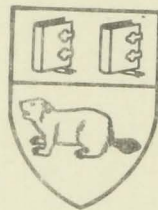
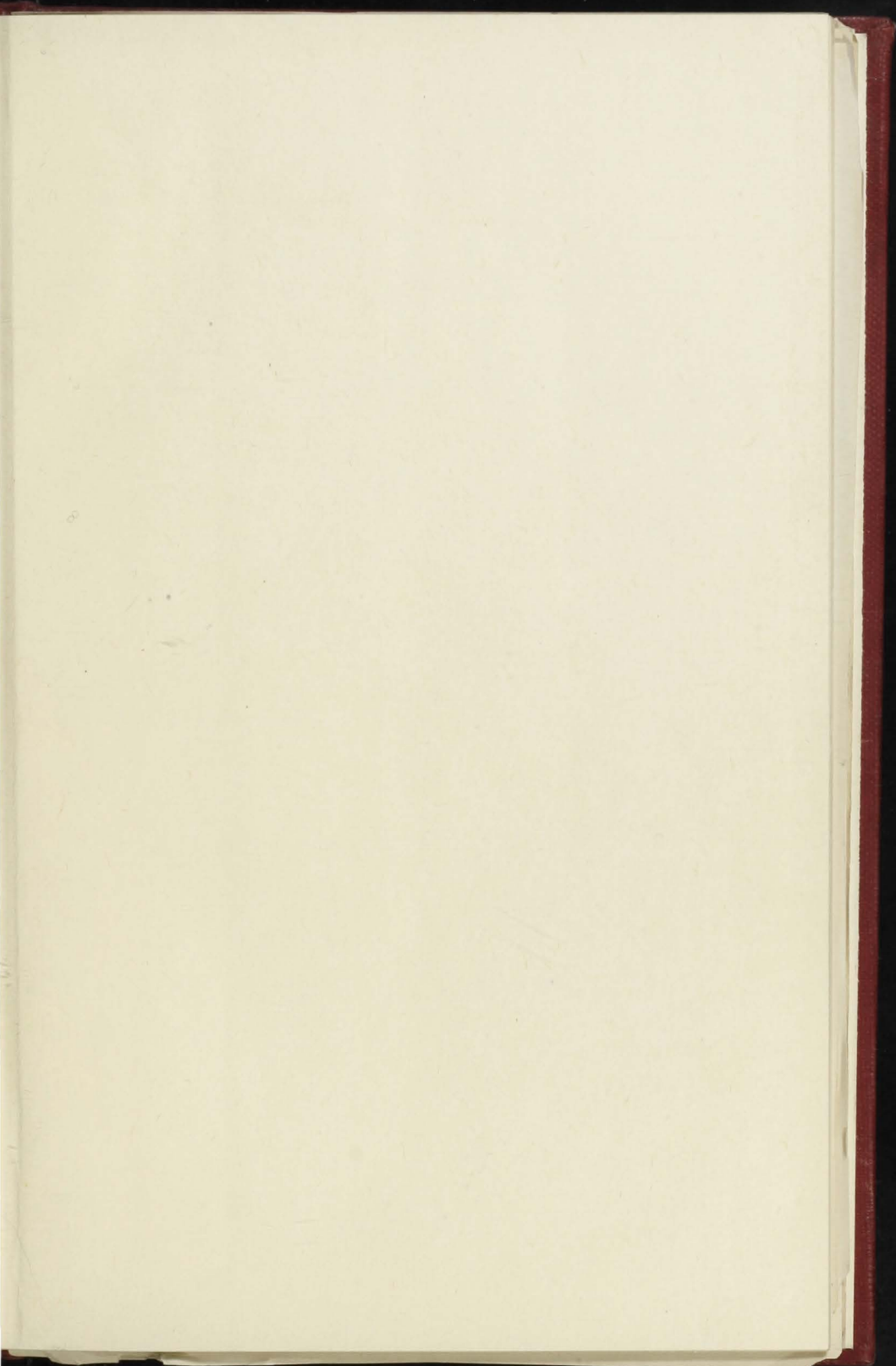
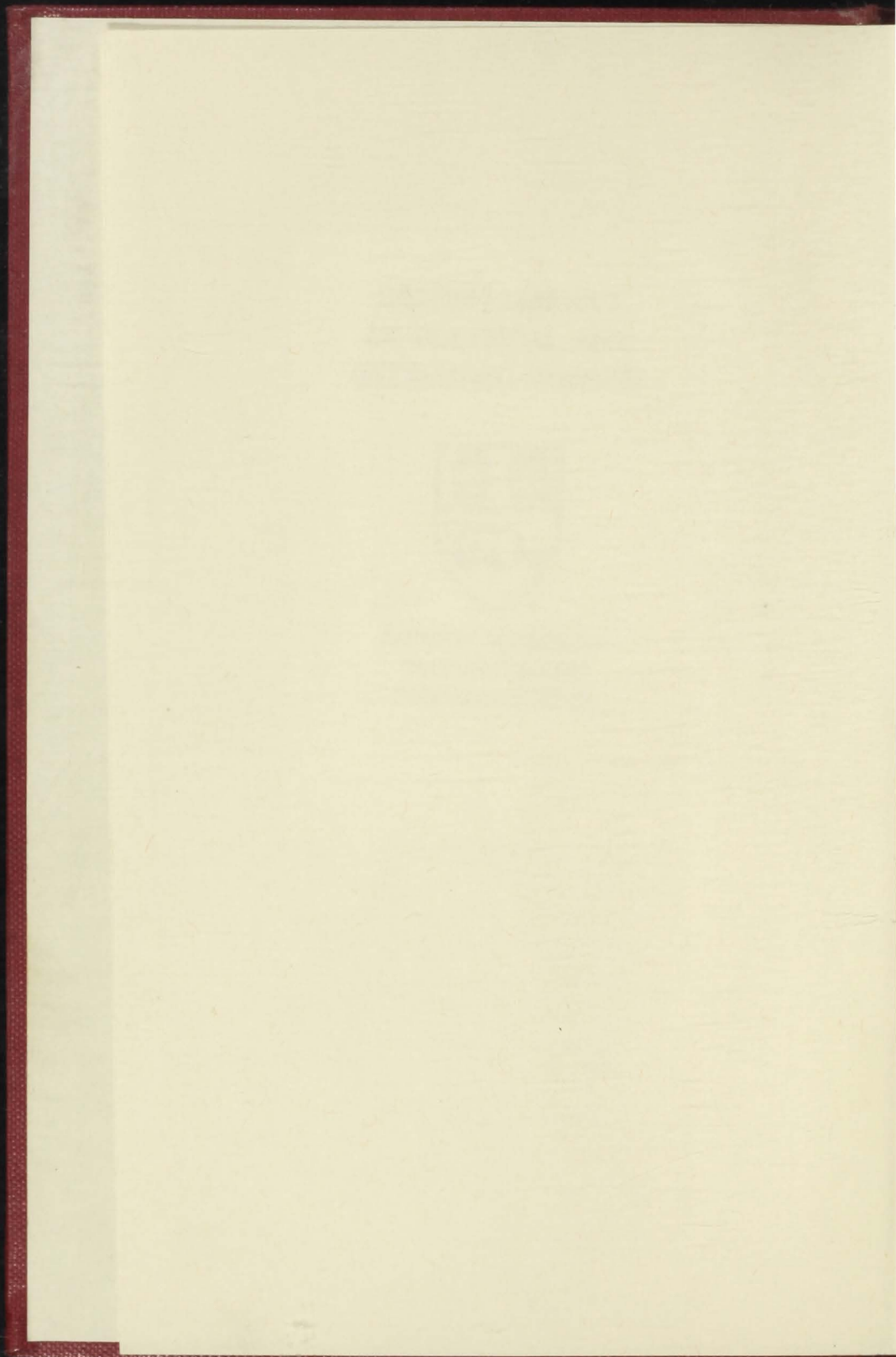


