

CHAPTER II

THE INDUSTRIAL PROPOSALS

SOCIALISTS as well as their opponents have, almost exclusively, sought to define Socialism in terms of its industrial proposals. As a consequence, these proposals have been set out more frequently, and have been framed in more definite terms than is the case with socialist principles generally. Nevertheless, there is no complete agreement between the authorities, even on this, the central point of Socialism, though the differences, as will be seen, are not of sufficient importance to prevent a definite conclusion being arrived at.

The Social Democratic party of Germany is the most numerous and influential body of socialists. Their enunciation of the principles and aspirations which animate them is, therefore, of sufficient importance to justify the republication here, in full, of that part of their latest platform which deals with general principles. It was framed at the Convention of the party, which took place at Erfurt in October 1891, and is known as *The Erfurt Programme*.

“The economic development of industrial society tends inevitably to the ruin of small industries, which are based on the workman’s private ownership of the means of production. It separates him from these means of production, and converts him into a destitute member of the proletariat, whilst a comparatively small number of capitalists and great landowners obtain a monopoly of the means of production.

“Hand in hand with this growing monopoly goes the

crushing out of existence of these shattered small industries by industries of colossal growth, the development of the tool into the machine, and a gigantic increase in the productiveness of human labour. But all the advantages of this revolution are monopolised by the capitalists and great landowners. To the proletariat and to the rapidly sinking middle classes, the small tradesmen of the towns, and the peasant proprietors (Bauern), it brings an increasing uncertainty of existence, increasing misery, oppression, servitude, degradation, and exploitation.

“Ever greater grows the mass of the proletariat, ever vaster the army of the unemployed, ever sharper the contrast between oppressors and oppressed, ever fiercer the war of classes between bourgeoisie and proletariat which divides modern society into two hostile camps and is the common characteristic of every industrial country. The gulf between the propertied classes and the destitute is widened by the crises arising from capitalist production, which becomes daily more comprehensive and omnipotent, which makes universal uncertainty the normal condition of society, and which furnishes a proof that the forces of production have outgrown the existing social order, and that private ownership of the means of production has become incompatible with their full development and their proper application.

“Private ownership of the means of production, formerly the means of securing his product to the producer, has now become the means of expropriating the peasant proprietors, the artisans, and the small tradesmen, and placing the non-producers, the capitalists and large landowners in possession of the products of labour. Nothing but the conversion of capitalist private ownership of the means of production—the earth and its fruits, mines and quarries, raw material, tools, machines, means of exchange—into social ownership, and the substitution of socialist production, carried on by and for society, in the place of the present production of commodities for exchange, can effect such a revolution, that, instead of large industries and the steadily growing capacities of common production being as hitherto a source of misery

and oppression to the classes whom they have despoiled, they may become a source of the highest wellbeing and of the most perfect and comprehensive harmony.

“ This social revolution involves the emancipation, not merely of the proletariat but of the whole human race, which is suffering under existing conditions. But this emancipation can be achieved by the working class alone, because all other classes, in spite of their mutual strife of interests, take their stand upon the principle of private ownership of the means of production, and have a common interest in maintaining the existing social order.

“ The struggle of the working classes against capitalist exploitation must of necessity be a political struggle. The working classes can neither carry on their economic struggle nor carry on their economic organisation without political rights. They cannot effect the transfer of the means of production to the community without being first invested with political power.

“ It must be the aim of social democracy to give conscious unanimity to this struggle of the working classes, and to indicate the inevitable goal.

“ The interests of the working classes are identical in all lands governed by capitalist methods of production. The extension of the world's commerce and production for the world's markets make the position of the workman in any country daily more dependent upon that of the workman in other countries. Therefore, the emancipation of labour is a task in which the workmen of all civilised lands have a share. Recognising this, the Social Democrats of Germany feel and declare themselves at one with the workmen of every land, who are conscious of the destinies of their class.

“ The German Social Democrats are not, therefore, fighting for new class privileges and rights, but for the abolition of class government, and even of classes themselves, and for universal equality in rights and duties, without distinction of sex or rank. Holding these views, they are not merely fighting against the exploitation and oppression of the wage-earners in the existing social order,

but against every kind of exploitation and oppression, whether directed against class, party, sex, or race.”¹

It is not without interest, to compare with the *Erfurt Programme* that issued by the Social Democratic party of Germany at their previous Convention at Gotha in 1875,—*The Gotha Programme*. The extract from the same, here republished, deals with both the industrial and distributive proposals. It will be seen that the latter is formulated in definite terms, while the *Erfurt Programme*, though of later date, is judiciously silent with regard to it :—

“Labour is the source of all wealth and of all culture, and, as useful work in general is possible only through society, so to society—that is to all its members—belongs the entire product of labour by an equal right, to each one according to his reasonable wants, all being bound to work.

