

CHAPTER V

SOLIDARITY

POWER, SOVEREIGNTY, ORGANIZATION

The social-democratic evolution which has become so predominant in present day society may in many places assume such forms as make it difficult to decide what group of ideas it especially expresses. But, on the whole, it will always be seen that modern socialism points back towards the ideas of Marx. Socialism is a democratic movement, but it is more than that, as it does not only strive to give all individual forces liberty to move freely, but also makes it its object to explain exactly and definitely how the liberty and equality of all men may be reconciled with social order.

Germany is the classic country of socialism, as set forth by Marx. This is also in harmony with the fact that unity and solidarity, which all democratic nations strive to realize, in Germany assume a somewhat different character from what they do in England and France. Everywhere it is a question of the relation between the general will and the will of the individual. Without giving a false impression we may say that in England and France it was a question of perceiving how the general will lived and grew in the individual wills, while in Germany it was a question of showing how the general will ruled over the individual wills. In England and France it became sympathy and solidarity which characterized the interflow of the individual wills, in Germany it became organization which solved the question and combined the heterogeneous parts. The longing for unity may be said to be the passion of the German people; it was this which burst the bonds of the Holy Alliance and bore Prussia onward to a leading position, making Bismarck, whose policy was that of blood and iron, the national hero of Germany. We find the history of those three countries expressed in their dif-

ferent attitudes towards unity. In England the problem of how parts may be connected in a manner that endures, and prevented from breaking away from each other, has never been to the fore. The history of England is not the history of the struggle of the kingdom to assert itself as against the counties, but a history of the struggle of the parts to retain their peculiar liberty within the kingdom. In France the struggle to keep the parts together had been hard and enduring, as the parts always tended to make themselves independent, but the fight had been definitely ended and followed by an era, in which the general will ruled and created a fundamental view of life which was stronger and nobler than the feelings of local patriotism. In Germany the struggle for unity was still in its beginning, and the problem became a twofold one: in the first place, what was it, that made the will to combine the parts in a common whole so strong that it was able to compel the obstinate parts into obedience, and secondly, what was the value to be attached to this immense organization. The German State grew, in all essentials, greater than the individual Germans, the German sword became the natural symbol of the German will to unity, but it was dignified as the sword of a crusader. It served to strengthen civilization and authority everywhere, where the power of the German State reached. But civilization was not given by the people to the State, who ruled the life of the people; it was the State who spread civilization to the groups of nations which she governed.

The idea of justice took on a different colouring in those three peoples from the above circumstances. In France and England a feeling of solidarity continued to make itself felt in spite of all the differences among the classes of the population. In Germany all forces flowed together in the sovereign will, and the point became to make the will of the State the will of the people. In France and England, the two great countries of the West, the ideals of civilization are determined by the fact, that the instincts and individual wills intertwine in a mental interlacement which produces the highest power of unity. In Germany the fundamental mental power is strong enough to saturate all the instincts, all the manifold dreams, longings and desires and give them a common tinge. In the West the free men, as conceived by Proudhon, are those who advocate the free social associations. In Germany the free men are such as

have gained vitality and power from the unity of the organization which comprehends them.

I intend to prove that it is this struggle of the German people, carried on for centuries, to keep the different tribes together, which is at the bottom of the German spirit's religious and philosophical dreams, at the back of Kant and Hegel's views and of Marx's social gospel. Marxism is no economic necessity. According to Marx's own idea it is only the expression of a firm and invincibly powerful will. Marxism is a product of the same mental type of which Nietzsche is the foremost philosophical representative. While Neo-Kantianism and Neo-Hegelianism are peculiarly German manifestations of the attempts of thought to assert the sole power of mind or reason over all spiritual efforts, Marx and Nietzsche are typical German representatives of the sovereign will; we shall precede the description of Marx by a few remarks on Nietzsche.

Friedrich Nietzsche (1844—1900).

We saw above that Guyau was the philosopher of solidarity and the advocate of the view that the State exercises her power under a contract, nay, that she herself is a contract (semi-contract) in all essentials, and that justice should be defined as a reparation of a disturbed balance "une justice réparative". Nietzsche is, on the other hand, the philosopher of power; he regards "Justice" and "the State" as the ruling will. Guyau regards life as the supreme essence of everything — the growing intensity of life is synonymous with its expansion. Nietzsche maintains that expansion detracts from intensity. From this follows a different system of morals and a different view on the cosmos.

Nietzsche regards life as a system of forces which endeavour to assert themselves. The will to power is the immediate expression of this self-assertion. The whole of existence consists of such more or less complicated systems of forces which act according to their capacity to assert themselves and overcome opposition. The intensity of life is dependent on the will to power. But the expansion which takes place when the living being subordinates himself to the whole, is so far from being an increase of vital intensity that it is, on the contrary, a weakening thereof. Sympathy is a mark of

decay and degeneration. It is not the expression of will, but the merging of will into feeling. The soundness of the will is first and foremost expressed in bodily health, in the mutual harmony of the physiological processes, in the regular inter-action of the nerves — spiritual health manifests itself in a firm will to gain one's ends, wholly and fully. All the systems according to which the individual seeks his ends outside his own will and according to which he tries to justify his will by considering whether it promotes an ideal, indicates lack of inner harmony. Morality becomes the fixed idea of the degenerate person — religion becomes the supreme expression of mental strife and the mark of a guilty conscience. Man is only made free when he evades all responsibility.¹⁾ A free will existing outside the natural processes does not exist. The will is like everything else a system of forces which acts in and in conjunction with all the other existing systems of forces. Its freedom does not consist of its detachment from these, but of its power to overcome them.

Egoism is then the essence of existence. It is merciless and hesitates at nothing. Hesitation is only proof of an inner uncertainty, it is a sign that you are being ruled instead of ruling. This want of inner strength is the disease of the age. Everywhere you try to yield and compromise. Nobody believes in himself. Nietzsche calls to the Gods to bestow this insanity on him; belief in himself. Life is not a growth by which you are merged into something else, but an extension of your own powers. In the Caesarean will we stamp our age with our ideas, and they are valid because we will them to be so. Egoism is one with justice. There is nothing that is good in itself; the only good which is actual greatness is power, unscrupulousness, what men in their weakness designate as evil.

There is no truth valid in itself. "Erkenntniss" is only an instrument of carrying one's will through. Not truth, but struggle is the fundamental logical principle. Nietzsche here points out the indubitably correct fact that in guiding our thoughts according to a disinterested logical principle, we do so because this principle is the expression of a dominating interest, in relation to which we have no hesitation in abandoning everything else. Within the scope which is given by this interest we allow our imagination and mental

¹⁾ Friedrich Nietzsche: *Menschliches Allzumenschliches*, III & IV.

riches to develop; we do not destroy it, we control it. But logic is not the chief aim of "Erkenntniss" — the aim of "Erkenntniss" is to become an instrument of our vital instinct. The vital instinct is not a thoughtless wavering between this and that, but a firm will to assert itself. Man does not live in the enjoyment of this or that pleasure, but in the work he creates.¹⁾ Discipline and control of the instincts are necessary in order to create; the object is not to weaken the instincts, but to control them. It is therefore quite wrong when it has been attempted from different sides to draw a parallel between Nietzsche and Kallikles. The latter wants to work — this is the main point of resemblance — but he lacks that which Nietzsche never tires of asserting, the capacity to bear suffering for the sake of one's work. It demands the hard schooling of discipline to concentrate on one's work without scruples and inner uncertainty — mental suffering is inseparably connected with a strong will.²⁾

Nietzsche was filled with enthusiasm for the old Greek culture, for the heroes of Homer, for the great leading politicians and their unscrupulous exercise of power. The heads, the leaders, the supermen are those who give their age its stamp, not by submitting to the masses and making themselves solidaric with them, but by compelling the masses to follow them and become united with them in common work. Culture is a pyramid, where mediocrity and weak wills have their place at the bottom, but where the top is formed of the will which is powerful enough never to doubt of itself and its capacity to force all the petty interests of the masses into subordination. This is not a question of happiness, but a question of work.

Nietzsche turns against Kant with contempt. There is no absolute duty. — But — in reality he wants the same as Kant — a will, that exists per se, absolutely and unconditionally. The will is by both of them conceived as the strong hand which pigeonholes all feelings and impulses in their right places. There was so much affinity with Nietzsche's views in Guyau's "pouvoir c'est devoir" as to make Nietzsche study his works eagerly and provide them with marginal notes. But the cleft which divides them

¹⁾ Fr. Nietzsche, *Die fröhliche Wissenschaft*. Vol. VI.

²⁾ Fr. Nietzsche, *Also sprach Zarathustra*. Vol. VII.

is deep; it is to be found in a quite different psychological explanation of sympathy. Guyau regards sympathy as an unconscious resonance in us of what moves our fellow-men; Nietzsche regards sympathy as a feeling which is produced in us because we are friends with those whose wills agree with ours and enemies of those whose wills differ from ours. Social institutions are not the result of man's sympathy with his fellow-men, but of a uniting and sustaining will which, regardless of the welfare of the individual, makes itself master of all the resources of society. On this point Nietzsche is much nearer to Kant than is Guyau. The will's independence of the impulses, its violent and self-sufficient intensity makes it sovereign — while in Guyau's view it takes rather the character of an obsession. "Sympathy", asserts Nietzsche, "has not gained power by growing, but it has grown, because men wanted it to grow".

Nietzsche transforms the absolute ideas, as set forth by Hegel, into a doctrine of the right of the superman. The doctrine of the prerogatives of the élite which became known in France in the writings of Cousin and Renan is, in the form given to it by Hegel, closely akin to the doctrine of Nietzsche. Renan declared that the object of humanity was to produce great men. It is the fate of the great majority to be sacrificed for the benefit of the whole. Mankind lives only through its great men — if they lose their power, all progress will be put an end to. History is one great proof of how little the happiness of the individual man or the individual generation counts. Nature works for her secret aims which are only glimpsed momentarily by a few men, while all the rest of humanity live and think *per procuracionem*.¹⁾ Nietzsche does not see mankind as working towards an end, but he emphasizes strongly that the great man is great by virtue of the scope given to his desire — the greatest man is, however, he, who defines the values, and rules the will of millennia, by deciding which minds are the greatest.²⁾

It is not the doctrine of the imperial will which is peculiar to Nietzsche,³⁾ but his wholesale rejection of the idea of evolution. In Nietzsche's view existence is chaos. There are no secret natural pur-

¹⁾ E. Renan, *Dialogues et fragments philosophiques*, pp. 98, 103, 130, ff.

²⁾ Fr. Nietzsche, *Der Wille zur Macht*, pp. 152, 187, 933, 999. W.W.X.

³⁾ Nietzsche felt a profound regard for Emerson and many regard Emerson as a precursor of Nietzsche: R. Michaud, *Autour d'Emerson*, 1924.

poses, no inner harmony of the wills, only the striving of one will to subject the other. In the profound pain which it is the fate of the sovereign will to suffer Nietzsche includes the consciousness of isolation, which inevitably falls to the share of the ruler.

Nietzsche's view on life is crowned by an idea of the cosmos where he distinguishes definitely between the causal connections in the world and solidarity. The systems of power of which existence consists and which each in turn tries to overcome the others, all follow the laws of causality. But it is not the laws which rule the world; it is the force of the system of power. One system of power follows constantly on another, and there are never two alike. But the variety of those systems of power is restricted; thus existence does not become an ever continuous series, but an eternal cycle. When one cycle has ended, another begins which passes just like the preceding one.¹⁾ It is the old Greek idea of the cycle which re-appears in Nietzsche's writings, it becomes his way of expressing that existence has no aim towards which it is striving, but that the values are values per se, and not by their prospective value.

It is difficult to define Nietzsche's train of ideas in relation to all the political problems of life. Regarded from the point of view of the motives of the individual his doctrine is the most thorough egoism that can be imagined; in the individual's own will is found all explanation of what he wants and the individuals are at bottom completely independent of each other; what happens, happens by virtue of the predominance of a system of power, and this predominance is not justified by serving a purpose. Looked at from the point of view of the manifestation of the will Nietzsche's doctrine is, however, a complete abolition of egoism. It is not the individual and his pleasure that becomes the central point, but work. For the sake of work the individual sacrifices his own impulses just as relentlessly as the private interests of his fellow-men. He must be able to bear suffering. "He who cannot command, must obey. There are many who are able to command themselves, but they may fall short of also obeying themselves".²⁾ All the petty intelligences combine

¹⁾ Fr. Nietzsche, Werke VI. Die ewige Wiederkunft. Meine Lehre sagt: so leben, dass du wünschen musst wieder zu leben, ist die Aufgabe. § 27. Nur wer sein Dasein für ewig wiederholungsfähig hält, bleibt übg. § 32.

²⁾ Fr. Nietzsche: Also sprach Zarathustra. W.W. VII, p. 291.

and prescribe a system of morality which chains the strong in bonds; they create no work, they only prevent its fulfilment. It is the Caesareic will that creates work. But, in reality, this means that Caesar, the individual, disappears behind Caesar, the builder of the State, and Nietzsche's flaming anger against the herd-mind and his praise of the superman becomes a theory of the strong authoritative State that compels all the individual wills to combine in the one great work, which is: the power of the State, the assertion of the State, the victory of the State. The strong man is estimated rightly only by the work he wants to perform: "a right you can seize by force you shall not ask for". The State is not created by the goodwill of the citizens; but it is the State that compels their wills. In the State we measure all right according to whether it is in close connection with the sovereign measure of right, which is work, concrete and practical. As the sovereign measure of right the jurists generally set the vague word "justice"; but what is justice, practically? Justice is written on the tables of eternity; but does this not mean that all that has been written on the tables of eternity is just? All that contributes to strengthen society is justice.¹⁾

This train of ideas belongs to Nietzsche and the German people. They replace the superman by the State. Men cannot control the natural laws, but they can utilize them, and if they want to build a State, they must construct it in such a way that it is able to survive and not build it in any accidental way. This point of view was already set forth by Thomas More. A nation may for a short period prosper by injustice, but not for any length of time; this may be called a moral maxim. It only expresses a tautology; that which produces a passing advantage, but in the end a mortal injury, is injustice. If the State submits to the desires of the citizens and allows herself to be ruled by their demand for well-being, she lacks a fixed principle and a firm will, and she must die. In practical politics this means that a State cannot make justice her foremost object, if justice is synonymous with sympathy, and respect for liberty and equality; all such considerations may be beneficent to a certain extent, i. e. only in so far as they are recognized as the best means

¹⁾ Th. Nixon Carver, *Essays in social Justice*. 1915.

of making the State strong and lasting. As it is wrong in private morality to make sympathy the guiding principle, so it is also wrong in public morality; it should not be given a free course, but it should be controlled and judged and only be allowed to spread to such a degree as is vouchsafed by the sovereign standard which is the power and stability of the State. "He is the greatest man", wrote Nietzsche, "who defines the values and rules the wills of millennia by ruling the greatest minds".

It is this consciousness that the strength and survival of the State is the highest purpose which determines all the separate manifestations of the will of the State which we find as a characteristic feature everywhere in Germany. In the Western countries, order, equality and a feeling of justice are taken as a foundation, and then the State and the legal order are instituted in accordance with these demands. In Germany the State is regarded as the foundation, and order, equality and a feeling of justice are taken as conditions which serve to strengthen the State. The more certain this perception becomes, the more the difference between those two views disappears; but everywhere, where this perception is wanting, the difference becomes more pronounced. In the Western countries the gaps in the perception will then be repaired by giving the State a form which perhaps weakens it, in Germany by giving justice a form which perhaps curtails both order, equality and the feeling of justice. In the Western countries a critical standard of these ideas is wanting, in Germany there is no critical standard of the power of the State. In the Western countries there is a tendency towards letting the State dissolve into individuals and their mutual relationships; in Germany there is a tendency to place the State outside or above the individuals.

Ihering.

About ten years before Nietzsche's aphorisms were published, Ihering (1818—1892) set forth the points of view, which we have presented above, in his book "Der Zweck im Recht".¹⁾ Already in his book "Der Kampf ums Recht, 1872", he had strongly empha-

¹⁾ R. v. Ihering, *Der Zweck im Recht*. The first volume came in 1877, the second volume in 1885.

sized the fact that right is created by a struggle of the wills and that it decays if the individuals do not manifest a strong will to maintain it. The State is an organization which is, at any period, determined by the relation of power of the classes; the strong man governs his relation to the weak and obtains greater rights; the strong man gets the lion's share. The more powerful class influence the legal system by their superior power. Ihering calls this "unequal right" a "modus vivendi" for the peaceful social life among the strong and weak.²⁾ But the problem is not a question of how the strong may gain power over the weak; it is only a question of how such a system may appear to be a legal system, and how unequal right may be acknowledged to be just.

The kernel of this problem we find, according to Ihering's opinion, in the advantages which this legal system offers in comparison with a merely arbitrary exercise of power. In the first place, it offers the advantage of regularity in contrast to irregularity. What is subject to and follows from a general rule is just. By the general rule an expectation is created of what will happen in any given case. As the natural laws give us a feeling of security in the way in which we behave towards the objects of Nature, legal order gives security in our judgment of the intentions of our fellow-beings.³⁾ Every intention which deviates from this rule is arbitrary and creates uncertainty. Regularity (*Gleichmässigkeit*) is therefore the first mark of legal order. But this circumstance contains a thorough transformation of the relation of power. The strong individual has instituted the legal system, but he has also made himself subject to it and in this way surrendered his arbitrary will. In thus binding himself the strong individual becomes not only master and oppressor, but also protector, who gives the weak a fundamental good, security in expectation. The value of this good thing is shown by its necessity in the world of economics; the ground-values would, for instance, be far higher in Turkey if there was security for life and property. Every revolution is a lesson in the value of order (*Schulstunde der Geschichte*).⁴⁾

¹⁾ R. v. Ihering, *Der Zweck im Recht*. I. p. 432.

²⁾ *Opus cit.* I, pp. 274—287.

³⁾ *Opus cit.* I, p. 434.

⁴⁾ *Opus cit.* I, p. 437.

But however important it is that the sovereignty of custom is maintained — this does not express the full idea of justice. Another fact should also be taken into consideration — the fixed law should also be the just law.¹⁾ The necessary conditions for this are, in the first place, that the individuals are treated equally (equality) and, in the second place, that the way in which they are treated agrees with the purpose which the entire organization is to serve. Equality, the fact that the individuals are treated impartially does not mean that no distinction is made in the treatment of personalities; the worth of the different personalities is not the same. The fact that they differ in a great number of casual qualities does not justify a different law; but their different value in relation to the highest purpose, which is the welfare of the State, justifies such difference in the law. The legal order is just, when it gives everybody what is due to him according to his service for the benefit of the State. In the Roman Empire the principle of equality was carried through exactly in this way.²⁾ Equality is the leading principle of organization in society; if a society is to thrive it must be able to reckon with all the members' full co-operation for the benefit of society; the society should therefore pay everybody fully for his work. To put it briefly, it is the benefit of society and not that of the single individual, which should be made the standard.

The State is the power that safeguards the interests of society. The State is the group of individuals who are best fitted for doing so; the quality of excellence of a State may be measured by the degree to which she places the governmental powers in the hands of those individuals who are best able to promote her welfare. Politics are then, briefly, the wide, comprehensive interest, the eyes of those who are able to take in a wider sphere.³⁾

The final transition from a state of the government of power to a legal system is effected, if the existing social system is supported by the feeling of justice. This means an acknowledgment of the supreme purpose — the existing system is recognized as being suited for the fulfilment of this purpose and every violation of it is condemned. So far it is of no significance whether the power of the State

¹⁾ R. Stammler, *Die Lehre von dem richtigen Recht*, 1902.