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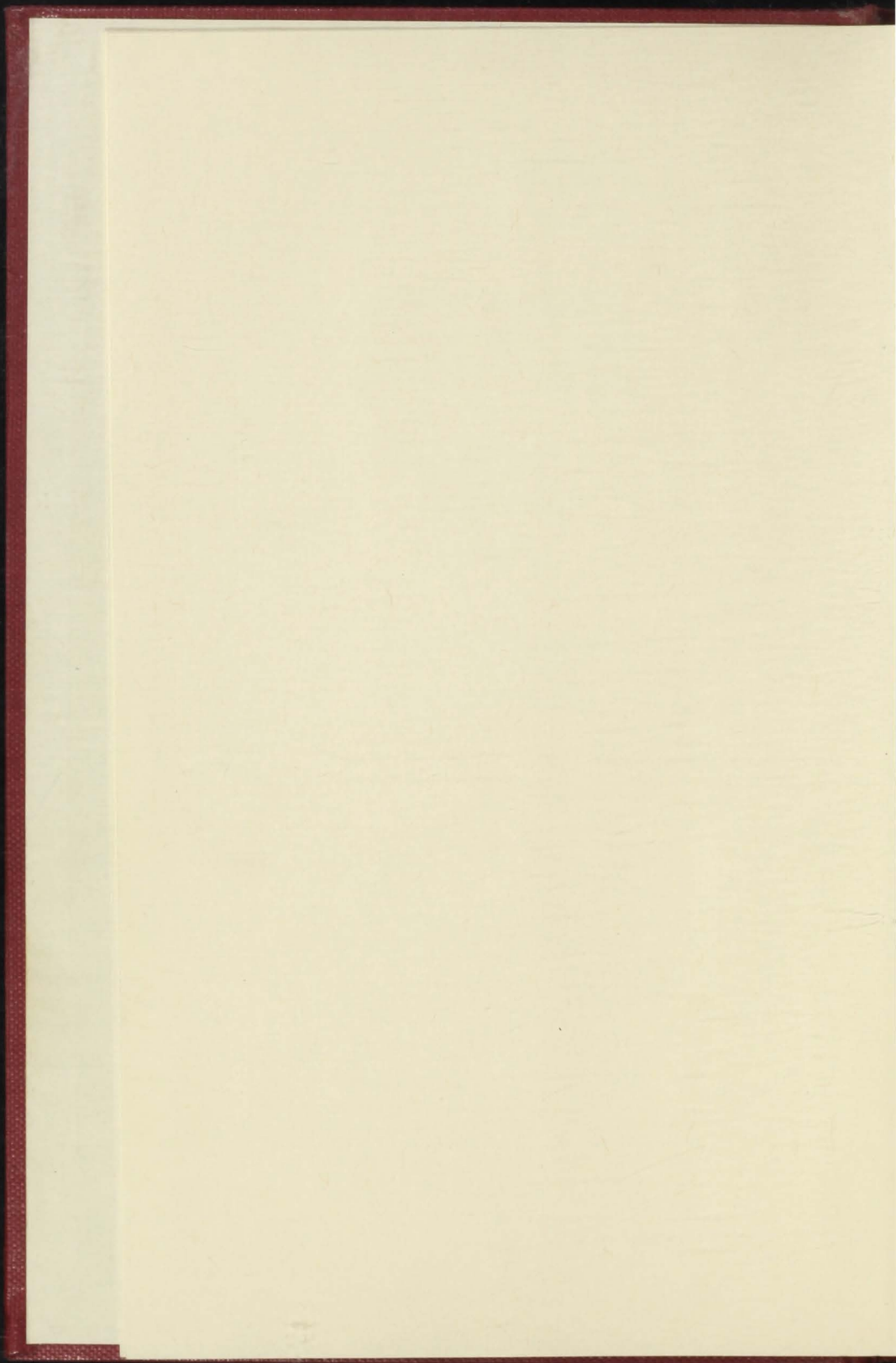


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SOCIALISM
TRUE AND FALSE



Fabian Tract No. 51.

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SOCIALISM :
TRUE AND FALSE.

BY
SIDNEY WEBB, L.C.C.

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LONDON:

To be ordered of the Fabian Society, 40 Strand, W.C.

1895.

SOCIALISM: TRUE AND FALSE.*

I do not know whether many of those here present are aware that we celebrate to-night what may be regarded as the tenth anniversary of the foundation of this Society. It was on the 4th of January, 1884, that the little group which had been for some months discussing the Regeneration of the World and a Fellowship of the New Life, formally adopted the title of the Fabian Society—thereby indicating, as I take it, an underlying suspicion that the Devil of Individualism was not to be driven out by any short and sharp encounter, but that it behoved all true believers to watch and wait and diligently equip themselves for a warfare which must necessarily be harrassing and protracted. But though we took the title of the Fabian Society in January, 1884, it was two or three years before we had quite found out what our instinctive choice of a title really portended. In 1884 the Fabian Society, like the other Socialist organizations, had its enthusiastic young members—aye, and old ones, too—who placed all their hopes on a sudden tumultuous uprising of a united proletariat, before whose mighty onrush, kings, landlords and capitalists would go down like ninepins, leaving society quietly to re-sort itself into Utopia. The date for this Social Revolution was sometimes actually fixed for 1889, the centenary of the opening of the French Revolution. I remember myself that one of our friends, in his zeal that the rural districts might not be forgotten, printed and circulated a proposal that a few Socialist missionaries should buy a gipsy caravan and live in it “until the Revolution,” an event evidently to be expected before the ensuing winter!†

It was against all thinking and teaching of this catastrophic kind that the Society gradually came to set its face—not, as I believe, because we were any less in earnest in our warfare against existing evils, or less extreme in our remedies, but because we were sadly and sorrowfully driven to the conclusion that no sudden or simultaneous transformation of society from an Individualist to a Collectivist basis was possible, or even thinkable.‡

* A Lecture delivered to the Fabian Society, 21st January, 1894, by Sidney Webb.

