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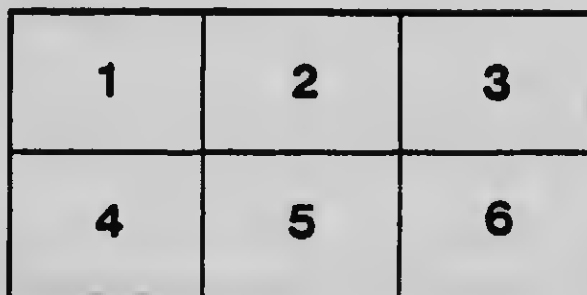
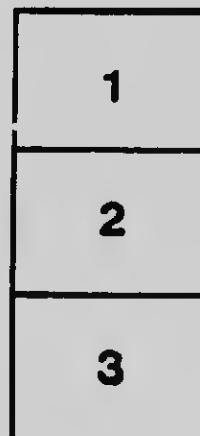
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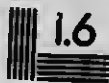
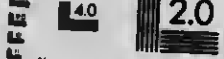
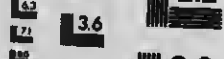
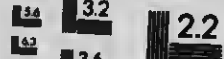
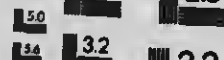
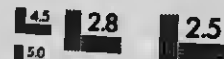
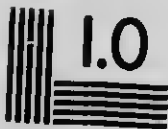
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ECONOMICS



