

CHAPTER V

THE DISTRIBUTIVE PROPOSALS

THE ethical conceptions which Socialism entertains, *i.e.* that of the non-existence of natural rights, and that of the inequity of the labourer possessing the fruits of his exertion, are, as has already been stated, a necessary outcome of its industrial and distributive proposals. The original object of Socialism was no doubt the achievement of justice in distribution—to supplant the undoubtedly unjust distribution prevailing now by a just and equitable apportionment of the products of labour among those who, by their individual exertions, have given it existence.¹ So far, however, socialists have been unable to arrive at an agreement among themselves as to what would constitute a just system of distribution. Moreover, nearly all the proposals of distribution which have been advocated, and all the proposals which are open to Socialism, offend against the conception of justice embodied in the teaching that man possesses inalienable natural rights, and that one of these consists in the right of every individual to the possession and enjoyment of the fruits of his own toil.

Professor Ely enumerates four standards of distributive justice possible under Socialism :—

(1) Absolute mechanical equality, *i.e.* allotting to each an equal quantity and quality of the various consumption-goods available for distribution.

¹ "We might define the final aim of Socialism to be an equitable system of distributing the fruits of labour."—Kirkup, *An Inquiry into Socialism*, p. 105.

"Socialists wish to secure justice in distribution, but they have not yet been able to agree upon a standard of distributive justice, although they now generally seem disposed to regard equality in distribution as desirable."—Ely, *Socialism*.

(2) Hierarchical distribution, *i.e.* allotting to each a general command over consumption-goods, equal in value to the services rendered by him, lessened by a proportional deduction to supply the values required for the renewal, improvement, and extension of the social capital.

(3) Distribution according to needs, *i.e.* allotting to each sufficient to satisfy his reasonable needs, regardless of the value of the services rendered.

(4) Equality of income in value, *i.e.* allotting to each an equal general command over consumption-goods, regardless of the value of the services rendered, but leaving the selection of the goods within the allotted value to the varying individual desires.

The first of these four possible methods of distribution may be disregarded here, as it is not now advocated by any school of socialists, and is obviously impossible in any large community.

The second standard—that of distribution according to service rendered—is the one which naturally would present itself as most nearly in accordance with the generally accepted conception of justice. It has been advocated accordingly by many socialists, and is still presented as their ideal by many when addressing popular audiences.¹ Another section, leaning more to Communism, and accordingly looking to beneficence more than to justice as a social regulator, has advocated, and in some measure still advocates, the third standard, *i.e.* distribution according to needs. The Gotha platform of the Social Democratic Party of Germany (1875)² lays it down that “to Society—that is, to all its members—belongs the entire product of labour by an equal right, to each one according to his reasonable wants, all being bound to work.”

¹ “Men come greatly to desire that these capricious gifts of nature might be intercepted by some agency having the power and the goodwill to distribute them justly according to the labour done by each in the collective search for them. This desire is Socialism.”—*Fabian Essays*, p. 4.

“In the Commonwealth the men will be rewarded according to results, whether they are mechanics or chiefs of industry, or transporters or salesmen. . . . But in regard to the work of the chiefs of industry and professionals, they, undoubtedly, will institute a new graduation of labour. There will be no more £10,000 or £5000, or even £2000 salaries paid. . . . When ‘business’ is done away with, then their services will be compared with manual work, as they ought to be, and paid for accordingly.”—Gronlund, *Co-operative Commonwealth*, pp. 143, 144, and 145.

² *Ante*, p. 15.

It is this passage which has caused Dr. Schaeffle to alter his opinion with regard to the distributive proposals of Socialism,¹ and to state :

“Communism had already, in 1875, become the programme of the German Social Democrats, and since then has become more and more their widespread conviction ;”² and he defines Communism as (a) universal obligation to equal labour ; (b) distribution by the community according to socially recognised “reasonable needs” of each.

