

CURRENT MAGAZINES

STUDIES OF SOCIALISM

Government in Business:—Mr. A. E. Morgan in the *Atlantic*.

Socialism in Canada:—Sir Stafford Cripps in the *Political Quarterly*.

Should the Codes Survive:—Mr. W. A. Orlan in *Current History*.

THE above titles are typical. Magazines and reviews are just now strewn thickly with articles about Socialism. But there are at least two altogether different senses in which the term "Socialism" may legitimately be employed. It would conduce to clarity if they were not confused, and in all conscience we need all the clarity we can secure in this field.

Socialism is, first, the name for that economic doctrine which declares that all the means of production—including land and industrial capital—should be held and managed, not by individuals, or by private companies, but by the State. In this sense it is antithetical to what is called "Capitalism". But the word is often used with a very much wider meaning, in which it stands not for a doctrine, but for a tendency. It may mean an increasing degree of collective interference with matters which used to be left to private initiative; the State control of the individual in various activities (of which his economic life is only one) that he has been accustomed to regard as matters for himself alone. Here the contrast of Socialism is with the system known as *laissez-faire*.

In the wider sense of the word, one of the great landmarks on the road was the enactment of the British Factory Acts, and the Acts limiting the conditions of labour in mines, which became law despite the warning of eminent economists that such State meddling with freedom of contract would be the first step in the downfall of British commerce. That dictum by Nassau Senior should sometimes be recalled for penitential purposes to economists who think the wisdom of their craft is insufficiently appreciated. The legislation about factories and mines did not originate, as sometimes suggested, in any cold forecast that there would be gain on the whole through conserving the health of human workers, just as one looks after a valuable horse or cow. It originated in definitely humane reflections to which a cunning estimate of profit and loss was not relevant, and it implied a conception of the State higher by far than that put forward in current economics. Here at length was a return to the Aristotelian doctrine that the State

has a spiritual end; that even though it came into being as a means to life, it remains as a means to goodness of life, and that for all its members.

Once begun, it was plainly a problem of time and circumstance where this new method would stop. Once Englishmen had repudiated the idea, borrowed from the usages of trade and applied in an altogether different reference, that the State has police functions only, once they had accepted the principle that its functions are to promote in every possible way the highest sort of life for its citizens, who *ex hypothesi* will not reach that result by free conflict and competition with one another, the proper sphere of law-making might be indefinitely expanded. But the expansion was fiercely resisted by those whose personal interest made them reckless of coherent thinking.

One hundred years ago, British workmen in their desperation were urging parliament to fix a legal minimum wage, and were met with the reply that the science of economics had shown this to be impossible. It was not, however, found impossible to fix a minimum price which the poor man must pay for his loaf. Under the Act of 1815, no foreign grain might be imported until wheat in the home market should be sold at eighty shillings a quarter or more, nor was there any dearth of subtle and patriotic reasoners to prove that this protective measure would in the end be for the good of all. Whether through lack of foresight of the end, or through lack of patience to wait for it, the working-class population remained unconvinced, and continued to display what we now call "unrest". The difference in principle between a minimum wage for labour and a minimum price for bread was perhaps one of those elusive niceties which Lord Liverpool was born to apply and Lord Eldon to defend. But it is hard to argue for exceptions to a general law whose resistless force we have elsewhere extolled. Weavers in Manchester and masons in Glasgow heard the exposition with bovine incredulity. In their plebeian minds there even arose a doubt whether the authorities were disinterested. For they thought it singular that the sole exception to a rule should be found in just those fields where paternal legislation would make the market so good for the farmer that the farmer in turn could respond to every increase in the landlord's rent, and they noticed how it was in a parliament of landlords that the fine distinction was drawn.