† Out of enthusiasm of this sort has grown the extremely practical rural propaganda by means of travelling vans, now carried on by various societies. See the interesting annual reports of the “Red Van” campaigns of the English Land Restoration League for 1892 and 1893 (8 Duke Street, Adelphi, London).

‡ The process of education amid which the Fabian Society settled down to this view is described in Fabian Tract No. 41, *The Fabian Society: What it has done and how it has done it*,” by G. Bernard Shaw.

On the other hand we had but little sympathy with schemes for the regeneration of mankind by the establishment of local Utopias, whether in Cumberland or in Chili. To turn our back on the Un-earned Increment and the Machine Industry seemed a poor way of conquering them. We had no faith in the recuperative qualities of spade husbandry or in any devices for dodging the Law of Rent. In short, we repudiated the common assumption that Socialism was necessarily bound up with Insurrectionism on the one hand or Utopianism on the other, and we set to work to discover for ourselves and to teach to others how practically to transform England into a Social Democratic Commonwealth.

Well, we have I hope, all learnt a great deal since 1884, but everything that has happened during these ten years has strengthened our faith in the fundamental principles of our association. If I might speak in the name of our members, I should say that we are more than ever convinced of the utter impossibility of what may be called Catastrophic Socialism, and all its attendant heresies. Nor have we seen reason to alter our distrust of separate Socialist communities, in whatever specious new form the old idea may clothe itself. For ten years we have held on our course, turning neither to Insurrectionism on the one hand nor to Utopianism on the other.

If now I briefly recal to your mind some instances of the progress of Collectivist ideas during these years, I trust that no one will imagine that I am attempting to claim that progress as the work of the Fabian Society, or indeed of any society whatever. Nothing is more futile than to endeavor to ascribe the exact cause and origin of a general intellectual movement, of which we are, indeed, ourselves a product. The seeds of the Socialist harvest of the last few years were sown by the great thinkers and teachers of the last two generations; and it would be idle to attempt to measure the exact influence of any one of them in the transformation of ideas amid which we are now living.

I take as a starting point, not 1884, but the year 1880, which as I conceive, approximately marks the turning of thought.

Fourteen years ago we may almost say that an unsystematic and empirical Individualism reigned supreme. Not in one political party alone, or in one class of society, but in all alike, we find the assumption that the functions of government ought to be reduced to the barest minimum; that free competition, leading as it was supposed to the survival of the fittest, was the only sure foundation of a prosperous State; and that the incessant private "war which leads each man to strive to place himself on another's shoulders and to remain there,"* was, on the whole, a benevolent dispensation of Providence, and part of the "Laws of Nature," not impiously to be interfered with.

The Liberal Party, at that time almost exclusively dominated by the manufacturers and the Whig families, was living on the remnants of the political reputation of the Manchester School. A vague belief

* Sir Henry Maine, "Popular Government."

in the saving grace of non-intervention abroad and *laissez faire* at home, was vitalised only by a practical programme of the extension of household franchise to the counties. To the rising desire for social reform it presented no more hopeful solution than the economic negotiations of Nassau Senior and Fawcett. The object of all social reforms, authorised or unauthorised, was to enable the artisan to become a small capitalist, and the laborer a small landowner. "Three acres and a cow" in the country had its analogue in schemes of leasehold enfranchisement in the towns. As an alternative to the existing order of squires and captains of industry, we had offered to us a millennium of peasant proprietors and small masters. It is needless to enlarge upon the self-complacency with which both Liberal and Conservative capitalists delighted in reminding the working-men of all the future possibilities of self-advancement, when land should be "free," food cheap, and industrial competition unrestricted. The epics of this faith have been written by that unconscious corrupter of youth, Mr. Samuel Smiles, and are still fresh in the memories of most of us.

In 1880, Mr. Gladstone came into power on a wave of popular indignation against atrocities in Bulgaria, which dispensed with the necessity for any programme of social reforms in England. The political Radicals, swept along by the same wave, were too busy denouncing international aggression to be effective even on fiscal reform and political democracy, beyond which they had practically no vision. The Conservatives, less traditionally bound to Administrative Nihilism, had just consolidated the Factory Acts, but their leaders had been so far perverted as deliberately to leave the whole range of sweated trades outside the effective scope of the law and to give up all attempts to shorten the hours of labor. Even the working-men had been permeated by the same policy. The Trade Union leaders could think of only four trivial amendments to propose to the Factory Bill of 1878. The Trade Union Congress of those years asked for practically nothing but an Employers' Liability Bill. In 1879 there were a great many more unemployed than there have ever been since, but no responsible authority thought of anything but charity or poor relief for them. Free Education, Extension of the Factory Acts, Limitation of the Hours of Labor, Expansion of Municipal Activity, though all proposed long before, seem, in 1880, scarcely to have entered the heads of any of those who were leading either the Conservative, the Liberal, the Radical, or the Trade Union forces. But more striking even than this barrenness of programme was the total absence of any systematic view of politics as a whole. In this respect the most advanced statesmen of fourteen years ago stood in marked contrast with the Philosophic Radicals of the first half of the century. I will quote the significant comment of a shrewd critic of Mr. Gladstone's Cabinet:

"James Mill and his school had two characteristics which have not always marked energetic types of Liberalism, and perhaps do not mark them in our own day. The advanced Liberals of his time were systematic, and they were constructive. They surveyed society and

institutions as a whole ; they connected their advocacy of political and legal changes with theories of human nature ; they considered the great art of government in connection with the character of man, his proper education, his potential capacities. They could explain in the large dialect of a definite scheme what were their aims and whither they were going. . . . Is there any such approach to a body of systematic political thought in our own day ? We cannot say that there is."*

