and distributing wealth. The simple tool of the old-time mechanic has gradually evolved into the modern machine of wonderful complexness and gigantic dimensions, propelled by steam or electricity, and oftentimes doing the work of hundreds of human hands. The modest workshop of our grandfathers has grown into the immense modern factory under whose roof hundreds, sometimes thousands of workers are congregated for joint labor. Mass production, division of

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labor and specialization of functions have largely superseded individual effort, general efficiency and acquired skill in industry. The impersonal "market" has replaced the specific "customer." Production has become social in character, methods and object.

This economic evolution has brought about a most thoroughgoing change in the social conditions and relations of the people.

For the first time in history free producers found themselves divorced from the tools of their labor. The modern worker cannot revert to the simple tool of his forefathers. He must have access to the up-to-date plants, machinery and equipment. His entire social usefulness depends on that machinery. Without it he is an industrial cripple. But the individual worker cannot own the modern machine, and the workers collectively do not own it. The machines, factories and plants, the land, mines and railroads—in brief, all the modern sources and instruments of wealth production are owned and controlled by a class of persons other than the workers.

The most gruesome picture of physical and mental torture ever evolved by the human brain is probably the familiar fable of Tantalus. The victim of divine wrath stands in water up to his chin with the choicest fruit hanging over his head. He is maddened with thirst and hunger. He eagerly bends his parched lips to the cool and sweet water around him and stretches his trembling hand for the luscious fruit temptingly dangling before his eyes. But the water always re-

cedes, the fruit always retreats, and Tantalus is left to starve amid plenty.

The morbid imagination of Greek antiquity has become a social and economic fact in modern America. Our country abounds with natural wealth. Millions of workers yearn for the necessities of life. The material for the production of these necessities is right around them. They are eager to make their food and clothing with their own toil. They have the requisite skill and ability. But between them and their living stands the modern tool, the key to all wealth, and behind the tool stands the capitalist owner, with power to withhold its use from the people. In normal times about two million workers in this country are denied the right to work, and in times of acute industrial depression the number of "unemployed" mounts to five millions or more. Yet all that time the people need food and commodities, and are ready to produce them, and all that time the land abounds with raw material waiting for the magic touch of labor to be turned into consumable products. Our economic system condemns the worker to suffering and privation amid wealth and affluence.

With the loss of their tools the workers have lost their economic independence. They work and they live or they idle and starve according to the convenience of the powerful tool-owners. The reward of their industry is at best a mere subsistence wage. The fruits of their labor go largely to the possessor of the productive capital as an involuntary tax or license fee.

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Thus modern society is split into two principal economic classes: the users of the machinery of production, who do not own it, and the owners, who do not use it; the employers and the employees, the capitalists and the workers, those who derive their income from "profits" and those who depend for their living on "wages." The classes are not fixed by law, but they are determined just as effectively by economic position, and as the modern industrial system is unfolding, they tend to become permanent and even hereditary. A lucky workingman or clerk may still occasionally be lifted into the coveted realms of wealth and power, but the probabilities of such a rise are not much greater than the proverbial chances of each soldier in the Napoleonic army to be advanced to the rank of field marshal. The vast mass of wage-earners are doomed to factory work for life, and their children are predestined factory hands. And similarly capitalism is rapidly becoming a hereditary status. The "self-made man," the pioneer of a new industry, is fast passing away. Modern wealth is largely in the hands of second or third generations. The gay heir who squanders his fortune and is reduced to the original poverty of his grandsires, becomes rarer, as the fortunes of the individual capitalists grow in bulk, and corporate management supersedes individual initiative.

It is not contended that the entire population is definitely divided into the two classes mentioned. There are, of course, the more or less indefinite and

undefinable economic groups, generally designated as the "middle classes," with all shades of special interests, but the main factors in modern industrial life are clearly represented by the two most pronounced types or classes—the capitalists and the wage-earners, the latter comprising all grades of hired manual and mental workers.

And there is war between and among the classes. War, sometimes overt and violent, sometimes concealed and even unconscious, but war nevertheless. The war is all the more intense and irrepressible because it springs not from personal hostility or accidental misunderstandings, but from ever-present organic economic antagonism.

There is war between employer and employee.

The employer is in business for profits. Industrial profits come from the work of the hired hand. The smaller the wages, the larger the profits. The employee works for wages. Wages represent the product of his labor after deduction of the employer's profit. The smaller the profit, the larger the wages. The employer must strive to maintain or increase his profits under penalty of industrial extermination. His personal views and feelings cannot alter the situation. The employee must strive to maintain or increase his wages under pain of physical destruction. His personal inclinations do not count. Sometimes this antagonism of interests expresses itself in petty bargaining and commonplace haggling, and at other times it assumes the form of violent conflicts: strikes,

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boycotts and occasional dynamite explosions, and on the other hand lockouts, black lists, injunctions and jails.