It is only with a special effort that our generation can reconstruct an era in which State interference which everyone now thinks obviously right was treated by eminent thinkers as obviously

wrong. We need from time to time to remind ourselves that, as late as 1852, so influential a writer as Herbert Spencer could still argue against the institution of Poor Laws, against the provision of free and compulsory schools, even against the State regulation of sanitary conditions and State control of the delivery of mail, as unwarrantable interference with individual initiative. In a quasi-religious mood, very singular for him, Spencer extolled the competitive order in these fields as a thing of divine appointment, not to be tampered with if we would escape the reproach of what he calls "an absurd and even impious presumption". It is to this mood too that we owe, in that passage of *Social Statics*, some of his most picturesque, if not his most instructive, comparisons; the one, for example, which likens an occasional hardship of the individual in the mighty movement toward perfection by the competitive order to those petty irregularities of mountain and valley which mean nothing in the complete curvature of the earth; or again, that in which he brands the meddlers, the self-appointed nurses to the universe, the flippant re-tapists who instead of being lost in silent admiration get upon their legs and tell the world that they are "going to put a patch upon Nature".

It has long been beyond dispute that State interference needed to be pressed far further than the men of even a generation ago were willing to allow. The so-called "inviolable sanctities" of the individual have been invaded in a hundred ways for the public good, so that the very notion of an inviolable sanctity by which the public good may be for ever obstructed has become well-nigh obsolete. Our only real consideration is whether a proposed advance in this State control would not in some special case defeat its own end. No longer is it a matter of what our forefathers used to call "the principle of the thing"; it is a matter of consequences which one can foresee. There are spheres in which we now know that the State cannot intervene successfully, and there are duties which—though very urgent—derive their whole or their most important value from being done of the citizen's free will. The problem, then, is not just whether this or that ought to be done, but whether the State can require it to be done and enforce the obligation with success, or again, whether it is the kind of thing that were better done even under compulsion than left undone altogether. One can readily think of various enterprises which must be discussed from this purely practical point of view. For example, ought land and railways and mines to be nationalized? We can answer this only by a forecast, made in the light of experience, regarding what we might expect to happen in the one event and in the other.

A year ago it was intimated that President Roosevelt meant to make use of the wide powers entrusted to him under the *Industrial Recovery Act* to rescue American forests from the destruction with which they were threatened by private owners in the exercise of "personal liberty". Not even the most ingenious argument by the champions of *laissez faire* can show that the same methods of cutting and logging timber will always serve at once the immediate interest of the owner and the ultimate interest of the nation. If the balance is to be tipped, as it surely should be in the case of natural resources, on the side of the public good, there must be some bold interference. It seems unfortunate that not until so very lately was there a challenge to the assumption that ownership means not only the right to use and to prevent others from using, but also the right to use up and the right to destroy. That the cut of timber should be limited to what re-growth can supply again, would seem an obviously fair requirement if there is any concern for the future. But conservation for posterity may mean as little to the owner of a woodlot as public hygiene to the owner of a slum tenement, and it is estimated that already through indulgence to "personal liberties" scores of millions of acres of virgin forest have been turned into useless desert. More than three hundred million acres were involved in the thoroughly Socialist enterprise which President Roosevelt undertook, and the so-called vested interests of the private owner were treated with adequate—but not, as hitherto, far more than adequate—consideration. Such neglected public wealth amounts to ten times the area of the German forests which have been managed with Teutonic foresight and such splendid results. Enough perhaps, with proper management, to provide constant employment for two million wage-ers!

BUT Socialism in the *economic* sense is a very different matter. It is an application of the general principle of State interference; but the particular interferences it would call for are open to a great deal of protest, on the ground that they would be either ineffective or productive of more harm than good.

It is very improper here to attribute to Socialism more than it essentially implies; to saddle upon it the responsibility for what every stray thinker, who calls himself a Socialist, has advocated. So I select as the authoritative exposition of what it would mean, at least in Great Britain, the outline set forth by Mr. Ramsay MacDonald, not in his present-day speeches, but in his book en-

titled *The Socialist Movement*, written over twenty years ago. I select this because when he wrote it, he had been for years Chairman of the British Independent Labour Party; because he there responded to a definite appeal for a clear, concise account of what Labour, which already called itself Socialist, would do as soon as it got control of legislation; and because after he published that confession of his faith, he was elected leader of the British Socialists in parliament.