Now, in estimating the progress of Collectivism between 1880 and 1894, I do not propose to make any parade of the membership and influence of the various Socialist societies, which seem to me to be, at the present time, far greater than at any previous period. Nor will I recite a long list of bills which have been passed during the last fourteen years, and claim these as more or less triumphs of Collectivism. It would be easy to argue that the multiplication of municipal gasworks is an unconscious adoption of the principle of Socialism, just as the freeing of schools and the building of gratuitous libraries is of that of Communism. But what we Socialists are aiming at is not to secure this or that reform, still less to put this or that party into power, but to convert the great mass of the English people to our own views. We are trying to satisfy the ordinary man, not merely that most of the existing arrangements of society are fundamentally defective—for on that point the great majority have always been most painfully convinced—but also that the main principle of reform must be the substitution of Collective Ownership and Control for Individual Private Property in the means of production. In short, the Socialist task is to contribute to this generation the "body of systematic political thought," of which Mr. John Morley was in 1882 deploring the lack. Though we cannot count among our ranks any men of the calibre of Bentham and James Mill, though we have neither the wealth nor the position of the Philosophic Radicals of the first part of the century, yet I take it that the work set before us is analogous to theirs. The Socialists are the Benthamites of this generation. And if I had to sum up the effect upon the public mind of the Socialist propaganda of the past fourteen years, I could find no better description than that given of the work of the Benthamites.

"They produced," says a very competent observer, "a much more serious effect on public opinion than superficial inquirers perceived, or interested ones would acknowledge. The important practical effect was not made evident by converting and bringing over large numbers of political partisans from one banner or class to another, or by making them renounce one appellation and adopt another ; but it was shown by affecting the conclusions of all classes, and inducing them, while they retained their old distinctive names, to reason after a new fashion, and according to principles wholly different from those to which they had been previously accustomed. †

* Mr. John Morley, in a review of Bain's "Life of James Mill," *Fortnightly Review* vol. xxxi., p. 503 (April, 1882).
 † J. A. Roebuck.

It is, of course, especially in the economic and industrial field that we find this reasoning "after a new fashion, and according to principles wholly different from those to which they had been previously accustomed." It has become more and more plain that the facts of industrial life are "dead against" the realization of the individualist ideal of each man becoming his own master. The Industrial Revolution, with its aggregation of production into ever larger enterprises, has rendered it practically impossible for five-sixths of the population to be anything but hired servants, dependent on the owners of land and capital for leave to earn a living. At the same time the spread of economic knowledge has made it clear that even the most virtuous artizan cannot dodge the law of rent; and he is therefore left face to face with the grim fact of a colossal tribute levied by ownership upon industry without any obligation on the part of the receivers to render social service in return. It is especially the growing understanding of this Ricardian law of rent which has revolutionized London politics, and has caused the hostile indifference with which the artizan in other centres is coming to regard both the great political parties. The outcome of this new ferment is the formation of an incipient Collectivist body of opinion among the great bulk of the younger men, the rising London party, and the new-born Labor Movement.

The political effect of this change of opinion is seen in the gradual transformation of party programmes, especially on the Land question. In the Liberal party the new Collectivist section is in direct antagonism to the "old gang." Its aim is not the subdivision of property, whether capital or land, but the control and administration of it by the representatives of the community. It has no desire to see the Duke of Bedford replaced by five hundred little Dukes of Bedford under the guise of enfranchised leaseholders, but prefers to assert the claim of the whole community to the land, and especially to that "unearned increment" of value which the whole community creates. It has no vain dream of converting the agricultural laborer into a freeholder, farming his own land, but looks to the creation of parish councils empowered to acquire land for communal ownership, and to build cottages for the laborers to rent. The path to its town Utopia is that of Mr. Chamberlain's early career, though not of his political programme—unlimited municipalization of local public services and a wide extension of corporate activity. London in particular has caught up the old Birmingham cry of "High rates and a healthy city," but with a significant difference. Our modern economists tell us that the first source of public revenue for a rising city is the growing rental value of its site, which at present falls into private hands. Hence the new demand for the gradual municipalization by taxation of urban land values—a demand still so little understood by most of our statesmen that they fondly imagine it to have something to do with a division of rates between houseowner and occupier. It is coming to be remembered, in short, that Bentham himself, the great father of Political Radicalism, urged that taxation need not be limited to the supply of funds for the bare

administrative expenses of the State, but that, wisely handled, it also supplied a means of gradually securing the great end of equality of opportunity to every citizen.

The typical young politician, who twenty years ago was a convinced Individualist quoting Mr. Herbert Spencer, is nowadays an empirical Collectivist of a practical kind. His face is turned away from the Individualist ideal of his fathers towards a period of ever-increasing collective action. Happily, however, he is no Utopian, and realizes that it is impossible all at once to take over the administration of the land and capital of the community. Where direct public administration is still impracticable, the public interest can only be secured by collective regulation of the conditions of labor, in order to prevent the Standard of Life of the workers from being degraded by private greed. And hence it is that the extremely valuable mantle shared by Robert Owen and Lord Shaftesbury, and despised by the older Liberals, is now the joint heritage of the Labor party and the Collectivist Radicals; Eight Hours Bills, practicable and impracticable, are the order of the day, and drastic proposals for the annihilation of "Sweating" excite the undisguised horror of the older members of both Liberal and Conservative parties. And since all this regulation and supervision of private enterprises is burdensome and expensive, the presumption of the younger politicians is distinctly against individual profit-making where it is possible to dispense with it. The best Government is no longer "that which governs least," but "that which can safely and advantageously administer most."*

All this is encouraging progress for so short a period as fourteen years. But it amounts, of course, to no more than the preliminary steps in the conversion of England. Public opinion, in fact, is in "a fine state to begin on." Adhesion to Socialism is no longer a disqualification for a candidate. Politicians lend a willing ear to Socialist proposals. Now is the time to bring to bear a body of systematic and constructive political thought such as that with which the Philosophic Radicals won their great triumphs. The greatest need of the English Socialist Party at this moment is men and women of brains who will deliberately set themselves, by serious study, to work out the detailed application of Collectivist principles to the actual problems of modern life. We need to do a great deal more hard thinking in almost every department of our Socialist programme. I am appalled when I realise how little attention we have yet been able to pay to what I may call the Unsettled Questions of Democratic Administration.

