

## CHAPTER VII.

### OF OMNISOCIALISM.

If false, let them be rejected; but no one has a right to entertain a prejudice against them merely because they are out of the common road.

*David Hume.*

Omnisocialism contemplates a complete readjustment of society, with a more just and equitable distribution not only of property, but also of the tasks by which property is produced. It condemns the established order in unmeasured terms, and sets itself especially against what it calls the capitalistic system of production. It condemns competition without reserve, and avers that commercialism is without a redeeming feature. It alleges that the private ownership of the means of production and distribution, with its necessary concomitant, the wage system, is but a means for the exploitation of the labor of the many for the benefit of a favored few. It proposes to abolish this exploitation by destroying private capitalism, private commercialism, and the private employment of one man by another. It proposes to abolish the payment of wages, the payment of rent and the payment of interest; the making of private profit; the buying and selling of property as between individuals, and the use of money as a medium of private exchange. Under omnisocialism all productive land-forms and all capital-forms would belong to the State; only satisforms and non-productive land-

forms could become private property, and these only by purchase from the State.

The advocates of omnisocialism are adepts in pointing out the weaknesses and inconsistencies of the established order; they are quick to condemn its abuses, and are sincere in their attempts to correct them. Their ideals are very high. In their generalizations regarding the system which they would substitute for the established order they are reasonably clear and are substantially of one accord. In the elaboration of a practical working plan, however, there is much confusion among them, and it is difficult to find any two of these advocates who agree upon any considerable number of details. In abolishing the open market they destroy the natural basis of all economic phenomena and put their proposed system at once upon an artificial footing. There is no economic reason why men, in normal conditions, should not exchange the products of their labor, and heretofore the commercial exchanges of every nation have furnished a fair index to its civilization; and, so far as they have been unhampered, commercial exchanges have furnished an automatic system for the distribution of labor products. But under omnisocialism a means of distribution must be found other than through the competition of the market.

According to writers of repute, if omnisocialism were substituted for the established order, all workers would be employed in the public service and would be paid in labor certificates, or labor-time checks, showing the number of hours, days, weeks or months of service performed.

In order to prevent "soldiering," a worker's checks would

not be paid to him on the basis of the time actually put in by him in performing a given task or in achieving a given result, but on the basis of the time necessarily spent by the average worker in that behalf. This necessary average time is called the time socially necessary to achieve the given result, and the checks proposed to be given in payment are said to represent social labor-time. These labor-time checks would be legal tender at the public stores for labor-forms of every kind. The price of a given labor-form would be marked upon it at the store according to the social labor-time requisite to its production. The purchaser would deliver to the public store clerk such part of his labor-time checks as were equivalent to the labor-time represented by the price of the labor-form purchased. In this way labor-forms would sell, it is said, at the labor cost of their production plus a certain fixed percentage for the payment of a proportional share of necessary public expenditures. In this method all individual competition and all private profits would be eliminated. Instead of maintaining an economic system which permits and protects full and voluntary coöperation in industry and free and voluntary competition in exchange, omnisocialism would prevent, directly or indirectly, the voluntary coöperation of individuals in private industry, and would prevent any and all competition in exchange.

In the program of omnisocialism there is no recognition of the economic margin; there is no possibility of a marginal pair. Value as we have defined it, and as we now commonly use the term, would be unknown. Price would ~~purport~~ to represent only the cost of production plus a

proportional share of the cost of maintaining the State; in fact, it would represent only the estimate of some person or committee as to the cost of production, for in the absence of a market which automatically measures disutilities, any precise or just measurement of such cost is impossible.

The working plan of omnisocialism makes no positive distinction between the bounties of nature and the products of labor. It utterly fails to recognize the peculiar significance of the land-form in the economy of the State. Land-forms are not produced by labor-power, and so can have no labor cost. They can not be sold at the cost of production nor rented upon that basis. Nor can all men occupy land-forms of equal desirability under socialism any more than under the established order. Omnisocialism takes no account of land values. It ignores ground rent and affords no measurement of ground value. The parceling out of land-forms is left to take care of itself under some form of arbitrary selection and apportionment to be made by those in authority.