That volume sets forth a considerable series of measures as urgent, but with the explanation that though all Socialists believe in them, they are not peculiar to Socialists as a party. They are but further extensions of that action of the State which, with enthusiasm or with reluctance, with a good grace or with a bad grace, nearly all parties have now accepted as inevitable. There are proposals, for example, for further regulation of factories and mines with a view to reducing the probability of accident; proposals for insurance against mishap in the working of machinery; proposals for the feeding and hygienic protection of needy children. Mr. MacDonald feels that it was the spirit of Socialism which first brought forward reforms such as these, that it was the same antagonistic spirit which at first resisted them and which still resists Socialism when it tries to go farther in the same direction, and that in truth it is still the glory of Socialists to press forward systematically as part of a considered scheme what others accept but fitfully, under the compulsion of casual circumstance, and with either mere sullen acquiescence or undiscerning and incoherent benevolence. Still, he will not lay claim to a monopoly here. What he does insist upon is that these reforms are, after all, but serviceable palliatives; valuable until the radical remedy has been applied to the disease, and—it is to be hoped—capable then of being superseded.

The irreducible minimum of Socialist economic demands is set forth in that volume as State ownership of the means of production, especially of *land* and *industrial capital*. This transfer from private ownership, from the landlord and from the capitalist, would not in Mr. MacDonald's programme be an act of confiscation. It would be recognized that the present private owners, although they have now control of that which the State should never have allowed them to control, have an equitable right to be bought out, not at their own figure, but—exactly like the slave-owners in British overseas dominions a hundred years ago—at the figure adjudged fair by unbiassed authority. Landlord and capitalist have come into a great deal of ill-gotten gain, that is,

of gain for which they have rendered no equivalent service; on the other hand, they were encouraged by the State to trust to these forms of anti-social investment, and what they have ventured cannot be taken wholly from them except by an act of spoliation.

By some means, however, the public good requires that private ownership of the means of production must be brought to an end, for the community cannot afford to have its vital necessities made the material of individual exploitation and gambling. Land, for example, is, as the parable suggests, the place in which all mankind's treasure is hid; but sometimes by sheer accident, often by violence, it has been appropriated to individual monopoly; the parts most productive and most advantageously situated being, of course, seized first, the less desirable next and in their order, until the latest or feeblest competitors in the struggle were either left utterly landless or forced to pay what is called "rent" at a figure just as high as the monopolist can extort from a brother's necessities. In the lurid language of Mr. Bernard Shaw, here we meet with the first proletarian, the first disinherited son of Adam, on the roads a vagrant, off the roads a trespasser, foodless, homeless, thriftless, superfluous, and everything that turns a man into a tramp or a thrall. In the Socialist view, no small part of the history of racial suffering takes us back to the rise of private property in land, whose record—as the *Fabian Essays* tell you—is that of the stages of a social horror, from its source in cupidity to its end in confusion. Not that any save a very few of the fiercer Socialists propose to resume without compensation in the name of the State that public wealth which should never have been allowed to drift into private control. The institution, however improper, is one in which the State has long acquiesced, and on whose security individuals altogether irresponsible for its establishment have reasonably relied. Whatever we may say of the first who profited here by chance or by violence, great multitudes derive their present ownership from the fruits of their own labour, and cannot without robbery be dispossessed. But, as in the case of buying out the slave-holders, the Socialist would proceed to undo equitably what should never have been done, for he regards monopoly in land as no more defensible than monopoly in water supply or atmosphere.