LESSON 18



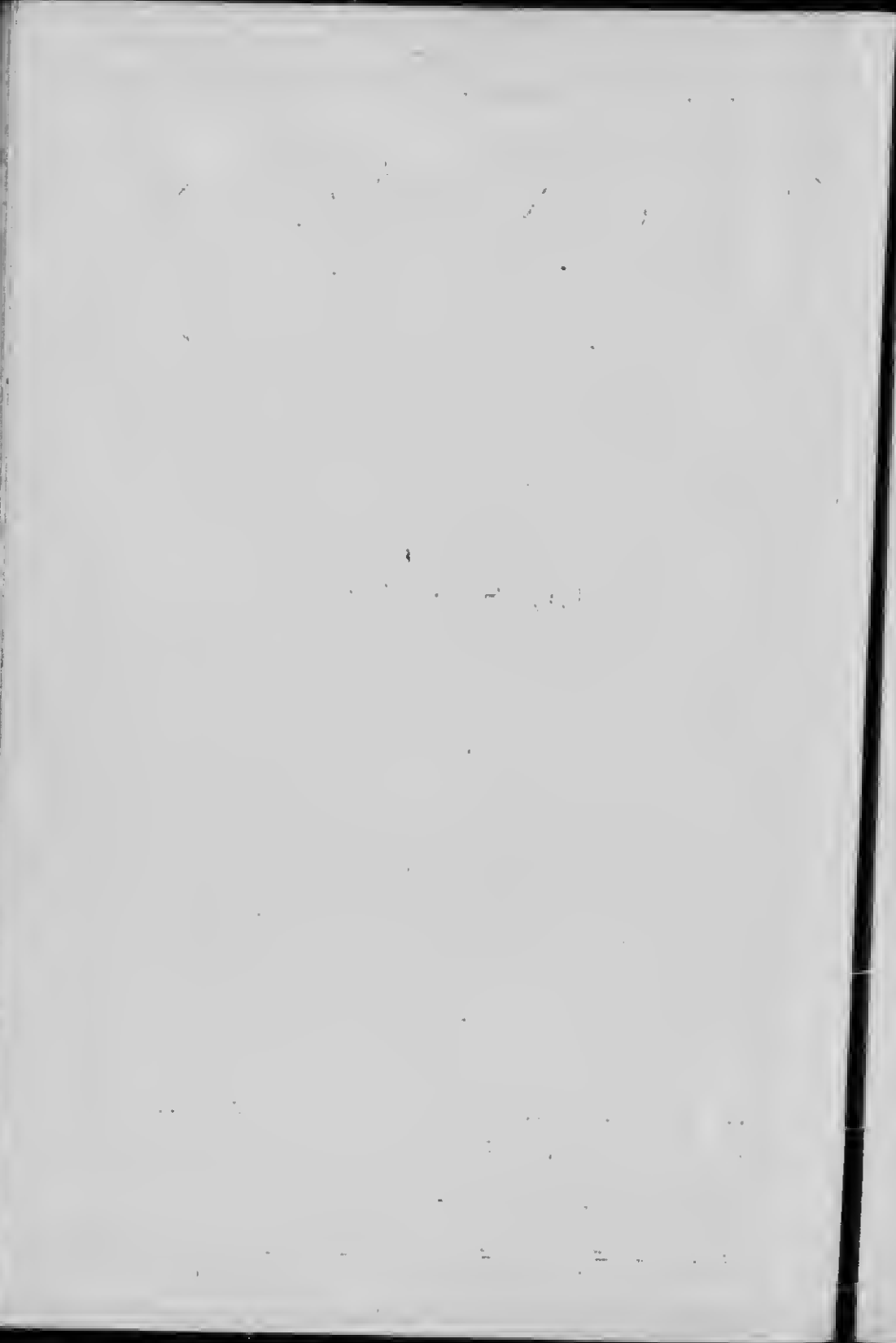
By

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ECONOMICS

LESSON XVIII.

Socialism.



THE problems of modern business—of labour, of transportation and of monopolies—have been discussed in lessons XV., XVI. and XVII. Incidentally, we have learned (if we did not know it before) that the world of to-day is by no means a place where ideal justice prevails and where every man obtains that which he merits, and every man merits that which he obtains—where industry and ability are always suitably rewarded, and the faithful and energetic worker will always surely rise to the top. We have seen that a man may make a fortune by humbugging as well as by serving the public; that the wealthy monopolist can ruin a struggling rival who may have greater business ability but less capital; that promoters may make great fortunes out of the investing public without performing any adequate service in return; and that real estate speculators may make great fortunes out of the unusual appreciation of land values which they have done nothing to create.

Socialists and Communists.

It is not at all wonderful, therefore, that moralists and reformers of all the civilized or semi-civilized ages, from the time of Job and that of Horace to the present day, have lamented that the rewards of men are not in proportion to their merits, nor that, from the time of Plato, idealistic philosophers have attempted to construct ideal societies in which a juster distribution of wealth should obtain. Some of the writers have held that every man should be rewarded according to his deeds, which would apparently imply that a competent carpenter would receive more than an incompetent; others, again, have claimed that every man should be rewarded according to

his needs, which are usually presumed in such works to be equal. The first of these groups of men are the Socialists proper; the second may be classed as Communists. These two groups cannot, however, be clearly distinguished from each other in practice, and since Socialism is the more common of the two ideas, we often find people described as Socialists who are really Communists.

Now we do not hold a brief either for the present order of things nor yet for the ideal commonwealths of the Socialists and Communists. The defects of the present economic system of distribution—and very regrettable they are—actually exist, and can easily be seen, while the probable defects of the proposed Socialistic organization of society—its numerous officials, the utter impossibility of estimating justly the real value of everyone's work, the lack of incentive to effort—cannot be clearly realized in advance, though the State's failure to treat its public servants justly and discriminatingly is a widely observed phenomenon of our modern life. Would the Socialists be any more able than the existing State to appreciate at their proper value all the citizens and do actual and entire justice to them all? This question cannot be answered offhand; but there is certainly a very large element of doubt.

Many Kinds of Socialism.

Since Socialism is something that exists only in men's minds, and since there is no actual case of a Socialistic community on a large scale, Socialism means many very different things to different people. Everyone is entitled to form his own conception of it and to print his version of the ideal State if he will. Various main ideas are, however, to be found in almost all such schemes; for instance, the idea that the wage-earner does not get enough of the value which he creates, and that it is desirable that his share should be increased at the expense of others who profit by his work—the landlord, the capitalist, and the entrepreneur. Indeed Socialists of the

Marxian school say that these latter have no claim to any share at all.

Marxian or "Scientific" Socialism.

Now we cannot undertake to go into all the different kinds of Socialism and to explain their theories; yet, we may attempt to state the main principles of that theory of Socialism which commands the widest allegiance, and is the principal basis of the Socialistic movement in the United States and Canada, as well as in Germany. This is the so-called "scientific" Socialism—the Socialism of Karl Marx. In the Presidential election of 1912, over 900,000 votes were polled for Eugene V. Debs, the Socialist candidate for President of the United States; this indicated an enormous increase, as compared with 1908, in the strength of the Socialist movement. This American Socialist movement is based on the teaching of Karl Marx, and as this movement has also invaded Canada, and most Canadian Socialists are of this type, it is important for us to consider Marx's teaching, and where it seems to be most at fault.

