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THE SOCIALIST MOVEMENT.

LIVING in the midst of what is really a profound social revolution, the general public, perhaps, scarcely realize how great is the change of attitude on all sides to social and economic questions.

For the old doctrine of *Laissez-faire* is dead.

What was the doctrine of *Laissez-faire*? If you believe its opponents, it was simply—"Every man for himself, and the devil take the hindmost." But it is not fair so to describe it. For the great men who advocated it were actuated by certain definite principles. First, they desired to secure equal political rights for all men. Secondly, they spared no pains to provide for the education of the people, so that every citizen might understand and value his rights as a freeman of England. But they held strongly that the State should not interfere in the private business of the nation. They considered that to teach men to look to the State for help in their private business was to destroy their faculties and to paralyse their power of initiation. John Stuart Mill clearly lays it down that the end to be aimed at should be "the restricting, to the narrowest compass, the intervention of a public authority in the business of the community."¹

It was, in many respects, a great idea. It was a splendid system for the strong. The same spirit in Englishmen which impelled Elizabethan sailors to discover new lands and found new colonies, the same individualism which urged a few pioneers practically to take possession of South Africa, has made the British Race leaders in the world's commerce. And we must

¹*Principles of Political Economy*, bk. v., c. xi.

ask the question—If movements of modern life, and the reversal of the older policy in favour of State control, tend to depress this spirit of individualism, to lessen initiative, and to take away the spur of necessity which has often given the needed impetus to the greatest exploits of men in all departments of life, what then will be the result upon the race itself? Will it not inevitably soften and deteriorate?

On the other hand, whether its leading principles were sound or unsound, the doctrine of *laissez-faire* is dead. *Nous avons changé tout cela.* Already, what is known as the Progressive Party have been successful in obtaining direct State interference as to hours of labour, a minimum wage, etc. But they go further. They demand that the State shall become the great employer of labour, and shall become the owner of the land, the factories, the ship-yards, the mines, and the railways of the country. Private property in these things is to cease, not by a sudden revolution, but by gradual absorption by the State. Such, in general terms, is the Socialist Programme.

This, then, is the remarkable outcome of a century of *Laissez-faire*! and, moreover, of a century which has multiplied the wealth of England to a most astonishing extent, has made England the first commercial nation of the world, and has turned many of her villages into great and growing cities. What is the meaning of it?

It is because the commercial progress of England has not been an unmixed blessing to the nation. I knew an old doctor, who, when anyone was dilating on the beneficial effects of a new drug, always said: "Yes, but have you found out what harm it does?" So commercial prosperity has brought attendant evils. The transference of the rural population to the cities in search of more remunerative work, for which many of them were totally unsuited, has created poverty-stricken districts in our large towns, where life is a nightmare and existence a horror. But we must remember that in

Kingsley's time rural villages were neither sanitary nor artistic places of residence, and the removal of their populations to city life was bound to result in what we see to-day.

What, then, are the crying evils?

First, the existence of slum districts in great and wealthy cities. Of London, the greatest city on the earth to-day, the following facts are true. There are, in London, 3,000 people living in families of eight in a single room. There are over 9,000 people living seven in one room. There are more than 26,000 living six or more in one room. What sort of morality, what sort even of decency can be expected in such surroundings? The boys are debased, the girls are ruined, and the infants die like flies.

Secondly, the unnecessary and awful mortality among children in such districts. Out of 1,000 babies born in the population at large, 25 die within a week, and 132 are dead by the end of the first year. This is for the whole population. What must be the percentage of deaths in the slum districts, that such figures should be true for the whole kingdom? Stock-raisers take better care of calves.

Thirdly, unemployment. This is a thing on which people speak vaguely, but its extension is really small, and could be largely obviated by the application of a little common sense. In the worst recorded depressions of trade fifteen-sixteenths of the workers are still employed, while the total wages bill only falls off about 5 per cent.

We must separate these real evils from certain other social and economic questions which have reference mainly to the increase of wages among manual workers, and the rights of individuals to hold property. In this connexion we must note certain policies which find support to-day.

(1) Scientific Socialism, which would hand over *the means of production* to the State.

(2) Syndicalism, which would hand them over to the workers employed.

(3) Communism, the impracticability of which is now generally recognized, for chaos could be the only result of holding all things in common.

Of these, Scientific Socialism is alone worthy of serious consideration, and it cannot be considered too seriously. Syndicalism would be a sort of highway robbery, under which the employed would seize upon the property of the employer. If a syndicalist employed a man for the afternoon to dig his back garden, he would be the last person to admit that the garden became thereby the property of the man who dug.