Inasmuch as the State would be the sole proprietor in all forms of industry and exchange and the sole owner of all the means of production, including land-forms put to productive uses, the question of the relative desirability of such land-forms could be settled without reference to any price put upon them. No private person would want to buy a productive land-form, and he could not do so, if he would. But with land-forms used for residence purposes it would be different. Even though all houses might be equally well constructed and might in every way be

equally desirable in themselves, they could not be equally well situated. All houses could not front upon the public parks, nor could all the streets be boulevards devoted to pleasure riding. Either the more desirable locations would be appropriated by those in power, or they would be parceled out in some arbitrary manner, or they would be rented under a competitive system. It is one of the cardinal doctrines of omnisocialism, however, that rent shall be abolished. Some writers are willing to admit that enough rent might be accepted by the State to keep the respective premises in repair. But if competition should arise for a given property in which a hundred persons should be willing to pay such a rent, how should the matter be settled among them, if their bids all exceeded the sum necessary for repairs?

Again, if the State should accept rent in any case, it could only be paid in labor, labor-forms or labor-time checks. As the State would already be entitled to the labor of every man and to all labor-forms when first produced, the collection of any amount of rent in labor or labor-forms would be but the State receiving its own. While if it were attempted to collect rent in the form of labor-time checks the State would be compelled in some way to fix the rental price of land-forms in terms of labor-time checks, although land-forms can not be produced by labor-power. And after the State had received these time checks what could it do with them? It would have no need of them for revenue, since all labor-forms when first produced would be its property, and could be devoted to public uses so far as necessary instead of being offered for sale.

It may be said that matters of this kind might be equalized by putting the poorest houses upon the best land-forms and *vice versa*, but this is so contrary to human desire and to the fitness of things that it would scarcely be adopted.

Judged by the economic imperative, omnisocialism is entirely without warrant. Under this system the State, instead of granting monopolies to certain of its citizens, would itself become a giant monopolist and, as such, would have absolute control over all the means of life. The modicum of private ownership allowed, being limited wholly to satisfirms and non-productive land-forms, would be a mockery to a people nominally free. There would be no possibility of self-employment. The fact that the opportunities for self-employment are fast disappearing in the established order is one of the greatest factors working toward the downfall of the present economic régime; and yet omnisocialism, with its absolute denial of self-employment in production is advocated as the remedy. The established order is doomed and will be superseded by a form of systemic socialism—there is no other recourse except anarchy—but if men are to be economically free, the established order must necessarily be superseded by socialism with an open door. The individual must be left free to employ himself and to do as he will with the fruits of his labor, or he will become a more abject slave under socialism than he is under the present order. It will avail him nothing to change one master for another, even though the latter should be the State, and even though he should be nominally free. The greatest despotism may exist under

a republican form of government, and the most abject slavery may exist under socialism in the absence of an open door—in the absence of the right and the opportunity of self-employment and of exchange.

American socialism of the unlimited type is largely based upon the teachings of Karl Marx. His arraignment of the established order and his advocacy of socialism as a remedy both follow from a critical study of the English factory system of the middle of the last century. In 1836 N. W. Senior, a professor of Political Economy at Oxford, gave to the world that remarkable defense of the established order contained in his theory of the "last hour." The average working day in the cotton factories at Manchester at that time was eleven and a half hours, this being the maximum then allowed by law. Senior attempted to demonstrate that all the net profit of the manufacturer was obtained from the work performed in the last hour of the day, all of the work of the other hours going to pay wages and other current expenses, to reimburse the original outlay, and to recoup losses from deterioration. He argued, therefore, if the agitation for a shorter working day then rife in England should succeed and the working day be reduced to ten hours, as was then proposed, not only the net profit, but even the gross profit of manufacturing would be lost and all manufacturing must necessarily cease. We need not examine the so-called analysis by which he reached this startling conclusion inasmuch as the reduction of the hours of labor to ten hours did not produce a cessation of all manufacturing as he predicted; nor has the eight-hours day now in vogue in many lines of

work produced any such effect. This doctrine of the "last hour" is mentioned because it gave direction to the inquiry of Karl Marx thirty years later.