²⁾ R. v. Ihering, *Der Zweck im Recht*. I, p. 289.

³⁾ *Opus cit.* p. 438.

is placed in the hands of those, who are selected by a minority or by a majority; as a matter of course it always rests in a few hands. Who are to select them ought to depend on the fact, who can do so best, and not on one or other inherent right of humanity. Ihering points out how the regard for the interest of the State colours the whole system of law. He asserts that the State has never acknowledged the lawfulness of private property. What we call private property is only a form of proprietorship which the State acknowledges as serving her interests, and which she acknowledges from this point of view only.¹⁾ Ihering therefore contests the individual points of view which were advocated, amongst others by Humboldt in his youthful writings, and which were advocated by John S. Mill in his book on liberty.²⁾

The State is the government of the strong over the weak. Based as it is on power it can only be maintained as a lasting order in the course of the ages if it really makes society stronger. In the course of time it is altered in accordance with the experience which is made of the things which best serve the power and life of society. Ihering himself lived and wrote under the influence of the institution of the German Empire and Bismarck's statesmanship. Bismarck was the autocrat, but, at the same time, the founder of a fixed legal order. In order to fight the short-sighted interests of the many small States he was obliged to appeal to the whole nation; the German "Reichstag" became an expression of general franchise. But it never, for a moment, occurred to him to place the real decision in its hands. It was to back him in his efforts, but it should not prescribe him his duties. This was also Ihering's view.

In his examinations of the moral form which the civilization of a nation assumes, he loses himself in a long series of far-reaching reflections, the nucleus of which is that all morality depends on national customs. "Der Staat" creates "die Sittlichkeit".³⁾ He shows how the decisive moral standards contain a valuation of the individual's attitude towards the social good together with a corresponding distinction between high and low. Politeness, respect, benevolence,

¹⁾ Opus cit. I, pp. 405—408.

²⁾ Opus cit. I, pp. 421, 424, 430.

³⁾ Opus cit. Vol. II.

decency, etc. contain a variety of shades, of the high-stationed individual's condescension and the low-stationed's humility. Through all the perversions which this state of affairs may produce by replacing inner value by an external dignity runs, however, an acknowledgment that man should be judged by the work he performs, first and foremost, by the highest kind of work, the welfare of society, which is superior to that of the individuals.

If we were to make a conclusion on the basis of Ihering's uncompleted work it must be, as follows: a democratic government must be built up on a democratic civilization, which consists in all the citizens' equal will to serve the whole and their equal capacity to judge of the demands of the whole. Not without the greatest danger to society may a democracy be built up on the basis of the immediate interests of the individual in preference to the regard for society. If democracy better than a minority of strong men is able to put an end to arbitrariness and secure the power and existence of society, democracy is the stronger and better suited kind of government. But if, on the other hand, democracy takes the power because it represents the majority, then it has no right, then it is, to use Nietzsche's expression, "a herd-animal which must obey and has no right to command".

In France the movement took a democratic direction because the misery of the country pronounced its condemnation of the government by the élite; in Germany democracy won its way because it came to act by way of a support to a system of power which had lately gained great victories. But in both places, if we go below the surface, it was a question of asserting the power of the State over the individuals. Ihering supports his views on Rousseau's assertion that the common weal is not the sum of the individuals' interests, but the subordination of these interests to the common weal. "If the citizen wants to enjoy the rights of a citizen without fulfilling the duties of a subject, he commits an injustice which, if allowed to continue, entails the ruin of the State.¹⁾ In France and England the Liberal State became the humanitarian State which allowed the people to partake in the government for their own sake, it was said, while she did so actually for her own benefit in order

¹⁾ J. J. Rousseau, *Contrat social* I. Chap. VII.

to preserve the power in the hands of those who controlled the inheritance of the people. In Germany social legislation appeared more undisguised, in part as the potentate's means of ruling the masses, in part as an evidence of their capacity to govern and give the State a firm organization. French sympathy, English common sense, and German State socialism are all upper class movements which condescend in granting privileges and which in spite of all equality they give the citizens, maintain the fundamental difference between the strong individuals who create the State and administer it, and the weak who live under her protection and benefit therefrom. We might still consider it a task to write an "Apologie" of the State, as Ihering calls it, in all countries in order to prove that the State is not a metaphysical being, but the organized power of the strong minority over the weak majority.¹⁾

Ihering is the juridical representative of the will to power of which Nietzsche was the philosophical representative. Socialism is the social representative or manifestation of the will to power as a decisive factor. "It is power we want", said Karl Marx, "and not justice or charity". The abolition of poverty was the object of the well-intentioned upper-class, but it was not the actual demand of the proletariat. In all the movements which met in Chartism or in the anarchy of Proudhon, poverty represented the great injustice and suffering which existing, society measured by its own ideas of justice, inflicted on the lower classes. They advocated the interests of the working class as the most suffering class, and only from the point of view of the most suffering class did the proletariat exist in their eyes.²⁾ According to Karl Marx's view it was the class-conscious proletarian's will to power which formed the nucleus of socialism. Its theory was developed in the "Internationale" before the Franco-German war. In the succeeding time it appeared on the political scene. It is the most powerful fulfilment of Nietzsche's doctrine. It is one of the many systems of power which crop up in the world; it is a system that is going to subject all others by virtue of its strength. The theory of socialism was formed a generation before Nietzsche, but it contributed to a great extent to prove that the

¹⁾ R. v. Ihering, *Der Zweck im Recht* I, p. 436.

²⁾ *The Communist Manifesto* (Published by the Danish Social Democratic Party in 1907).

actual nucleus of the old philosophy of evolution, to which Hegel had given an idealistic colouring, was the will to power which Nietzsche attempted to show as the governing force of existence.

Karl Marx (1818—1883).

In his youth Karl Marx was profoundly moved by Hegel's doctrine of the absolute idea. We have already mentioned above Marx's relation to Hegel and the doctrine of the course of history and fate which Hegel expressed so powerfully. The State was in his view the organization which held together the number of inter-actions which constitute life in that society (*Gesellschaft*), which we call civic society.¹⁾ Marx never emancipated himself from Hegel's view of history and his doctrine of inter-actions which we call "dialectics", but he transformed the idealism of Hegel into a thorough realism. In the struggles within civil society he found the basis of those principles which took shape and power in State and Law, while Hegel found the basis of the legal order in the ideal power which governed the conflicts in civic society. As Marx said himself, he turned Hegel upside-down. In his preface to the second edition of "*Das Kapital*", 1873, he wrote that he regarded his dialectical method "not only as differing from, but as directly counter to that of Hegel". In Hegel's view the process of thinking, which under the name "idea" he transforms into an independent essence, "Subjekt", is the builder of reality, "Demiurg"; reality is only its external appearance. "In my philosophy the ideal is, on the contrary, nothing but matter transformed and transmuted into the brains of man."²⁾ Already in 1843 Marx had criticized Hegel on the basis of the realistic idea of which Feuerbach became the spokesman and, during the following years, he developed his philosophy in the system which was called "the materialistic view of history", and which he in 1859 described in the preface to his pamphlet "*Zur Kritik der politischen Oekonomie (LV)*".

By the term "the materialistic view of history" Marx wants to show that civic society is formed predominantly by economic conditions, which are independent of man's will, but which are organ-

¹⁾ G. W. F. Hegel, *Grundlinien der Philosophie des Rechts*, § 289.

²⁾ Karl Marx, *Das Kapital*, 6te Auflage. 1906. I. XVII.

ized by means of customs and habits, which constitute the legal and political superstructure which we call the State. It is not man's consciousness that determines his existence, but it is, vice versa, his social existence which determines his consciousness. Hegel said that everything real was rational and everything that was rational was real. Marx adds to this, that the real is only real so long as it is rational; a different way of expressing that reality is continuity and that reason too is continuity. In natural science we constantly replace one image of the cosmos by another, according as our experience grows and it becomes possible to make our constructions more connected. The image of the cosmos at which we stop is at any time that which we imagine to be right. What is order and continuity is not taught us by reason; we only learn that by watching how Nature creates it. The true object of Nature is not a goal towards which she strives under all, even the most various, circumstances, but the state which she has actually reached at any given period. The true society is that which is created through the mutual inter-action of social events. The rules and principles according to which we organize these conditions are not the fabric of our imagination, but they change with actual social conditions. Real man is not isolated man, but social man who only exists by his life in society together with others to whom his relation differs according to the different economic conditions, which are created by Nature and to which man is subjected. What is good or evil at any time is determined by this standard: "does it promote or hamper the evolution of man's social qualities?" At any time, that form of government will consequently gain respect and prosperity which, under the existing conditions, best expresses the necessary conditions of social relations.¹⁾ Just as we make cloth and linen according to different methods under various conditions, we also make our social institutions. With the acquisition of new forces of production the methods of production are altered and with them the social conditions under which we live.²⁾ It is emphasized in the communist manifesto that man's ideas, views, and conceptions change together with his conditions of life and social existence. The dominating

¹⁾ Karl Marx, *Das Elend der Philosophie*, p. 181.

²⁾ *Opus cit.* p. 100.

ideas of any given period were always the ideas of the ruling class.³⁾

Marx accuses Proudhon unjustly of having no perception of the interdependence of mind and political economy. Proudhon conceived national economy as being of far-reaching importance, Marx looked on it as a fundamental science. We shall presently go further into the difference between these two views.¹⁾ "Marx's own doctrine", writes Steffen, "sprung from abstract philosophical ideas, and his economic theories took the form, which they much necessarily take, in order to support his view of history which was founded on philosophy. At that time he had no national-economic insight worth mentioning".²⁾ Bernstein, who thinks that Marx already then had real insight in economy,³⁾ maintains that exactly for that reason it becomes more inconceivable that Marx allowed himself to be led by speculative ideas; he accounts for this by imagining that Marx had not himself got rid of the influence of Hegel.

The civilization of any period depends on the possibilities of production and within this civilization life will go on being lived under unchanged principles. But with new possibilities of production there comes a stage when the existing forms of civilization, instead of having a beneficent effect, act as a drag; man's social nature reacts against this pressure and creates through revolution new forms of life, which are better calculated to utilize the new possibilities. These new forms are, in reality, only new causal effects, brought about by the wants of the social individual. The process is completely regular; but this does not mean that there must necessarily be a fundamental connection between the different stages. What at one time seemed to be legally right, need not be related to the ideas of law of earlier periods, or to be more perfect as an expression of the social will. The only thing that is new is the appearance of the social will under new conditions.

A conflict has raged and is still raging concerning the nature of Marx's materialistic view of history. This conflict is easy to account for. By the term materialism we understand that the higher and

¹⁾ Karl Marx, Manifest, p. 26.

²⁾ K. Vorländer, Kant und Marx, pp. 39—58.

³⁾ G. Steffen, Marx och Materialismen, pp. 36, 41.

⁴⁾ E. Bernstein, Die Voraussetzungen etc. p. 22.

more composite is to be explained as developing from the lower and more simple. Auguste Comte maintained that materialism is impossible as you always advance from the lower to the higher by means of a jump only. Already Pascal maintained definitely that the different phases of existence are not mutually connected, we always pass without any intermediate stage from one dimension to the next, from the body to the mind, from the mind to the heart. In the first fifty years of the last century a discussion was carried on as to whether life might be explained on merely physical and chemical presuppositions, and whether mind might be explained as growing out of life. Comte did not consider the latter question a proper problem, but he regarded the former as one. Physics and chemistry furnish us with the elements, and on the basis of these we explain the wholes; where it is a question of the phenomena of life, however, we must make the whole our basis. The problem concentrated itself in the question: "Is there anything spontaneous in Nature, or is all apparent spontaneity in reality only a form of passive causal happenings"? Claude Bernard (1813—1878) denied absolutely the existence of anything spontaneous. The apparently spontaneous event is produced by the formation of composite wholes, the organism, by the fact that a change in any one part of the whole produces changes in other parts of the whole, and that every organism therefore reacts against all influences in its own particular way.¹) This means briefly that every system of power which arises in the world is a product of circumstances effected by causality and that it has had no influence on its own formation — but that every system of power that arises acts in ways which cannot all be deduced from the processes which formed it, they being also determined by the system of power itself. All idealism depends on the action of the system of power itself, and this does not become an illusion because we prove its origin to have been in Nature, where it did not yet exist. In the later years Cunow and others have successfully attempted to prove that Marx took the term "materialism" in another sense than an anti-idealistic one, i. e. his materialistic view of history was a realistic, scientific view which

¹) Claude Bernard, *La science expérimentale*, pp. 44, 47, 158. Introduction à l'étude, etc. pp. 101—118.

he set up against such idealistic fabrics of the imagination as Feuerbach's explanation that man is what he eats. Just as little as Feuerbach took a degrading view on life, can the materialism, as set forth by Marx, be regarded as a proof that man is only interested in food and drink and his materialistic wants.

Gustav Steffen was right when he maintained that Marx in his view of history pronounced himself against every kind of self-activity, spontaneity, and that he in doing so acknowledged the materialism of natural science. Whether Steffen also was right in looking for a proof that Marx here as elsewhere falls short of logical sharpness and philosophical strictness I regard as more doubtful.¹⁾ Marx did not want to make natural scientific materialism the basis of a new conception of the relation of the ideas which influence the minds of the most eminent men and of the natural processes which influence the minds of the crowd. If we emphasize natural scientific materialism, the play-ground for the human mind would be reduced to naught, and Marx would be only a second Büchner, and it would not be possible for him to explain how man was able to make new inventions as these are not in their nature material processes.²⁾ The problems which occupy Marx are quite different. He sets aside the regulation of society which the State is said to exercise by virtue of metaphysical, philosophical, and juridical ideas — and sees all the really important new formations in societies as arising from the myriad of conflicts, accidents, quarrels and agreements which are gradually fixed by the State. Technical knowledge is of course the necessary conditions for production. But Marx takes no interest in technique; he concentrates his interest on the possibilities of production which are found in men's life together in society. Legal systems which originate in such circumstances will arise and receive their hall-mark through their practical influence. While legal systems which have been created by the State on the basis of thoroughly well-considered ideas, and which the State uses all her power to bring into application, will die and vanish. Marx pronounces himself very clearly on this point in his preface to the first edition of "Das Kapital". One nation may learn from another nation, but no

¹⁾ Gustav Steffen, *Marx och Materialismen*, pp. 24, 26.

²⁾ *Opus cit.* p. 108.

nation may, even though she has found out the natural law for her evolution (Bewegung), skip and set aside the stages of evolution determined by Nature; it is only possible to shorten and temper her pangs of birth.¹⁾

Bernstein calls attention to the fact that in the case of the materialistic view of history, it is not necessarily only the material powers of production which decide evolution.²⁾ Marx's sayings in the preface to "Zur Kritik der politischen Ökonomie" cannot be made out to prove that he attached any significance to the conditions of production. The forms of law, political, juridical, and philosophical theories, religious views and dogmas are all influences which react on the historical conflicts and in many cases they determine their forms to a high degree.³⁾ "But", writes Bernstein, "philosophical or natural scientific materialism is of a deterministic nature; Marx's view on history is not deterministic, it does not ascribe to the economic basis of the life of the nation an unconditionally determining influence on its forms".⁴⁾ But this assertion does not hold good if we leave the influence of philosophical ideas out of consideration. Max Adler attempts in the same way to get round materialism in order to subject Marx's doctrine to a transformation in harmony with Kant's ideas. "The one thing necessary, in order to understand the materialistic view of history, and to rid it of the misunderstanding which deprives it of all sense, is", he writes, "to rid it of the word "materialism" and to lay the main weight on a thorough determinism".⁵⁾ If determinism can only be saved by giving up the doctrine of the preponderant influence of economic conditions and if this can only be given up by surrendering the most characteristic and important part of Marxism, it is true, that we are faced with an inevitable and merciless rod of iron in which so-called scientific socialism has been caught and is kept a prisoner.⁶⁾ But the real truth is that the doctrine of economics is

¹⁾ Karl Marx, Das Kapital I. 1909, VIII.

²⁾ K. Vorländer, Kant und Marx, pp. 72, 187.

³⁾ E. Bernstein, Die Voraussetzungen, pp. 5, 7, 13.

⁴⁾ Opus cit. p. 14.

⁵⁾ Max Adler, Marx als Denker, p. 56. Marxistische Probleme; Vorländer, Kant und Marx, p. 112.

⁶⁾ V. Simkowitz, Marxism versus Socialism, p. 46.

not the basis of the materialistic view of history, but it has, on the contrary, been constructed in accordance with this and with the inheritance of the dialectics set forth by Hegel.¹⁾

It is essential to understand the connection which Marx sees between the system of law and the life of trade. In his famous work "Wirtschaft und Recht nach der materialistischen Geschichtsauffassung, 1896", Stammler confirms Marx's view that the closest connection exists between those two things, that they are in reality one.²⁾ But he denies that the legal system is determined by the possibilities of trade and production. The reverse is more likely to be the case. There are always several ways of organizing the conditions of trade, and therefore the law does not express the way in which production should be organized, but the way in which we want it to be organized. This is precisely opposite to Marx's view. In Stammler's opinion the will regulates production and it varies according to the way in which we want to regulate social life.³⁾ To be sure, it is always a question of organizing the forces, but what is this but subjecting them to an external rule?⁴⁾ Legislation is only man's attempt at governing and guiding the wild and wanton powers of social production.⁵⁾ All law is fixed (gesetztes) law, and whether it is legal depends on its accordance with the true object of law.⁶⁾ Everything depends on what is the true object of law; Stammler defines it after the manner of Kant in a critical way as an association of free men. "It is", says Stammler, in a somewhat obscure manner, "not itself a legal system but a method according to which we define it."⁷⁾ Whether this agrees with Marx's communistic ideal is a different question, it does not, at all events, follow necessarily from the forces of production. In the masses socialism builds on a hope of and a striving for social justice, but this hope is determined by the way in which the existing legal order has hitherto been carried through. This is however far from being

¹⁾ G. Steffen, Marx och Materialismen, pp. 36, 41, 111.

²⁾ R. Stammler, Wirtschaft und Recht, etc. p. 195.

³⁾ Opus cit. pp. 213, 237.

⁴⁾ Opus cit. p. 126.

⁵⁾ Opus cit. p. 30.

⁶⁾ R. Stammler, Die Lehre vom richtigen Recht, pp. 23, 31.

⁷⁾ Opus cit. p. 198.

Marx's point of view. He does not regard the carrying through of socialism as being conditioned by its serviceableness, but simply as a necessity.¹⁾

But precisely on this point the great contrast between Marx and Kant reveals itself. In his minute critique of Stammler, Binder has emphasized both the restricted way in which he used Kant's philosophy and its irreconcilability with that of Marx. As far as Kant is concerned we should never lose sight of his attitude towards the "empirical" and the "a priori" in all branches of science. The theoretical sciences are constituted through the application of experience according to the category of causality. Without causality experience is blind, but without experience causality is void. It is through their co-operation that the empirical world is built. Liberty is the category that contains practical experience — this category is analogous with the category of causality, and empirical social life constitutes the material to which the category of liberty may be applied. Without social life the category of liberty is void, without the category of liberty the material of social life is blind. But the question is precisely whether Marx operates with these "a priori" and empirical conditions. Already Hegel took up a quite different attitude, as he considered the "a priori", in so far as it existed, not as the stamp which our consciousness imprints on our material, but as the material being which gradually develops itself from the spirit. The categories are not in Hegel's view and still less in Marx's view that which characterize the whole process, but rather an historical registry of the forms which appear in the course of time. According to Kant's and Stammler's views law must always, under the most various conditions, be of the same nature, and that which we call the ideal basis of law; in Hegel's view law is a world-process of all-powerful character, and in Marx's view it is the conquering power, but it is not of the same structure in one period as in the next. This means an enormous spiritual difference between the world as conceived by Kant, which takes the category of liberty as its moral foundation, and causality as its physical foundation, and the world as conceived by Hegel and Marx which is based on power, no matter how it may be in other respects. We may say of

¹⁾ R. Stammler, *Wirtschaft und Recht*, etc. pp. 63, 259, 55.

the world of Kant that it was small and circumscribed, and that every single moral individual found his work cut out for him in this world through his capability and power. In the world as conceived by Marx the individual does not exist, but there is only a world, a society. If there is an evolution there is of course a causal connection between the social forms; but the forms which in one society were the central powers and created admiration and called forth care and cultivation, will perhaps in the next society be spread to the four winds of heaven and be replaced by forms of different dimensions and functions.