Of arguments against economic Socialism the most familiar is the one drawn from the need of competition to stimulate effort. It is said that we must recognize the fundamental selfishness of human nature; that the assurance to every man of a livelihood would make many men too lazy to work; and that but for the incentive of surpassing one another, which capitalism has supplied,

not a few of the finest advances of civilization would never have been made. Carlyle used to complain that the abolition of slavery had led to an appalling neglect of natural resources in the British West Indies, where the climate did not permit of white labour, and the negro—free to indulge his natural sloth—was content with the meagre sustenance which very little exertion could there provide. But this argument is enormously overpressed. No Socialist denies the value of competition, or desires to dispense with it as an economic stimulus. What the Socialist does deny is that competition should be altogether without restraint, or that in order to make use of its social advantages we must tolerate its ghastliest consequences in utter destitution at one extreme and monstrous individual fortunes at the other. The case of the negro in Demerara, even if truly reported, has little resemblance to that of the white man in temperate latitudes, where competition within the limits of quite moderate possibilities of advance in salary or wages has in general proved sufficient to call forth all the effort of which the best workmen are capable. Moreover, not even the fiercest anti-Socialist will, as a rule, abide in practice by his contention that the destitute must, for the sake of economic example, be left to their fate. He will commonly respond to an appeal to rescue individual cases from the operation of his iron law; so that, at most, what he desires is to keep up the threat, not the reality, of starvation, with the prospect of only precarious relief by the efforts of the charitable. The Socialist proclamation of "Right to work or maintenance" means, then, no more than this:—that the principle on which all humane societies, not to say Christian societies, proceed should be definitely acknowledged by the State. What the opponents of Socialism hold is that in the public interest the poor must be kept in constant apprehension of starving, must be impressed with the fact that in the last extremity they will have no claim as of right, but only a chance of appeal to the emotions of the unusually benevolent; and that, in short, while we soothe our consciences with the thought of our own compassion in every hard case, we must rely for social safety on keeping up alarm among the poor that Christian compassion will often fail to act.

A much graver criticism is that in a Socialist State both the opportunities and the impulses of political corruption might well be increased.

It is right to ask regarding Socialism what we may reasonably expect, human nature being as we know it in a long experience, from entrusting all the sources of national wealth to the control of the politicians. For that is what it would mean. It sounds well,

it sounds patriotic, to say "Leave it to the State"; but, as Mr. Chesterton remarks, "trusting a thing to the State always means trusting it to the statesmen", and we know them. Is it or is it not the case that where men are dealing with the national revenue, they tend to be more extravagant, less scrupulous, than when they are managing the funds of a private company in which they are executive officials? Is it or is it not the case that the conscientiousness which should be all the more tender because the responsibility is greater does in fact appear more lax, not only because it would be harder to prove guilt, but because the guilt itself is not really believed to be so great? An excellent, and so far as I know a still unworked, topic for a Ph. D. thesis would be the Decay of Private Conscience in Public Office.

The most recent case upon which the critics of Socialism rely to illustrate this side of their indictment is the case of Australia. That country, on a wider and deeper scale than any other which can be named outside of Russia, had been experimenting with the pet projects of Socialism. The nationalizing of enterprises elsewhere left in private hands, and the consequent charging upon the public treasury of business losses which elsewhere the private corporation has to meet, have thus been tried. There may, of course, have been special circumstances through which the significance of the example is explained away; but one does notice that the gloomier predictions of anti-Socialist criticism were in Australia rather signally fulfilled. New South Wales, the most enterprising innovator among the States, repudiated the interest on her public debt. It was disclosed, in the eager enquiry which followed so startling an event, that within ten years the total debt of the whole country, Commonwealth and States combined, had risen from £705,000,000 to £1,117,000,000: and that in a population which did not at last census exceed 6,400,000. Thus before the frenzied financing was completed, the amount due to all sorts of public creditors was about £174 per head, from every man, woman and child on the Island Continent. These figures, though the Socialist premier of New South Wales refused to be frightened and indeed professed rather to be exhilarated by them, need no further comment to those who appreciate the difference between a National Debt which is heavy but manageable and a National Debt which is altogether unmanageable. It is true that Australia has recovered her public credit; but she has done so only by a very sharp change both of rulers and of policies.