Marx' system of socialism is based upon the claim made by him that of the labor performed each day by an employe, a certain amount, which may be indicated by the line A—————B, is necessary to provide the laborer with a bare living and to sustain those immediately dependent upon him for support. The remainder of the day's labor, which may be indicated by continuing the line aforesaid from B to C, thus, A—————B—————C, Marx calls the surplus product, or surplus value, of the day's labor. This surplus product he claims should, in the nature of things, go to the laborer, and that he alone should enjoy the whole product. He further maintains that in the early stage of manufacture when things were really "made by hand," or by simple tools in the hands of workers who produced on their own account and owned their own tools, the entire product did belong to the actual producer, and was actually enjoyed by him. In those days every person employed in industry or exchange, after serving such an apprenticeship as would fit him for the business, might set up for himself and in his turn might become an employer of apprentices. Manufacture was then carried on in the home or in a small shop where master and man worked side by side at the same tasks and on a plane of substantial equality. The deserving apprentice might well hope to marry the daughter of his employer and ultimately to succeed to the business which he had helped to create.



Such were the days before the introduction of the factory system.

With the advent and development of this system, however, all was changed. The factory superseded the home work and eliminated the small shop. The machine, intricate and expensive, took the place of the simple and inexpensive tool. The employer was also the owner of the machinery, and instead of working with his men, set a foreman over them and secluded himself in a counting room or an office. He no longer lived among his laborers nor sheltered his apprentices beneath his roof. Between the worthy apprentice and the daughter of the employer a great gulf became fixed so that he might not, with propriety, even speak to her. Although the surplus product became more and more enlarged, only that part indicated by the line A—————B was received and enjoyed by the man whose labor-power was necessary to bring the entire product into being.

It is no longer necessary to use the past tense in describing conditions which have grown up under the factory system. To-day laboring men, as a class, in all vocations receive and enjoy but a bare living according to the accepted standards of life in their respective communities. In every country with increase of population and the concentration of the means of life in the hands of a few, the standard of living has been or is being forced down to a point which will barely sustain life and enough physical strength to enable the laborers, as a class, to continue to exist. The line A—————B tends everywhere to become shorter and shorter, while the line B—————C

in the entire line A—————B—————C tends all the while to become, relatively at least, longer and longer.

That the term *relatively* is used advisedly in this connection may be seen from the following illustration: Suppose that the entire line A—————C represents the full product of a day's labor at any given time and place; and suppose further that the length of the working day at such time is twelve hours, and that six hours' labor each day is necessary to sustain the laborer and his dependents according to the accepted standard, and that he receives one-half of the product as his wages. Suppose now that in the course of five years from such date the competition of laborers from other lands where a lower standard of living has long existed has forced down the wages and, consequently, the standard, until both are represented by the product of five hours' labor. Then the line which at first was A—————B—————C is changed to A—————B—————C, the part of the product going to laborer and capitalist, respectively, changing from the ratio of 6 to 6 to the ratio of 5 to 7. And suppose, further, that by combination, as members of a labor union, the workers have compelled the granting of a ten-hours day at the expiration of the five years. The net result is that although the laborers are no worse off relatively, both laborer and employer receiving the product of five hours' labor, yet the laborer now lives upon five-sixths of his former compensation; and if wages were forced down so that the ratio for a twelve-hours day was 4 to 8, the reduc-

tion of the number of working hours from twelve to ten would leave the new ratio 4 to 6 which would leave the worker not only absolutely, but relatively worse off than at first when the ratio was 6 to 6.