The Economic Interpretation of History.

The ground-work of the whole doctrine of Marx is the doctrine known as the economic interpretation of history—the idea that the whole civilization of a people, their literature, language, laws, form of government, and even their religion itself, are a consequence of their method of earning their living and their success or lack of success in so doing.

Marx holds that the life of a society resembles the life of an individual in being a period of ceaseless change, and that the ideas and institutions of each period in that life are necessarily relative to the economic condition of society at that particular time, and that all other social institutions—the church, the courts, the literature—of a country arise in the first place out of its economic conditions and changes. The political constitution and the laws of a country are determined by the economic requirements

of the governing class, and all history is filled with struggles between the classes in a country—class conflicts. Of these struggles, the first type is that between the land-owning feudal nobles and the citizens of the trading-towns, whom Marx calls the bourgeoisie. These struggles ended in the overthrow of the feudal nobility and the rise to power of the capitalistic bourgeoisie, who are now the masters of our society; but the time is destined to come, and is even now on the way, when the supremacy of the capitalistic bourgeoisie shall be overthrown by the labouring masses known to Marx as the proletariat. These people, whether with ballots or with bullets, will assume control of all the means of production and of the process of distribution, and will thereby stop the legalized exploitation of the wage-earner by the capitalist, under which name the Socialist includes the entrepreneur as well as the person whom we call the capitalist.

Struggle of Proletariate and Bourgeoisie.

How have the members of the proletariat been exploited by the bourgeoisie? Marx claims that all the inventions made at the time of the Industrial Revolution have contributed only to increase the wealth of the upper classes and have in no wise helped to brighten the lot of the poor. This, it is generally recognized, is untrue today; but when Marx wrote his great book, *Capital*, it was probably true enough that bodies of workers led a life no better than they had led a century before; that the purchasing power of their wages was, if anything, less than it had been in the previous century, and that the greatest distress prevailed, especially in those home industries where the hand-workers attempted to keep up an utterly futile competition with the machine workers. Marx at that time had too many facts on his side to be laughed out of court.

Times have, fortunately, changed. It is probable that at no period in the past has the condition of the working-classes in England, France, Germany and the United States—to name only the four leading industrial nations—

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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.

economy. If the quantity of labour realized in commodities regulates their exchangeable value, every increase of the quantity of labour must augment the value of that commodity on which it is exercised, as every diminution must lower it."

The value of a commodity is, therefore, according to Marx, the amount of abstract human labour embodied in it, and commodities ought to exchange for each other in proportion to the amount of labour which it costs to produce them. If a ton of coal costs, on the average, one day's labour, and two yards of cloth cost one day's labour, then the ton of coal ought ordinarily to exchange for the two yards of cloth. Or, if we are dealing in terms of our common denominator, money, we should say that one ton of coal costs as much as two yards of cloth. Commodities intended for exchange may, therefore, says Marx, be described as crystallized labour, and the value of the article is measured by the length of time which, on the average, is necessary to produce it.

Marx's work were written before the utility theory of value (see Lesson I.) came into common acceptance. He was in harmony with the best economists of his time in holding what is known as the Labour Theory of Value. Marx errs, but in very excellent company.

Surplus Value.

Labour itself has, especially in these days of machine production, the unique property of producing more than is required to maintain the labourer. The capitalist pays for labour its cost of production (see Lesson XIII., page 7), and receives in return its product, which is worth more than it costs him. The labourer can, let us say, produce in six hours enough to keep himself and his family. Now the capitalist is able to make him work ten or twelve hours, and is able to appropriate the goods produced in the extra four or six hours, or at least the value of these goods. The first six hours' work is what Marx calls "necessary labour"; the value produced in the other four or six hours, the return for which goes to the capi-

alist, is what he calls "surplus value"—a very important term in the Socialist vocabulary. The capitalist puts this "surplus value" into his pocket and uses it, let us suppose, to set up machines which will make his labourers do still more work and become more efficient. If by introducing labour-saving machinery, the capitalist can succeed in reducing the necessary labour time to four or five hours, he will then have a larger product to retain for himself.

Marx regards this as unjustifiable exploitation of the workers. They and not the capitalists should secure the advantage proceeding from the use of labour-saving machinery.

