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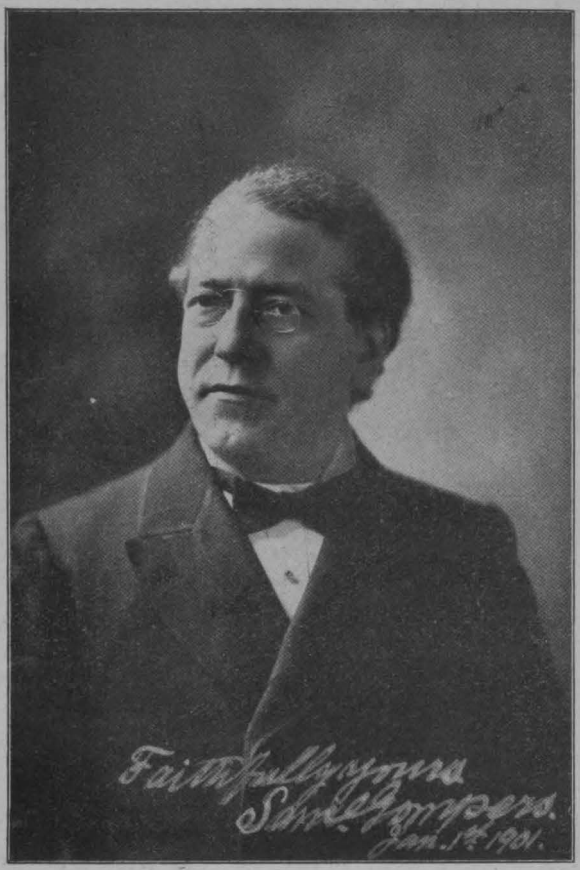

SAMUEL GOMPERS
President American Federation of Labor.

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The Cause

OF

Industrial Panics

IN THE

United States

PUBLISHED BY THE
CHICAGO FEDERATION OF LABOR
CHICAGO, ILLINOIS

The price of this little booklet is ten cents, and the income is to be devoted to spreading broadcast the recommendations of this committee

CLOHESEY & CO., PRINTERS, 84 TO 96 FIFTH AVE.

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INTRODUCTORY NOTE

"Know Thyself and Thou Art Free."

THIS was the thought that suggested itself to us when we introduced the resolutions in the opening pages of this little booklet to the Chicago Federation of Labor on the 3d day of May, 1903.

It was the thought that stimulated us to greater effort to obtain from the distinguished gentlemen the replies herein published. It is the thought that animates and inspires us now.

If we can instill into the minds of our fellow workers, a knowledge of themselves, of their natural right, "to the pursuit of life, liberty and happiness," and of their united power, we feel that their future will be secure. The only reliable avenue to this knowledge and this security is—EDUCATION!

In this spirit this book goes out as a messenger of light to the workers. With many thanks to our contributors for their practical demonstrations of toleration, sympathy and interest in our work, we are fraternally,

Committee: T. P. QUINN
R. G. WALL
C. V. PETERSON

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Report of the Committee on the "Cause of Industrial Panics."

To the Chicago Federation of Labor.

Some eight month ago Mr. James J. Hill, president of the Great Northern Railroad, and Mr. Charles L. Hutchinson, president of the Corn Exchange National Bank, publicly claimed that an industrial crisis was approaching and that its immediate cause would be the growth and conduct of the trades union movement.