A third peril often seen in Socialism is its exaltation of the State, and it matters little whether this is after the Russian or

after the Italian model, dictatorship of the Left or dictatorship of the Right; it is the essentially Socialist disregard for the individual as such which is feared in both, so that the consequences for personality would be the same. We are bidden to expect a drilled, regimented, standardized life, in which originality and conviction would be thought vices, while submissive mediocrity would be a cardinal virtue. In a chapter of mordant ridicule Mr. MacDonald twenty-three years ago disposed of this reproach to his own complete satisfaction. Many things, however, can happen in twenty-three years, and the last twenty-three have been unusually fertile of incident. Unfortunately for his argument, but much to our advantage in weighing it, experiments on a grand scale with State-deification have shown the fears Mr. MacDonald mocked to be far from groundless, and the hopes he cherished to have been oversanguine. Perhaps this disillusionment, rather than the less creditable causes which some of his old colleagues attribute to him, may explain his obvious change of mind. The case of Germany is often quoted to show how the country with closest State control has also been the country to excel all others in promoting scientific invention. It is a dangerous example for the Socialist's purpose. State control in Germany during her period of greatest success was combined with refusal of most of the projects with which Socialism is now identified, and with stern repression of her own Socialists. Moreover, the recent re-glorification of the *Reich* under the name "National Socialism" has displayed just that ruthless intolerance towards men of independent and original mind which the anti-Socialist has long warned us to expect. War on what the Soviet authorities call "the ideological front" is being directed in different interests, but with similar indecency, from Moscow and Berlin.

☛ Invasion by the State of what are called "personal liberties" has indeed often been well justified by the event. Mankind has claimed many an immunity in the past which no one can now preserve and which few would even defend. Whether the right to undisturbed and unshared tenure of the land he cultivates is among rights which must in the interests of his individuality be left to the farmer is a point on which the great Moscow experiment has certainly not lent unambiguous support to the Socialist case. Before long, Lenin's adoption of what he called the "New Economic Policy" showed his disillusionment about the State monopoly of trading. It seems too soon even yet to be sure of what will come from the obstinate resistance of Russian farmers to the scheme of collective farms; the brutality of the measures taken against th

go to show that the resistance is by no means trivial. It makes one think of the title of Oscar Wilde's book, *The Soul of Man under Socialism*. Or again of what Mr. Chesterton has said about it in his sprightly way. Recounting the story of Ahab and Naboth as the classic on land nationalization, and as typical of the eternal human protest, the reply of Naboth—he says—is the reply of that sort of man at all times to that sort of State: "God forbid that I should give the inheritance of my fathers unto you".

WE have lately had a deluge of literature urging the most extensive and fundamental changes in British government. From Mr. Strachey's *Coming Struggle for Power*, and Professor Laski's *Democracy in Crisis*, we have passed to the startling speeches and articles by Sir Stafford Cripps. One can sympathize with the protest of the old-fashioned British Conservative that he can bear no more of it at present because, like Macbeth, he has "supped full with horrors". But one who is far from the British Conservative standpoint, though less easily shocked by a revolutionary proposal, may be permitted to protest against a sheer contradiction, and a point of logic, not a point of morals, waits to be discussed. I mean the strange combination of appeal for progress and reform with a proof that progress and reform are alike psychologically impossible.

An example of this is in the writings of that distinguished Communist, Earl Russell. He has argued to us that history shows national policies to have been guided at all times by national interest alone, and the profession of any higher motive to have been a mere disguise—though, oddly enough, it often imposes even upon those who have themselves assumed it. The first requisite, he has said, for interpreting the Great War is to realize that all the Powers engaged were equally and wholly selfish. Professor Laski adds that every State, in waging war at any time, no matter what nobler plea it may put forward, means at bottom no more than this—that there is something it desires so passionately as to prefer the risks of battle to the risks of discussion for obtaining it. I am not for the moment concerned with whether this is sound or unsound doctrine in race psychology. But what I can not understand is how writers convinced of its truth can continue to suggest methods of social and political improvement. A Calvinist, certain of total depravity, does not continue to annoy mankind with proposals for personal reform: he scouts that as impossible, and even the thought of it as a lure of the Evil One,