Capitalism a Necessary Stage.

The capitalistic era is, according to Marx, a necessary epoch which must, in time, give place to communistic production. Capitalistic production through the exploitation of the worker destroys its own market, since the worker has no money left with which to make purchases. Therefore, capitalistic countries, that is countries where the factory or capitalistic system of industry is predominant, are compelled to seek foreign markets for the goods they produce. For a time they can do this successfully; but when all the foreign markets are flooded with surplus commodities, when capitalistic industry develops in all countries, capitalism will end by working out its own ruin.

The Concentration and Expropriation of Capital.

One great capitalist, he holds, ever kills many small ones. Through the absorption of many capitalists by few—the trust movement—are developed large-scale production, the co-operative form of the labour process, the intelligent application of science to industry, the systematic exploitation of the soil, the bringing together of all the nations into one world market, and an era of international capitalism. The large capitalists are continually swallowing up the small capitalists, and thus the capi-

talist class declines in numbers, while the exploited labourers are continually increasing in numbers, and are finding it harder and harder to make a living. The centralization of the means of production finally reaches a point where the capitalists can no longer resist the determination of the people to expropriate them. They, the expropriators of the property of smaller men, are in turn expropriated by the State and a communistic system of society is established.

Marx would make land and all the instruments of production collective property, and would have all subjects of the State share equally in labour and in the produce of labour. Thus his prospective Communist State is a Labour State, in which labour will be compulsory on all able-bodied citizens.

The Mistakes of Marx.

Marx was, fortunately for humanity, entirely wrong in stating that all industry is becoming concentrated in the hands of a few. Though, as we have seen, there is a strong tendency toward the increase of large-scale business, it cannot be said that small-scale business, as a whole, is on the decline. Small retail shops exist in thousands in our cities by the side of the great department stores, and hundreds of thousands of farmers own and manage their own land. The same is the case in other countries. Out of a total of 8,333,000 employees in the trade, industry and commerce of Germany in 1907, practically 3,000,000 were employed in businesses having five or less employees, and over 2,000,000 more in medium-sized factories employing from six to fifty persons. These results are all the more impressive because they do not include the agriculturists.

The rich also were, according to Marx, becoming ever richer, while the poor became poorer. This, again, is erroneous. In Saxony, to quote the figures of Bernstein, proletarian incomes of \$400 or less a year increased in number only 33% between 1879 and 1894, while incomes of from \$400 to \$2,400 increased over 70%; those from

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\$2,400 to \$13,000, 154%, and incomes of \$13,000 or over, 272%.

The Labour Theory of Value Given Up.

The ideas on which Marx based his Socialism must, therefore, be given up. His labour theory of value is erroneous, and has now been generally abandoned. If labour is the measure of value, say his critics, what decides the value of labour itself? Or in the case where a shoe goes through fifty hands in the process of manufacture, who shall decide on the Marxian doctrines what amount each of the men has contributed to produce the finished article? One can estimate the total value added to the leather in manufacturing the shoe, but one cannot estimate how much of the added value is due to each of those who have aided in the process. Yet, that, according to Marx, is what should decide their reward.

Again, if labour is the measure of value, why is it that no one will buy at any price a disused railroad? It cost a very great deal of labour to build the railroad, perhaps as much labour as it cost to build a much used and productive line of railway; yet no one but a lunatic would be willing to give the latter for the former. Clearly, the labour theory of value will not square with the elementary facts of life. If we compare it with the utility theory of value (Lesson 1) we shall easily realize which of the two coincides with our experience.

It is, however, a great mistake to suppose that because we have refuted the Labour Theory of Value we have thereby disposed of Socialism. We have, indeed, disposed of the pure Marxian or "Scientific" Socialism, but there are other varieties, less revolutionary, indeed, but on that account all the more pervasive and, as the opponents of Socialism would say, all the more dangerous, because, like some of the most deadly diseases, they are insidious.

The Fabian Society.

The type of Socialism which is to-day producing the greatest practical effect is probably that whose influence

is being seen in the legislation of the present government of the United Kingdom. It is the type of Socialism propounded by the Fabian Society, an organization which derives its name from the Roman General, Fabius, who refused to fight with Hannibal, the great enemy of Rome, until he was quite ready. Its motto is: "For the right moment you must wait, as Fabius did, most patiently, when warring against Hannibal, though many censured his delays; but when the time comes you must strike hard as Fabius did, or your waiting will be in vain and fruitless." The objects of this society are given in its own words.