The matter was called to the attention of this body by the introduction of the following resolutions:

Whereas, In a recent interview with representatives of the public press, James J. Hill, president of the Great Northern Railroad, declared against the trades union movement in the following language:

"As labor unions killed industrial England, so they are destined to bring about a great financial reverse in the United States, and the country is swiftly approaching that crisis. It may come in a year, it may be deferred till the presidential year, but it is bound to come." And

Whereas, Banker Charles L. Hutchinson, of Chicago, at a banquet of the Chicago Credit Men's Association held at the Auditorium Hotel, still more recently is reported to have expressed himself thus:

"In the growth and the demands of organized labor is the first great check of our unbounded prosperity." And

Whereas, We believe that the railroad magnate and the banker have very largely expressed the views of their class, with the object of discrediting the principle of unionism among the masses of workers, whose only hope for a bet-

terment of their social and economic conditions lie in their unions; and

WHEREAS, Other powerful agencies of our present industrial system are busily engaged in scattering this false and insidious thought broadcast among all the American people, so that when the panic does come upon us we shall have to waste an immense amount of energy settling the question of responsibility before we can point out clearly and unmistakably the real causes; therefore, be it

Resolved, that the Chicago Federation of Labor also regards with apprehension the inevitableness of the coming industrial cataclysm because of the misery and crime which are bound to follow in its trail, but unlike the railroad magnate and the banker, can trace its cause to entirely different sources; and with this end in view, be it further

Resolved, that a committee of five (5) be appointed to draw up subject to the approval of this body, and cause to be circulated, a reply to the plutocratic view, of the cause, or causes of the coming panic, as predicted by Messrs. Hill and Hutchinson, and point out the legal and economic agencies now operating towards this end, and thus relieve the trades unions of being burdened with the whole responsibility for the pending financial and industrial depression.

Immediately after its appointment, your committee met and decided to enlist the best known economic students of the world in a co-operative effort to ascertain the fundamental cause or causes of industrial panics, and thus place the responsibility for such disasters where it properly belongs. And with this end in view we first assumed the existence of five fundamental schools of economic reform; namely, Trades Union, Single Tax, Socialist, Anarchist, and Communist.

As each of these schools claim a fundamental cause and has a fundamental remedy, we decided to select at least five of the leading exponents of the philosophy of each school.

The following gentlemen were selected:

Samuel Gompers,
James Dunkin,
Frank K. Foster,
George E. McNeill,
John Burns,
Kier Hardy,
Sir Charles Dilke,
Lucien Saniel,
George D. Herron,
Eugene V. Debs,
Benjamin R. Tucker,
Herbert Spencer,
Henry D. Lloyd,
Louis F. Post,
Lawsen M. Purdy,
Earnest H. Crosby,
William Lloyd Garrison,
George Francis Train,
Leo Tolstoy,
Peter Kropotkin,
Edward Carpenter,
Henrik Ibsen,
Louis Deveroux,
Lyman J. Gage,
C. S. Darrow,

Professor Bemis, and others, and a copy of the following letter, also a copy of the resolutions, were mailed to each one.

It is needless to say that these are all exceedingly busy men, and, owing to their literary activities, most of them had to be written to more than once, ere we succeeded in enlisting the service of their pens in our immediate cause; but we are pleased to be able to say that all but three have already replied and we still expect to hear from two of them.

We are now in a position to point out the real cause of panics as asserted by the recognized investigators and students of the old world and the new.

Scarcely a man of these, but has carried his cross socially, politically, or economically, because he dared to be true, first to himself and then to all mankind—the one noted exception was written to for a special purpose.

Here we have the practical knowledge of a Gompers, a Debs, a John Burns, as well as the scholastic investigations and conclusions of an Edward Carpenter, a Crosby and a Professor Herron, all agreeing on the great primary cause:

INEQUITABLE DISTRIBUTION OF WEALTH.

Whether it be Gompers, the Trade-Unionist, Lawsen Purdy, the Single Taxer, Professor Herron, the Socialist, or

Edward Carpenter, the Communist—all point with positive assurance to this one great cause as the following extracts will show * * * "take such steps as will prevent the recurrence of crisis that collective production of wealth creates, when unaccompanied by collective control of its distribution."—John Burns. * * * "The distribution of wealth to those who have not earned it, is the fundamental cause of industrial depressions. Any means by which wealth is diverted from its producers to the parasites, tends to produce industrial depressions."—Lawsen M. Purdy.

