

CHAPTER III.

THE TREND OF SOCIAL DEVELOPMENT.

IN the Socialist conception economic systems and political institutions are not immutable forms. They are products of gradual growth and subject to incessant change. The present system of industry has not been consciously planned and devised by cunning capitalist minds. It has evolved from an older economic order by a series of imperceptible changes, accumulating steadily and irresistibly through several centuries. The feudal régime, which preceded the modern or capitalist order, had its economic root in agriculture, and was characterized by serfdom of labor and the rule of the land-owning nobles. Slowly and gradually commerce and manufacture grew up alongside of the predominant industry of agriculture. The discovery of America and of a sea route to the Indies and the introduction and perfection of the mariner's compass gave a tremendous impetus to navigation and trading, and trading stimulated manufacture. The growth of commerce and manufacture engendered a general search for labor-saving devices, and led to the era of epoch-making industrial inventions. The latter half of the eighteenth century witnessed

the appearance of the first great mechanical devices in industry. Hargreave's spinning-jenny, Arkwright's mill, Cartwright's power-loom, Watts' engine and Whitney's cotton gin were all invented within the brief period of 1704-1792, and railways were in operation within the first quarter of the last century. These inventions in turn served to unfold trade and manufacture in ever-accelerating measure. Factories were built and lured the farm laborers. Cities were founded and attracted the rural population. Merchants and manufacturers amassed fortunes, and with material wealth came social recognition and political power. Towards the beginning of the eighteenth century commerce and manufacture had grown to be serious rivals to agriculture. The traders and manufacturers, the incipient modern capitalists, engaged in a contest for political supremacy with the landed nobility. Towards the end of the century the great social conflict was fought out. Agriculture receded to the background, yielding the command of the economic world-forces to manufacture, commerce and finance. Feudalism was dethroned by triumphant capitalism. Government passed from the lord of the manor to the autocrat of the factory, shop and counting-room, from the aristocracy of birth to the aristocracy of the purse. With the passing of the old economic régime, its political counterpart, the feudal form of government, was discarded, and a new political dress, adjusted to the strong and growing limbs and the free and rapid movements of the new economic body, was devised.

The countless miniature kingdoms and principalities were consolidated into large nations following the transformation of the small workshops for local trade into big factories for the national market. Autocratic monarchies were supplanted by constitutional kingdoms or republics, as the absolute rule of the feudal lord in his domain yielded to the business contract in the new economic order. Courts and court cliques were succeeded by parliaments and chosen representatives, as the hereditary noble was replaced by the "self-made" man of affairs. The "will of the king," the basis of the feudal political order, was displaced by the controlling political principle of "popular liberty," reflecting the triumph of free competition in industry over the crystallized, localized forms of medieval agriculture and the absolute rule of the feudal lord over his manor.

Thus the modern or capitalist order of society, economic, political and social evolved gradually within the loins of the feudal order, and is in turn bound to give birth to a new social order. For every economic or social system of society is good only for a limited time. History assigns a certain rôle to it, and when its part is played and its task performed, the curtain of the ages opens upon the next act in the eternal drama of human progress. The feudal régime in its very bloom contained the germs of the capitalist system, and capitalism even to-day germinates a new and superior social order—Socialism.

Socialism, as an economic and political principle,

had begun to grow within the very heart of capitalist society generations ago, and to-day it has already attained to a respectable size.

The gentlemen who so learnedly assure us of the "impracticability" or "impossibility" of Socialism, take the same enlightened stand as the familiar lad in the menagerie, who, after critically examining the eccentricities of form of the giraffe, judiciously announces, "There ain't no such animal." We are at least ankle-deep in Socialism already, and it is not improbable that the future historian will date the beginnings of the Socialist régime from, say, the middle of the last century, just as we are now placing the beginnings of the capitalist era a century or more back of the great French Revolution.

It is not difficult to discern the Socialist germs in present society.

The capitalist order was in its inception based almost entirely on the principles of individual effort in production and unrestricted competition in the management of industries. The individualistic *laissez faire* doctrine which was proclaimed by the founders of the "classical" school of economics, was but the academic reflection of the convictions, sentiment and, it may be added, interests of the capitalist class in its bloom. This doctrine, which holds that all industrial needs and relations are adjusted automatically by the free play of the forces of supply and demand, without interference or regulation, has gained such universal currency that it dominates the average mind

even to-day. The orthodox lecturer or text-book writer on political economy is still earnestly discussing the merits of individual enterprise as against collective action and the advantages of competition over combination. He stubbornly refuses to notice that the mute forces of economic development, unconcerned by his learned theories and abstractions, have nullified the very basis of his argument, and are rapidly destroying individual effort and competition in industry. It always has been the privilege of our men of learning to live on the thoughts and facts of past ages.

The modern factories, mines, railroads and other great industrial enterprises are co-operative institutions in their work and methods of production. Perfected machinery and division of labor have entirely obliterated the individuality of the worker's product. The individual worker in modern, up-to-date industries does not produce consumable commodities or render usable service. He creates particles and performs fractional operations, useless and meaningless by themselves, and acquiring value and significance only in conjunction with other fractional products created by their fellow workers. Production has developed into a distinctly social process—the collective efforts of the workers sustain our modern industries—their individual efforts, standing alone, count for nothing. And similarly with the principle of competition in the management of industries. The entire trend of modern economic development has been away from competition and towards combination. The true

meaning of the great trust movement of the last generation is just this simple fact, that competition has become inadequate and incompatible with the modern large-scale industry, and must yield to combination. Probably one half of our staple commodities are to-day produced and marketed without competition, and it is only a question of a short time when combination will become the absolute rule in industry.

