

Socialist. Everyone whose opinion is worth anything will agree that the present order of things is full of anomalies, injustices and abuses,—that the fabric of modern societies must experience enormous changes, that it requires improvement, and that it is in fact undergoing progressive change all the time. It is always easy to see the evils incidental to any system. It is not so easy to cure them. Radical and untried treatment is apt to be disastrous.

But Socialism, that is, properly defined orthodox Socialism, regarded as a logical and complete system, designed to displace the present system, is a very different thing from ordinary social reform. Orthodox Socialism has as its basis the acquisition or assumption by the Government in the supposed interests of the workers, of all the means of production. The State is to be the sole owner and the sole employer. Nobody is to possess any property that is incidental to co-ordinated industrial production. But I want to point out that this state of things would not do away with the necessity for the existence of Capital nor with the need for Industrial Profits. It would simply change the title deeds of nearly everything now in existence or that will hereafter come into existence, would dispossess by a sweeping process a very large number of individuals, and would vest it all in the Government. In doing this it would also alter the management. All property and industry would be managed by the Government—probably with the recognised inefficiency of Governments—instead of by the trained individuals who deal with management now.

If I have made myself clear in the earlier part of this paper you will see at once that Capital in its varied modern forms,—in factories, ships, stocks of food, etc., tools, stores,

wharves, improved lands, houses, furniture, etc., etc., must still remain in existence. Also that these properties will have to be kept up, repaired, extended and replaced from time to time, and that the introduction of new tools and machinery and methods must be tried experimentally and their acquisition provided for if they prove successful. This means that new capital also must constantly be created and it can only be created by profits, which would have to be provided in the same way as they have to be provided now.

There are difficulties which I shall not touch on in connection with the practical conduct of industry under Socialism, which I believe make it entirely unworkable among average human beings.

These however I shall not refer to as I am not going to argue the impracticability of Socialism as a working system for the world. What I am pointing out however, (and if I have made myself intelligible I think you will see that it must be so), is that Socialism will in no way do away with the absolute necessity for Industrial Capital and for Profits.

Now while the question of ownership is one of very great importance to the people of every country, it being obvious that a general widening, so to speak, of ownership, a growth in the number of proprietors, a steady increase of individual participation in capitalised wealth, should be encouraged and facilitated in every reasonable and legitimate way, the question of the DISTRIBUTION of the PRODUCTS of industry as contrasted with the OWNERSHIP of the machinery, is of much more importance.

When capital is invested in a boot and shoe factory, or in a railroad, no matter who owns it, it becomes for all intents and purposes an asset of