

been superior to what it was in the first decade of the twentieth century.* Marx, however, had expected that the poor would go on getting poorer and the rich richer, until finally the wage-earners, goaded on by the intolerable hardships of their lot, and incensed by the increasing luxury which they saw around them, would rise in their millions, drive out their masters, and establish a communistic society, where every man should be in actual fact what he even now is in name—free and equal. The failure of his prediction has taken some of the wind out of the Marxian sails.

Evolutionary Socialism.

As a consequence of this failure, there has arisen in the Marxian ranks a sort of higher criticism of the "Socialist Bible"—Marx's great work, *Capital*. The people engaged in this criticism are known as the Revisionists, and their intellectual leader is Edward Bernstein, a German writer who, rejecting Marx's doctrine of revolution, believes that a Socialistic society will, in time, be introduced through a gradual evolutionary process instead of by a violent upheaval such as the French Revolution. The Revisionist school, however, have as yet made no great impression upon the Socialist movement in America. On this continent nearly all out-and-out Socialists are Marxians.

The Labour Theory of Value.

How does the process of exploitation spoken of by Marx go on? Marx follows Smith and Ricardo in maintaining that labour alone creates value. "Labour," says Adam Smith, "was the first price, the original purchase-money that was paid for all things." Ricardo quotes Adam Smith, and continues: "That this (labour) is really the foundation of the exchangeable value of all things, excepting those which cannot be increased by human industry, is a doctrine of the utmost importance in political

*Statistics quoted in Lesson XIII, show the increase in recent years of both money wages and real wages.