It is not contended that factories or trusts are instalments of the Socialist commonwealth. Under their present system of private and capitalistic ownership they are anything but that. But what the Socialists claim is that both factories and trusts, represent a distinct tendency towards co-operation in industry and are developing the material basis for a Socialist form of industrial organization.

And in the domain of modern politics and legislation the socialistic tendencies have been even more pronounced than in the industrial field.

The modern industrial state came into existence as a protest against the excessive centralization and paternalism of the feudal state. It was organized on the principle of non-interference with the affairs of the citizens. It proclaimed the doctrine that that state governs best which governs least, and it tried to govern as little as possible, leaving it to the citizens of all conditions, ages and sexes to fight their own battles. "Administrative Nihilism," to borrow an expression from Huxley, was the rule of politics and legislation just as *laissez faire* was the law of industry.

These conceptions of the functions of the state and legislation probably had some justification in the early phases of our era, when the social contrasts were not very marked, and the opportunities were abundant for all men.

But when the unprecedented economic development of the last generations finally divided the population of every advanced country into distinct economic classes, the working class devoid of property and opportunity and dependent for the very right to live upon the powerful capitalist class, the owners of all national industries; when the struggle for existence became an unequal, cruel war between the weak and the strong, the principle of non-interference by state and legislation lost its justification. Gradually and steadily the government assumed the task of protecting its helpless and defenseless members from the oppression of their powerful and inconsiderate fellow men. Gradually it also began to realize that the work of providing food, clothing, shelter and other necessities for the population is not individual sport, but a social function. The state and the legislatures have openly invaded the domain of "private" industry, and they claim the right to exercise control over it.

When in 1802 Sir Robert Peel introduced in the British Parliament the first bill for the regulation of the labor of apprenticed children, it was denounced as revolutionary, and dire disasters were predicted from its adoption. The measure was called forth by the inhuman conditions in the English cotton mills to

which thousands of orphaned and pauper children of the most tender ages were bound out by the parishes. The unfortunate children were forced to work practically without interruption, and when they dropped from exhaustion they would be carried to the crowded, pent-up and filthy barracks adjoining the mills. There they were allowed to rest until taken to work again early on the following morning. They were growing up under conditions of physical, mental and moral degeneracy, a menace to the future laboring population of England. The Peel Bill provided for some restriction upon this heartless exploitation. It was opposed by the liberal statesmen of England as an attempted legislative invasion of the rights of the working children. The measure was finally passed under the pretext that it was a mere amendment of the old Elizabethan "Apprenticeship Act." But its passage marked the doom of the individualistic doctrine in politics and legislation. It established the principle of state protection for the working class. In England the law of 1802 was followed first by the timid amendments of 1819, 1825 and 1833, then by the more radical enactments of the latter half of the last century. Starting with the regulation of apprenticed children, it soon extended its operation to the "free" working children, then to the working women and finally to all workers. From England the principle of factory legislation spread to the United States, Germany, France and Switzerland, and gradually it established itself in all industrial countries.

About thirty-five years ago, Prince Bismarck, Germany's "Iron" Chancellor, proclaimed the duty of the state to take care of its disabled, sick and aged workmen, the veterans and invalids of the modern industrial warfare. Germany introduced the system of state insurance for workmen against accidents, sickness and disability and old age pensions, and its example was soon followed by almost all advanced countries of Europe and Australia.

Within the last generations the legislatures of all countries have begun to supervise and regulate the most vital branches of business, the slaughter houses and bakeries, the railroads and steamships, banking and insurance, and many industries of a similar character. They prescribe the conditions upon which these industries may exist and operate, and they interfere actively and directly in the management of "their" affairs. The legislature goes even farther—it undertakes to limit the individual wealth of its citizens by the enactment of laws for progressive income, inheritance and other taxes.

The United States is the only civilized country in the world which does not provide through government channels for its aged or disabled workers, and it also has the distinction of being the only republic on the face of the globe which calmly allowed five individuals to annul its income tax system inaugurated by Congress and approved by the people. But even American conservatism is visibly beginning to surrender to the irresistible forces of universal social pro-

gress. Almost all the industrial states of the Union are introducing or planning at least some crude forms of workmen's compensation or state labor insurance, and most states have established progressive income and inheritance tax laws. In other domains of social legislation the United States does not lag much behind the countries of Europe. We have our labor laws, inadequate as they are, our anti-combination acts, interstate commerce commission, public service commissions and state control and regulation in numerous industries.

These political measures and institutions are no more to be considered as an earnest of the Socialist state than the factories and trusts as partial realizations of the Socialist economic system, but like them they are of immense symptomatic importance.

The modern principle of control and regulation of industries by the government indicates the complete collapse of the purely capitalist ideal of non-interference, and signifies that the government may change from an instrument of class rule and exploitation into one of social regulation and protection. Like the industries, the government is becoming socialized. The general tendency of both is distinctly towards a Socialist order.