"The Fabian Society consists of Socialists.

"It therefore aims at the reorganization of society by the emancipation of land and industrial capital from individual and class ownership, and the vesting of them in the community for the general benefit. In this way only can the natural and acquired advantages of the country be equitably shared by the whole people.

"The society accordingly works for the extinction of private property in land, and of the consequent individual appropriation, in the form of rent, of the price paid for permission to use the earth, as well as for the advantages of superior soils and sites.

"The society, further, works for the transfer to the community of the administration of such industrial capital as can conveniently be managed socially. For, owing to the monopoly of the means of production in the past, industrial inventions and the transformation of surplus income into capital have mainly enriched the proprietary class, the worker being now dependent on that class for leave to earn a living.

"If these measures be carried out, without compensation (though not without such relief to expropriated individuals as may seem fit to the community), rent and interest will be added to the reward of labour, the idle class now living on the labour of others will necessarily disappear, and practical equality of opportunity will be

maintained by the spontaneous action of economic forces with much less interference with personal liberty than the present system entails.

"For the attainment of these ends the Fabian Society looks to the spread of Socialist opinions, and the social and political changes consequent thereon. It seeks to promote these by the general dissemination of knowledge as to the relation between the individual and society in its economic, ethical and political aspects."

The Revisionist Socialists.

The revisionist Marxians of the Continent of Europe have themselves adopted a system of evolutionary Socialism, not greatly different from that of the Fabians, except that, on account of their continental position and the military conscription which this involves, they turn a great part of their wrath against the immense standing armies of such countries as France and Germany, and declare that the workers of these countries must not fight each other, but must rather make common cause against the predominant military caste best represented by the Junkers of Prussia—their oppressors. They still retain as their watchword the closing words of the Communist Manifesto, drawn up by Karl Marx and his friend Engels, in 1848:

"The proletarians have nothing to lose but their chains. They have a world to gain. Workers of all countries, Unite!"

These two bodies, therefore, are in sympathy not very far removed from each other. They both believe in the advent of Socialism through governmental action, though the Fabians in England prefer to work for Socialism rather as a pervading influence in the older English parties, while the Social Democrats of Germany and other Continental countries have growing political parties of their own. Both in England and on the Continent they are gaining ground. Much of the social legislation of the Asquith Government is Fabian in origin, while the cities

of the Continent are constantly trying new Socialistic experiments. In the general election of 1912, in Germany, over 4,000,000 voters supported the Social Democratic party—an increase of nearly a million over the previous election.

Growing Strength of Socialism.

The Socialistic movement is at present, beyond all question, advancing, though no one can say how long that advance may go on, or whether Socialism will not in the end content itself with measures much more moderate than those now proposed, since there seems to be a growth of a more temperate, a more compromising, spirit in the movement as it grows older and wiser. But if this is the case, we may expect to find, and indeed we are finding, that the more extreme among the Socialists are denouncing their parliamentary party for compromising with the great enemy, capitalism, are giving up their belief in the efficacy of governmental action, seceding from the Socialists and establishing a new movement of their own, based on the principle of "direct action." These secessionists from the older Socialists have received the name of Syndicalists.

The Syndicalists and "Direct Action."

What do they mean by "direct action"? They assert that the action of Parliamentary Socialism is dilatory and uncertain, and that the only hope of the worker is to disregard the representative, who is merely deluding him, and work out his salvation for himself by taking possession of the machinery of production. Does this involve violence? Not necessarily. The syndicalist theory is that if a group of workers—say the railway workers—refuse to work themselves, and if no others can be found to operate the railways, the railways will lose all value; railway shares will be worth nothing because the railways will have no earning power. When the shares become valueless the shareholders will be willing to make the workers a free gift of the railway. If they will not, the

workers will take it anyway. The same might be done, also, with the other industries of a community.

The General Strike.

Thus by this great device of the "general strike," all the machinery of production—the land, the mines, the forests, the railways and the manufactures of the world—would come into the hands of the workers, who, in addition to all the wages which they receive, would also get the interest which now goes to the capitalist and the profits which now go to the entrepreneur.*

Short Strikes and "Sabotage."