As regards Kant's and Marx's moral valuation Cunow maintains¹⁾ that Kant's rigid and narrow moral rules would constantly bring us into conflict with life. We have a vivid feeling of Marx's rebellion against the Philistines, the customs, and rules of law which hemmed in life. His sympathy with the communist group of workers in England who wanted to carry the ideas of Owen and his followers into effect, must once more be clear to us in his proletarian manifesto and show us what was his idea of the world. It was first and foremost his irreconcilable disapproval of poverty and of the society that allowed it to exist. The proletariat, as Rosenzweig wrote, came to stand as the general term for the social power which governed the world, excepting nothing, comprising everything, the place of birth of all conflicts and movements, but curtailed and confined by the possessors of private property. Private property was the root of poverty and therefore the thing that should be fought economically (Meusel). Perhaps private property was once useful and favourable to production, now it is ruining mankind. This does not exclude that it may have been right and is now wrong. To a categorical obligation a continuous repetition is not necessary, as Cunow supposes. It is true that this maxim means that the same action should happen each time under the same circumstances, but, as Simmel already long ago stated, each time may, when circumstances are sufficiently particular, be only one time. "Only unconditional individualization allows unconditional generalization".²⁾ Thus it is not by virtue of a principle that Marx represents poverty as morally condemnable, but only

¹⁾ H. Cunow, *Die Marxsche Geschichts-, Gesellschafts- und Staatstheorie*. 4. Aufl. 1923. Vol. I.

²⁾ G. Simmel, *Einleitung in die Moralwissenschaft II*. p. 43.

by virtue of the experience of those who as the masses within society are property-less and are thus unemployed, or, as Marx said, "he who can go nowhere else when new machines make his work superfluous is condemned to death". For the carrying through of a law, a general acknowledgment of the serviceableness of a measure was sufficient — the general united will, the agreement of everybody that everybody may do as he likes must be a sufficient law of life. The State as ruler or distributor of power is only necessary where different opinions or conflicting interests make themselves felt in society. A contest is carried on in society so long as man tries to hinder his neighbour in acting. The object of such action is to procure money and the means of carrying one's will through is the possession of money. The power of government or the administration of law falls consequently to those who, at any given time, possess the largest property whether it is the proprietorship of an estate or commercial or industrial capital, or to the proletariat who have no money, but who use their power to deprive all the individual rulers of social power.

The society which in Karl Marx's mind stands as the mature expression of the government of the proletariat is not only a society without class-difference, but a society without a State and without a legal system. The State and the legal system are only passing phenomena. They will disappear when quarrels in society concern the single individuals only and die away without consequences, or are made away with through general measures. Such a society without a State is the communist society. Marx thinks that the desire for that society is only matured in the nation through a growing contrast between the class of propertied and the proletarians and that the new society will be brought about through a violent catastrophe and must therefore, for a certain length of time, preserve a government in order to prevent a relapse. But such dictatorial government in a proletariat will only be of a passing nature and the community without a government will gradually become a fact.¹⁾ Later on Marx changed his expectations of the future to a certain extent — instead of concentrating on the revolutionary tension which he met in the class of English workers at the time of the manifesto, he fixed his

¹⁾ Hessen, Archiv f. R. & W. phil. XIX. 1.

attention on the greater chances of work which followed on the conflicts of free trade and which promised a slower and more gradual progress. Marx became also acquainted with the workers' trade union movement, and his ideas of revolution and the dictatorship of the proletariat became less fixed. In Germany the political conditions produced a division within the party, which lasted until the time of the war; Kautsky, whose opinions were orthodox and Bernstein, who was of a more bending nature, stood rather sharply against each other. Although we are of opinion that the most important thing is to examine what were the ideas cherished by the proletarians themselves and not to examine too carefully what must have been Marx's own opinion, the understanding of the often contending and vague opinions which have, in the course of time, been set forth by the party may often be assisted by going back to Marx's own utterances.

The Communist Manifesto is all through a calling to arms, the aim of which is to rouse the will of the proletariat and provoke its anger in order to make it consolidate. The most moving part of the manifesto is without doubt its description of the sanguinary traces which the evolution of large scale industry has left.¹⁾ Marx shows, however, that the conditions of production which large scale industry has created have also forged the arms with which the sanguinary exploitation may be fought, as well as the men who are to carry those arms. Formerly it was impossible to fight capitalism because it had not exhausted its possibilities, but now it has. The fact that Marx at the February Revolution and later on at the Paris Commune realized that conditions were not yet ripe, does not mean that he was of opinion that the will of the proletariat ought to be suppressed. He saw no other way out than carrying the will of the proletariat victoriously through and organizing society in its own interest, in the interest of the immense majority and according to the will of the immense majority.²⁾

Marx calls his doctrine "scientific" in contrast to all earlier socialism, which he calls "utopian". The dividing line between his predecessors and himself is found in the fact that he builds on the will of the proletariat as a fact. Formerly an idea was constructed, the

¹⁾ The Manifesto. Danish edition, p. 10.

²⁾ Opus cit. pp. 12, 15, 17.

excellence of which was then going to be proved to man, who must be persuaded to follow it. Marx takes social unrest as his starting-point. He does not want to create a movement, but he wants to give a movement, which already exists, a fixed direction which is built on reality. The will of the proletariat is its own justification, it wills its own work. Utopia means dreaming, scientific socialism is "to will". This will is not fatalistic, as asserted by Stammler, at any rate, not more than all other movements in the mind of man. The proletarian will is something more than a "curiosity". It is the will and government of the immense majority in the interest of the immense majority. It is a promise of less pressure and less extortion, it is a watch-word which gives the movement the superiority which only the unconditional will can give. To rule is the calling of the proletariat, and it is on this that its justification rests. The proletariat cannot wrong anybody, as there is no class outside itself; all classes disappear when the proletariat conquers. We may say that Marx constructs this conception of the proletariat according to the rules of dialectics as set forth by Hegel, according to which everything changes into its opposite. The philosophy of Hegel is a theory of catastrophe and consequently Marx's doctrine becomes so. If it is confirmed that Marx has gone this backward way and has built his economy on such a speculative basis the confidence in the stability of his doctrine will disappear, and we begin to understand why his whole economic theory falls into ruin, after the lapse of fifty years. The fact that the social democracy is, nevertheless, more vigorous than ever is due to the circumstance that in reality it does not live on the theories of Marx, but on a national economic reality, which Marx interpreted, to a certain extent, quite rightly, but also, to a certain extent, quite wrongly.¹⁾

Marx wanted to point out the state of affairs which quite corresponded with the ideas set forth by Hegel — how private capitalism gradually make more and more men into proletarians and gather property in constantly fewer hands, while at the same time, the capitalists in the factories train the proletariat into a strictly disciplined crew who are able to expropriate the capitalists. A riot may be suppressed by means of guns, but ideas that rule our mind

¹⁾ G. Steffen, *Marx och Materialismen*, pp. 29, 33, 36.

and sympathy that conquers our hearts cannot be fought in that way. Therefore the proletariat becomes unconquerable, when it knows what it wants, and when the possibilities for the carrying through of its will exist. The proletariat, with which Marx counts, must therefore be of such a nature as to be susceptible to ideas. It cannot be the impoverished masses, whom poverty and suppression have deprived of all human dignity.¹⁾ It is impossible that a proletariat who in existing society have only learned to obey, by merely detaching itself from the ethics and religion of the present society, should be able to evolve that high degree of positive forces which should constitute the proper basis of future society, if this is to safeguard the equal rights and duties of all citizens and effectuate a socialization of property and work. "It is", says Steffen, "not enough that the proletariat are able to overthrow the existing system. They should also be able as quickly as possible to increase the powers of production". This was demanded by Marx himself in his manifesto.²⁾

But how is it possible to believe that a crowd, deprived of their human dignity, should be able to produce anything like it? Marx has, it is said, stamped himself as a utopian. Simkovitch says that scientific socialism has gone bankrupt.³⁾ The social democrats of the present day have the choice between becoming practical-social reformers or becoming utopians. All over the world this choice has to be made. In Germany Bernstein conquered over Kautsky. In France Jaurès declared that no social democrat any longer acknowledged the theory of the increasing impoverishment of the proletariat or the prospect of the proletarian revolution.⁴⁾ In England MacDonald stated definitely that the idea of class warfare belongs to the youthful days of the workers' movement and is unscientific. The supposition that it is possible to reach good results through class warfare can only be maintained by him who has not ceased believing in the magic and unreasonable.⁵⁾ In his beautiful book

¹⁾ G. Steffen, *Marx och Materialismen*, p. 42.

²⁾ Manifesto, pp. 23—28; G. Steffen, *Opus cit.* pp. 88, 91.

³⁾ V. Simkovitch, *Marxism etc.* XI. p. 245.

⁴⁾ J. Jaurès, *Etudes socialistes*, S. XLIX; *Vorländer, Kant und Marx*, pp. 106 ff., pp. 179 ff.

⁵⁾ J. Ramsay MacDonald, *Socialism and Society*, pp. 138 ff.

"Das Problem der Demokratie" Steffen represents this doctrine, which deviates from orthodox Marxism, and pronounces his expectation that, faced by practical reforms, perhaps a small minority of fanatics may stick to the pure doctrine.¹⁾

The class war is with Marx part of his whole view of history and the theory of the conflict of the classes which will not disappear until the proletariat has conquered, cannot be surrendered by socialism. The disappearance of the proletariat only means a heightening of its civilization, the growth of its civilization, if not in this, then in the next generation. The proletariat is the powerful incarnation of the social will. Marx was originally faced by a brutal and unkind State, and his theory of catastrophe is evidently an application of Hegel's view of history and his dialectical understanding of such a situation. His later experience of the possibilities which were opened for the workers by Trade Unions and General Franchise and by other means, changed the picture. It has, on one hand, made the workers suspicious and in many of them aroused a desire of keeping aloof from political life, and, on the other hand, it has produced a belief that the revolutionary spirit preserved itself longest in Proudhon's adherents. "Proudhon", writes Bernstein, "did not only destroy the superstition in the omnipotence of the revolutionary State, but he also killed the understanding of the creative power of the State, as legislator and administrator".²⁾ It was perhaps possible to find a form of government, which might be used by the Social Democratic party. Parliamentary government was dangerous to the preservation of the idea.

In his conflict with Kautsky Bernstein had to defend himself against the accusation of having betrayed the main points of Marxism, the class warfare and belief in revolution as the climax. For a long time he became stigmatized with a blind hatred. Besides the question of principle the question of tactics also made itself felt. Kautsky feared the strength of the German reaction, Bernstein regarded it as extremely weak and found it wiser actively to undermine its position instead of working at fortifying his own organizations. The disagreement as to tactics was of course an inferior

¹⁾ Steffen, *Das Problem der Demokratie*, p. 27.

²⁾ E. Bernstein, *Von der Sekte zur Partei*, p. 5.

question. But the fundamental question of class warfare and the attitude towards the State was of the greatest importance for the understanding of what Marx called a proletariat, and for the programme round which the proletarians were to gather. Bernstein denies that he fights the attitude of the proletarian and the proletarian class consciousness.¹⁾ He turns against the brutal and egoistic class consciousness, and not against the ethical and intellectual. This we must presume also to be the theoretical attitude of Marx.

The proletariat represented to Marx a logical category. The proletarian was in reality the industrial worker. It was industry which in the shape of private capitalism had laid waste and exploited the masses and, first and foremost, its own implements, viz. the workers. It was therefore the industrial worker who became the proletarian incarnate. But this fact involved various circumstances which we shall further explain. In the first place, the victory of the proletariat must, if it should justify itself, be followed by an enormous extension of production — or, to put it in a different way, the proletariat must show itself in possession of a far greater technical and organizing capacity than the capitalists. This does not mean that each individual worker should become very experienced; it was not as an individual that he represented the proletariat; the proletariat was the system of power which was constituted by man's social character, and the proletariat, which was to reign in the new society might very well contain individuals of different working capacities. Its collective working capacity must, however, be greater than that of capitalism, and the management of work must be just as penetrated by social interest and void of private egoism, as if it was society itself which worked. There must in the new society be factory work, but nobody should work for wages, there must be managers, but no employers, there must be social umpires, but no social authorities. But even if the proletariat was judged to be ripe for the creation of such a society, what attitude was to be taken towards the existing governing class? It was a matter of course, that it should lose the right to govern in the name of its own interests; but its capacity, its technical knowledge and experience could scarcely be dispensed with by the conquering proletariat, and

¹⁾ E. Bernstein, *Zur Theorie und Geschichte des Sozialismus* III, pp. 17, 41.

the proletarian revolution could hardly have for its object the destruction of the whole class of capitalists. Would this class then, like a new set of slaves, be compelled to place its powers and knowledge at the disposal of the proletariat, that is to say, of society, or would it by revolution be animated by a new spirit, so that it voluntarily and with enthusiasm joined the new social order? If the reaching of such a result by means of a revolution seemed doubtful, there was no other way open than through the conquest of political machinery to change its whole manner of action in a proletarian direction. It would then not be the chief question whether the way became long or short, the most important thing would be that there was a movement onward. It was thus not the goal, but the movement that became decisive. This forward movement must then necessarily consist in work for a reconciliation of the classes and not in an attempt to destroy the ruling class. It was in this fatal and unavoidable consequence that the danger lay in adopting the parliamentary way instead of the revolutionary one, and in giving up the unmitigated class combat. In whatever way you turned it, it became members of the former upper class who also in the new society got the whole administration of trade into their hands. It is possible that the workers themselves might supply leading politicians, and the way to influential political positions might be open to them; but the real leaders would be the leading economists, and might the workers themselves obtain real access to these posts? If this was not possible the state of affairs would be quite changed. The only things that could be done for the workers would then be mainly to improve their wages, to regulate their working hours, to make the conditions of their places of work more healthy, to insure them against illness, old age and unemployment. It would be the protective social legislation of the Liberal State, the payment by the middle class of their debt to the lower class; but it would not be a proletarian State; the proletarian will had been broken, easier conditions had been attained, but the proletariat had not carried its sovereign will through.

The socialism of Karl Marx thus presents a difficult side. It was and purposed to be the victory of man's social nature, the absorption of the single individuals in the common social goal, a new expression of "the will to work" as set forth by Rousseau. The liberty

of the single individual consisted in his fully surrendering himself to the general will. Socialism became the democracy of modern time. According to the materialistic view of history, the principal task in society became the organization of economics; modern democracy became first and foremost a democracy of workers. But the fact that work was chiefly considered as organized industrial work, caused a great division to be produced between democracy and socialism. Democracy became the great commonalty which included everybody, the society of socialism became the society of the factory workers. The proletariat did not become the class which abolished all classes and which suppressed and exploited nobody, but it became a new very large class, but yet a class which identified itself with society without actually constituting it. It is this conflict between democracy and socialism which divides the Social Democratic movement of the present day into a democratic movement that favours State government, and an anti-State revolutionary movement of the workers, which still maintains the theory of catastrophe as set forth by Marx — this latter movement is condemned as being utopian by all Socialist leaders, even Karl Marx himself turned against it in his later years. He wanted a democracy, not merely a government by industrial workers; he wanted the carrying through of General Franchise as an expression of the common social nature of everybody.

In the description of the Communist organization of future society which the manifesto gives¹⁾ we do not find a definitely made out programme, but a rather casual emphasis on most of the points which the movement had up till then accentuated in different places. The collective picture is a picture of a social order, which is like a great factory, with regulated and harmonious work under a chief management, and liberty for the individual out of his working hours, a liberty which we have characterized above as time of leisure after work. Work is made compulsory, but nothing is said concerning the conditions which may induce free, independent men to submit to this. The necessary conditions of this are, in the main, to be found in Marx's doctrine of the increased value, of which the workers are deprived by the system of wages. This doctrine became

¹⁾ Manifesto, pp. 28 ff.

so excellent a propaganda, because it, according to this, became possible to represent the demand for increased wages of the workers, not merely as a desire to improve their state of poverty, but as a legal claim which civic society itself must acknowledge on the basis of its own ideas of justice. Marx got his doctrine of the increased value from Chartism and from Proudhon. But the revolution of the proletariat had for its object not only to amend the civil legal system and acknowledge every man's right to the profit of his own work; it aimed at abolishing the whole system and replacing it with a regard for the general welfare of society. The system of work, and the fact that work is compulsory are due to circumstances which follow from the nature of factory work. But how this is to be regarded by the workers as an expression of their social nature, history says nothing. Society must be a factory; this is a dogma on which Marx builds.

There are other features in the above description of the organization of Communist society which are anything but proletarian. The expropriation of landed property and the utilization of the ground-rent for State expenditure are demands which are not of a Communist nature, but which rest on the recognition that it is society and not the individual farmer who creates the ground-rent, and that this therefore belongs to society. The demand for taxation on a quickly rising scale is still less proletarian in its character, as it presupposes that the difference between rich and poor is, in all essentials, maintained. The programme does not, however, pretend to describe complete proletarian society, it only aims at indicating what may in the most advanced countries, be recommended as the most immediate steps towards such an ideal.¹⁾ The most important question is therefore, whether this ideal of society as one great national factory is the necessary expression of the system of power, man's social nature, which it is the will of the proletariat to carry through.

There are here two questions which should be made clear, namely, whether factory work is the necessary form of a fully developed system of production and whether the organization required by production is the fullest expression of man's social nature.

¹⁾ K. Kautsky, Die soziale Revolution.

As regards the first question it is the same as the question; "is the proletarian synonymous with the factory worker?" Marx who was so greatly influenced in his practical ideas by the conditions in England regarded the evolution of the city industry as the most important matter, and did not count with agriculture as a special trade. In his manifesto he demanded cultivation and improvement of the landed estate according to a common scheme and the institution of industrial armies, especially in agriculture. As has been mentioned above, the English worker did not at all want to go back to the land. Marx has himself in details described the cruel evolution which had chased men into the towns and made them into free (!) men. Like Thomas More he describes how the sheep have devoured the villages and how the enclosure of the commons has made people poor and criminal, who are afterward punished cruelly. He shows how the workers' involuntary detachment from land and their later exception from the laws of the guilds made them "free" individuals, who could freely dispose over their working-power, while, at the same time, it made them the helpless prey of the employers, after they had lost all their means of production and all the old feudal guarantees for their existence. He asserts that the possession of a few acres would have made the workers too independent, and that it is not the abolition of serfdom, but the abolition of the right to own a piece of land which has changed the worker into a poor proletarian.¹⁾ He emphasizes expressly that it was the independent peasants who were Cromwell's support. But these conditions cannot be brought back, and neither would it be desirable if they were. The worker's private ownership of his means of production is the main condition of trade on a small scale, but small trade agrees only with elementary forms of production and social life.²⁾ To try to maintain it would be to try to maintain mediocrity. It is large scale industry and factory industry which are going to become the ideal forms of trade.³⁾

It is this one-sided and erroneous overvaluation of centralized large scale industry which gives the socialism of Marx its peculiar

¹⁾ Karl Marx, *Das Kapital* I, pp. 680, 681, 688.