“In the existing society the instruments of labour are a monopoly of the capitalist class ; the subjection of the working class thus arising is the cause of misery and servitude in every land.

“The emancipation of the working class demands the transformation of the instruments of labour into the common property of society and the co-operative control of the total labour, with the application of the product of labour to the common good, and just distribution of the same.”

The Social Democratic Federation (England) states its objects to be :—

“The socialisation of the means of production, distribution and exchange, to be controlled by a democratic state in the interests of the entire community, and the complete emancipation of labour from the domination of capitalism and landlordism, with the establishment of social and economic equality between the sexes.”

The following extract is taken from the Manifesto issued by the Joint Committee of Socialist Associations in England. As a united expression of the principles and aims of socialists it has therefore authoritative value :—

“There is a growing feeling at the present time that,

¹ Professor Ely's translation, *Socialism*.

in view of the increasing number of socialists in Great Britain, an effort should be made to show that, whatever differences may have arisen between them in the past, all who can fairly be called socialists are agreed in their main principles of thought and action. . . .

“On this point all socialists agree. Our aim, one and all, is to obtain for the whole community complete ownership and control of the means of transport, the means of manufacture, the mines and the land. Thus we look to put an end for ever to the wage-system, to sweep away all distinctions of class, and eventually to establish national and international communism on a sound basis.”

The Chicago Convention (1889) of “The Socialist Labour Party of the United States” issued a programme containing the following expression of its aims:—

“With the founders of this republic we hold that the true theory of politics is that the machinery of government must be owned and controlled by the whole people; but in the light of our industrial development we hold, furthermore, that the true theory of economics is that the machinery of production must likewise belong to the people in common.”

While the Chicago Convention, being mainly representative of foreign socialists in the United States, cannot claim to speak for native American socialists, it is different with the recently organised “Social Democracy of America.” This association, organised by and for Americans, and which, six months after its inception, claimed to already exceed in membership all other socialist bodies in the United States, has formulated its industrial proposals as follows:—

“To conquer capitalism by making use of our political liberty and by taking possession of the public power, so that we may put an end to the present barbarous struggle, by the abolition of capitalism, the restoration of the land, and of all the means of production, transportation, and distribution, to the people as a collective body, and the substitution of the co-operative commonwealth for the present state of planless production, industrial war, and social disorder. . . . The social democracy of America

will make democracy 'the rule of the people' a truth by ending the economic subjugation of the overwhelmingly great majority of the people."

The socialists of France are split up into many parties, differing mainly with regard to the methods—more or less revolutionary—by which their objects are to be attained. There does not, however, seem to exist any difference between them regarding their industrial object, which, as far as can be ascertained, is identical with that of their strongest body, the "Parti Ouvrier Socialiste Révolutionnaire Français." The programme of the latter contains the following declaration :—

"To place the producer in possession of all the means of production—land, manufactures, ships, banks, credit, etc., and, as it is impossible to divide these things among individuals, they must be held collectively."

In addition to these, the most authoritative declarations, because emanating from organised Socialism, some definitions of like character, supplied by prominent socialists and by one of their most eminent opponents, may also be cited.

The first of these is the definition supplied by Dr. A. von Schaeffle. Though Dr. Schaeffle is a State socialist, and as such an opponent of organised Socialism, his definition has been received with almost general approval by socialists as well as others. The final part of the definition, which deals with distribution, must however be accepted with caution, inasmuch as it will be shown presently to be incorrect, and that the error has since been recognised by Dr. Schaeffle himself :—

"To replace the system of private capital (*i.e.* the speculative method of production, regulated on behalf of society only by the free competition of private enterprises) by a system of collective capital—that is, by a method of production which would introduce a unified (social or 'collective') organisation of national labour, on the basis of *collective* or *common ownership of the means of production* by all the members of the society.