There is war between employer and employee.

Each capitalist controls a share of an industry. The greater the share, the larger is ordinarily his profit. His natural desire is to increase his share. He can do that only at the expense of his neighbor. Hence the mad industrial competition, the merciless rivalry for the "market," the mutual underbidding and under-selling, the adulteration and falsification of commodities, the senseless speculative enterprises, and finally, wholesale failure and ruin.

There is war between worker and worker.

Modern machinery, although inherently of untold blessing to mankind, operates as a curse upon the toiler under the prevailing system of individual ownership. It does not lighten the burdens of the worker. It does not reduce his hours of labor—it displaces him from his employment. The marvelous productivity of the machine creates the dread legions of jobless workers, the fierce competition for a chance to work and the consequent lowering of wages below the living standard.

The automatic, almost self-operating machine makes child and woman labor possible and profitable, and the children and wives of the workers are drafted into the field of industry in competition with their fathers and husbands. The more women and children are at work in the factories, the rarer become the

opportunities for men to find work and the lower become their wages. Child and woman labor mean lower wages for man. Low wages for men mean more child and woman labor, and so the workers move forever in a vicious circle of misery and privation.

There is war between producer and user.

Business is conducted for profits. The larger the prices of the commodity or the higher the rate of service, the greater is ordinarily the profit of the capitalist. Hence the everlasting quarrels between the seller and buyer, the landlord and tenant, the carrier and passenger: the aggressive and inexorable "producer" and the pitiable "ultimate consumer."

The individualistic and competitive system of industry is a system of general social warfare, an ugly, brutal fight of all against all. It is a mad, embittered race for wealth or bread without plan or system, without pity or mercy. It has produced the abnormal type of the multi-millionaire with a hoard of material wealth enough to last thousands of families for countless generations to come, and the children of the slums succumbing for lack of the barest necessities of life. It operates through periods of feverish activity during which men, women and even children of tender age are worked to exhaustion, and periods of inactivity and depression during which millions of willing workers are forced into idleness and starvation.

The system of competition has not been without merit. It has organized industry, stimulated invention and increased human productivity a hundredfold.

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It has created vast wealth and evolved higher standards of life. It has broken down the barriers between countries and united all modern nations into one world-wide family of almost identical culture and civilization. It has played a most important and useful part in the history of human growth.

But sharing the fate of all other industrial systems, competition finally reaches a stage when its mission is accomplished, and its usefulness is outlived. Competition, which in its youth and vigor is "the life of trade," becomes in old age a plague and a nuisance. In the long run it demoralizes the industrial life of the nation and exhausts and ruins the competitors themselves. At that point competition begins to yield, gradually but surely, to a new industrial form—combination. Then arises the modern business corporations, followed by trade agreements and pools, and finally by the trusts and monopolies.

The trusts are not the invention of ingenious financial manipulators, nor are they accidental and preventable evils. They are the inevitable culmination of the process of capitalist development, the mature fruit of the system of industrial individualism. They represent a superior and more efficient method of industrial management than competition, just as the modern machine is a superior and more efficient medium of industrial operation than the antiquated hand-tool.

The trusts are a powerful factor in the industrial life of the nation, and they modify the social condi-

tions of the country both for the better and the worse. As large consolidations of capital operating in unison over the area of an entire industry or a considerable part of it, they tend to eliminate much of the chaos and anarchy of the competitive system. They have the power to regulate the supply of commodities in accord with the demand, to curb waste and overproduction and to diminish the evil of periodical industrial depression and financial crises.

But the beneficial features of the trusts are more than balanced by the new evils which they breed. The trusts, like all other modern industrial institutions, are primarily conducted for the profits of their individual owners and promoters. They are therefore afflicted with all the vices of private capitalist ownership and management, and their tremendous powers intensify the evils. The trusts have developed the art of overcapitalization to a most audacious and alarming extent. Billions of dollars of their watered "securities" are afloat in this country, and the workers pay an annual tribute of hundreds of millions to the holders of this paper in the shape of interest and dividends. It is practically a blanket mortgage which the trusts thus hold on the people of the United States and upon the products of the toil of generations of Americans yet unborn.