²⁾ *Opus cit.* I, p. 688, pp. 726 ff.

³⁾ K. Kautsky, *Die Agrarfrage*.

character. Without a class of industrial workers there is no proletariat. Oppenheimer has with exceeding acuteness and in our opinion with irrefutable clarity asserted that the doctrine of Marx is not a democratic doctrine of human liberty, but a doctrine of a new form of class rule, a rule of the majority, which lays the government into the hands of a collectivistic organized class of workers.¹⁾ In his excellent principal work "Grossgrundeigentum und soziale Frage", 1898, Oppenheimer showed that unhealthy social evolution does not originate in economical, but in political-juridical conditions, which create a conquering upper class who take to themselves the management of the land and compels the farmer to give up his surplus income.²⁾ The State is everywhere based on such government as enables the governing class to live without themselves being producers.³⁾ The type of this political-juridical system is the feudal landed estate, the characteristic feature of which is that the proprietor works his estate by means of paid labour, lease-holders, tenants, and day-workers, in such a way that they all receive fixed wages while the whole surplus or increased value, which is constituted by the ground-rent, falls to the estate owner. In this way an economic pressure on the farming population is maintained which causes a constant stream of the poor from the country into the towns, where the economic pressure is smaller and the chances are greater.⁴⁾ These armies which move away from the country are poor, and constitute the constantly new reserve armies in the cities, without which the capitalistic industrial evolution could not take place.⁵⁾

Marx has proved how indispensable this reserve army is to capitalism; he thinks that it is the natural companion of capitalism itself. This is what Marx calls the capitalistic law of accumulation. Through the increasing utilization of capital, machines, etc. the workers' chances are constantly diminished. The machine kills the

¹⁾ F. Oppenheimer, Das Grundgesetz der Marx'schen Gesellschaftslehre, 1903, pp. 137, 144.

²⁾ Opus cit. p. 105.

³⁾ F. Oppenheimer, Der Staat: Die soziale Frage und der Sozialismus.

⁴⁾ F. Oppenheimer, Grossgrundeigentum und soziale Frage. 1898, pp. 46, 103, 471.

⁵⁾ F. Oppenheimer, Das Grundgesetz der Marx'schen Gesellschaftslehre, pp. 101, 106, 113, 121.

worker, it makes him superfluous and reduces his chances. The free worker who is personally free and not tied to land becomes, placed as he is without means of production, a prey to him who owns them. Oppenheimer shows that this is only true to a certain extent. The city industry does not at all deprive the workers of their posts; on the contrary it creates more and more posts which must be filled, and if their number did not increase by other means the workers would be able to demand higher wages. The facts show that the evolution of machinery both creates constantly more chances of work and of higher wages. The reserve army is not created by the capitalistic industry itself, but by agriculture.¹⁾ The proletariat in England, for instance, existed long before the Industrial Revolution.

Agriculture and industry are quite differently situated as regards competition.²⁾ The farmers do not compete with each other in order to get higher prices themselves or in bidding down the others. Farming on a large scale has no economic advantage over small scale farming, nobody can obtain higher prices without all the other farmers getting the same. The separate industrialists, however, carry on a bitter contest with each other, their object being to strike their competitor down and shut him out from the market. Within industry the law holds good that he who is economically most unfavourably situated loses, but in the country this is not the case. There it is the legal relation of the proprietorship to the ground-rent, which makes the owner rich and the labourer poor. But Marx fails to perceive this difference and thus he lacks the understanding of the economical and social importance of small independent farming. Marx becomes a collectivist, because he builds his ideas on the factory system. In the writings of Marx, Kautsky, and Jaurès we find the view that the farmer's love of his land, his readiness to toil a long working-day on his own farm instead of letting himself become a link in collective large scale farming, rests on an absurd idea. Read, for instance, Jaurès's alluring description of collective management which he compares to the eager desire of the land-labourers of the South of France to get into possession of small

¹⁾ Opus cit. pp. 27, 33, 50, 93, 109.

²⁾ Opus cit. pp. 139—150.

vineyards which they may cultivate in their leisure hours.¹⁾ He fails to see the connection between the sense of property and the freedom of self-determination. Economic pressure only becomes unbearable, when it hampers all personal work. Oppenheimer asserts with authority that immigration would completely lose the economic importance it has now, if working conditions in the country became freer. If — a fact which was also asserted by Marx himself — the country labourer owns a few acres of land the labourer becomes independent. The conditions of the lowest class of wage-earners will be improved and the conditions of the whole working-class will improve. Collectivism would be destroyed and a society quite different from that of which Marx dreamed would be built up.²⁾

The law of accumulation on which Marxism rests is thus in Oppenheimer's view false. It is true that there is a constantly growing concentration, for, even though the wages increase and the number of small capitalists grow, the administration of capitalism becomes more and more concentrated, as the system of credit grows more and more important and is concentrated on constantly fewer hands. It is, however, not large scale farming which necessarily involves this, it is the power over the ground-rent which is the source of capitalism, and renders the increasing taking up of loans on the free possession of land possible.³⁾ The many small independent farms are a hindrance to the central administration.

Karl Marx makes himself guilty of the error of regarding the, to a high degree, organized work as an expression of man's social nature, i. e. of solidarity. Marx is infatuated with organization, to such an extent, that he does not strive to create favourable conditions of life for all, but only for those who are of the flock. It is not the anarchy within growing production which creates misfortune, but the misfortunes are due to the fact that only the few possess the ground-rent.⁴⁾ The demand for organization which Marx makes, is based on a presupposition with which it stands or falls, the idea

¹⁾ J. Jaurès, *Études socialistes*, pp. 14, 18.

²⁾ F. Oppenheimer, *Das Grundgesetz der Marx'schen Gesellschaftslehre*, pp. 122, 126, 133.

³⁾ *Opus cit.* pp. 130, 81.

⁴⁾ F. Oppenheimer, *Grossgrundeigentum*, pp. 106, 175.

that the taking over of the production by the proletarians will increase and multiply production. But why should this happen? There is no sure guarantee that the workers will do so for the sake of society, or that solidarity, in the last instance, means anything but endeavouring to gain the advantages which we want from society. It is more probable that the organization will be adapted by the conditions of the struggle to carry its will through, than that it will become the form of the most universal and useful co-operation. If Marx's own social-metaphysical image is right, the principal thing to be considered in the life of societies should be the preservation of the freedom of movement to the greatest possible extent. But the object of a thorough organization is precisely to limit and restrict. Marx condemns the individualistic independent life which Proudhon emphasised so strongly and which to him was of the first importance and made him demand that society should allow everybody to let go his connection with it if the association became disagreeable to him. Marx strives to comprise everybody in his organizations and to prevent them from detaching themselves. Whether it is possible to say that socialism has made production greater and increased the wealth of the societies, or whether it is only the structure of the societies which has changed since the age of Marx, and how far this has happened by the virtue of Marxism or through other causes, shall be made the object of further investigation. We saw, how Proudhon's principal ideas were adopted and made bureaucratic by the fact that the task of State which to Adam Smith came third in importance and was of inferior significance, i. e. the adaptation of the social territory for intercourse and habitation, grew to immense dimensions. We saw the conflict of ideas which was created by the new State. The same phenomena now repeat themselves in the case of Marxism. The will of the proletarian, to which Marx refers, assumes a quite different character according as it is the increase of production or the improvement of the conditions of consumption of the poor of which it is a question. Karl Marx took it for granted that these questions went hand in hand. Kautsky's interesting description of the social revolution and the day after the feast, as he described it in 1903, is quite different from his description of the proletarian revolution, as he thought it ought to be carried through after the Great War and the German political revolution in 1922.

The difference between the two programmes, the old one from Erfurt and the new from Görlitz, shows rather clearly how changed the situation is. Both programmes are based on the materialistic view of history, on the constantly decreasing value of small scale industry and on the constant growth of large scale industry. But in the Erfurt programme the most important thing was, to impart the conviction to the workers that the rule of the proletarians must necessarily come, as the workers were sure to rise against the plundering of the private capitalists. In Görlitz this point is less emphasized; The Social Democratic party encourages the workers to take advantage of the situation and now, when the old reigning houses have been swept away, to rid the people, who are the producers, of the chains of the capitalistic reign, to increase production and lead men on to higher forms of social life. The Görlitz programme is, as is natural, an aftermath of the Great War, it is a proclamation of the thorough democratization of society which is necessary if the demand for equality is to be effected. It is the taking over by the State of all means of production and its careful organization of the workers. One thing is, however, common to both programmes, the belief in the lack of power of resistance of the small industries. Kautsky declares straightway that if he were not convinced that society belonged to large scale industry, his socialistic conviction would be most seriously shaken.¹⁾

The Social Democrats want to found a State with a sovereign power over the separate individuals. The individual industrialists cannot be sure that they have the necessary capital at their disposal, they will often fail in their enterprises if they are not backed by the State. Neither is it possible for private businesses to guard themselves against the periodical crises in trade. The Social Democrats measure collective trade by the same standard, which the citizens, irrespective of their mutual differences, apply to the technical functions, which must be performed with perfect accuracy, and which must be kept working regularly. The difficult point, when it is a question of trade, consists in the fact that he who judges and makes decisions must also have responsibility, and this cannot be borne

¹⁾ K. Kautsky, Die proletarische Revolution und ihr Program, p. 15.

by the State under the present conditions. There is a contrast between democracy and socialism as soon as we do not allow the proletarians to look after their own affairs, but want to organize them under a common administration. If it is a question of giving all proletarians an opening for work, the aim is a democratic organization; but if we try to find a post for the proletarian in large scale undertakings, and if we, in this way, make the State the all powerful guardian, socialism is placed in a doubtful light towards democracy.

Socialism and the State.

In the Western States the growth of socialism took place under different conditions.

After the dissolution of the Chartist movement the workers associated in their trade-unions, — the more marked political tendencies did not attract them.¹⁾ Therefore they felt no sympathy for socialism. They did not dream of a new organization of society, but of obtaining better wages, shorter working hours and insurance against disease, accidents, etc. Ruskin's and Morris's influence was, in part, directed against arousing the workers' self-esteem and making them understand the human dignity which their work imparted to them, in part, against arousing the understanding of the upper class of the workers' existence as human beings. The work for those ideas was hard, the trade-unions gained headway only slowly, and exclusively among the skilled labourers, and even a man like William Morris grew impatient and thought that, in the last resort, a result could only be reached through violence.

The relation between the trade-unions and the small army of socialists was unfortunate. The former set up reforms as the first item in their programme, and regarded themselves as a bulwark against revolution. It was not this or that petty reform which interested them, they demanded such significant measures as the abolition of the system of wages and the passing of the means of production into the hands of the workers. Under Gladstone's premiership the State became of a more and more Liberal tendency, she

¹⁾ M. Beer, *A History of British Socialism II, Part IV.*

abandoned the brutal class interest of the laissez faire policy and began a thorough work of social reform. The points of view of the trade-unions grew in strength and from 1884 Fabianism became a systematic effort to get acquainted with and spread the knowledge of social conditions and point out the practical means of remedying the shortcomings. In this way the rather narrow horizon of the trade-unions was widened and it was made clear that the best means of promoting a comprehensive work of social sanitation was the conquest of social power. The workers came, in the course of the following years, to constitute a constantly greater part of the electoral army of the Liberal party. From this to the formation of an independent political party the step was easy enough, and when the Liberal party led by Campbell-Bannermann took over the Government, the working party was in a position to dictate definite terms. In 1906 Lloyd George pronounced that the best way of making the Independent Labour Party into a great and preponderant power, was to prove by experience that the Liberal party intended to make no serious efforts in order to remove the national dishonour, which the existence of the slums and the great poverty was to a country which was booming with riches.¹⁾ He stated such examples as the campaign against drunkenness, the abolition of the absurd land-system, a reduction of army expenses, the introduction of old age pension and the abolition of the ascendancy of the House of Lords. The Socialist leader, Burns, became a member of Asquith's cabinet, and in his books "The Socialist Movement", "Socialism and Society", and "Socialism and Government" MacDonald set forth his view on society, where the State does not stand as the real expression of sovereignty, but only as an organ co-ordinate with other organs which express the entire society. In present-day society, where egoistic interests decide the way of action of the great industrialists, everything is made unsafe by the constantly recurrent crises. The machine governs man. The consideration of society must now be predominant. The disconnected parts which have been formed from original chaos must be connected, so that the life of society may become a whole.²⁾ In Marx's sense of the word, "a class" means an

¹⁾ Opus cit. II, p. 348; A. A. Walter London, Die neuere englische Socialpolitik.

²⁾ J. Ramsay MacDonald, Socialism and Society, pp. 67, 68, 81.

economic abstract conception, a merely theoretical idea. Class interests can never represent a man's civil interests, but only his special interests. The theory of catastrophe belongs just as much to a past age as does utopian socialism. The Liberalism which regarded society as a number of economic individuals is likewise an erroneous view, and its social reforms become casual and disconnected. Spencer has, in MacDonald's opinion, never exercised the least influence on the politics of the nation. Spencer makes a mistaken use of Darwin's doctrine and only opens a way for reaction. All mention of personal property, personal enterprise and initiative is to no purpose, when it is a question of the improvement of social conditions. The stress cannot, as is done by Spencer, be laid on the democratic form, it is the democratic function which is of principal importance. There is no division between true Liberalism and true Socialism, at the most, it may be a question of different stages of the same social movement. "It is", says MacDonald in his statement of his view on Syndicalism, "not the futile, disconnected demonstration which is significant of progress. It dissolves itself into nothing. It is the organized work, which operates in the factories and workshops, that keeps alive the workers' demands and organizations, and which is linked to a parliamentary party which constantly alters the social organization in its whole way of action, protects the State against reactions, keeps the way of the future open and secures the permanence of every attained advantage. The individual and the State, voluntary organization and compulsory social organization, liberty and law, co-operate in the assertion and strengthening of the individual in his private and public capacity.¹⁾

We here meet a mind of an essentially different character from that of Karl Marx.

Marx's view of the State as an organized means of suppressing and exploiting the working population makes the use of the State for the carrying through of the free organization, which is demanded by proletarian society, risky. It is bound to kill the liberty of the individual and his right of self-determination. As we have seen, Marx therefore regards the State as a form of transition, a kind of dictatorship which will eventually disappear. MacDonald,

¹⁾ Opus cit. pp. 135, 157, 175—188; Syndicalism, p. 69.

on the other hand, regards the State as an organization which becomes more fixed and varied the more conscious it becomes of itself. He sees in every dream of thorough self-determination only an expression of indefinite feelings which lead to the worst form of a "sweated" State where conflicting interests prevent every kind of order. He mentions Mr. Haywood, the American syndicalist, with the deepest scorn. "I saw him in Copenhagen in the group of representatives of the workers of the whole world. He was mute and passed quite unnoticed. I saw him speaking to a crowd in England, and there he carried away his adherents to wild enthusiasm by his crude words". It is the power of speech, phrases like democracy, educated man, moral man, etc. which govern such minds, precisely because they are unable to grasp reality, and the words are so deliciously vague.¹⁾ It is only through a growing organization, through a more developed and, at the same time, more mobile and more firmly built structure, that the tyranny of the upper classes which should be put a stop to, may be made to totter. †

MacDonald realizes that it is a question of carrying the will of the proletariat through and that the reality of this will is shown by the fact that it wants to carry its cause through itself and that it does not want anybody else to do so for it. But the proletariat should also learn to understand that it must use the means of production which are at its disposal, i. e. not only machines, etc., but the whole organized social apparatus. What animates MacDonald is therefore not a feeling of capability to break opposition, but a feeling of capacity to utilize the social apparatus. The will to power is by him not measured by the ability to conquer, but by the complete concentration on the work he wants to perform. His belief in Darwin's doctrine of biological evolution makes him see the evolution of life as a growth, which is brought about through a number of minute variations and adaptations. On this point he comes much nearer to Guyau than to Nietzsche; the growing intensity of life is, at the same time, its growing expansion. Intensity grows with organization, and solidarity originates in organization. The mere statement that everything in the world is connected and that nothing can exist isolated is quite void of meaning, it is a principle that may explain everything and which therefore explains nothing,

¹⁾ J. Ramsay MacDonald, *Syndicalism, a Critical Examination*, pp. 37-57.

quite as, in the olden days, the explanation that God had created everything proved useless in the explanation of any single phenomenon. To explain a phenomenon by saying that God created it, is to explain nothing. Thus the explanation of social phenomena through a general solidarity is the same as giving up explaining them; it is necessary to point out definitely the organization which is necessary and the means which may make it safer and more comprehensive.

But in thus concentrating his attention on quite definite concrete tasks, it becomes of the greatest importance to MacDonald to perceive clearly, both what the workers want and what he wants himself. Roughly expressed he regards the will of the workers as an expression of two things; in the first place, of the desire for an economic improvement of their conditions, in the second place, of the desire for a freer mode of life on an equal footing with the other members of society. But for his own part he demands nothing, his aim is not to make his way in life; the object of his life is to work to enable others to do so. But he admits that it would be a misunderstanding to believe that this is the object for which the workers take the field. They associate because they are all in the same situation and, through working in common, they are better able to carry their will through. But it is not the idea of the common weal which becomes their leading idea, their "idée-force"; as Fouillée would say. Society becomes to them a watchword, which holds the whole sum of their individual desires. But to men like MacDonald society is reality itself, which fills them with enthusiasm. The fact that the position of the workers must be quite different from what it is now, is seen from their point of view as a consequence and not as a cause. A sum of economic and psychological experiences confirm this conviction. But every gap in the experiences must make the conclusion uncertain and keep the possibility open that the solution of the social problem may be found elsewhere.

In the view of socialism that is taken by MacDonald, there is an indefinite reminiscence from Rousseau's philosophy of the oneness of the individual's liberty and his subordination to the general will, which is not quite clear. Does the individual's liberty consist of his active influence in all social affairs, as was supposed in anti-

quity, or does it consist in the widening of his sphere of power so that it does not only comprehend things of no importance and makes liberty equivalent to leisure, but becomes an actual capability to live life according to his own views? It is on this question the issue stands, and it cannot be decided by one view predominating over another, but only by a sure perception of the quality of the powers, which drive man to this or that side, and by deciding which of these powers secure the existence and evolution of society in the best possible way.

It is the great and uncontrollable power of suggestion which MacDonald fears and which determines his view on the relation between socialism and the State. The State is both a cudgel with which you may crush your opponent, and an instrument of organization by means of which it is possible to prevent the waste of power which always follows disorder and chaos. Socialism must therefore base its relation to the State on a two-fold point of view. During the conflict between the upper ten and the private capitalists, political power should be seized and utilized to crush the capitalists, and after this has been done, the State should be dissolved and trade should be allowed to develop freely through its own self-governing organizations. But while a thorough system of self-government should be the main object of socialism, it should not be overlooked that the necessary condition for its function must be that a protection against disorder and dissolution is maintained. The State is not to disappear, but the limits to the power of the State should be more closely defined. We should distinguish between the State as ruler, as authority, and as industrial organizer. It is risky to create the industrial society which is the dream of socialism, when narrow limits to the governmental power of the State have not first been drawn. In that case a tyrannical government by the lower classes is likely to supersede the tyranny of the upper class which has been fought against. The State as guardian of justice should be sharply distinguished from the State as organizer of business. The first stage of socialism is the period of conflict, where the aim is the proletariat's conquest of political power. The second stage is transformation of society into one great economic, co-operative enterprise through the socialization of the means of production. But, without the risk of bringing disorder in everything, this is only fea-

ible when we separate the governmental power of the State from its industrial administration, when we separate "L'État-Gouvernement" from "L'État-industriel".¹⁾

Syndicalism.