"In one form or other, the support of those huge world-parasites all comes out of the wage of the worker, when he goes to the market to buy things * * * This exploitation of labor on the one hand as a producer, and upon the other as a consumer, so that he really gets but a fraction of a fraction of what he produces, steadily brings about the destruction of its own markets by capitalism."—Professor George D. Herron.

"* * * It is easy to prove that when the working masses get in wages the full value of the goods they produce, industrial depression practically cannot occur, while when they get in wages only a fraction of the same value, industrial depressions must occur. Other causes therefore can only superficially modify this root cause; they cannot seriously affect it."—Edward Carpenter.

And so the thought runs throughout the entire symposium—all are agreed on the one root cause, and the great problem now before the labor movement is to abolish this root cause.

While your committee are in entire harmony with the writers as to what they consider this root cause, we simply wish to add that it is propped up by three basic factors:

First. The private ownership of land.

Second. The private ownership of social production.

Third. The power of taxation.

As a step then in the right direction, we are united in making the following recommendations because of the overpowering importance of the land question to the vast army

of the employed and unemployed; and because we feel that if our efforts can be united against the monstrous injustice of our present system of land tenure, a step in the right direction will be taken.

"There are few poor in America to furnish labor. They will not be found in America till the lands are all taken up and cultivated, and the excess of the people who cannot get land and want employment * * * we must conclude that manufacturers cannot prosper until the wages of the workmen are reduced as low as we find them in Europe." So spoke Benjamin Franklin, at the birth of this nation.

In 1780 his colleague and friend, Judge John Jay, wrote to the Spanish Court: "So great is the extent of our country in North America yet to be cultivated and so inviting to settlers that labor will very long remain too dear to admit of considerable manufactures."

When we consider that Belgium has only 11,373 square miles with a total acreage of 7,278,200 acres, yet sustains a population of 6,678,651 human souls and that the United States has at its command 2,362,960,000 acres of land and yet has from 15 to 25 per cent of its population, even in the best of times, out of employment, we get a slight glimpse of the awful hellishness of our present landed system.

If the State of Texas were as thickly populated as Belgium is, we could sustain a population of 250,000,000 of human beings in that one state alone; if the United States, as a nation, were as thickly populated as Belgium is we could sustain the present population of the entire world and still have left for hunting grounds 750,960,000 acres of land, a surface of the earth larger than the combined acreage of France, Germany, England, Scotland, Wales, Ireland, Italy, Spain, Portugal, Switzerland, Norway, Denmark, Sweden and several other countries, or enough to sustain 500,000,000 more of human beings; when in the march of the centuries and process of nature, they visit us.

RECOMMENDATIONS.

First. That the American Federation of Labor publish in pamphlet form this entire correspondence and forward a

copy to each local union under its jurisdiction, with the suggestion that one letter be read and discussed at each meeting in the interest of general economic education.

Second. That the American Federation of Labor take immediate steps, first, to have all land now held illegally by individuals and corporations reclaimed by the government and held for actual settlement under the jurisdiction of the General Land Office; second, to have an adequate appropriation made by the present congress, for the irrigation of all desert land; the draining of all swamp land, and the whole held in the proper department, for actual use under the Homestead Law; and that an extra appropriation be made to cover the preliminary expenses of all such actual settlers.

Third. That each State Federation of Labor now in existence be urged to take immediate steps to secure the enactment of a State Law making possible Home Rule in all municipalities within the states; this law to include the right to raise their revenue in their own way.

Fourth. That this committee, or in lieu thereof, another committee, be specially appointed for the purpose of carrying out this programme. Respectfully submitted,

T. P. QUINN,
R. G. WALL,
CHAS. V. PETERSON,
Committee.

GOMPERS.