The trusts are the most important and sometimes the sole employers of labor in their industries. Hence they have practically absolute power to dictate the terms of employment of their workers. Most trusti-

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fied industries are characterized by long hours, miserable wages and general ill-treatment of the employees.

The trusts as complete or practical monopolies also have the power to arbitrarily fix the prices of commodities. In most trustified industries the prices of goods or charges for services have increased enormously notwithstanding the great economies in production. The trusts are the principal cause of the vexatious new problem familiarly and intimately known as "the high cost of living."

But more baneful even than the economic evils of the trusts are their corrupting effects on the public and political life of the country—their notorious influence on the dominant political parties, the government, legislatures and judiciary, and their control of the public press. The trusts are a most serious menace to democracy.

Thus capitalist management of the industries, both competitive and trustified, has produced most of the social maladies of our day and generation.

It has divided the people into classes with antagonistic economic interests and has bred class struggles and class hatred.

It has placed inordinate wealth and power in the hands of the few, and has reduced the many to a state of drudgery and poverty.

It has cast out of the active industrial life of the nation millions of willing and able workers and has driven them into shiftlessness, vice and crime.

It has brought uncertainty and misery to all classes of the people, and happiness to none.

The wage-worker is not alone the only one to suffer from the consequences of capitalistic mismanagement.

For the small merchant or manufacturer, placed between the nether millstone of competition with his own kind and the upper millstone of powerful industrial combinations, business is an embittered and pitiful struggle. He fights hard to maintain his industrial independence, but it is a losing fight against the superior force of irresistible and immutable economic development. His fate is sealed. It is only a question of time when he will find his abiding place in the service of the trust or in the ranks of propertyless wage labor.

The precarious status of the small business man drives his sons and daughters in ever greater numbers into the liberal professions. The latter become congested in the extreme, unregulated, uncertain and unremunerative. The professional classes have their armies of unemployed or partly unemployed substantially to the same extent as the wage-workers. The "intellectual proletariat" is not much better situated than the proletariat of the manual variety.

The farmer is dominated, controlled and exploited by the power of capitalism just as much as the other producing classes. By means of mortgages, railroad freight rates, elevator and storage charges and prices of monopolistically produced farm implements and machinery, the capitalists manage to appropriate the

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lion's share of his labor as effectively, though not quite as directly, as that of the hired factory hand.

And even the capitalist, the sole beneficiary of the modern industrial system, does not always lead a life of joy, leisure and mental repose. The active capitalist is driven by the system more than he is driving it. He is the slave as well as the master of his wealth.

No individual or class of individuals can be held responsible for this general social unhappiness. The average capitalist is inherently as good as the average worker. The average worker is by nature no better than the average capitalist. The ills of our society are the direct and inevitable results of a system that allows one group of persons to own the tools which are indispensable to the lives of all persons, and thus makes the few the absolute masters of the many. So long as this system endures, no individual can escape from its toils. The industrial juggernaut places each man in his position and assigns to him his part. He toils or he loafs, he robs or is robbed, according to his place in the general industrial scheme. Moral sermons and abstract social ethics are helpless against this situation, and the political reformers who attempt to remove the effects of the baneful system without grasping its substance or attacking its foundation are ludicrously ineffective. The evil outgrowths of the capitalist system can only be cured by the removal of its main source and cause—the private ownership of the social tools of wealth production.

The operation of industries as a social function

upon a rational and scientific basis is alone capable of doing away with the two greatest scourges of modern civilization—class war and poverty.

Class divisions have always existed in the recorded history of the human race. But advancing civilization has gradually abolished all privileges based on birth and caste, and it has been left to the capitalist system of production to evolve a new form of economic classes based on the relation to the ownership of the tools of production.

The Socialists do not exult in the existence of classes and class struggles, and do not "preach" class hatred. They merely point out the obvious fact of economic classes and class antagonism. It is no more reasonable to charge the "Socialist agitator" with fomenting class wars than it would be to hold the meteorologist responsible for storms. As a matter of fact, the Socialist movement is the only organized force in modern society which consciously seeks to abolish all class divisions and class struggles.

Poverty, as such, is of course also not a new and specifically capitalistic phenomenon. The poor have always been with us. But the poverty of former eras was a necessary evil due to the simple fact that man had not yet learned to produce a sufficient supply of necessaries by means of proper tools. Modern poverty is entirely artificial and wholly unnecessary. The marvelous growth of the productivity of labor within the last generations has enabled mankind for the first time in history to produce enough to satisfy all rea-

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sonable needs of all reasonable human beings. The mass-poverty of to-day is due solely to irrational and faulty industrial organization.