To take, for instance, the pressing problem of the Unemployed. In my humble judgment no plan has yet been devised by which the fluctuations of work could be entirely prevented, or safe and profitable employment found for those rendered idle by no fault of their own. It is easy enough to demand that something should be done;

* A more detailed account of this change of thought will be found in *Fabian Essays in Socialism*, and in the writer's *Socialism in England*.

and I entirely agree with agitating the subject ; but something more than agitation is required. It is of no use urging remedies which can be demonstrably proved to be worse for the patient than the disease itself. I fear that if we were given full power to-morrow to deal with the unemployed all over England we should find ourselves hard put to it how to solve the problem.* Or to turn to another field, in which practically nothing has yet been done. Have we any clear and decided view as to the relation between central and local authorities? How far do we wish to increase the power of the national administration at the expense of local governing bodies—to what extent, that is, will our Social-Democracy be consistent with local Home Rule? The Glasgow Town Council, for instance, is at this moment quarrelling with the Postmaster-General as to whether the telephone shall fall within the sphere of municipal or of national Socialism. It is evident that some departments of public administration can be best managed from one central office. It is, I suppose, equally evident that others must be administered locally, under some kind of central control. But which subjects should be local and which should be central—upon what principle the division should be made, and in what form and to what extent there should be a central control—these are problems to which, as far as I know, no solution has been found and very little serious thought been given.

I do not suggest that we Socialists are more ignorant than other people: on the contrary, the two puzzles that I have chosen are at present puzzles to the whole world. But the whole world is not equally interested with ourselves in getting a solution of them. Those who believe that nothing ought to be done for the unemployed are not likely to succeed in finding anything ; and we can hardly expect those who object to any extension of Democracy to help us to solve the problems which it presents. It is we who must discover the answers to our own conundrums ; and I do most seriously suggest that there is no more valuable field of work for any group of Socialists, no more fruitful service to the Socialist cause, than for them earnestly and persistently to study, in the light of the ascertained facts, some one of the many social problems to which we have to apply our Socialist faith. Depend upon it, the first step to getting what we want is a very clear and precise knowledge of what it is that we want.

But this want of precision in our thinking may easily do worse than merely delay our progress ; there is, as it seems to me, a good deal of danger of its leading us positively astray from the Socialist goal. The circumstances of modern life are so complicated, the problems to be dealt with are so difficult, the need for prompt action is often so great that we may easily be led to take up schemes of reform which promise some immediate improvement on the present

* The student beginning this subject should, as the first step, master the Blue Book of the Labor Department, *Agencies and Methods for Dealing with the Unemployed*, published October, 1893, price 1s. 9d. (C—7182).

state of things, but which are not really in the line of advance towards a genuine Collectivism.

Here I venture on dangerous ground. But if we are to clear up our ideas, and apply our Socialist principles to the practical problems of life, we must definitely make up our mind between contrary ideals. If our aim is the transformation of England into a Social-Democracy, we must frankly accept the changes brought about by the Industrial Revolution, the factory system, the massing of population in great cities, the elaborate differentiation and complication of modern civilization, the subordination of the worker to the citizen, and of the individual to the community. We must rid ourselves resolutely of those schemes and projects of bygone Socialisms which have now passed out of date, as well as from the specious devices of Individualism in a new dress. All these I class together as Spurious Collectivism, making, in my view, not for social progress, but for reaction.

Utopia-founding.

And first let us deal with the ideas of those amiable enthusiasts who are still bent on the establishment of ideal communities. Scarcely a year passes without some new project for the formation of a perfect Socialist colony in Paraguay or Peru, Mexico or Matabeleland, where all the evils of landlordism and the machine industry are to be avoided. The authors of such schemes are often chided for their unbounded belief in human nature. To me, on the contrary, they seem to be throwing up the sponge in despair. Their disgust with the world of competition and Individualism, their impatience with the slow and gradual methods of Democratic progress, come, really not from too much but from too little faith in humanity. "I see very little hope for the workers as a class," writes one of them, "even if they get all they want—our best plan for the present is to form for ourselves a little backwater outside the force of the main current, so that we ourselves may not be entirely swept away—a little space free from the mists and miasma of competition, so that we, at least, may breathe the fresh air of freedom and brotherhood."*

Now I do not for a moment wish to discourage any young Socialist who feels a burning desire to shake the dust of civilization off his feet. Nevertheless, the aim of the modern Socialist movement, I take it, is not to enable this or that comparatively free person to lead an ideal life, but to loosen the fetters of the millions who toil in our factories and mines, and who cannot possibly be moved to Freeland or Topolobampo. For the last two generations we have had social prophets, who, seeing the impossibility of at once converting the whole country, founded here and there small companies of the faithful, who immediately attempted to put into practice whatever complete ideal they professed. The gradual adoption of this ideal by the whole people was expected from the steady expansion of these isolated communities. But in no single case has this expectation been ful-

* Letter in *Brotherhood*. January, 1894.

filled. Most of these isolated colonies outside the world have failed. Some few, under more favorable circumstances, have grown prosperous. But whether they become rich or remain poor, they appear to me equally disastrous to the real progress of Socialism inside the world as we know it.

Wise prophets nowadays do not found a partial community which adopts the whole faith ; they cause rather the partial adoption of their faith by the whole community. Incomplete reform is effected in the world of ordinary citizens, instead of complete reform outside of it. Genuine Socialism grows by vertical instead of horizontal expansion ; we must make ever more Socialistic the institutions amid which we live, instead of expecting them to be suddenly superseded by any new set imported from elsewhere. By this method progress may be slow, but failure is impossible. No nation having once nationalized or municipalized any industry has ever retraced its steps or reversed its action.

Sometimes, however, the Utopia-founder comes in more dangerous guise. He propounds his scheme, not entirely as a Socialist colony, but as a means of providing for the unemployed. Here is one of the latest of these proposals, put forward by a comrade whom we all respect for sincerity and boundless energy :

“ The Easiest Way to Socialism.