But the Socialism of to-day is widely different from that of even fifty years ago. Starting with impossible Utopias, and wild-cat schemes of all kinds, it has been so riddled by criticism that its exponents, largely by the assistance of the critics, have now developed a system which it is possible to consider seriously, and on which the entire nation will sooner or later be called on to give judgement. The danger is that, from want of due consideration, and owing to comparatively unnoticed steps in progressive legislation, the nation may be led into an *impasse*, where it will find itself compelled to give a decision which may prove destructive of the best energies of the race.

The latest work on the subject is *The Socialist Movement*, by J. Ramsay MacDonald, M.P., published in the "Home University Library."

What first strikes the student of Socialist literature is the fact that every Socialist writer is of opinion that he is the only person who really understands what Socialism is. Thus, if there ever was a man of outstanding ability on the Socialist side, it was Karl Marx, the founder of Modern Socialism. But Mr. H. G. Wells can write of "the inferior ranks of the Social Democratic Federation who follow the crude Marxite teaching."²

² *Socialism and the Family*, p. 9.

But then Mr. Wells is a gentleman who writes romances ! Similarly, Mr. MacDonald complains that

"the opponents of Socialism try to make Socialism responsible for every extravagance, every opinion, every enthusiasm of every one of its advocates. The logic is this: Mr. Smith writes that the family is only a passing form of organization; Mr. Smith is a Socialist; therefore all Socialists think that the family is only a passing form of organization."³

But we have to ask, first, How are we to understand Socialism except through the writings of its advocates? and, secondly, Is not Mr. MacDonald just one of the many Messrs. Smith? Why should his opinions have more weight with us than those of Marx, Bebel, Davidson, Bax, and Wells, all of whom have directly stated that "Marriage is only a consequence of private property," and that it is "no more a permanent thing than the present state of competitive industrialism is a permanent thing."

In outlining the demands of the Socialist Party, Mr. MacDonald is quite as remarkable for what he gives up, as for what he claims. He has moved away from positions taken up by economic or scientific Socialists. He is, in fact, only a kind of glorified State Socialist, and State Socialism is a very different thing from Scientific Socialism, and Social Democrats have always treated State Socialism with hostility and contempt.

Of course, Mr. MacDonald attacks Capital, and especially Capital as now organized in Limited Liability Companies. Limited Liability Companies are hostile to the claims of the workers, and for this reason. If an individual owns a large industry, and clears a profit in any year of, say, 30 per cent., he is in a position to grant a bonus, or, in some cases, a rise of wages to the operatives. The Limited Liability Company cannot do this. Because if business is good the value of the shares rises. Thus, if a business pays a steady 20 per

³ Page x.

cent. profit, you may be perfectly certain that the market price of the original £1 shares will be about £4, and the new investor will only have five per cent. on his money, while many of the original shareholders will sell, at any rate, part of their interest in the Company, in order to realise their profits. Thus, the workers are not benefited by the prosperity of the business, and are compelled to unite in Societies and Unions in order to assert what they believe to be their rights. It thus becomes a case of "pull devil, pull baker."

It may fairly be urged that the existence of Limited Companies allows the small investor to get a fair return for his savings. But thrift is an abomination in the eyes of the Socialist. His one remedy for real or imaginary evils is the Nationalization of all the means of Production.

Let us now see where Mr. MacDonald differs from previous Socialist writers.

He abjures Communism. Communism presupposes a common store of wealth, which is to be drawn upon by the individual consumer, not in accordance with services rendered, but in response to "a human right of sustenance." In other words, the motto of the Communist is: "From each according to his ability; to each according to his needs." Mr. MacDonald would insert "services" for "needs." "To each according to his services!" How will this help the dwellers in the slums? Or, who is to decide the value of "services"? Under the present system of competitive production the thing settles itself. Or, again, if the State, in order to retain the favour of the workers, or owing to pressure brought by the workers, values "services" too highly, what is to prevent national bankruptcy?

Another plank in the Socialist platform has always been the abolition of all private property. For the last fifty years practically every Socialist has demanded it. Mr. MacDonald gives it up. He only desires to prevent "the growth of private interests which prey upon or

are otherwise antagonistic to social well-being!" In other words, he claims the means of production as the property of all, and would administer them through the State. Hitherto the quintessence of Socialism has been the abolition of all private property. At the same time, it is hard to see what a man will be permitted to own. Unearned incomes will automatically disappear, and all that a man apparently can own will be the value of his own direct labour as estimated by the State.