The teaching of Karl Marx, therefore, is to the effect that the laborer is exploited by the capitalist of all of the product of his labor except a bare living according to the accepted standard of his country and generation; that by simply shortening the hours of labor no permanent benefit will result to the laborers; and that since, in his view, the laborer is entitled to all that he produces instead of but a part of it, the only complete remedy is to stop the possibility of the exploitation by one man of the labor-power of another. This, he contends, can be done only by the complete destruction of the present commercial, or competitive system, and by the substitution for it of a commonwealth based entirely upon coöperative effort. Under the established order, say Marx and his followers, those who produce the foodstuffs of the world eat but little of it; those who build mansions live in hovels; those who make fine garments wear the cheapest clothing; the families of those who mine coal are scarcely able to buy it, even at cost at the mouth of the mine; and socialists have the support of one of the world's great captains of industry in saying that, generally speaking, the man who works never gets rich.

The arraignment of the established order by the socialists is terrible, and terrible 'tis, 'tis mainly true. But the remedy! Does not the remedy proposed by the omnisocialist give a counter-shock that should make us pause?

Granted that the evils of the established order are great—as great as they are portrayed; granted further that these evils are fundamental, and that fundamental changes are necessary to their removal; granting all this and more, is it necessary that society shall completely abandon commerce which has carried such civilization as we have attained to the uttermost parts of the earth; that it shall entirely take away from the individual the limited freedom which he now enjoys to produce as he will and to exchange where he may; that it shall become the sole dispenser of all the means of life, the ultimate determiner of every man's employment, and the absolute controller of the destiny of every human being? Admitting that coöperation and not destructive competition should form the basis of social life, is it not true that under omnisocialism the form which the coöperation of the individual would take would be compulsory from the cradle to the grave? And is it not true, also, that coöperation, the form and extent of which depends ultimately upon the will of another, or even upon the will of the majority, is but slavery in disguise?

Were it not for that phase of the market demonstrated in the foregoing pages by virtue of which, in normal conditions, an exchange of products results in net salvage to the buyer as well as in net value to the seller, the wholesale condemnation by the omnisocialist of competition would be justified. We have seen that in every economic exchange the utility of the thing sold and the utility of the price thereof are both measured at the point of exchange. The utility lying between the point of positive

utility and the point of exchange being the gain of the seller, and that lying between the point of exchange and the point of alternative cost being the saving of the buyer. This gain upon the one hand and saving upon the other are measured by the same unit, and are interconvertible in terms of money. In an exchange between men having equal opportunities to produce and equal freedom to trade there can be no economic exploitation. And in circumstances where a laborer has an unrestricted opportunity of self-employment upon a normal economic margin, no employer can despoil him of any part of the product which is distinctively his.

This is the answer of Economic Science to the omnisocialist. His perception of present day evils is unexcelled; his purpose is beyond reproach; his ideals are above criticism; but for want of sufficient analysis of the laws of the market he confuses monopoly with capital, and differential privilege with competition. He consequently mistakes the remedy. Bisocialism, on the other hand, furnishes a remedy which, by destroying monopoly, and socializing all those things which under private ownership and control give rise to differential privileges, affords equality of opportunity, the retention of the market, and the extension, not the destruction, of individual freedom.

Notwithstanding the defects in both the theory and the working plan of omnisocialism, its ideals are so high that any propagation of its doctrines, or any attempt to put them into operation, must result in good. The working plan which it would necessarily evolve would doubtless be a marked improvement over that incongruous embodi-

ment of truth and error maintained by the established order. And best of all, the recognition of its defects as they would inevitably appear could not turn the tide of human progress back to the present system, but would necessarily lead to the substitution of the less drastic changes and more efficient working plan proposed by bisocialism.

From the discussions of this chapter we may formulate the following definition of omnisocialism:

**Omnisocialism** is that form of systemic socialism which seeks completely to overthrow the existing systems of industry and exchange, to establish and maintain in their stead a coöperative system of production under exclusive State ownership, management and control, and, so far as may be necessary to that end, to socialize all forms of property.