In a country where the bulk of the workers are not yet educated up to the general strike, the Syndicalists would prefer short strikes rather than the long strikes which occasionally occur to-day. They believe that a series of short, sharp, unforeseen strikes, each of a few weeks' duration, injures the employers much more and leaves the employees much less than a single long strike, which between these short strikes, too, the Syndicalists, since all weapons are legitimate against the monster capitalism, would advocate the practice of what is known by the French name, "sabotage." Sabotage means anything which can be done to hurt the employer for whom one is working. It comes from the French word, "sabot," a wooden shoe. It originated in the action of some French peasants who, after a quarrel with their employer, threw their wooden shoes into his fine silk-weaving machines and ruined them. To-day sabotage may mean dropping petroleum into the kneading-trough, short-circuiting an electric current, delaying cars in transit, or changing the labels on freight-cars and sending to Vancouver a car originally labeled for Halifax. In the case of a lumber company, it would mean putting nails in the wood to be

*Practically all Socialists would appropriate economic rent for the service of the State, so that our syndicalists would not receive that.

cut by the circular saw. Any one of the million ways by which a discontented employee may injure his employer comes under the head of sabotage.

The Failure of the General Strike.

Fortunately, the success of the Syndicalists has not been in proportion to the violence of their methods. The general strike has been tried in a number of different countries within the past few years, and the most prominent result has been to create in the majority of people an utter loathing for the Syndicalists and all their methods of procedure. That is not strange, since the public is after all the greatest loser by a stoppage of the railways or any other great industry. The tying up of the railways, for instance, means that the cities no longer have their accustomed supply of food that prices go up, and all suffer, and that the poor of the working class suffer most, since they have the least money for purchasing food. Under such circumstances it has been and always will be found that public opinion supports the Government in forcibly protecting the companies operating the railways or in forcibly operating them itself. Thus, a few years ago, during a general strike in France, the Government called up the railway men who were in the army reserve and compelled them to operate their lines under martial law.

Syndicalism on the Decline.

The consequence of the failure of the general strike when carried out in practice has been to discredit the whole Syndicalist movement, and we may dismiss the subject by saying that, in Europe at least, that movement is now on the decline.*

*The Syndicalist methods are represented on this continent by the "I. W. W."—Industrial Workers of the World. This organization has had a certain vogue, since it finds a field for its activities among the immigrant workers of the Latin and Slavic nationalities, and among the Jews—people who are not admitted in any large numbers to the less radical American Federation of Labor.

Criticism of Socialism.

We have completed our survey of the chief Socialistic movements. We shall now proceed to discuss them.

Wealth Production Still Small.

In the first place, the Socialists generally talk of the enormous wealth of the rich, and argue that if this were divided equally among all men there would be enough for all. They forget that the number of the wealthy is very small, as compared with that of the poor, and that there are practically no countries in the world where the total income of the whole people (which some economists call the National Dividend) would, if divided up equally, give the average family much more than \$1,000 per annum.* In the United States, Canada and Great Britain, and possibly in France, it may at present reach \$1,200 per annum. This amount per family would indeed give everyone a fair living; but it is questionable whether a decline in the average income would not probably occur after the adoption of Socialism on account of the inefficiency, the non-businesslike character of its governing body, though it is possible that the saving resulting from the abolition of many non-economic occupations of the present day would make up for this. Among such occupations one might include commercial travellers, advertising agents, etc., such as are eliminated in considerable numbers when an amalgamation takes place among the firms supplying a certain territory with a certain product. Other great classes of work would also be done at much less expenditure of effort; for instance, one dairyman, one baker, one iceman would serve a whole section of a city, just as one postman does now. Possibly the gains in this way would make up for the loss entailed by the unbusinesslike methods of government.

*Socialists often claim to be internationalists. If they took the globe as their unit and divided the world's products equally among all the families in the world, the average family would not have more than \$300 per annum.

Difficulty of Securing Capital in a Socialist State.

There is no doubt something attractive in the idea of a State where incomes should be equal and at the same time sufficient to provide moderate comfort for everyone. But there are yet other difficulties in the way of establishing such a State. This State must be what Mill calls a stationary State—a State where capital is not saved up, and where progress does not go on from year to year. It is conceivable that in some of the smaller European countries such a condition might exist; but how could it exist in Canada, in a country where, for generations to come, there will be great need of capital for development? Under Socialism no one would have any motive for not spending every cent of his income, since he would not receive any interest on it. Nor could a State which refused to pay interest on capital lent to it by its own people, consistently pay interest on capital borrowed from abroad. Indeed, if other countries were Socialistic also, they would not have any capital to lend.