The aim of Socialism is a social organization of industry and Socialism agrees so far with what we call Syndicalism. The difference between the two movements, Socialism and Syndicalism, consists only in the fact that Syndicalism wants to skip the first stage as superfluous and dangerous, because it poisons and weakens the actual co-operative will; moreover Syndicalism wants to reduce the position of the State as a power of government and police to nearly nothing, as it considers that the industrial interests and the free institutions which are built thereon, are sufficient guardians of order.²⁾

It is impossible to go further into the philosophy of Socialism without perceiving that it is the right of self-determination which is its leading idea.³⁾ It is the spirit of Proudhon which is set up against that of Karl Marx, the French society of small tenants and farmers, which is contrasted with English factory society. What the Syndicalists fear most is the State, it is their most dangerous enemy. The State does not only compel, but it entices and binds those who want to create a reconciliation between the parties, to make a compromise within the system of capitalism. The State wants to take up a position above the classes, it wants to efface the differences between them and break down the contrasts. But in this way the State will deprive the workers of their very object in life. The new right which the workers want to create is precisely the right to organize themselves freely. They will never put up with a work of routine which avails itself of old methods; they will for ever

¹⁾ E. Vanderwelde, *Le Socialisme contre l'État*, 1918. LVI p. 93.

²⁾ Levine, *Syndicalism in France*, 1914; B. Russell, *Roads to Freedom*, 1918; E. Sommarin, *Syndikalismen*, 1915; C. N. Starcke, *Den sociale Uro og den evige Fred*, 1920; F. J. C. Hearnshaw, *Democracy at the Crossway*, 1918, Chap. VII, pp. 47, 53.

³⁾ H. Lagardelle, *Le Socialisme ouvrier*, 1911, pp. 43, 51; L. Jouhaux, *Le Syndicalisme français*, 1913, pp. 31, 33; L. Levine, *Syndicalism in France*, 2nd Ed. 1914.

boldly try new methods and in this way become the pioneers of progress.¹⁾ Where formerly we only found individuals bound by customs, we now find real men. The Syndicalist movement is not merely a movement to obtain higher wages, but also a class movement, the aim of which is to create a new mentality among the workers.²⁾ Perhaps the goal towards which the worker strives will never be attained, but this is not of principal importance; the chief thing is the understanding of the fact that this goal represents the civilization of the future. The State has no creative power and the men who become Members of Parliament will become unfaithful to the cause of the workers.³⁾ The writings of the Syndicalists abound especially with evidence of the rage which Millerand's attitude aroused. "I confess openly", said Millerand, "that we are not happy in replacing one class by another; we feel no desire to withdraw ourselves from the tyranny of the State in order to become dependent on the whims and suppression of the workers." The workers should mistrust political ambition; there is no economic, but only a political parliamentary government.⁴⁾ The experience, which is accessible to all, of the game of political intrigue and of the art with which all political strivers use every variety of high-sounding phrase, which means nothing to them, is shared by the Syndicalists with every other party. They think that it belongs to the parliamentary system itself; others may mean that it is only due to an imperfect achievement of it, and the mingling of financial and industrial interests with political interests which is an unreasonable extension of the sphere of power of the State. Fouillée compares the politician, who with his manner of speech turns people's attention from his actual manoeuvres, to the thief, who makes people gaze into the air after the first swallow while he sees his chance of stealing.⁵⁾

¹⁾ H. Lagardelle, *Le Syndicalisme et le Socialisme en France*, 1908, pp. 47, 53 ff.

²⁾ H. Lagardelle, *Le Socialisme ouvrier*, pp. 217, 261; L. Jouhaux, *Le Syndicalisme français*, p. 15.

³⁾ H. Lagardelle, *Le Syndicalisme et le Socialisme en France*, p. 52; Lagardelle, *Le Socialisme ouvrier VII*, p. 88; Lagardelle, *Les intellectuels devant le socialisme*, 1900, p. 50.

⁴⁾ H. Lagardelle, *Le Socialisme ouvrier*, p. 63.

⁵⁾ A. Fouillée, *La Démocratie politique et sociale en France*, 1910.V, pp. 49, 25.

But the Syndicalists' disapproval of parliamentary spongers is only an extension of their disapproval of the general system of sponging with which all branches of life are permeated, and which the workers especially should guard against, as there are so many with wrecked ambitions who are out to use the workers for procuring a post. Therefore the workers are warned against trusting anybody but themselves, therefore their movement becomes a workers' movement, nay, further more, a movement of manual workers only. All the physicians without patients and all the lawyers without clients who want to join Labour are only people to whom the workers are to serve as a stepping-stone.¹⁾ The danger that these injurious elements may gain ground lies in the fact that the majority of the workers are rather indolent and without understanding of the state of affairs. It will always only be a few elect members of the working-class who at the decisive moment carry the rest away with them.²⁾

Impulse becomes a principle to the Syndicalists. The daily struggle in the workshops, with sudden strikes and sabotages is the nucleus of the work of emancipation.³⁾ The general strike becomes the watch-word, which expresses the Syndicalists' indisputable will to have their own way. It is the courage to dare the jump into the void. How far you may reach you never know until you have tried.⁴⁾ It is the intrepid courage of the workers which constitutes the creative power in the world; action is their very soul, the principal thing is therefore not to lose oneself in reflections. Sorel has, in this way, created a Syndicalist philosophy. "La violence" is the power to will, the evidence of living passion without which life dies. It was the great quality of the citizens of the past that they were men who wanted to do something and who were not afraid to run a risk; now they have become peaceful and incapable drowning the world in benevolence. Sorel perceives the cunning way in which the Li-

¹⁾ H. Lagardelle, *Les intellectuels devant le socialisme*, pp. 14, 35, 37. G. Sorel, *La décomposition du marxisme*. 2me Ed. 1910, pp. 53, 56.

²⁾ H. Lagardelle, *Le Socialisme ouvrier*, p. 371.

³⁾ *Opus cit.* p. 343.

⁴⁾ V. Griffuelhes, *Les Caractères du Syndicalisme français*, 1908, p. 57; do. *L'action Syndicaliste*, 1908. G. Sorel, *Réflexions sur la violence*, 1907. 3me Ed. 1912, pp. 111, 115, 117, 119; E. Pouget, *Le Sabotage*.

beral politicians break the edge of every real new formation by binding the people, to whom they want to pay their debt, in gratitude to their benefactors. The greatness of the rôle of the proletariat consists in the fact that it wants to perform something without having made clear to itself what its object is.¹⁾ The nature of instinct and unconscious vitality is such as often to make the goal, which is reached, quite different from the vague ideas which in the beginning represented it. It suffices that instinct expresses your whole being, so that you want nothing which lies outside it.²⁾ Socialism, i. e. Syndicalism frightens people as being something which leads into the great unknown. This fact, however, constitutes its power; whatever it leads to, it is a settling of accounts with the new era; it is an absolute new formation which cannot be changed. As the expression of this, Socialism (Syndicalism) like every other great creative movement creates a myth, which becomes its watch-word rather than its aim. This watch-word is the general strike; in the idea of the general strike the working class expresses its consciousness that, in its capacity to work, it possesses power over those who own the working material. The State Socialists want to suppress this wholesome kind of violence. Sorel's book abounds in attacks on Jaurès; his chief objection to him is that he has lost the understanding of the value of violence or the firm will, and together with this the understanding of its greatness.³⁾ Instead of the open fight which without hypocritical weakness struggles for victory, Jaurès displays, in Sorel's opinion, an unmistakable and shameful sympathy for the men of 1792, who dishonoured the revolution by the use of the guillotine.

MacDonald has no understanding of this kind of philosophy.⁴⁾ Syndicalism and Socialism can never be reconciled. He regards Sorel's philosophy only as a misunderstanding of that of Bergson, and he refers only *en passant* to that of Nietzsche as the nearest related philosophy. Yet it is a fact that the ideas by which we are governed do not receive their power from their self-evident value, but from their unconscious connection with our whole nature, and that revo-

¹⁾ G. Sorel, *La décomposition du Marxisme*, p. 49.

²⁾ G. Sorel, *Réflexions sur la violence*, pp. 179, 200.

³⁾ *Opus cit.*, pp. 157, 435.

⁴⁾ J. Ramsay MacDonald, *Syndicalism*. Chap. III, pp. 16—23, 6.

lutions never originate in a definite image of the new state of affairs which we want to introduce, but in the unconditional desire of it being something completely new. Marx always avoided giving a description of how the new society should be formed, it was only to be a society of the proletariat, i. e. a society which was the absolute and indisputable contrast to the existing one. It is true he maintained that a revolution never comes until forces have been created in the old society by means of which the new may be established and, as has been mentioned above, he constantly discouraged the adopting of the way of revolution in his later years. This does not, however, mean that in case of parliamentary work you are able to point out definitely how the new form of government, which you want to bring about by means of the general franchise, will be. In their anti-parliamentary organizations the Syndicalists created impulsive means, which in MacDonald's opinion are disconnected and give scope to arbitrariness and unlawful exercise of power. The Syndicalists regard these organizations as a prototype of a co-operation which under a guardianship which watches, but issues no orders, realizes the ideals of liberty and co-operation without entering into false compromises with the upper class.¹⁾

The Syndicalists take for their starting-point the evolution which the worker's organization has had through "les Bourses du Travail", which try both to protect the interests of the individual branches of trade through organizations which comprise the whole country, and the local interests through organizations where all the different branches of trade of the township co-operate.²⁾ A central committee, "Conféd. gén. du Travail (C. G. T.)" has been formed on this basis, but, as has been said, it has no authority to make decisions, it has only power to urge and advise. The individual syndicates are sovereign, i. e. there is no organ of sovereignty, everything depends on negotiation and agreement. It is this circumstance which makes MacDonald argue against the Syndicalists that they only entertain egoistic trade interests but no civil interest and that they ignore the fact that social progress cannot be begun by a class combat, but must begin with social unity, this constituting the fundamental

¹⁾ Jouhaux, *Le Syndicalisme français*, 1913, p. 19.

²⁾ F. Pelloutier, *Histoire des Bourses du Travail*, 1902; P. Delessale, *Les Bourses du Travail et la C. G. T.*

basis of everything.¹⁾ He even goes so far as to say that the Syndicalists are the "agents provocateurs" of the capitalists, or, at any rate, their tools.²⁾

But the question is precisely whether we may take the unity of society as a starting-point. The Syndicalists are international, their native country is in their view only the place where their work is performed.³⁾ The right of the fatherland towards the individual is in their view one of the prejudices which should be contended. No other question arouses such strong passions as this: The fatherland influences men as it is the most powerful of all suggestions, but at times it acts blindly and tyrannically. It is only few who have described as powerfully as MacDonald how dangerous the flock instinct may be.⁴⁾ The war mentality shows that wars are fought on the basis of primitive flock instincts, to which reason is a threat, which should therefore be fought by strong and dishonest means. It is true, that the love of our native country has its roots in this instinct, but it grows through the influence of reason, and it is only through the influence of reason that society is established. But this is in reality what the Syndicalists assert, in their own way. They err, in the heat of propaganda, by one-sidedly emphasizing the elementary economic motives which bind a man to the group to which he belongs, and through the restricted point of view which falls to the share of the industrial workers they wave aside all intellectual motives, on which intellectual man builds his love of his native country. Their idea of "a native country" is both naïve and exacting. When they say that the worker's native country is his stomach,⁴⁾ this is so crude that it precludes all further discussion. This crude view is, however, only a sort of corollary to Marx's doctrine that economics is the foundation of everything, and all other ideas only a superstructure thereon. "The native country" has in the hands of the capitalists been one of the means which have been used to adorn their extortion and make the victims of extortion submit to their fate.

¹⁾ J. Ramsay MacDonald, *Syndicalism*, pp. 10, 26, 30, 50.

²⁾ *Opus cit.*, p. 67.

³⁾ Jouhaux, *Opus cit.*, p. 37.

⁴⁾ MacDonald, *Parliament and Revolution*, 1919, p. 6.

⁵⁾ F. Challaye, *Syndicalisme révolutionnaire et Syndicalisme réformiste*, 1909, pp. 92, 95.

The revolutionary Syndicalism which has been mentioned above, has only found adherents among a few thousands of the workers of France, whose total number is about ten millions. Side by side with this there is a general Trade Union Syndicalism on the model of the English trade unions. It has found support with five times as many workers as the revolutionary movement.¹⁾ It builds on the recognition that the workers are for the present not able to carry on production themselves. Its object is to obtain now this now that improvement, but it shares the view of revolutionary Syndicalism that the necessary condition that the workers may reach a result is their own watchfulness. Each time the workers' wealth and independence are increased at the cost of the capitalists a tiny bit of justice is performed. It is the Socialism of general reform which endeavours to pay the debt to the workers. "The favours which the workers thus gain, are", writes Gustav Bang, "not panaceas in the class combat, but fuel that is added to the fire which eggs on to new fights and new victories."²⁾

Revolutionary Syndicalism is characterized by being drawn up by the industrial workers. But its fundamental idea has its root in the farming society. It has assimilated the spirit of the workshop, but maintained the passion for individual liberty. It must therefore be distinguished from what is in France called "Syndicalisme agricole". "You are", writes Saint-Léon, "crossing a barrier which divides two worlds, when you turn to the "syndicalisme agricole" from the "syndicalisme ouvrier"."³⁾ Agriculture plays a predominant part in France in contrast to what it does in England, and it stands for the individual property and trade interests of which Proudhon was the spokesman, and which won him Karl Marx's derisive name of "Petit-Bourgeois". The farmer fears above everything else the great storms and disturbances in production and trade, which are produced by labour riots. The objects of the agricultural movement is to open up facilities for the ownership of land to the farmers by parcelling out property, facilitating the purchase of machines, improving the method of culture, establishing co-operative dairies,

¹⁾ F. Challaye, *Opus cit.*, pp. 75 ff., 108, 117 ff., 127 and 129.

²⁾ Gustav Bang, *Den socialistiske Fremtidsstat*, 1905, p. 88.

³⁾ M. Saint-Léon, *Syndicalisme ouvrier et Syndicalisme agricole*, 1920, p. 73.

etc. The farmers entertain no utopian dreams of improvement; their object is to make their voice better heard in social government and to make the cultivation of land better and easier. The farmer does not want to change existing conditions, but he accepts things as they are in order to transform them and improve them gradually to his advantage. The agricultural movement and the workers' movement thus entertain quite different ideas and tendencies and their way of action is different too. The workers' movement is in reality not first and foremost interested in production, but in wages; the agricultural movement does not and cannot distinguish between the interest of the farmer in obtaining an increased income and the interest in improved production. The farmer must improve his own qualifications in order to gain a greater profit, the industrial worker need not go this way so long as the means of production do not belong to him.¹⁾

The difference between Socialism and Trade Union Syndicalism does not lie in the goal, but in the method. But this difference in method covers a great difference in the goal also. They both want to create a co-operative society where the men who are in possession of the power to work are also given facility to obtain the means of production; nobody should be allowed to own these means and thus be able to debar the workers of the chance of using them. At the present moment, those who do least work own most. It ought to be so that nobody is able to possess private property except by virtue of useful work. The Socialists do not want to abolish private property, but they demand only that it should be the result of the individual's work.²⁾ But while the Socialists think that besides the separate branches of trade there ought to be a common organ for them all, i. e. the State, the revolutionary Syndicalists regard this as unnecessary and unfortunate. A consideration for society which is not the same as the natural interests which the individual branches of trade take in co-operation, can only act by way of an unjust impediment. Neither do the Socialists want the future State to command, it is only to advise; and they think that gradually as society becomes more socialistic, the individuals' own train of ideas will

¹⁾ Opus cit., pp. 138, 92 ff. and 146 ff.

²⁾ J. R. MacDonald, *Socialism and Society*, pp. 207, 209.

be tuned accordingly.¹⁾ But it would be a utopian idea to believe that it will ever be possible that the regulation of the individual trades, necessary for the whole, may be attained through the individuals' internal discipline. As the belief that it is possible to base morality on the harmony of the individuals' natural interests is an illusion, so is also the belief in the social harmony of the trades an illusion. But it is one thing to be able to recognize the necessity of the different sovereign branches of trade constantly negotiating with each other, and attuning each other mutually; it is a quite different thing to create or maintain an organ, the State, which may either by main force decide how the arrangement is to be, or which may influence the parties from the point of view of society, society being an idea which cannot be defined precisely, when it does not quite answer to our expectations. The most fortunate economic organization cannot differ from the most just political organization. The organization of the best possible utilization of iron, coal, and petrol will secure the life of the nation, but also determine its political institutions. Socialism regards it as necessary to have a social power side by side with the industrial; the Syndicalists fear that such power shall exceed its limits and constantly cause disturbance. What divides them is, in the last instance, the fact that Karl Marx's distrust of the individual, his belief in organization, and his doctrine of economic necessity stands against Proudhon's belief in the individual and the individual's reluctance to obey a sovereign whose reign is not justified by reason.

There seems to be no doubt that Syndicalism offers better conditions for progress than Socialism, as it gives a wider scope for initiative and for continual attempts at finding new ways for trade and new applications of raw materials. Many Socialists maintain, however, that a Socialist society will offer the very best conditions for new inventions, new machines, and a new working-organization.²⁾ It is true that they admit that it must be brought about by the owners' own initiative and watchfulness, and not by the State. The State should only give all points of view ample opportunity of

¹⁾ *Opus cit.*, pp. 205, 213. J. R. MacDonald, *The Socialist Movement*, p. 188 ff. F. Challaye, *Syndicalisme révolutionnaire et Syndicalisme réformiste*, p. 78.

²⁾ J. R. MacDonald, *Socialism and Society*, p. 200; *The Socialist Movement*, p. 288; B. Russell, *Roads to Freedom*, 1918, p. 81.

being tested. No new idea has ever appeared, no new economic attempt ever been made, except by virtue of the individuals' initiative and at their own risk. The new status always meets opposition in the status quo. But this resistance will probably become many times greater in the Socialist State, as the new status will always violate the status quo, and in Socialist society the status quo will attain greater power because it is given a broader basis. The courage to risk the introduction of a new state of affairs, and the capacity to try it, will be killed. Society can run no risk, its very object is to avoid risks. Only for the individual is it possible to desire a new state of affairs, it being he who is to put his shoulder to the wheel. Syndicalist society therefore appears to destroy more chances for the future than does Socialist society, as it takes up a hostile attitude towards the State and, on principle, regards eternal unrest as a valuable state of affairs. All that restricts the liberty of the individual or the scope of action of the voluntary groups, contributes to create stagnation and death in society. Syndicalist society becomes, however, more difficult to drill.

The Syndicalist ideal became the right of violence, the general strike. It seems, however, as if this ideal was tactics rather than a principle. For the more the various industrial interests gained ground in society, the more did the programme of the Syndicalists become the nationalization of the means of production and trades, and the more was the difference between Socialism and Syndicalism effaced, while the practical difference between the State as governor and director of trade became less. The hard hand by which the old State subjected the individual to an administration which left open possibilities for the individual's economic suppression and exploitation in favour of other individuals, was replaced by a business administration which took no interest in the trade interests of the individuals, but which determined the mode of life of the individual according to the tables of national statistics. The ideal of the individual thus becomes to be a social individual; those personal qualities which do not add to his value as a social individual, become immaterial or injurious. The dictatorship threatens to transform itself from a violent fight against existing injustice and tyranny into a stereotyped expression of the absolute idea, as expressed by Hegel, which watches, assists, comforts, and elevates ac-

ording to definite prescriptions. Liberty, which is the individual's best protection against oppression, as nobody voluntarily allows himself to be oppressed, is replaced by reason as expressed in the institutions.