Again, we have hitherto learned from all Socialist writings that the aim of Socialists is to get rid of money—"to demonetize gold, silver, and copper." Mr. MacDonald sees the absurdity of this, and writes:—"Socialism requires some medium of exchange, whether it be pounds sterling or labour notes." So the exchange and barter system, so strongly advocated by previous writers, is given up. This is, of course, the result of criticism. The more untenable positions are being surrendered. But the central demand of Socialism—the Nationalization of the Means of Production—remains unaltered.

Let us, then, consider the demands of Socialism in regard to the land. The land, it asserts, belongs to the entire population. But the entire population could not work it, therefore the State must work it for them, and all rent must be paid to the State. The fact that a large proportion of existing landowners have in the past bought their property under the sanction of the State, goes for nothing. If they did, they must have done so by the expenditure of money which was wrung from the efforts of workers, and to which the capitalists had no right. That they have been permitted to enjoy it so long, they may put down as clear gain. How, then, is the State to obtain possession of the land? By direct taxation of the margin of profit; in other words, by taxing the owners out of existence. The principle at the back of this is, that no man has a right to anything but the value of his personal efforts.

Socialism, therefore, no longer opposes rent. It only objects to rent of any kind belonging to private persons. Farmers will always have to pay rent, but it will be a tax payable to and collected by the State.

Thus the dream of the Irish farmer of possessing his farm will never be realized, although the State has given him a pledge. And further, if the proposed land-tax should be carried into effect at any time in the future, he will find his rent raised. For then a tenant-farmer who has bought out under the Land Act, and is paying, let us say, £20 a year to the State as a terminable charge, will find himself liable to an extra tax of £5 a year. Thus the reduction of rent for which he worked so strenuously will disappear at once.

And yet a large proportion of Irish farmers are supporting a Parliamentary Party who are voting steadily with the Socialists, and, in order to gain a problematic benefit, or to satisfy a sentimental grievance, are literally cutting the ground from under their own feet.

It is more difficult to see how the State is to obtain possession of the other Means of Production. It is quite true that tramways, the supply of gas and water, and other things which are used by the whole community, can be worked well under municipal control. In most cases the undertakings were started by private companies, and then the Township bought out their interests, and took over the business as a going concern. But that is not Socialism. The rights of the capitalists were recognized, and they were paid for their property. On the other hand the workers were as well paid by the private companies, and were treated with quite as much consideration. But to say that the State could buy out all the business undertakings of the kingdom is to state an absurdity.

Further, if the State did own all the Means of Production, what guarantee is there that the State could work them at a profit? We grumble about our railways, but does our experience of travel lead us to say that State-

managed railways are preferable? Imagine a State department managing Harrod's Stores or Gamage's! The profit would disappear at once. And the State no more than the individual could afford to work at a loss. If there were a loss it must be made good by extra taxation.

Socialists themselves cannot explain to you how the State is to gain possession of most of the Means of Production. Nor can they explain to you how the businesses are to be worked. Mr. Macdonald is at as much a loss as any of them. He lays down wide universal principles, but he only attempts to apply them to the fringes of economic questions. Take even the question of the land. He does not grapple with the central difficulties. Afforestation should be National! Reclaimed land should be National property! Small holdings should not be freeholds but leaseholds! Yes—but these things are comparatively trifles.

The fact is that Socialist writers talk very big in regard to principles and theories. Their constructive policy is vague, shadowy and inadequate. They are eloquent about the rights of workers, and the iniquities of capitalism, but in regard to practical business they remain peddlers of small crockery!

But are we to rest content with present social conditions? If we are opposed to the crudities and dangers of Socialism, if we assert that it is contrary in spirit to all that has made England great, let us get to work to set our house in order. Our Poor Law is a disgrace and an absurdity. There are crying social evils which can and ought to be annihilated under our present economic conditions. We speak of the mission of the Church. The same people compose the Church and the State. Let us then as Christians demand from the Legislature a strong policy of social reform. Let us form private societies for the study of social problems. Let us insist on municipalities clearing away the slum-districts, and preventing the awful death rate among the children of the poor.

THE SOCIALIST MOVEMENT.

But we must know what we want. Unconsidered demands and unconsidered legislation will only aggravate the evil.

But it is a fatal policy to close our eyes to facts, and to cry "Peace, peace," when there is no peace.

L. A. POOLER.