"This collective method of production would remove the present competitive system, by placing under official

administration such departments of production as can be managed collectively (socially or co-operatively) as well as the distribution among all of the common produce of all, according to the amount and social utility of the productive labour of each.”¹

The two following definitions are taken from leading socialist writers :—

W. D. P. Bliss—“Socialism is the fixed principle capable of infinite and changing variety of form, and only gradually to be applied, according to which the community should own land and capital collectively and operate them co-operatively for the equitable good of all.”²

William Clarke—“A socialist is one who believes that the necessary instruments of production should be held and organised by the community instead of by individuals, within or outside of the community.”³

In spite of the variety of expressions used, it will be manifest that all the preceding declarations concur in describing the industrial proposals of Socialism to be :—

The transfer to the community of both the ownership and management of all the land, and the means of production, without any exception whatsoever. Schaeffle alone makes a limitation, which, however, is meaningless, viz.—“as can be managed collectively.” For it is obvious that every department of production *can* be managed collectively, when the question of relative advantage or consequences is left out of account, as is done by Schaeffle. Even a critic whose sympathies are largely on the side of Socialism—Professor R. T. Ely—makes the following comment on this part of Schaeffle’s definition :—“Perhaps it is defective in the statement that Socialism proposes to place under official administration such departments of production as can be managed collectively, without stating directly that Socialism maintains the possibility of a collective management substantially of all production.”⁴ Moreover, in so far as the preceding declarations form part of the programmes of organised Socialism, they possess authority exceeding that of minor socialist bodies,

¹ *The Quintessence of Socialism*, p. 3.

² *A Handbook of Socialism*, p. 9.

³ *Political Science Quarterly*, December 1888.

⁴ *Socialism*, p. 20.

or of individual authors, however eminent, and whether they are socialists or not. Nevertheless, in order to obtain a full grasp of this question, it is necessary to consider also declarations and definitions which, in one way or another, seem to place limits upon the state-ownership and management of industries demanded by Socialism.

The most important of these is the prospectus of the Fabian Society of Socialists—an association which counts among its members not only the most cultured of English socialists, but many men and women whose character, abilities, and attainments have secured for them distinguished positions in the world of literature, science, politics, and commerce :—

“The Fabian Society consists of socialists. It therefore aims at the reorganisation of society by the emancipation of land and industrial capital from individual and class ownership, and the vesting of them in the community for the general benefit. In this way only can the natural and acquired advantages of the country be equitably shared by the whole people. The Society accordingly works for the extinction of private property in land, and of the consequent individual appropriation, in the form of rent, of the price paid for permission to use the earth, as well as for the advantages of superior soils and sites.

“The Society, further, works for the transfer to the community of the administration of such industrial capital as can conveniently be managed socially. For, owing to the monopoly of the means of production in the past, industrial inventions, and the transformation of surplus income into capital, have mainly enriched the proprietary class, the worker being now dependent on that class for leave to earn a living.

“If these measures be carried out without compensation (though not without such relief to expropriated individuals as may seem fit to the community), rent and interest will be added to the reward of labour, the idle class now living on the labour of others will necessarily disappear, and practical equality of opportunity will be maintained by the spontaneous action of economic forces

with much less interference with personal liberty than the present system entails.

“For the attainment of these ends the Fabian Society looks to the spread of socialist opinions, and the social and political changes consequent thereon. It seeks to promote these by the general dissemination of knowledge as to the relation between the individual and society in its economic, ethical, and political aspects.”¹

The limitation here insisted upon—“such industrial capital as can conveniently be managed socially”—is an advance, though a slight one, upon Schaeffle, and by no means definite. It receives, however, a further extension at the hands of Mr. Sidney Webb, a prominent member of the Fabian Society, in the following definition:—

“On the economic side, Socialism implies the collective administration of rent and interest, leaving to the individual only the wages of his labour, of hand or brain. On the political side it involves the collective control over, and ultimate administration of, all the main instruments of wealth production. On the ethical side it expresses the real recognition of fraternity, the universal obligation of personal service, and the subordination of individual ends to the common good.”²

The definition here given—“the main instruments of wealth production”—is decidedly more definite than that supplied by the prospectus of the Fabian Society, but still errs on the side of ambiguity. Its meaning, however, is explained by another member of the Fabian Society—Mr. Graham Wallas—in an official publication, *Fabian Essays on Socialism*. He defines it as “all those forms of production, distribution, and consumption which can conveniently be carried on by associations larger than the family group.” As Mr. Wallas’s definition is valuable on other accounts as well, it is cited here *in extenso*:—

“There would remain, therefore, to be owned by the community the land in the widest sense of the word, and the materials of those forms of production, distribution, and consumption which can conveniently be carried on by associations larger than the family group. . . .