Liberty, every man's right to regulate his life and action according to his own judgment, was the central passion of Syndicalism, but in its dream of future society it passes into the general Socialist dream of well-being, and mistakes the demand for justice, that society should secure every citizen the profit from his work, for the fantastic dream of welfare that society should secure everybody a sufficient profit from his work. Just as little as Socialism, does Syndicalism rest on a definite recognition that nobody is entitled to more than he produces. Therefore Syndicalism and Socialism are open to the same criticism.

Guild Socialism.

The same thoughts and tendencies which in France were expressed in radical Syndicalism have in England created the movement for self-government in India which is called Guild Socialism,¹⁾ because in many ways it has turned its attention to the Middle Ages and their guild institutions. The movement is quite new and does not yet constitute a party, it has rather the character of a debating society. In the excellently edited periodical, "The New Age", which is published by Mr. Orange, a group of energetic authors, e. g. S. G. Hobson, G. D. H. Cole, A. Penty, C. H. Douglas, and many others have advocated these ideas, and from their hands scores of books have already been sent out, which, in a thought-compelling manner, try to indicate how the alarming social problems may be solved. A society, "The National Guild League", was formed during the war and is zealous in its activities, the number of its members amounts only to about 500, but everywhere, where social problems are discussed, it exercises a considerable influence.²⁾

In contrast to French Syndicalism Guild Socialism lays, in ac-

¹⁾ N. Carpenter, *Guild Socialism*, 1922, p. 15; G. D. H. Cole, *Selfgovernment in Industry*, 1917. App. A.

²⁾ N. Carpenter, *Opus cit.*, p. 101. S. G. Hobson, *National Guilds and the State*. 1920. XV.

cordance with the English train of ideas, less stress on revolutionary direct action which involves strikes, sabotage, etc.; however, it by no means rejects the thought that the last resource may be a revolutionary catastrophe. "A revolution without ideals", it asserts, "can never conquer, constructive idealism is the motive power in every great revolution and at the same time a bulwark against reaction". Cole calls the guild doctrine a new philosophy of active citizenship, and its guiding idea becomes therefore how to secure the citizens, especially the workers, the liberty and independence which are the necessary conditions of all activity, and without which the life of the individual becomes a passive subjection to existing conditions.¹⁾

Guild Socialism therefore turns against the State as the expression of the highest authority in society, of sovereignty. The State is in the eyes of the Guild Socialists, — a fact which was already emphasized by MacDonald, — only an organ of society and not a source of decisions which bind society. The individual groups which make up society, have their life and justification in themselves, and do not exist by virtue of the permission of the State.²⁾ But Guild Socialism goes further than MacDonald in asserting the possibility and necessity of several equally justified and equally sovereign social organs. This is also the idea of French Syndicalism, but Guild Socialism differs from this in acknowledging the State as one of these organs with a special and immensely important function, while the French wanted to do away with the State completely. The prototype to the Guild Socialists was the Middle Ages, which did not acknowledge one comprehensive sovereign power, but which in State and Church saw two equally important and powerful centres.³⁾ Some Guild Socialists try to connect this view of the social conditions of the Middle Ages with a return to the religious feeling of this age and to life in smaller and more modest groups; others reject this attempt and utilize the reference to the Middle Ages only as an illustration, which may indicate how we may pass from the small groups of citizens to the huge States of the present times,

¹⁾ G. D. H. Cole, *Selfgovernment in Industry*. 4th Edition 1919, pp. 107, 114, 24, 255; S. G. Hobson, *National Guilds and the State*, 1920. XV.

²⁾ N. Carpenter, *Guild Socialism*, p. 66.

³⁾ A. Penty, *Old Worlds for new*. 1917; *Towards Christian Sociology*, 1923.

from the local to the national and international.¹⁾ There are also divergent opinions of the function of the State, some, like Cole, giving it a more subordinate position than others, like S. G. Hobson, who attaches much importance to the administrative machinery of the State and entertains no fear that the bureaucracy will make itself master. "The struggle in society", he says, "is fought over the heads of the bureaucracy, who do not think of appropriating sovereignty, but prepare themselves for a new master."²⁾ He therefore gives the State a superior position to the guilds. Cole, on the other hand, who regards the State as an active political machinery, does not subordinate the guilds to it, because in doing so he would act against the experience that private institutions play a far greater rôle than the State, and the less definitely we draw up the functions of the State the more we expose ourselves to the risk that it may become the "alter ego" of the great capitalists, as it threatened to do during the Great War. As a matter of fact, the English State is still an oligarchy, cloaked by democratic institutions.³⁾ There is an imminent danger that the State will one day learn to play the rôle of the benefactor and through securing the workers' material wants in a great State lull them to sleep. Bureaucracy becomes a danger, in so far as the independent spirit of the individuals decreases.⁴⁾ The Social Democrats have, by making the guilds dependent on the State, shown that they have forgotten their democratic character. An institution or class dies only when it is deprived of its function, and the principal thing is therefore to deprive the State of every function as organ of the Socialists. Everywhere State control is demanded, as if it were a charm that might change evil into good. But the State is only capable of one thing, of providing legal protection and order; if she tries to exceed her bounds she is only injurious in her actions.⁵⁾

The activity of the State may be divided into three functions, political, economic, and as mediator, but of these the latter two

¹⁾ G. D. H. Cole, *Selfgovernment in Industry*, pp. 8, 12.

²⁾ S. G. Hobson, *National Guilds and the State*, pp. 99 a, 133 ff.

³⁾ G. D. H. Cole, *Opus cit.*, pp. 110, 111, 123, 169; *The World of Labour*, 1913, 4th Ed. 1919. Preface to Ed. 1917, Ch. XXVII ff.

⁴⁾ G. D. H. Cole, *Selfgovernment in Industry*, pp. 187, 183.

⁵⁾ A. Penty, *Opus cit.*, p. 66.

are a perversion or misuse of the function of the State. The State comprises all the members who live within its domain, regardless of their mutual differences. She therefore only deals with their similarities, and not with their differences.¹⁾ Whatever form of government a State may have, she may be regarded as resting on the members' agreement, and the evident form of giving this agreement is the equal and general franchise. The political activity of the State becomes therefore her natural function and she may be defined as the social regulation of all her personal relations, which arise directly from the fact that men live together in society, and which are suited for direct social organization.

On the other hand, every economic activity on the part of the State will influence the individuals differently and therefore fall outside the natural function of the State. If the rich are in power, interference will be made for their benefit, if the poor are in power, the State will govern in their interest and, for instance, through taxation, try to distribute the income equally among the citizens. The fact that the State becomes an instrument of the capitalists is not likely to gain general approval and amounts to an injustice; but the injustice is just as great if the State becomes the instrument of the poor. The right order of the State may with justice be maintained to be the economic equality of all the individuals, but this is not created through the activity of the State, but it is an utterance of the social will, which lies outside the State, and makes the State the owner of the means of production. But where this perfect order has been accomplished, the economic activity of the State is abolished. Economic conflicts in society will always make the citizens associate in groups for defence and attack, and become fatal to the fulfilment of the State's actual object and to the citizens' social service.²⁾

Neither is it possible that the harmonization of the work of the citizens may become the natural work of the State.³⁾ The citizens differ very much in respect to their work, and the interference of the State would influence them very differently and in many cases make her the judge of her own cause. But if it comes outside the

¹⁾ G. D. H. Cole, *Social Theory*, 1920, Chap. V.

²⁾ G. D. H. Cole, *Social Theory*, 1920, pp. 150, 155.

³⁾ *Opus cit.*, Chap. V.

task of the State to combine the citizens in their work, and if the task thus remains with the State to safeguard their individual rights, she can no longer be regarded as a sovereign power.

If we now proceed to divide the interests of the citizens in the interests of producer and consumer, it follows as a matter of course that the State cannot occupy herself with the organization of production, but that consumption comes within her sphere. Production concerns men in their individual capacities, different products are produced according to different methods; consumption concerns men in their general capacity, their capacity as consumers. The differences in wants and needs do not concern the State; only the fact of consumption concerns the State, and it is therefore the task of the State to protect the consumer's income, to see that it is not diminished through exploitation, and to keep an eye on the buying capacity of his income. In his book, "Selfgovernment in Industry", Cole describes how he imagines a guild organization, by means of which industry governs as a sovereign in its own sphere, just as the State governs in her sphere, which is the protection of the right of the individual. Production begins by being organized in each separate workshop by the local workers, and then gradually by means of group organizations of a more and more comprehensive nature both as regards the number of trades and localities, in order finally to culminate in the "National Guild Congress" which has the same legislative and administrative right within its own sphere as the State has in her sphere".¹⁾ A congress which has been composed in this way escapes the drawbacks to which the manner of election to Parliament is subject if the candidates are elected locally and have to occupy themselves with all kinds of things. Cole states himself that his scheme is influenced, to a large extent, by the Sovjet system of Russia.²⁾

One of the main items in the programme of Guild Socialism is to put a stop to the system of payment by wages.³⁾ The worker is made

¹⁾ G. D. H. Cole, *Selfgovernment in Industry*, pp. 211—229.

²⁾ *Opus cit.*, pp. 21 ff.

³⁾ N. Carpenter, *Guild Socialism*, p. 150 ff; A. Penty, *Old worlds for new*, Chap. VI; S. G. Hobson, *Natural Guilds and the State*, pp. 8 ff; G. D. H. Cole, *The World of Labour*, pp. 416 ff; *Selfgovernment in Industry*, Chap. IV, *Chaos and Order in Industry*, 1920, pp. 56, 219, etc.

personally free, but through the system of wages he has become severed from his capacity to work, which he sells — he is therefore helpless, if nobody wants to buy his capacity for work. The capacity for work should not be regarded as an article for sale; the performance of work is a social function like that of a civil servant or of a soldier, and the worker has therefore a claim to a regular occupation and fixed wages, whether his work is needed for the moment or not. The capitalists are now-a-days able to create the profit which is the basis of the whole capitalistic system, by paying the workers too low wages and by speculating in the rise or fall of wages, and in this way appropriating the increased value which is created by the workers. This state of affairs will cease when the system of profit is abolished by labour's governing production and the payment to the workers becoming a fixed item on the accounts of the guilds with the society of consumers. It is not possible either for the individual worker or for the guilds to make a profit by enhancing the prices which the consumers are to pay, as the extra amount, beyond a fair payment for their articles which they might obtain, would have to be paid back as an extra payment to be made to society for the use of their monopoly of work.¹⁾

The disapproval of the system of payment by wages is shared by the Guild Socialists and the adherents of Marxism; they differ, however, in the way in which they want to abolish it. Society owns all the means of production; they are to be nationalized, but the guilds have the right to use them. When there is so much talk of nationalizing the means of production, it is often understood as if they were to be socialized, i. e. exploited by society, but those two terms are not synonymous;²⁾ the decisive feature in the division of sovereignty which, in the opinion of the Guild Socialists, should take place is precisely that the State which owns or nationalizes the means of production does not use them; the guilds use them completely according to their own views. They make an annual account to the State of what production costs them, including the support of the army of workers, and what is gained beyond this is given up

¹⁾ G. D. H. Cole, *Selfgovernment in Industry*, pp. 115, 235—239, 241, 250; *Delisle Burns, Industry and Civilisation*, p. 151.

²⁾ G. D. H. Cole, *Opus cit.*, p. 151.

to the State, who distributes this extra amount to the consumers, so that they may be able to pay the price which the guilds demand for their articles. The Guild Socialists believe that by this system the difficult economic problems, against which existing society is helpless, will be solved. In various quarters it is objected¹⁾ that this is only a roundabout way of introducing standard wages, that it is in reality the State who by her price agreements with the guilds fixes the wages, and that the expedient which is proposed to guard the consumers against extortion, namely, the distribution of the increased value to them, is impossible to carry through. We shall return to this question later on.

The view which is at the bottom of the proposed organization of the working conditions is this: the workers' liberty consists in their having a vote in the organization of work.²⁾ It is the old Greek view of liberty which is asserted, it is, however, also maintained that the smaller the sphere which is concerned, the greater is the authority of the worker; the leaders of the larger groups, the supermanagement, cannot occupy themselves with the details.³⁾ Liberty was destroyed because the merchant cut off the producer from his market and financed production himself.⁴⁾ It was the fact that usury and speculation were protected by law, which made it possible for the merchant to destroy the guilds of the Middle Ages, as he through his power over trading-capital and the markets, was able to speculate in the fall and rise in prices and thus replace his interest in the quality of production by his interest in the quantity of production.⁵⁾ The workers lost their interest in delivering good work, struck for wages, but not in order to oppose the adulteration of goods which large scale production involved; they learned more

¹⁾ W. Graham, *The Wages of Labour*, 1921. "The confusion arises from the habit of thinking in terms of narrow wages instead of in terms of broader incomes", p. 65.

²⁾ G. D. H. Cole, *Selfgovernment in Industry*, pp. 181, 197; A. Penty, *Towards a Christian Sociology*, p. 140.

³⁾ G. D. H. Cole, *Opus cit.*, p. 200.

⁴⁾ A. Penty, *Old worlds for new*. Chap. XV, *Towards a Christian Sociology*, pp. 104, 110.

⁵⁾ A. Penty, *Old worlds for new*, Chap. XV, *Towards a Christian Sociology*, p. 185.

and more to replace "the work as leisure" by "work in a leisuring manner".¹⁾

The injurious influence of the merchant has later on been transferred to the banks,²⁾ which instead of merely being middlemen between the investors of capital and the borrowers of capital exercise usury through speculation in prices. The prices fluctuate according to the whim of the speculators, although all, both producers and consumers, would see their advantage in fixed prices.³⁾ Through the system which is advocated by Guild Socialism the middlemen are abolished, all speculation in prices disappears, and the fixing of prices takes place according to a morally tenable standard, i. e. the real cost of production and the quality of the article. The administration of labour will be vested in the right men, who know how to avoid waste of work — and it will not, as is the case now, fall to those who study the game without knowing anything of the work. Production will then be kept within the limits which are given by consumption, while it is now pressed forward, to a constantly greater extent, without taking into consideration the possibility of the raw material, the mines, being exhausted. The more you suffer through a surplus production, the more you try to remedy this state by producing still more! In reality production is, as it was in Germany before the war, decided, not by demand but by regard for keeping the large factories working.⁴⁾

To the same degree as the interest in the quality of work predominates over the crude interest in quantity and wages, does work become a vocation; this interest in quality is a mark that work gets a value for the worker, and only then is it possible for him to put his mind into it⁵⁾ What once made William Morris occupy himself with the question of Socialism was the fact that the things which he made and into which he placed his whole mind as an artist, were not understood by the workers, neither were they able to pay for

¹⁾ A. Penty, *Towards a Christian Sociology*, p. 191.

²⁾ S. G. Hobson, *National Guilds and the State*, pp. 39 ff.; G. D. H. Cole, *Chaos and Order in Industry*, Chap. XI.

³⁾ A. Penty, *Towards a Christian Sociology*, pp. 116, 119, 122.

⁴⁾ A. Penty, *Towards a Christian Sociology*, pp. 101 ff, pp. 146 ff, pp. 167, 172, 163; H. Quick, *On Board the good Ship Earth*, 1913, Chap. VIII.

⁵⁾ A. Penty, *Towards a Christian Sociology*, p. 206.

them.¹⁾ Also in other spheres than that of aesthetics the evolution of work gives a larger scope to the sense of quality; that which is perfect in respect of aesthetics is also perfect as regards accuracy, and the more the spheres, in which the highest degree of precision is demanded, increase, the more exacting grows the consumer's demand as regards the quality of work; while the pleasure which the worker takes in his work grows with the growth of his ability.²⁾

It is impossible to tell whether work in the future will be co-operative, or whether it will be individualized. Penty regards it, in opposition to the adherents of Marxism, as a misunderstanding to believe that man prefers co-operation to the division between master and worker. Some are of too original a character to become members of co-operative society, others prefer to avoid co-responsibility, others feel a great pleasure in working under an able and independent leader in preference to being members of a co-operative society in which there is an eternal tumult. Penty therefore regards agriculture, with its openings for all kinds of co-operation, as the basis on which industry should build.³⁾

One of the most important points to which Guild Socialism has called attention is the question of credit and its constantly increasing significance. The worker is not free, because he has the power over his own body; so long as he does not own the means of production, he continues being a slave. But he who owns the capacity and means of production is not free either so long as the credit and market are closed to him. The power over credit and over the market are now in the hands of the financier, and it is therefore necessary to remove him, by destroying his function. This may be done by the State, in her capacity of the owner of the means of production, financing the producers by granting them credit and by bringing them into immediate connection with their markets.⁴⁾ By means of the co-operative societies this has been made feasible. R. Orange and Major Douglas have proposed a quite new system of credit by means of which they imagine that it is possible to solve this task; the latter especially has already in a long series of pam-

¹⁾ G. D. H. Cole, *Selfgovernment in Industry*, pp. 43 ff.

²⁾ S. G. Hobson, *National Guilds and the State*, p. 355.

³⁾ A. Penty, *Towards a Christian Sociology*, pp. 137, 193, 208.

⁴⁾ N. Carpenter, *Guild Socialism*, p. 323.

phlets developed and advocated his system, and a literature for and against it has grown forth.¹⁾

Douglas shares the general opinion of the Guild Socialists, that the main point is to break the sovereignty of the State, and make labour or production independent. He is filled with the most vivid fears of the future and he thinks that only a short spell of time remains to show whether we are able to control the social machine or whether it will control us.²⁾ If we are unable to control the machine, a catastrophe will be unavoidable. He regards Socialism with disapproval, as it, with its plans of nationalization and its thorough social organization, will kill all personal initiative which is indispensable.³⁾ Socialism takes its stand on the erroneous view that the poverty of the masses is due to the immense riches of the minority.⁴⁾ This view cannot be right, as an equal distribution of property would not make each separate individual tolerably well-off. Poverty is due to quite other and far deeper causes. To be poor, means that you have a great number of necessary wants which you have not the means of satisfying. The view of justice as held by our society is that you cannot consume before you have produced and by this means earned money (or a chance of consumption). He who does not want to work, neither shall he eat. This view cannot, however, be carried through, as it, in part, misunderstands the right condition of production and consumption, in part, overlooks the fact, that consumption, regarded as a whole, must fall short of production.

As regards the first point, we should bear in mind that production depends on consumption. If there was no real demand for the articles of the producer, all production would cease. If man's desire

¹⁾ Out of these pamphlets I shall mention: C. H. Douglas and R. Orange, *Credit Power of Democracy*, 1920. C. H. Douglas, *Economic Democracy*, 1920, 2. Ed. rev. 1921. do., *The Present Discontents and the Labour Party and Social Credit*, 1922. do., *Social Credit*, 1924. do., *The Control and Distribution of Production*, 1922. A. Kitson, *Unemployment, the Cause and a Remedy*, 1921. H. Cousens, *A new Policy for Labour*, 1921. M. Cumberland and R. Harrison, *The new Economics*, 1922. A. Powell, *The Deadlock in Finance*, 1924.

²⁾ C. H. Douglas, *Social Credit*, p. 217.

³⁾ *Opus cit.*, p. 190.