“ In the present crisis, with the unemployed clamoring for immediate relief and every humane heart in the country backing their plea, the most suitable and hopeful governmental way of ushering in a Socialistic State is to found for them a partial and optional Co-operative Commonwealth. This is now, probably, in the present state of public opinion, the most convenient and easy end to begin at ; better even than any general scheme of land nationalization, or the nationalization of anything else. Let the nation acquire immediately, with public money or public credit, just enough of the 6,000,000 untilled or half-tilled acres of the country to set those to work productively who ask for employment ; let these, under proper guidance, make some sort of rough dwellings for themselves and their families and one another, grow food, and supply mutually each other's pressing needs ; as far as possible, let each man and woman be put to the kind of productive work they have been respectively accustomed to ; and let those who have no skill be trained into usefulness ; let the workers' wages be a draft on the store they help to fill by their labor ; let there not be any loss of vote or any slightest stigma of pauperism connected with this public organization of industry ; and let its internal management be as democratic as may be found consistent with the preservation of order and efficiency. Such an organization—a little optional co-operative commonwealth, free to every citizen—would become, in all probability, the nucleus of the coming Socialistic State. The standard of comfort in it at first would not be very high ; but, freer from the burden of landlordism and capitalism than the rest of the country, it would be bound to rise rapidly and steadily, and would attract permanently a larger and ever larger proportion of the nation and more and more skilled workers, until well-nigh all the industry and commerce of the country were absorbed into it.”*

Could there be a more enticing mirage ? Solve the problem of the Unemployed and establish a Social-Democratic Republic at one stroke ! What a contrast to such pettitting work as slowly and with infinite difficulty building up a Municipal Works Department under the London County Council ; fighting to recover, inch by

* Editorial in *Brotherhood*, December, 1893.

inch, the control of the Thames, the docks and the water supply ; puzzling out the means of so perfecting the Mines and Railways Regulation Acts, the Factory and Public Health and Licensing Codes, that the degradation of the Standard of Life and the manufacture of fresh unemployed may be arrested ; discovering how to recover for the use of the whole community an ever larger share of the rent and interest going into idle pockets ; organizing, educating, and disciplining the workers into Trade Unions ; painfully elaborating a network of schools and classes which shall day by day open out to the poorest child in the remotest corner of the realm more of the real treasures of civilization. Why not drop all this and concentrate our efforts on the simple expedient of persuading a Parliament of landlords and capitalists to vote the necessary sixty or a hundred and sixty millions sterling, to buy and stock 6,000,000 acres of land on which our out-of-works may be "freer from the burden of landlordism and capitalism than the rest of the country" ? I do not wish to-night to discuss the problem of the Unemployed. It is, I think, probable that, as regards one class of the Unemployed, a term of servitude in an educational Labor colony on a small scale, managed in a proper way, would be the best (though an expensive) means of restoring them to the ranks of productive citizens. But to imagine that any such colony could be self-supporting, that the land which no capitalist will now till with expert farm laborers at ten shillings a week, would yield Trade Union rates of wages to a mixed crowd of unemployed townsmen ; that such a heterogeneous collection of waifs and strays, without a common acquaintanceship, a common faith, or a common tradition, could be safely trusted for a single day to manage the nation's land and capital ; finally, to suppose that such a fortuitous agglomeration of undisciplined human atoms offers "the most suitable and hopeful way of ushering in a Socialist State"—all this argues such a complete misconception of the actual facts of industrial and social life, such an entire misunderstanding of the process by which a Democratic society passes from one stage of its development to another, that I feel warranted in quoting it as an extreme instance of Utopia-founding.

What we Socialists are after is not any clearing out from our midst of those unfortunatés who form the reserve army of Labor, even if this were possible, but the organization of public services in such a way that no such reserve army shall exist. We do not, for instance, want to set unemployed dockers or gasworkers to dig, but so to administer the docks and gasworks that there shall be no such constant fringe of casual labor. To the solution of this problem Utopia-founding, or any other scheme of "organizing the unemployed," helps just nothing at all.

Trade Sectionalism.

A more insidious form of Spurious Collectivism is that which makes, consciously or unconsciously, the trade and not the community the unit of administration, and which is expressed in the cry

of the land for the laborer, the mine for the miner,—I do not know whether we may add the school for the school-teacher and the sewer for the sewerman.

This Trade Sectionalism is of very old date. It was one of the earliest forms taken by the Socialist movement in this country. Under the system proposed by Robert Owen in 1833 the instruments of production were to become the property, not of the whole community, but of the particular set of workers who used them. The Trade Unions were to be transformed into "National Companies" to carry on all the manufactures. The Agricultural Union was to take possession of the land, the Miners' Union of the mines, the textile unions of the factories; each trade being carried on by its particular Trade Union, centralised in one "Grand Lodge."

Of all Owen's attempts to reduce his Socialism to practice, this was certainly the very worst. His schemes of factory legislation have raised the standard of life of millions of workers all over the world. For his short-lived communities there was at best the excuse that within their own area the competitive conflict between independent owners was eliminated. But in "the Trades Union" as he conceived it, the mere combination of all the workmen in a trade as co-operative producers would no more have eliminated commercial competition than a combination of all the employers in it into a joint stock company. His Grand Lodges would have been simply the head offices of huge companies owning the entire means of production in their industry, and subject to no control by the community as a whole. They would therefore have been in a position at any moment to close their ranks and admit fresh generations of workers only as employees at competitive wages, instead of as shareholders, thus creating at one stroke a new capitalist class and a new proletariat. Further, improvident shareholders would soon have begun to sell or pawn their shares in order to spend their capital, finally dropping with their children into the new proletariat; whilst the enterprising and capable shareholders were trafficking in their shares to buy into other and momentarily more profitable trades. Thus there would have been not only a capitalist class and a proletariat, but a speculative stock market. Finally there would have come a competitive struggle between the companies to supplant one another in the various departments of industry. Thus the shipwrights, making wooden ships, would have found the boiler-makers competing for their business by making iron ships, and would have had either to succumb or to transform their wooden ship capital into iron ship capital and enter into competition with the boiler-makers as commercial rivals in the same trade. Moreover the whole effect of economic rent was entirely overlooked. The fact that the expenditure of labor required to bring articles of the same desirability to market varies enormously accordingly to natural variations in fertility of soil, distance to be traversed, proximity to good highways, waterways or ports, accessibility of water power or steam fuel, and a hundred other circumstances, including the organising ability and executive dexterity of the producer, was left

out of account. Owen assumed that the labor of the miner and that of the agricultural laborer would spontaneously exchange equitably at par of hours and minutes when the miners had received a monopoly of the bowels of the country, and the agricultural laborers of its skin. He did not even foresee that the Miners' Union might be inclined to close its ranks against recruits from the farm laborers, or that the Agricultural Union might refuse to cede sites for the Builders' Union to work upon. In short, the difficult economic problem of the equitable sharing of the advantages of superior sites and opportunities never so much as occurred to the enthusiastic adherents of William Thompson's theory, afterwards to be elaborated by Karl Marx, that all exchange values could be measured in terms of "Labor Time" alone.*