¹ Sidney Webb, *Socialism in England*, pp. 12, 13.

² *Socialism in England*, p. 10.

“The postal and railway systems, and probably the materials of some of the larger industries, would be owned by the English nation until that distant date when they might pass to the united states of the British Empire or the Federal Republic of Europe. Land is perhaps generally better held by smaller social units. . . . At the same time, those forms of natural wealth which are the necessities of the whole nation and the monopolies of certain districts—mines for instance, or harbours, or sources of water-supply—must be ‘nationalised.’ . . .

“The savings of individuals would consist partly of consumable commodities, or of the means of such industry as had not been socialised, and partly of deferred pay for services rendered to the community, such pay taking the form of a pension due at a certain age, or of a sum of commodities or money payable on demand.”¹

While Mr. Wallas's explanation leaves little to be desired in the way of definiteness, it, on the other hand, shows that the limitation advocated by the Fabian Society is a verbal one only. For the industrial activities which cannot be “conveniently carried on by associations larger than the family group” are few and insignificant. The industry of sewing new buttons to an old shirt may conceivably fall under this head; but the mending of the family socks, washing the family linen, and cooking the family dinner may easily be held to fall within this definition, and many socialists regard them as peculiarly the object of State management.² In any case all production, the produce of which exceeds the requirements of the producing family, *i.e.* all production for exchange, is manifestly covered by this definition.

Moreover, the Fabian Society has itself repented of the slight limitation introduced in its prospectus. For at a subsequent date to that on which this document was issued, it became one of the signatories to the Manifesto issued by the Joint-Committee of Socialist Associations,³ and which declares: “On this point all socialists agree. Our aim, one and all, is to obtain for the whole community

¹ *Fabian Essays*, p. 135.

² Vide *Looking Backwards*, etc.

³ *Ante*, p. 15.

complete ownership and control of the means of transport, the means of manufacture, the mines, and the land."

Similarly, Mr. Sidney Webb has in a later work, *Problems of Modern Industry*, abandoned the slight limitation on collective ownership and control previously introduced by him, as the following quotation shows :—

"We are trying to satisfy the ordinary man . . . that the main principle of reform must be the substitution of collective ownership and control for individual private property in the means of production."¹

On all these grounds the conclusion is inevitable, that there is no appreciable difference between the aim of the Fabian Society and that of other socialist associations in the direction of State ownership and management, and that these comprise the land and every form of capital. Further inquiry will prove that any limitation of this programme is incompatible with the method of distribution which the Fabian Society or any other socialist body aims at, as also with that "abolition of industrial competition" to which all socialists are pledged.

Moreover, the continuance of any private industry for exchange, however insignificant the volume of its products may be, is incompatible with the abolition of "Private Interest," which, as has been shown, is one of the foremost objects of Socialism. The following quotation proves that socialists, even Fabian socialists, fully admit this fact :—

"To whatever extent private property is permitted, to that same extent the private taking of rent and interest must be also permitted. If you allow a selfish man to own a picture by Raphael, he will lock it up in his own room unless you let him charge something for the privilege of looking at it. Such a charge is at once interest. If we wish all Raphael's pictures to be fully accessible to every one, we must prevent men not only from exhibiting them for payment, but from owning them."²

Whether the charge dealt with in the foregoing quotation is rightly described as interest or not, it is clear that

¹ S. and B. Webb, *Problems of Modern Industry*, p. 259 (1898).

² *Fabian Essays*, p. 139.

the argument applies with equal force to pictures by living masters. When such a picture is exhibited by its author against an entrance fee, the charge bears the same economic character as that made by a speculator for viewing the work of a dead master. Likewise, if it is desirable that "Raphael's pictures be fully accessible to every one," it is equally desirable with regard to modern pictures of excellence. "Men must be prevented from owning them" also. Therefore, in the opinion of this Fabian essayist, the production of paintings and other works of art for sale or exhibition must be placed under State management. Nor can the logic of this contention be easily disputed by other socialists.

It is equally certain that professional services cannot be permitted to be performed on private account. Although the industrial proposals of Socialism do not necessarily involve such a change, its distributive proposals do involve it. In order that they may be carried out, all professional men must be employees of the State, rendering their services gratis or against a charge which must be paid, not to them, but into the revenue of local or central governmental bodies. This subject, as well as that of domestic service, literature, and science, can, however, be more conveniently considered when the distributive proposals of Socialism are under examination.