⁴⁾ *Opus cit.*, p. 170.

to buy is stopped, or if he is prevented from satisfying it, production is, to an equal extent, deprived of all its possibilities. To put it briefly, it is in the interest of the producers that the consumers are able to buy, that they have the means of buying. It is an old truth which Douglas here emphasizes; in the long run the seller gains nothing by plundering his customers; in a poor population he cannot sell much, and the right policy of the merchants, which takes the future into consideration, would be to promote the wealth of the society of purchasers and the purchasing capacity of the consumers. In our societies with their highly developed economic structure, it is in the interests of production that the consumers should possess money. All measures which tend to or which must necessarily involve a reduction of the consumers' buying capacity will therefore be injurious to production. Douglas attacks violently all social measures which consciously or unconsciously have for their object a restriction of the buying capacity of the consumers. Taxation, compulsory or voluntary saving, etc. are therefore pernicious and unreasonable. The problem is: what is the reason why such measures are recommended and carried through? Douglas explains this by the power of finance.

We have repeatedly mentioned above the fact that the economic policy of the State has vacillated between care of the consumers and the producers. Already in Thomas More's attack on the policy of production, which was gaining ground in his age, the central point was that it tended to enrich the kings by impoverishing the population. The main point was that the consumption for the sake of which production was to be kept alive was the consumption of the kings, the consumption of the State for military and political purposes, and if only the producers were able to accumulate articles, gold and silver, it did not matter whether the population at large were able to consume them; the State was provided with a store, this was the principal point. At the back of all the measures or projects of the present time which tend to restrict the purchasing power of the consumers, lies the idea of promoting a production which the State or the master of the State, finance, may use. The chief task which Douglas sets himself is to elucidate the interests of finance in order to establish a disproportion between consumption and production, and the means of which it avails itself to carry its purpose through.

He does this by emphasizing the second principal point, the fact that the conditions of our societies are such as to make consumption as a whole fall short of production. He avails himself of the fact which both Proudhon and Marx emphasize, that the worker cannot buy back the product of his work. Douglas believes that he can prove that the collective price of the articles must always be higher than the income of the producers.¹⁾

The collective income consists of wages, salaries, and dividends, but the prices of the articles are fixed by the cost of production, and this always comprises a figure which is not found in the income. This figure is not the profit of the producer, for it is included in the dividends on the income-side. It consists of all that the bank-credit costs beyond what is involved by its business expenses. Practically no business can be carried on without credit; every kind of business involves a great deal of expense which can only be covered by sale of the finished article, and which in more primitive conditions were paid from the profit of previous production. This is, however, no more the case. The heap of grain on which the farmer and his hands live while they plough and sow and await the next harvest, dwindles by consumption, but the security you place in your bank remains in your own hand; through the loan these securities, houses, lands, etc. are made liquid, but you have still the use of them. The security which is given to the bank consists in the fact that the mortgage, if you do not fulfil your obligations, may be taken out of your hand, i. e. be sold. At time the security consists merely in the confidence which the bank has in the man and his projected enterprise, for which credit is granted. But from where does the bank get the money which it places at the man's disposal? Only in a very restricted measure from its own liquid cash balance. As the borrower does not let his security out of his hands, thus the bank does not let the money it gives out of its hands, but it opens the borrower an account and gives him a cheque-book. The borrower may through the issue of cheques settle his accounts with a third person; they serve in the capacity of money, without money actually passing from hand to hand. The bank only engages itself

¹⁾ Pour que le producteur vive il faut que son salaire puisse racheter son produit. P. J. Proudhon, Qu'est-ce que la propriété, p. 162.

if needed to pay the registered cheque in money. But as long as the cheque remains in circulation the cash-box of the bank is not touched.

Cheques may thus replace money; they are, in short, new money which the bank has bought through the credit or confidence it enjoys. The bank credit thus invests the borrower, the producer, with a financial power, the actual basis of which is the profit which his enterprise is going to yield him in the future. But all the money which the borrower is able to spend is expended on articles which exist as a result of previous production, and when the articles of the new production come into the market the consumption on which they count has already taken place, and they can only be sold when new enterprises are started by means of new loans. This constant replacement, the fact that in the case of credit we always consume the future in advance would not be dangerous in itself, if it were not accompanied by a constant increase in prices with which consumption cannot keep pace. Credit acts as money and should be regarded as an increase of the supply of money. The increase is made necessary out of regard for the future supply of goods and future consumption, but as the purchasing power of money is determined by its quantity as compared to the existing supply of articles, bank-credit and circulation of cheques will raise the prices. The purchasing capacity becomes then too low and must be enhanced, the wages, etc. rise and this causes again a rise of the costs of production and consequently of the articles, it becomes constantly more difficult for the producers to find purchasers and they become constantly more dependent on the credit of the bank. The constant conflicts between the employers and the workers concerning wages, and between the sellers and the consuming public become chronic. Every labour-saving machine, which is introduced increases production, but diminishes at the same time the consuming capacity. Every new undertaking which is started and should signify a new step onward in the life of trade increases the division between production and consumption in favour of production. The home market becomes less and less able to absorb production and there consequently arises a stronger and stronger interest in foreign markets, which leads to a conflict between the nations and eventually to war.

On the basis of these conditions which have as a whole been

taken for granted by all parties, Douglas now comes to the following peculiar conclusion. If production is so large that the consumers cannot use it all, equilibrium between production and consumption may only be established by cutting down the prices so that the consumers are enabled to pay for the articles, or by giving the consumers a greater purchasing power. A cutting down of prices can only happen by curtailing the profit of the producer, this spells ruin to production; this expedient is therefore out of the question. Neither is it possible to give the consumers a greater purchasing power by means which increase the costs of production, as this will entail a rise in prices. The consuming power should be increased by means which leave the prices untouched. The unfortunate disproportion between production and consumption originates in the system of bank credit, and this system of bank credit has its root in our system of finance, the value of money being measured by the quantity of money in circulation in proportion to the quantity of articles. By issuing more money (cheques) the banks raise the prices; the power to issue cheques is obtained by the banks having control over the social assets, i. e. the values which the borrower owns, but which he cannot make liquid. The banks thus make the borrower pay the interests and costs of a credit which in reality rests on himself. It is the productive capacity of society which is the basis of credit and therefore the amount of credit ought also to belong to society. It may do so, when money is no longer based on the quantity of goods, but on the proportion between production and consumption, so that the amount of circulating money is decided by the addition which should be made to the consuming capacity, as determined by wages, salaries, and dividends, to enable it to take over production. It is the power of existence of the whole nation, as it has been made possible through historical inheritance, technical skill, and progress in civilization, which is the basis of all credit, all hope for the future; the consumers are, however, co-proprietors of this national capital. It is possible for the nation to raise its own credit on this basis of credit.¹⁾ It need not use the banks as middlemen and thus it avoids having to pay them interest and commission and becomes independent of their judgment and decision, as

¹⁾ C. H. Douglas, *The present Discontents and the Labour Party and Social Credit*. 1922, pp. 13, 14, 16, 22, 25, 27.

to whether credit should be granted. The power of the banks over the whole life of trade rests on the profit gained from the payment of those interests, which restrict the citizens' conditions of life, and on this power to judge and open or shut off the current of money at pleasure. In the eyes of a financier a country is only a place where mortgages may be made, a State without a State loan is an eye-sore to him, taxation is a measure which strengthens his power, it prevents every society from utilizing its own power of credit.¹⁾

The power of finance is quickly developing towards a concentration which comprehends the whole world. It threatens the world with an unheard-of slavery which is, into the bargain, represented to the world as a benefaction. Its financial power may only be fought by society's fighting it with its own finances, and if we do not find a way of doing so catastrophe will ensue with its interminable, dreadful destructive power; for in the long run men do not submit to this kind of sustained slavery.

In this way we get two equations which express the equilibrium between production and consumption. The prices of the articles which are fixed by the cost of production plus the increase in price caused by the bank credit exceed the consuming capacity, which is determined by wages, salaries, and dividends $"P" > "C"$; $"P"$ is made equal to $"C"$ by making an increase in the consuming capacity, which does not enhance the prices; this is done by giving the consumers a subsidy as their share of the national wealth. If the general price, for instance, is "five", while the purchasing power is only "three", the subsidy must be "two", so that every citizen for 3s. is able to buy an article worth 5s. The difference is credited to the producers' accounts in the national clearing-house.

The second equation expresses the same thing in a different way. The nation increases its quantity of articles through production, saving up of capital, and import; it reduces its quantity of articles through consumption, writing down of capital, and export. The former (P) is greater than the latter (C). Also in this case the natural way of establishing an equilibrium becomes to make an addition to $"C"$, in such a way that it does not influence $"P"$; the

¹⁾ C. H. Douglas, *Social Credit*, pp. 175, 181, 197, 198.

difference between "P" and "C" is abolished in the clearing-house, where the credit of the nation is entered by the nation itself.

The economic laws which cannot possibly be broken, even though we may want to do so, are not a prison-cage in which we are imprisoned; they only indicate the conditions according to which we will suffer or profit from the existing economic system. It is inevitable that a system which constantly raises the prices to a height with which consumption cannot cope, must end in a great downfall; it is just as hopeless to try to remedy this state of affairs by measures which at one moment, to the injury of production, arbitrarily reduce the prices, and at the next moment try to increase the consuming capacity in a way which forces up the prices. But if the existing economic system is useless, there is nothing in the laws of economy to prevent the introduction of a new more favourable system. The basis of all credit is life in society and the values which it creates; it is the task of society to make credit liquid. The banks have availed themselves of the defect which is attached to our monetary system, and made themselves the masters of credit, and they therefore do their utmost to prevent this destructive defect from being corrected.

Everything then centres in the question: Where does the State get the means by which she is enabled to abolish the difference between production and consumption? The whole social organization depends according to the theory of guild socialism on two sovereign powers, production and the State, the latter representing the society of consumers. Production settles its account with the State by paying the State the surplus profit which remains after having paid all expenses. The fact that it obtains a profit indicates that it takes from the producers more than it gives. This fact Douglas emphasizes by asserting that consumption is unable to buy production. The means, which in modern society are utilized to enable the consumers to spend more than they earn as participants in production, is the granting of credit, which is organized by the banks and which increases the power of the banks on a rapidly rising scale and draws the citizens more and more into debt. It is this system which, in the natural course of things, must end in a catastrophe. According to Douglas's system the amount which the consumers are to pay in addition to that which they earn as participants

in production constitutes the surplus amount which collective production at the annual drawing up of accounts must pay to the State; this surplus amount falls to the consumers not as a loan, but as their share of national wealth. It is possible for the State to pay the consumers their share in advance by allowing a purchase amount of 3s. to serve as payment for a productive amount of 5s. Instead of further diminishing people's buying capacity through the immense system of taxation as is now the case, the State is able to find her expenses in the surplus amount which falls to her share through the settlement with production. In reality this arrangement is only a roundabout way, which might be saved, if the whole relation between producer and consumer in daily life was well regulated. But in order to do this, control and regulation would have to be carried through to such an extent that all liberty would disappear, and an apparatus of administration would be necessary which would create a large staff of officials who had to be supported by production, without themselves contributing to production. The producers' free administration of production and their settlement with the State at fixed intervals is the most practical and least expensive arrangement. The larger the profits which the producers gain in daily life, the larger profits they will have to pay to the State; the producers will therefore have no reasonable ground for exploiting the consumers. The power of credit will thus be shifted from the private producer or the organized sovereign power, the high finance which he serves, on to the State as the representative of the collective society of consumers.

The crucial point in the whole system of Guild Socialism lies first and foremost in the fact that there is no guarantee that the settlement of accounts between production and State, i. e. the consumers, is fair. Secondly, it is uncertain, how the whole class of producers who produce the so-called intellectual consuming values, will be placed. The situation of material production is decided by the fact that it does not own the means of production, but has the only right to use them, i. e. the monopoly to use them. But as regards intellectual production the question assumes a quite different form and its demand for salary and profit is of a quite different nature. But however great and perhaps insurmountable the difficulties are, they lie rather in the practical carrying through of the system than in

its principle, which is an assertion of individualism as opposed to Marx's rejection of it as being of an anti-social nature.

It has been objected to Marx's doctrine that his prediction of the increasing concentration of capital and the continuous growth of poverty has not held good; this depends on a misunderstanding. Capitalism does not tend to reduce men to starvation; its very existence depends upon a growth of the consuming capacity of the citizens. But the principal point about capitalism is its sovereign power, and this depends on its power of credit. This power of credit has become extremely concentrated, and the power of credit of the separate individuals has grown constantly smaller. Marx was therefore in reality right. In both cases it is a question of the will to power. Douglas's vehement emphasis on the fact that it is a question of the power of credit, thus contains an unconditional approval of Marx's fundamental view, but it is also an expression of the profound difference which divides Guild Socialism from Marxism. Marxism regards the proletarian class consciousness as an expression of man's social nature. But Guild Socialism regards it as the aggregate expression of the individuals' desire for liberty. It may be wise for the individuals within certain spheres and under certain conditions to act together, but it will never become human nature to prefer working in flocks to working according to one's own judgment. The Marxistic working organization is therefore in reality just as contrary to human nature as that of capitalism. As in the Middle Ages the free and eternal importance of the individual was the decisive factor, so it is also in that social system which he should regard as an expression of his own nature. God's word carried a message to the individual, it was the individual who was saved or condemned, not the congregation. The congregation was the means, but the individual was the substance. Thus it is according to the view of Guild Socialism and French Socialism the individual that is reality; society "per se" has no independent claim. Associations of individuals are practical steps, taken by men who are placed in the same situations, and who each separately desires the same thing; but they are not an expression of man's social nature. — In Marx's view they were so; to him the individual became only real by serving society. In spite of his scorn of abstract categories he regards society as the sum total of the individuals, and the demand of socie-

ty becomes the demand of the individuals. The difference between his view and Syndicalism and Guild Socialism is thus apparently abolished; they all want to secure the individuals their daily bread, to open to them a prospect of a greater profit and full authority and equality within society. The difference lies in the different weight they attach to the organization and the self-determination of the individuals. This difference is, however, of such profound and decisive a character as to make the societies which they want to create quite different.

The Russian Revolution.

When we judge the Russian Revolution we must not leave the abnormal conditions of Russian society out of consideration. The Russian Empire was neither a legal system nor an organized society. It was an organized military force which had made itself master of a vast territory. It was a few hundred thousands who, through a strong police force, kept one hundred millions of wholly unorganized peasants and a scattered middle class in awe. In this society legal protection was out of the question, and Nihilism became the consequence of the unorganized population's resentment against despotism and arbitrariness. After the Russo-Japanese war the fermentation gained strength; the Czar had to grant the people a representative association (Duma); Liberals, Social Democrats, and peasants associated in a greater common opposition to the rule of the police force, but their organization was so defective that the faithless government of the Czar was able to supersede the Duma and continue and strengthen its arbitrary police rule. Russia's participation in the Great War and the great defeats which her armies suffered, entailed eventually the fall of the government of the Czar, and an attempt was then made to institute a government by the people. Equality and liberty became the democratic watch-words to the whole population, but there was no unity or plan in the movement, and the parties did not succeed in forming a strong, active government. The interests of the citizens could not be reconciled with those of the Social Democrats, and the peasants stood alone in their vast majority.

Under these circumstances a small crowd of Bolsheviks succeeded

in usurping the power. They were without any representation worth mentioning in the re-created Duma, and general election for an extended representative assembly showed that they were also without adherents in the nation. In their press they gave the most embittered expressions to their Marxistic views and insisted that the proletariat, the property-less class of wage-earners, were to be regarded as the nation proper. Under the rare, energetic leadership of Lenin and Trotsky, who were lavishly furnished with money from the German general staff, they attacked the changing governments (Lvov and Kerensky) and prepared apparently to rush the matter and make a "coup d'État" by means of arms. Rebellious mariners and the crowds of soldiers who had deserted from the trenches were an excellent material for the carrying through of a State coup. With a small armed crowd they surrounded the national assembly, which had been convened, and usurped the government, without it being possible at any point to gather an actual opposition against this revolutionary act of violence.¹⁾ In the name of the dictatorship of the proletariat they erected a new military autocracy; at the head of a couple of hundred thousand proletarians Lenin and Trotsky now took control over a hundred millions. Without actual idealism, but actuated by the most flaming passion for power, the Bolsheviks created a government, which broke the connection between the Russian Revolution and Western European democracy, and became a lasting danger to peace and social understanding.²⁾

It is on this background of a past, which had suffered from a government which defied every basis of an actual social organization, that the Russian Revolution and the government of the Bolsheviks should be judged.

The Bolsheviks under the leadership of Lenin assert that they are a party, which builds wholly and completely on Marxism, and that their peculiarity is merely that they have the courage to carry Karl Marx's doctrine through to its full extent. They want to carry through the Communist organization of society which takes the character of a factory organization; they want to erect the proletarian society in which all class difference has been abolished, and

¹⁾ Leon Trotsky, *The Lessons of October, 1917* (1925).

²⁾ J. Spargo, *Bolshevism. The Enemy of Political and Industrial Democracy, 1919*, pp. 213 ff.

where every member of society is a proletarian. This society must, as far as trade is concerned, be organized according to the technical demands of existing production. It is everyone's duty to work in accordance with the demands of manufacture; every individual must work in that place in which the workers' registry office thinks fit to use him.¹⁾ One factory co-operates with another, and one district with another, through an organization which is elected and organized by the workers themselves. In such an organization nobody is subjected to the power of his fellow-citizen, but only to the demands of necessity. All arrangements are made in the interests of general welfare; every kind of exploitation is made impossible and everybody will therefore be ready to do his duty, perform his work punctiliously and take care that the material is not wasted.²⁾ It will be clear to everybody that the person who neglects his duty will be making himself guilty of a crime against his fellow-workers, against the working-class as a whole, and not as now against the exploiters. The workers' councils and the Sovjet government will meet in a highly centralized organization; but this is created on the basis of the individual factory administration through a great number of intermediate steps, in such a way as always to make the workers themselves determine the administration; the discipline which the central power demands does not therefore act as a violation of the individual's liberty or as an organ of exploitation. Whether it is possible to prevent such an organization from degenerating, depends exclusively on the individual's ever watchful will to punish defaulters.³⁾

The question of whether it will be possible for such an organization to act, does not occupy the minds of the Bolsheviks. They take it for granted that it will be able to do so, if only all the wills which tend to take a contrary direction are eliminated. It becomes their main task to systematize this elimination. It is of course most strongly needed in the beginning, when many individuals who wish to exploit still remain, but it will scarcely be possible that it may ever be completely unnecessary. Perhaps the real foundation of the

¹⁾ Bucharin, *Kommunismens Program*. 1920, p. 56.

²⁾ *Opus cit.* Chap. XIV, pp. 63 ff.

³⁾ *Opus cit.*, Chap. XIV, p. 53.

Bolsheviks' dislike of Liberal Socialism is found in the fact that the latter believes in Darwin and the improvement of mankind through gradual evolution. What is needed is a constant and brutal elimination of the bad elements. They therefore institute a State which, as is the case in the present society, is a State of power, but which is transformed from being the organ of power of the exploiters, to being the organ of the workers.¹⁾

The first mark of a bad character is to be unwilling to work, and not to fulfil one's duty as a worker; therefore the State is only a State of workers. Only those who work are given the franchise and are able to earn their living.²⁾ The preaching of any ideas which are at variance with Bolshevism is injurious, and there should be no facility for propounding and spreading them;³⁾ but for all the adherents of the Bolshevik party there is liberty both of speech and of the press. The liberty of the press was an excellent means of Bolshevism under the former bourgeois régime, for winning over the masses to its ideas, but there is no reason for victorious Bolshevism to give its opponents this chance of counter-acting victory.⁴⁾ This is no joke, but very serious. The victory of the proletariat is synonymous with the dictatorship of the proletariat; it has no mercy with its enemies and acts of course with violence.⁵⁾ Bolshevism has at no moment condemned war and violence; on the contrary, the will to work is measured by the exercise of violence.⁶⁾ It is humbug to try to reconcile the dictatorship of the upper class with that of the proletariat, it is a false experiment which stamps all reformers as mere servants of the upper class, making them its flunkeys.