Now, I do not suggest that we are in danger of any complete revival of Owen's Trade Sectionalism. But I often hear Socialists drop into proposals which tend in that direction. The impatience manifested when it is pointed out that Trade Unions will continue to be necessary in a Social-Democratic State; the reluctance which many Socialists exhibit to regarding Board Schools or Woolwich Arsenal as essentially Socialist institutions; the proposals occasionally made that the operatives in each trade should elect the managers of it or fix their own hours of labor—all these seem to me to be survivals of Owen's principles, diametrically opposed to modern Socialism. But let me take an actual example from France—a land where all parties are supposed to be more strictly logical in their thinking than those of our compromising island. The other day, Monsieur Goblet, with, as I understand, the concurrence and support of the whole of the Socialist members of the Assembly, proposed, as a Socialist measure, that the present coalowners should, under certain circumstances, be expropriated, and the mines transferred—not to the community as a whole, or to any town or district—but to the men actually working in each mine, who were to divide among themselves the profits hitherto enjoyed by the individual lessees of the mines. I have read a good many notices of this proposal, but I have nowhere seen it pointed out that, so far from being Socialist in character, it is really in direct opposition to Socialist principles. We do not desire to see the mines, and the profits from the mines, transferred to the miners, but to the community as a whole. How far the management should be national and how far local is an unsettled problem of Democratic administration. But to hand over the nation's coal to one particular set of the workers is, in my view, no more a Socialist proposal than the late Sir George Elliot's recent scheme for transferring it to a capitalist syndicate. What we as Socialists look for is, not the assumption by any trade of the management of that trade, but the extension of the public organisation of industry, whether under the Central Government, the County, the Town, or the Parish Council, in the interest of the community as a whole.

* The Owenite Trade Unionism of 1833-4—the "New Unionism" of its time—will be found described in *The History of Trade Unionism*, by Sidney and Beatrice Webb.

Joint Stock Individualism.

If we reject Owen's Trade Sectionalism as a spurious form of Collectivism certain to develop into Joint Stock Individualism on a large scale, what are we to say to schemes which frankly begin and end with Joint Stock Individualism on a small scale? The zealous and devoted men who made the Christian Socialist Movement of 1848-54, and who got their ideals from Louis Blanc and the Paris Socialists of 1848, sought to replace the capitalist *entrepreneur*, not by the official of the community, but by little groups of independent workmen jointly owning the instruments of their trade, and co-operating in a "self-governing workshop." This dream of co-operative production by Associations of Producers still lingers vaguely about the Trade Union world, and periodically captures the imagination of enthusiastic reformers. It is still nominally recognised by the main body of co-operators as one of the ideals of their movement, and it enjoys the very vigorous advocacy of an association of its own. But alike in the Trade Union and the Co-operative worlds, the Association of Producers, necessarily sectional in principle and working for its own gain, is being rapidly superseded by the contrary ideal of an Association of Consumers, carrying on industry, not for the profit of the worker, but with the direct object of supplying the wants of the community in the best way.*

I should have thought there would have been no doubt as to the side that we Socialists should take in this controversy. It may be all very well for a little group of thrifty artisans to club together and set up in business for themselves in a small way. If their venture is prosperous they may find it more agreeable to work under each other's eye, than under a foreman. Co-operative production of this sort is at best only a partnership of jobbing craftsmen, with all the limitations and disadvantages of the small industry. From beginning to end it is diametrically opposed to the Socialist ideal. The associated craftsmen produce entirely with a view to their own profit. The community obtains no more control over their industry than over that of an individual employer. They openly compete for business with private firms and other associations of producers. The self-governing workshop belongs in fact, not to Socialism but to Joint Stock Individualism. Moreover, in the great majority of existing cases the so-called associations of producers have a darker side. There are capitalist partners who are not workers, and wage-workers who are not partners. In order to increase the gains of the members, their numbers are strictly limited, new hands are taken on at wages often below Trade Union rates, or worse still, work is given out to be done at home on the sweating system. The self-governing workshop becomes, in short, a little partnership of small masters, with all the attendant evils of that decaying form of industrial organization. The co-operative production of the self-governing workshop appears to me, therefore, Spurious Collectivism of a bad type.

* See *The Co-operative Movement in Great Britain*, by Beatrice Potter.

On the other hand the co-operative production of the store and the two great co-operative wholesale societies is a genuine step in advance along our own lines. Unfortunately the distinction between the co-operation of associations of consumers, and that of associations of producers is often misunderstood. We have Socialists and Trade Unionists denouncing the great co-operative organizations of the North of England, with their million of members, and the forty millions sterling of annual trade which they have rescued from the profit-maker—denouncing, too, not their incidental shortcomings, but the very principle of their association; and upholding, on the contrary, what is I presume, supposed to be the more Socialist principle of profit-sharing or even of the self-governing workshop. The great boot-factory which the million of co-operators have built at Leicester for the supply of their own boots, is attacked on the ground that the profits of the bootmaking are not given to the boot-makers there employed, but are carried to the credit of the whole co-operative community of which the bootmakers can and do form part. The working-men of Rochdale or Leeds, who have joined together to organize on a co-operative basis the supply of their own wants, are reproached for not handing over some or all of the annual surplus of receipts over expenditure (for I will not call it profit) to the shop-assistants employed in their service. For the life of me I cannot see that this is a Socialist criticism. The whole of our creed is, that industry should be carried on, not for the profit of those engaged in it, whether masters or men, but for the benefit of the community. We recognise no special right in the miners, as such, to enjoy the mineral wealth on which they work. The Leicester boot operatives can put in no special claim to the profits of the Leicester boot factory, nor the shopmen in a Co-operative Store to the surplus of its year's trading. It is not for the miners, bootmakers, or shop-assistants, as such, that we Socialists claim the control and the profits of industry, but for the citizens. And it is just because the million co-operators do not, as a rule, share profits with their employees as employees, but only among consumers as consumers; because the control of their industry is vested not in the managers or operatives but exclusively in the members with one man one vote; and because they desire nothing more ardently than to be allowed in this way to make the whole community co-partners with themselves and participants in their dividend, that their organization appears to me to be thoroughly Collectivist in principle.

Industrial Anarchism.

I suspect, however, that there is something more than confusion of thought in the preference frequently shown by Socialists for the self-governing workshop run by the workers in it, over the Co-operative Factory or Municipal Works Department managed by the representatives of the community. In our capitalist system of to-day there is so much "nigger-driving," so many opportunities for petty tyranny, so frequently a bullying foreman, that I do not wonder when working-men look with longing upon an ideal which promises

to make them their own masters, if only in a small way. With this feeling everyone must sympathize. It is just because the conditions of the industrial servitude of the great mass of the people are so unsatisfactory, that we strive to make them citizens and workers of a Socialist State. But the desire of each man to become his own master is part of the old Adam of Individualism. The time has gone by for carrying on industry by independent producers, such as survive in the cobbler and the knife-grinder, or even by little associations of such producers, like the self-governing workshop in its best form.