bidding the sinner depend wholly on supernatural aid. I assume that such writers, in analysing the motives which had guided all nations up to and including the Great War, do not mean to suggest any sudden change in the interval since the Treaty of Versailles. Those purely selfish motives which have never failed to act in the past, never even being blended with a tincture of national altruism, must be taken as ultimate facts of our human constitution. The inference seems to be that such books as *Principles of Social Reconstruction* or *Democracy in Crisis* can have no more than a pathological interest. As appeals for improvement they solicit motives which, if not wholly non-existent, have at least never shown themselves in the long ages of national development. It is not, indeed, unheard of that some world belief should completely change. Mankind may have cherished some delusion—such as the doctrine of a flat earth—universally, but after lapse of centuries receive sudden and complete enlightenment. Our radical journalists, however, can scarcely look for any Copernican reversal which their books will effect in the hitherto fixed human impulses. They remind one of Bacon who, having assured us that the light of the intellect is never dry, proceeded to show how it might be dried with an intellectual towell called *Novum Organum*, which *ex hypothesi* must itself be wet!

These reformers are tremendously in earnest, and my criticism is not here upon their proposals, but upon their preliminary account of human nature which makes these or any other proposals of amendment altogether futile. It is to the credit of such a thinker as Earl Russell to go on with his enthusiasm for human progress, disregarding his own earlier proof that progress is impossible. One may say of him, as Ruskin said of Mill, that it is good to dwell upon his inconsistency because it is just there that his merit lies, and that in volume after volume no objection can be taken to any of his inferences except such as follow from his premises.

The assumption of universal and unconquerable selfishness is perhaps most clearly exemplified in Professor Laski's indictment of the judiciary. With profuse and reiterated assurance that he is not impugning the *bona fides* of any judge, that on the contrary he is convinced of each judge's complete faithfulness to what he conceives to be judicial duty, our critic denies that the Courts "decide without bias upon the reason implicit in the facts before them". He is satisfied that both in America and in Great Britain the members of the bench first interpret the law in the interest of the group economically dominant, and then apply their intellectual resources to represent that interpretation as a piece of

impartial reasoning. No victory for Socialist policies at the polls, he says, could ever cause Socialism to prevail in the United States until its leaders had the chance to nominate a majority of members of the Bench of the Supreme Court. Why? Because the Supreme Court would declare Socialist proposals contrary to the Constitution. That they would be so declared because such would be the truth about them, that Socialism as Prof. Laski interprets it would thus involve constitutional amendment, and that to interpose this bar would be no more than faithfulness to the Court's sworn duty, does not seem to enter the critic's mind. It thus becomes difficult indeed to reconcile his charge of constant bias with his lavish compliment to sincerity. Is it possible that he means to credit the judges with being true to the intellectual light they have, while regretting that this light is so extremely low? Or does he suppose that the judge's mind, though quite incapable of detaching itself from bias while considering what the judgment shall be, becomes at once subtle and resourceful in fabricating afterwards a pretence of cold reason? How the leaders of radical Socialism can regard themselves as enjoying such immunity from the mental and moral cataract under which judges, members of parliament, and captains of industry have to labour, is far from plain. As I read Professor Laski on jurists, there constantly comes back to my mind what the King of Brobdingnag said to Gulliver:

My little friend, you have made a most admirable panegyric upon your country; you have clearly proved . . . that laws are best explained, interpreted and applied by those whose interest and abilities lie in perverting, confounding, and eluding them. . . As for yourself, who have spent the greatest part of your life in travelling, I am well disposed to hope you may hitherto have escaped many vices of your country. But from what I have gathered from your own relation, and the answers I have with much pains winged and extorted from you, I cannot but conclude the bulk of your natives to be the most pernicious race of little odious vermin that nature ever suffered to crawl upon the surface of the earth.

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