The reason that the Russian Revolution became so sanguinary, such "an elaborate and painful process", as Lenin himself called it,⁷⁾ is first and foremost to be found in the dreadful system of suppression which had been maintained by the ruling classes in Rus-

¹⁾ Vladimir Iljitsch Lenin, *Hvad er Bolshevismen?* 1924, pp. 38, 48, 79; Bucharin, *Opus cit.*, p. 21.

²⁾ Lenin, *Opus cit.*, p. 42.

³⁾ Bucharin, *Opus cit.*, pp. 25, 60.

⁴⁾ Bucharin, *Opus cit.*, pp. 31, 36.

⁵⁾ Lenin, *Opus cit.*, p. 17; Bucharin, *Opus cit.*, pp. 19 ff.

⁶⁾ Lenin, *Opus cit.*, pp. 131, 142.

⁷⁾ Lenin, *Opus cit.*, p. 50.

sia.¹⁾ "No revolution", says MacDonald, "is created by theories, but by social friction. It is the government which creates the basis of revolution through an incomprehensible opposition to tendencies which are impossible to suppress; revolution, direct action, becomes superfluous, if government and parliament fulfil their duties and become organs of the ideas which prevail in the nation."²⁾ Those who are terrified at the events which are taking place in Russia, forget that the world kept silence when masters murdered their slaves; why should it then cry out because the slaves are now murdering their masters? Every man of a peaceful character is horror-stricken at the things which happen, but no just man is able to condemn them."³⁾ "The Russian Revolution", says he, "has been one of the greatest events in history, and the attacks which have been made on it by a startled upper class and by hostile capitalism ought to gather all who prize political and spiritual liberty for its defence". In England such a revolution would be strangled by America much more easily than has been the case in Russia. MacDonald concludes from this that in England and other similar States it is only Socialism i. e., the Socialism of which he is a representative, which is able to save society by gradually diminishing social friction and by giving the Labour Party the control over parliament and by carrying the sound idea, which the Sovjet government represents, into effect.⁴⁾

Also MacDonald thinks that the bad elements should be eliminated. Only he thinks it possible and more to the purpose to apply a different method of elimination. Socialism cannot be realized until it has been made to live in the minds of the citizens. When parliament does not act as it should it is due to the fault of the electors. A dictatorship may be necessary at the critical moment of transition; but no Socialist who is worth anything would acknowledge a dictatorship which itself wants to build up the new social organiza-

¹⁾ John Spargo, *Bolshevism. The Enemy of Political and Industrial Democracy*, 1909; E. Buisson, *Les Bolsheviki*, 1909.

²⁾ Ramsay MacDonald, *Parliament and Revolution*. 1909, pp. 85 ff., 75 ff. a. 96.

³⁾ *Opus cit.*, p. 22.

⁴⁾ *Opus cit.*, pp. 41, 95—98.

tion. This may only happen in such a primitive country as Russia.¹⁾

The difference between the methods of MacDonald and those of the Russian Revolution is not found in disagreement concerning the goal, but rather in disagreement as to the means of realizing it. MacDonald's statement that America will easily be able to subdue a Sovjet movement in England does not agree with the fact that America does not quench the more or less significant steps which the labour party undertakes in order to possess itself of political and social power. I think this may be explained by the fact that an organization of industry on the basis of workers' councils would ruin English industry in less than no time, while it has been less injurious in Russia, because Russian industry had reached a lower scale of development and was not by a long way of the same importance to the existence of the nation. In Russia it was possible to set forth the hope that the workers might look forward once to being able at some time to govern industry and until that time came, they might compel the indispensable intellectual workers to use their knowledge for the benefit of the people.²⁾ In England it is impossible to secure the necessary leaders by means of force; government by workers' councils would there be synonymous with the destruction of the principal trade of the nation. It was not the adherence of the industrial workers which gave victory to the Bolsheviks and which constantly supports the Sovjet government. It was the peasants who at the decisive moment were won by the Bolsheviks' promise of making the land free,³⁾ it was the peasants, the society of small citizens, it was Proudhon, who supported the Marxists and it is those who constantly dictate their will to the Sovjet government and fix the limit to the Communist levying of taxes. So long as the bonds which held the Russian Empire together only reached from landlord to landlord and from them to the government, it was possible to keep the scattered population of peasants, the number of which ran into the millions, in awe. But when first the hegemony of the upper class became uncertain and

¹⁾ Opus cit., pp. 32, 40, 61, 63.

²⁾ Bucharin, Kommunismens Program, pp. 40, 51.

³⁾ Vladimir Iljitsch Lenin, Hvad er Bolshevismen? pp. 15, 81, 84; Bucharin, Opus cit., p. 45.

the peasants became conscious of their own united interests, the government of the landlords could no longer be sustained. How the peasants are going to cultivate the land which has come into their hands cannot yet be prophesied and our knowledge of what happens is insufficient to form the basis of our opinion; but this much is certain, that conditions will not be organized on the basis of a Communist train of ideas, whether small private proprietorships or large common managements will predominate.

The decisive point in the consideration of this state of affairs is that the demand for the right will, the will to work, which is made on the industrial worker, loses its power over the peasant as a member of society. The mark of the right will is defined as readiness to work diligently and conscientiously, because, if you make yourself guilty of the least omission, you are betraying your fellow-workers, i. e. society. Your fellow-workers decide whether you possess the right will and neglects are punished mercilessly, most effectually by murder or by exclusion from access to supplies. As far as the peasants are concerned no external regulation of working-hours or will to work is possible. Nobody will, when tilling his own soil, submit to a control of his method of work, and if he is cultivating land in company with others, he will only feel himself bound by a contract, not by a general regard for society. It may be expected that a common management will meet with difficulties on this point which will prevent its general extension. It is possible that it may yield a larger profit, but it will be a larger profit for the cultivators themselves and not for society which will turn the scales; and the regard for the larger profit may be counterbalanced by the regard for the smaller degree of personal liberty which common management involves. To use force against the delinquent by refusing him food is impracticable when it is a question of peasants, and this is a fundamental evidence that they, to a far higher degree than the industrial workers, constitute society.

Marx's doctrine of man being a social being and men being mutually solidaric, was based on his belief that all the suppressed individuals were united in the desire to put an end to suppression. Without making themselves the masters of the finances they would not be able to make themselves free. But how those freed and mutually equal individuals would be placed in relation to each other remained

an open question. The external technical conditions of production may make an extensive working together necessary, but a working together is not the same as co-operation, which rests on an internal, psychologically expressed solidarity. Working together involves the meeting of individuals of the same class in the place of work; in the course of daily intercourse mutual indifference disappears and besides their interest in the work the individuals may take more or less interest in each other. The necessary conditions for the growth of such sympathy depend on different circumstances outside the fact that the individuals work in the same place of work and under a common working organization. We make a still greater leap when we regard the fact of our all living in the same world as a sufficient reason of making us take an interest in the constant improvement of the world. "I have", writes Mr. Lansbury, the editor of the "Daily Herald", "spent years of an active, strenuous life learning how little each of us is able to do, and at the same time realizing how hopeless everything is, when each of us does not perform his bit."¹) Mr. Lansbury avows himself a member of the Christian Church and it is the feeling that we are all the children of God, which in his opinion is the source of the feeling of solidarity, and which makes us teach our children not to protect themselves against each other, but to protect each other mutually.²) But where are the sources of this feeling? The unbending will to submit to no suppression is not of a social nature; it may place us on an equal footing with others who have the same will, and we may be able to understand and sympathize with their efforts, because we know them from ourselves, but this cannot make us regard it as our task to assist, support, and serve. Suppression is the dominating feature of our civilization, the rich man passes by the poor citizen indifferently and superciliously, while he regards the wives and daughters of the poor man as the plaything of his desires; the white man refuses the coloured man equal rights. All this brutal and dishonouring indifference and superciliousness spell ruin to our civilization, just as it was the ruin of the age of feudalism, of the age of absolute monarchy, and of the age of the Russian aristocracy. But in the midst of this civilization of suppression, which all the suppressed individuals con-

¹) G. Lansbury, *These Things shall be*. 1920, p. 21.

²) *Opus cit.*, p. 31.

demn in their hearts, there lives an ideal of righteousness, charity, fraternity, which the suppressers themselves acknowledge and make a semblance of serving. Where does this ideal originate? It does not grow by force and external compulsion it only grows; if man constantly in his own mind eliminates the instincts and impulses which lead in the opposite direction, and in his inmost self institutes a dictatorship of the "proletariat", which is supported by our profound sense of our all being equal in station and property.

In his later years Karl Marx built on the expectation that the feeling of social solidarity would gain strength in the mind of each separate individual; modern Socialism nourishes the same hope, a community of ideals which cannot be subdued by guns. The Bolsheviki, however, do not share this hope; it is only possible to secure the victory of their ideals through a violent elimination. They therefore differ decisively from Marxism on important points. These points are the dictatorship of the proletariat, the abolition of a general representation of the people and the system of government by councils.

The dictatorship of the proletariat is a government by violence which far surpasses the "coup d'État" of short duration which Marx himself at first thought was necessary.¹⁾ A dictatorship of longer duration and a dictatorship which according to Lenin's own definition is a government by force without laws, Marx never dreamed of; it is directly opposite to his social view, because a dictatorship is government by a single individual, and government by a class is impossible without laws. Marx never thought of abolishing general franchise.²⁾ In Russia general franchise has merely been abolished theoretically, because the abolition is an expression of the violent elimination of the opponents of the proletariat, an expression which replaced the literal elimination which could not be carried through. The franchise and the right of citizenship are only given to the workers and the small farmers. But by "workers" are only meant those who by birth and education belong

¹⁾ Karl Diehl, *Die Diktatur des Proletariats und das Rätesystem*. 1920. 2. Aufl. 1924, pp. 8, 29, 31.

²⁾ Karl Kautsky, *Demokratie eller Diktatur*. 1919. *Terrorismus und Kommunismus*, 1919, pp. 28, 100, 55; Karl Diehl, *Opus cit.*, p. 54; E. Buisson, *Les Bolsheviki*, 1919. Chap. IV.

to the proletariat; under the new State this category is, to a great extent, made up of men who perform no work or only very little, while work and especially the lowest and dirtiest kind of work is performed by the men who formerly belonged to the upper class, and who in spite of their hard toil are not counted as workers and consequently are insufficiently fed.¹⁾ The proportion between work and wages is quite disregarded for the benefit of the proletariat. Through this arrangement it appears that no desire is entertained of hurrying the abolition of the proletarian dictatorship or of introducing general franchise. There is no sincere desire to change the citizens into a nation with related feelings and ideas; the object was to institute the rule of one class over the other classes. This view is doubtless quite contrary to Marx's view; it is, in part, an expression of the violent reaction against the suppression which had taken place in Russia, in part, a consequence of the general brutalization that followed in the wake of the Great War. Kautsky is certainly right in calling such a narrow feeling of solidarity anti-social.²⁾

Thus we may regard the dictatorship of the proletariat and the abolition of general franchise as examples of the imperial will as set forth by Nietzsche. It seems also in Russia to possess the feature which in Nietzsche's view accompanied it, i. e. the desire to serve an end, the greatness of which conforms with and supports the powerful will which is carrying it through. The new Russia has doubtlessly become a kind of religion in the view of the proletarians;³⁾ they dream of being the pioneers of humanity and through a propaganda which comprises the whole world they want to make the proletariat of all countries free. This religious enthusiasm, the belief in working for the welfare of the whole of humanity, is found in every kind of Socialism, however difficult it is to make it conform to the view of the social process as being determined by conditions which are outside the range of the human will. The more it is emphasized that it is the fight against suppression and exploitation which is the essence of Socialism, the more likely this fight is to assume forms like those which are set forth by Lansbury

¹⁾ Karl Kautsky, *Opus cit.*, pp. 113—116.

²⁾ *Opus cit.*, pp. 103, 108, 120.

³⁾ Karl Diehl, *Opus cit.*, pp. 60 ff..

and according to which the suffering, which the carrying through of revolution involves, is merely a natural consequence of the opening up of the new era, very much like the pain which a woman undergoes in giving birth to her child. But this religious enthusiasm, which always and under all circumstances accompanies the idea of serving an end which is greater than oneself, is directly counter to the feelings and passions which create the dictatorship of the proletariat and condemn general franchise. The imperial will is the only ruler. Democracy is done away with.

This fact is further emphasized through the system of worker's councils, which are not the organs of the workers' self-government, but of their drilling into discipline.¹⁾ The workers' councils are not industrial councils by means of which the workers control and influence the working of the factories. The workers' councils are not merely advisory, as the Syndicalists demand, but directly authoritative, and they receive their authority to command from higher councils, in the last instance from the highly centralized supreme authority. The workers' councils are essentially political and not trade institutions.

But although the Sovjet government on important points differs from Marx's view, it cannot be denied that it is a consequence of Karl Marx's whole teaching, and that the evolution which more and more transformed Marxism into a Liberal Socialism of the same democratic character as Upper Class Liberalism has effaced the original character of Marxism. The Russian innovation reveals the fact that Marx's doctrine is not an expression of man's social nature, but of the imperial will of the factory workers. Socialism is something more than the will to make all suppression and exploitation impossible, it is the will to realize this goal by making large scale industry the social type. It sounds pretty enough when Kautsky declares that if the liberation of mankind might be attained exclusively on the basis of the private possession of the means of production, he would be ready to throw Socialism overboard in order to maintain the principal goal, the liberation of mankind. But those pretty words mean nothing; it was large scale industry which created Socialism and the will to carry it through. Large scale industry is

¹⁾ Opus cit., pp. 10, 74.

not the type of co-operation, but the type of an organized government; its social expression is the autocracy of the centralized State and its bitter fight is against the small industries.¹⁾ The fault of the Russian Revolution is not the social type which it has created, but the incapacity to govern the life of trade which it has displayed.²⁾ The question is whether this incapacity depends on casual defects in the Russians, or whether it is not bound to occur in every large scale industry which exceeds the sphere which may be controlled by a single management and where the leader has no personal economic responsibility. The economic responsibility as to whether you earn money or lose it, cannot be replaced by a legal or moral responsibility, because the latter is a question of human wills or whims, while the economic responsibility is an expression of the objective, economic consequences of the management of business.

Large scale industry cannot go further than to this economic responsibility. So far as it goes it must therefore lead to the rule of a single individual or a narrow board of directors. Socialism which builds on large scale industry will therefore never lead to liberty. If the leaders of the State industry are selected on political considerations, affairs will take a turn that is just as bad as in Russia; the theory that the management may be abolished and replaced by another which has been chosen by the general voting of the people cannot be carried through without disastrous results for the whole machinery of trade. It is possible through a change in legislation to remove all legal privileges which at the present time one class of trades may own in preference to another. But it is not possible by this means to secure an able management of trade. It is those simple truths which every kind of Socialism sets aside, and which the Russian Revolution proves cannot be violated with impunity.

We now see man after the course of a century faced by the same problems. Now also it is the questions of industry, of poverty, and of democracy which overshadow all other problems. But the time which has passed has, however, perceptibly changed the problems.

¹⁾ Karl Kautsky, *Demokrati eller Diktatur*, II, p. 17.

²⁾ A. Karlgren, *Rusland*, 1924. A series of chroniques in the "Politiken"; Oct. 1924—Jan. 1925; O. Brock, *Proletariatets Diktatur*. Second edition. 1923.

As regards industry the recognition of its indispensability has become if possible greater, but it has changed from being an admiration of the industrialists' boldness and capability into a general admiration of the inventiveness of the modern mind. The great inventions which have made industry technically possible have become common property and the ways in which they are utilized in practical life have become fixed so that the great industrial leader is not so much the man of the new ideas who ventures on new undertakings, but rather the Aladdin who chanced to occupy one of the central posts. Industry has become a huge, immensely complicated machinery, which by many is imagined to work quite spontaneously, and which only needs to be controlled and to be governed by a number of mutually different, but separately rather unimportant influences. In this way we feel ourselves less dependent on the individual leaders in industry, and we find nothing repulsive and threatening in the idea of subjecting industry to a social management. On the contrary such social management may seem to offer essential advantages, through making a larger degree of co-operation possible, so that the crises, the collapse of great undertakings and the whole insecurity of industrial life are evaded. All these circumstances support the idea that a socialization of industry is possible and desirable.

At the back of these ideas lies the view that industrial life must assume the form of large scale industry. That industry may be promoted by keeping open the way for the small industries, is an idea which has only cautiously been set forth in the course of the last century, and then only in connection with a general consideration of the necessity of maintaining the personal initiative as a source of new organization and progress, and in connection with agriculture which cannot assume the form of the great industry and which is yet the foundation on which industry builds. The immense growth of the cities, the constant migration of the population from the country into the cities has, however, confused the relation between agriculture and town industry so that they who fight for socialization, regard the agricultural forms of management as obsolete and maintain that it is the movement of the city workers which is going to gain ground in the farming population.

With the attitude towards industry the attitude towards poverty

is also changed. It is due to exploitation, against which man should be protected. This exploitation, however, no longer influences all workers in the same way. A constantly sharper distinction is made between that upper proletariat which has been able to attain tolerable conditions, and the lower proletariat which constantly needs aid and support, if it is not to sink into misery. The struggle of the proletariat therefore divides itself into a struggle to give the workers who are fit for it a greater influence in the management of industry, and a struggle for a constantly growing system of relief by means of which society pays its debt to the poor. Whether the injustice, on which the insufficiency of wages depends, is due to encroachment which lies in the essence of capitalism, and which it is therefore only possible to remedy by replacing the system of private capitalism by that of social capitalism, or whether it is due to a legal monopoly which the land-owners' access to the ownership of the ground-rent transforms into a political monopoly, has not been definitely settled, even though the attitude to the monopoly of the ground-rent has constantly been lurking in the background of men's minds. What has been wanted is a fixed and certain standard of the worth of a man's work; the main object has been to fix this standard.

The attitude towards democracy has got its final character from the tendencies in the human mind which were emphasized by Tocqueville. It has its root in each separate individual's claim on and will to work and earn a position. But owing to the fact that the struggle becomes political, its shaded sides are thrown into relief. It tends to produce a guardianship by the State which the nation is encouraged to look upon as a blessing. Democracy in itself is like an institution made by God, which in vain tries to fight; it rests on all individuals' equal rights to take up a stand-point towards the great question of existence. It demands, in the first instance, that the upper class should give up its superciliousness. But from a political point of view it leads to a demand for insurance, the consequence of which would be that the State was to relieve the individuals of all burdens, also of the burden of living.

Therefore the economic and political theories which have been propounded in the past give us no idea as to how justice should be delivered on the different views. When we stand in the midst of

the great conflicts the issue depends not exclusively on interests, the range of which is always doubtful, but on disposition and character. On every side an extensive use has been made of the human instincts; but the instincts have not been regarded as much more than a variety of forces which the ingenious judge of human nature is able to toy with, if he takes upon himself the leadership in the social struggle. A clear understanding of the laws which rule the instincts in social life has been wanting, more especially an understanding of the great principal groups into which they are divided and which determine their social function.

What the political, economic struggles which filled the past century wanted on this point, the science which is called sociology tried to remedy in the latter half of the last century, at first waveringly, later on constantly more definitely until at the present time it stands as the authority, the aim of which is to point out the way, not by commanding, but by supplying that knowledge of the laws of social life which is the necessary condition of ruling.

We shall now proceed to describe the growth of this science in its main features and the results which it has reached.