Socialism Implies a Stationary State.

Presumably, then, a Socialist régime would mean a cessation of railroad-building in our country and a stoppage of the work of opening up the country and increasing its productivity. The Socialist might assert that the cost of such development would be met from the rent coming into the State Treasury from the developed land. The answer is "Certainly, but this gain must be subsequent to the development. You have first got to borrow the capital necessary to develop the new sections of the country, and you cannot consistently do that. Therefore, you cannot develop the new territory, except that a few millions of the surplus income of the State, proceeding from land rent, might annually be devoted to such work." Compare this trifling sum with the hundreds of millions which are now being invested yearly, both by Canadians and outsiders, in the development of Canada.

For a new and developing country, Socialism is, therefore, impossible. To older countries the foregoing argu-

ments would not apply, but there are others arising out of the very nature of man as it exists at the present time.

Socialism and Human Nature.

The most important of these may easily be illustrated from our own experience. Is a man who feels more capable and knows that he does more work and is more valuable in his position than his neighbour, satisfied with a salary equal to that of the latter? Some may be, but this is certainly not the feeling of the average man. He will first probably ask for a raise in his pay; but if he fails to get it, and if his salary increases merely with his seniority, or not at all, he will say to himself, "I don't get more than the other fellow. Why should I do more than he does when I am not getting any more for it?" Imagine this average man multiplied by millions, and all these millions slowing down in their efforts, and one can form an idea of the decrease in the National Dividend which would follow the introduction of Socialism.

Business men know that in order to bring their industries up to the maximum of efficiency, they must adopt, in dealing with the staff, the principle of what Napoleon called "the career open to the talents." That is, they must be prepared to give promotion and higher pay to the good executive officer or employee in order that he may be encouraged to do still better work. They must not let seniority stand in the way of promotion, else the ambitious and energetic men will pass from their service to that of their competitors. If this is the case in business, is it not ruinous to adopt for one's country a system which gives to the active and energetic man no advantage over the drone?

Socialism Would Necessarily Fail at the Present Time.

It is hopeless, therefore, this attempt to cure all the ills that flesh is heir to by superimposing a Socialistic system of economy upon such an individualistic society as exists upon the North American Continent. Such an

attempt would certainly come to grief, as in the case of the small groups of people who at various times and places have attempted to conduct their lives on communistic principles. These groups might be expected to consist of people who naturally were in sympathy with Socialistic ideas. If these few picked assistants failed, what hope is there that the great unprepared masses would take kindly to the Socialistic system?

Possibilities of the Future.

Human nature is, however, as historians and biologists know, a changing thing. There is probably more unselfishness, more altruism, in the world now than in former times, and it may be expected that, in future ages, there will be more of devotion to the common cause than there is to-day. In some society of the future the ideals of the Socialists may be at least partially realized. A time may come, according to the great scholar and philosopher, Jowett, when the question, "Have I not a right to do what I will with my own"? will appear "a barbarous relic of individualism." He would be a bold man who would venture to predict that the individual motives will always be stronger than the social motives toward industry.

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EXAMINATION QUESTIONS

ECONOMICS.

LESSON XVIII.

1. What is the distinction in theory between Socialists and Communists? Discuss.
2. Explain clearly what is meant by the "economic interpretation of history," as understood by Marx.
3. Prove (referring also to Lesson XIII.) that the wage-earning class is not, as Marx thought, becoming poorer.
4. What, according to Marx, is "surplus value," and how does it come into existence?
5. What was Marx's idea of the future of capitalism? How have events corresponded to his theory?
6. What is meant by the "Labour Theory of Value"? What writers are responsible for it? Explain how it has been refuted, and state what theory is now held.
7. What is the policy of the Fabian Society?
8. Explain the reason for the revolt of the Syndicalists against the older Socialism.
9. What is meant by the terms "direct action," "general strike," "sabotage"? Give examples from recent magazine articles and daily papers.
10. Criticise Socialism from the point of view of the present state of wealth production.
11. Is Socialism a practical policy for twentieth century Canada? Discuss fully.