The silence of the *Erfurt Programme* on this subject seems, however, to indicate that Dr. Schaeffle may be in error in the latter part of his statement. English socialists, moreover, have but rarely advocated this method, and they as well as others seem to have arrived at the conclusion that the only possible standard under Socialism is the fourth, *i.e.* equal distribution in value, regardless of the value of service.³

An examination of these rival systems inevitably leads to the conclusion that English socialists are right, that the method which they advocate is the only one not obviously impossible under Socialism.

Apart from the manifest impossibility of determining the “reasonable needs” of any one, in the absence of any universal standard for the measurement of needs, distribution according to socially recognised needs, if honestly administered, would generally allot smaller incomes to the young and able workers than to feeble and old members of the society. For though the former contribute more to the social income, their needs are few and simple ; whereas the latter, who contribute less, possess, by reason of their infirmity, greater and more varied needs. Moreover, the needs of every person would have to be estimated either by himself or by some distributor or distributing body. If the estimate of the claimants were accepted, the utmost

¹ *Ante*, p. 17.

² *The Impossibility of Social Democracy*, p. 54.

³ “The fourth idea of distributive justice, and that which seems now to prevail generally among socialists, is equality of income—not a mechanical equality, but equality in value.”—Ely, *Socialism*, p. 16.

“The impossibility of estimating the separate value of each man's labour with any really valid result, the friction which would arise, the jealousies which would be provoked, the inevitable discontent, favouritism, and jobbery that would prevail—all these things will drive the Communal Council into the right path, equal remuneration of all workers.”—*Fabian Essays*, pp. 163, 164.

resources of the State would probably be insufficient to satisfy all the needs of all of them. If the determination were left with some distributors, their decisions, even if arrived at with the utmost care and impartiality, would, nevertheless, provoke general discontent. Such impartiality cannot, however, be expected. Inevitably the needs of influential and favoured persons would be over-estimated and those of powerless persons under-estimated; jobbery and corruption would undermine the system, and return to a method less exposed to corrupt partiality and more in accord with the interests of the great body of workers would become inevitable.

Distribution according to the value of services rendered is even more impracticable under Socialism. As already pointed out, socialists justly observe—though they base upon it conclusions not warranted by the facts—that the co-operative processes of modern industry obscure the individual origin of the final product, and make it impossible to determine which part of the whole, or of its value, is due to the labour of any one of the co-operators. No one can determine the respective contributions of managers, clerks, book-keepers, spinners, weavers, and carters, to the value of a bale of cotton cloth which their joint labour has produced. Still less possible is it for the socialised State to find a common denominator for the value of services rendered in different occupations. How many hours' work of a weaver equal an attendance by a great physician? How much flannel will equal the value of a great picture? How many hours of a navvy's work will equal one hour's work by a specially skilled mechanic? Competition settles these questions; in the absence of the self-regulating action of competition, which Socialism posits, it is impossible to ascertain the value of any man's services, or the value of any labour product, and, therefore, equally impossible to reward any one in accordance with his services. The attempt to adopt this standard of distributive justice would, therefore, result in an absolutely arbitrary distribution of the social product, and, as the Fabian essayist rightly admits, in friction, jealousy, favouritism, jobbery, and corruption.

There remains, as the last of the theoretically possible systems of distribution under Socialism, that of equal reward in value, regardless of the differing value of services rendered. This reward would probably be ascertained by taking the value of last year's total production, deducting from the same the amount required for the replacement and extension of national capital, and dividing the remainder by the total number of claimants, and placing the resultant amount to the credit of each, to be drawn against—by the selection of consumption-goods—at such times and places and in such variety as individual preference would dictate.