Socialists who hanker after these delights have forgotten their Karl Marx. The steam-engine, the factory and the mine have come to stay ; and our only choice is between their management by individual owners or their management by the community. As miner mechanic, or mill operative, the worker is and must be the servant of the community. From that service Socialism offers no escape. All it can promise is to make the worker, in his capacity of citizen, jointly the proprietor of the nation's industry and the elector of the head officers who administer it. As citizens and electors, the workers we may presume, will see that the hours of labor are as short, the conditions of work as favorable, and the allowance for maintenance as liberal, as the total productivity of the nation's industry will afford. Organized in their Trade Unions, moreover, the workers in each department of the nation's service will know how to make their voice heard by their fellow-citizens against any accidental oppression of a particular trade.

And here I must mention a common misunderstanding of a Socialist phrase, the Abolition of the Wage System. Some of our Anarchist friends persist in quoting this as if it implied the entire abolition of the service of one man under the direction of another. To listen to their interpretation one would imagine that they suppose us to contemplate a reversion to the mythical time when every man worked as an independent producer, and enjoyed the whole product of his individual labor. I need hardly say that Socialism involves nothing of the sort. We propose neither to abandon the London and North Western Railway, nor to allow the engine-drivers and guards to run the trains at their own sweet will, and collect what they can from the venturesome passengers.

By the abolition of the wage-system we mean the abolition of the system now generally prevailing in the capitalist industry, by which the worker receives a wage not determined with any reference to his quota of the national product, nor with any regard for the amount necessary to maintain him and his family in efficient citizenship, but fixed solely by the competitive struggle. This competitive wage we Socialists seek to replace by an allowance for maintenance deliberately settled according to the needs of the occupation and the means at the nation's command. We already see official salaries regulated, not according to the state of the labor market, but by consideration of the cost of living. This principle we seek to extend to the whole industrial world. Instead of converting every man into an independent producer, working when he likes and as he likes, we aim at

enrolling every able-bodied person directly in the service of the community, for such duties and under such kind of organization, local or national, as may be suitable to his capacity and social function. In fact, so far are we from seeking to abolish the wage-system *so understood*, that we wish to bring under it all those who now escape from it—the employers, and those who live on rent or interest, and so make it universal. If a man wants freedom to work or not to work just as he likes, he had better emigrate to Robinson Crusoe's island, or else become a millionaire. To suppose that the industrial affairs of a complicated industrial state can be run without strict subordination and discipline, without obedience to orders, and without definite allowances for maintenance, is to dream, not of Socialism but of Anarchism.*

Peasant Proprietorship.

Is it to the influence of this same yearning for industrial anarchism that we are to attribute the persistence among us of such a spurious form of Collectivism as Peasant Proprietorship? I do not mean Peasant Proprietorship in its crudest form. I suppose that no Socialist desires to see the land of the country divided among small peasant freeholders, though this is still the ideal professed by many statesmen of "advanced" views. We are, I hope, all thoroughly convinced that economic rent in all its forms should enrich, not any individual, but the community at large. But it is not difficult to trace, in some of those who are keen advocates of Land Nationalization, survivals of economic Individualism. We see our esteemed friend, Michael Davitt, lending his influence, not to secure the land of Ireland for the people of Ireland, but to tighten the grip which half-a-million individual Irishmen have on their particular holdings. Many Scotch comrades, too, seem eager to "destroy landlordism" by converting the crofter into a freeholder. Even the Land Nationalization Society cherishes some project of allowing each Englishman, once in his life, to choose for himself a piece of what it professedly desires to obtain for all in common. This seems to me about as reasonable as to propose that each Englishman should be allowed, once in his life, to choose for himself one ship out of the Royal Navy, or that each Londoner should have the right, on his twenty-first birthday, to appropriate for his own use one particular corner of the London parks. The same spurious Collectivism runs through all forms of Leasehold Enfranchisement—a thoroughly reactionary movement which, I am glad to think, is nearly dead.† The agitation for Small Ownings has perhaps more vitality in it; but it is rapidly changing into an agitation for Small Holdings, owned and let by the Parish Council or some other Collectivist organization. But there are more insidious forms of this Peasant Proprietorship fallacy. What are we to say to comrades who demand that the County Council shall supply artizans' dwellings "to be let at the

* See *The Impossibilities of Anarchism*, by G. Bernard Shaw (Fabian Tract 45).

† See *The Truth about Leasehold Enfranchisement* (Fabian Tract No. 22).

cost of construction and maintenance only"? At present we allow the landlords of London to put into their own pockets sixteen millions a year of annual ground rental of the bare site. If we were to cover London with artisans' dwellings "let at the cost of construction and maintenance only," we should simply be handing over these sixteen millions of rental value, towards which the labor of all England contributes, to the particular tenants of our new dwellings. How, moreover, if all buildings are to be let at equal rents, are we to equalize the advantages of a flat overlooking Hyde Park and a similar flat out at Holloway? Since we cannot all live on the best sites, those who do must contribute, for the common benefit, the equivalent of the extra advantage they are enjoying. That is to say, a Socialist State or municipality will charge the full economic rent for the use of its land and dwellings, and apply that rent to the common purposes of the community. To follow any other course would be to fall into the Peasant Proprietorship fallacy.

Now I fully agree with those who urge greater unity of action and charity of conduct in the Socialist Movement. But we cannot rise above mere denunciation of existing evils, and get that "body of systematic political thought" which is at present our greatest need, unless we clear up our own ideas. To do this we must, in all friendliness, criticise any proposal that appears to belong to the Spurious Collectivism which at present confuses the issue. I hope we may learn scrupulously to abstain from personal abuse or denunciation. I trust we shall avoid imputing motives. But if we are to make any intellectual progress at all, we must have a great deal more frank discussion of the details of the Socialist programme. The movement gains nothing by a complacent toleration of Spurious Collectivism. I do not urge the universal adoption by all Socialists of a rigid practical programme complete in all its details. But our one hope of successful propaganda lies in the possession of exact knowledge and very clear ideas of what it is we want to teach. To mix up, under the common designation of Socialism, proposals which tend to Anarchism with those which tend to Collectivism, to accept Democracy and yet to dally with the idea of catastrophic Social Revolution, to confound Utopianism with modern State Socialism, to waver between a trade or workshop sectionalism and ownership by the community—all this argues a confusion of thought which is the worst possible equipment for a successful teacher. If we are to have anything like the success of the early Philosophic Radicals, we must be able, like them, to "explain in the large dialect of a definite scheme" "what are our aims and whither we are going."

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