This method, offering fewer difficulties than distribution according to service, is, however, not free from objection. The latter method, as has been shown, is impossible, because it leaves to the distributing agency the arbitrary determination of the value of each person's services and of the value of every commodity. Equality of distribution in value, while eliminating the former difficulty, leaves the latter in full force. Which is the standard of measurement by which, in the absence of competition, the value of all the various labour-products can be determined? The reply of socialists is, that labour-time furnishes such a standard. One hour of any person's labour will be regarded as conferring the same value on the resulting product as one hour of any other person's labour. Even if it be admitted that, under Socialism, purchasers will value the result of a year's work by a talented painter no higher than that of a year's work by an ordinary sempstress, or that people will be no more anxious to live in well-constructed houses than in those badly constructed, great inequality of reward would arise in respect of ordinary consumption-goods.

Take boots as an example. Even under Socialism boots will largely vary in quality, though made within the same labour-time. Not only are there wide differences in quality between various kinds of leather, but the skin from one part of an animal's body yields inferior leather to that from another part. These differences are supplemented by variations in the more or less skilful treatment

of skins and by differences of skill in manufacturing boots. Yet, if labour-time determines value, no notice can be taken of the resulting variations in quality, and boots differing widely in durability, sightliness, and comfort, must be valued alike and must be sold at the same price. In other articles, such as furniture, ornaments, feminine apparel, and others, where artistic merit and fashion largely determine value, labour-time as the measure of value must lead to still greater inequality of benefit.

Seeing that labour-time is not a possible standard of value ; seeing that no other has ever been suggested as a substitute for competition, it follows that values must be arbitrarily determined by the action of State officials, with all the consequences of inequality of treatment, jobbery, and corruption. As, however, all possible methods of distribution under Socialism are open to the same objection ; as equal distribution in value confines such arbitrary interference within narrower limits than any other, it must be regarded as the least injurious method.

Equality of reward, however, as an inevitable consequence, entails compulsory labour for all who are not physically or mentally incapable. For it would be unjust, demoralising, and, in the end, impracticable, to award to idlers, capable of work, the same reward as to industrious workers. Some system of compelling idlers and malingerers to work, is, therefore, a necessary consequence of the system of equal distribution. The following statement, therefore, seems fully justified by the ethical conceptions of Socialism, by actual proposals made by large sections of socialists, and by general considerations :—

No system of distribution is possible under Socialism, which does not necessitate the arbitrary, and, therefore, corruptive interference of State officials. The one which confines such arbitrary interference within the narrowest limits is the allotment to each of an equal share, measured by value, in that part of the total social income which is available for distribution, accompanied by some system of compulsion to honestly assist in the production of the social income or render other service to the community.

This, the only method of distribution open to Social-

ism, involves, however, further consequences. Equality of distribution cannot stop at any arbitrary line, but must include all workers, whatever the nature of their work. Lawyers, doctors, actors, musicians, painters, journalists, *littérateurs*, and scientists can no more be placed apart and allowed to earn any income they can than can architects, surveyors, engineers, and exceptionally skilful mechanics. The difficulties which beset the distribution of wealth in the socialistic State, therefore, enforce the subjection of all these classes of workers to the directive and controlling superintendence of the State. As they are paid by the State, so they must work under the control of its officials, and these officials must determine the number of those who shall exercise their talents in these professions, and their respective locations ; while those who by them may be deemed superfluous must be directed into other avenues of employment. Such control, therefore, implies the selection, by State officials, of the men who shall act as lawyers, doctors, actors, musicians, painters, and sculptors, journalists, *littérateurs*, and scientists. Any men not so selected would have to abstain from such pursuits, unless they carry them on after ordinary working hours. Even if they do so, they cannot sell their pictures and statues, but must give them away, and if they publish the results of their labours, they must do so at their own expense, unless they can induce the proper officials to do it at the expense of the State. In neither case would they receive any payment for their books.

Domestic servants could no more be allowed to bargain for their reward than other classes of labour. Equality of distribution would, however, cause domestic service to become so rare an occurrence that it would take a new form, probably one which would resemble the existing organisation of professional nursing. The professional servants would, however, be paid by the State, who might deduct fees for their service from the credit of those who occasionally employ them.