There are indications that the era of industrial activity which we have enjoyed during the past few years has reached its floodtide, in that there is now somewhat of a reaction. Already we see some contraction of industry by which workmen have been rendered idle. It is true that the change is not pronounced, but it is sufficiently evident for notice and deserves our consideration. More especially should this receive our attention since quite recently, acting upon the cue given by our most pronounced antagonists, the capitalist press has endeavored to place upon our movement the responsibility for the industrial reaction. That the charge is untrue is fully capable of proof, and to which I shall refer later herein. But attention is called to the fact that when the reaction first made itself manifest one of the great newspapers of our country questioned the representative employers, business men, and financiers of America to make answer as to what in their judgment was its cause. Without attempting to enumerate the causes assigned by them for the industrial reaction, it is worthy of note that under the first impulse of honest expression of opinion, before the minds of any of them were perverted by those who always desire to shirk upon the shoulders of others the wrongs or the errors of which they themselves are guilty, I repeat, with unprejudiced and unperverted mind, not one among the thousands who answered held organized labor in the least responsible.

Of course, to the thinking, observing men the insinuation or charge will have no effect. We understand, as every student and intelligent trade unionist understands, that under our present economic system periods of industrial activity and stagnation are equally natural. That a reaction did not set in sooner, or that it has not become acute, is due more than any other cause to the organized labor movement.

Our movement has increased wages, shortened the hours of labor, and otherwise improved the conditions of the toilers; in other words, has made the workers greater consumers of the things that have been produced; and to this factor, supplemented by some organized method among intelligent employers, is due entirely the credit rather than the censure or blame.

The era of industrial activity has been maintained and prolonged for a longer period than any similar revival in the last forty years, while its reaction has thus far been attended with less severity and is in itself less intense than similar reactions heretofore. These industrial conditions are not due to any particular phenomenon. They have their cause and effect exactly as have the tides attraction and repulsion, and the law of gravitation.

In countries where the economic conditions of the workers remain stationary or substantially so, the greatest degree of poverty and misery always obtains, while, at the same time, industry and commerce know no progress, and are carried on under primitive conditions. Of course this is not cited as an indication that more improved conditions than even ours cannot obtain when a normal and better economic life shall have been inaugurated, but it rather demonstrates the fact that industrial and commercial reaction cannot by any specious argument be traced to the movement that tends to increase the consuming power of the wage-earners.

As a matter of fact, the greater the power of consumption of the great mass of workers, the larger their wants, the higher is their standard of life, the greater the degree of industrial and commercial prosperity. Indeed, the constant growth in the wants and demands of the masses gives to industry and commerce an impetus and progress they can receive in no other way.

At this time it is difficult to foresee the extent to which the industrial reaction may reach, although it is quite evident that, for the reasons already stated, it is not likely to become so prolonged or so intense as previous industrial stagna-

tions or crises. Yet it is well for us to view the situation as it is, and as it may become, and to consider calmly the course which we should pursue to meet it. To do this intelligently it will be helpful to consider the policy pursued by employers during similar periods in the past, a policy which here and there is now advocated; a policy which has proven not only injurious, but perversive of the very purpose for which it was inaugurated. I refer to the policy of reducing wages as a means to tide over, or emerge from, industrial depression. In the past this has been resorted to, and, owing to the comparative lack of organization among the working people and also their comparative inability to resist, they were compelled to accept it, with the result that their consuming power was lessened, throwing still more workmen out of employment, rendering the situation still more acute, and thus still further prolonging the period of the crisis.

It is the height of economic unwisdom to curtail the consuming power of the masses as means to industrial revival or prosperity.

No industry, no country, has ever become great, or ever can become great, founded upon the poverty of its workers.

While I do not know to what extent our declarations and suggestions may influence employers generally in the effort to dissuade them from pursuing the unwise and uneconomic fallacy of wage reductions, yet a clear sense of duty must prompt us to make our position upon this question clear and comprehensive. If we shall fail to convince them as to the course which they should, or rather the course which they should not, pursue in regard to the effort to reduce wages, we will at least have the consciousness of having done our duty in the premises, and so to shape our own course as will meet the situation emphatically and unmistakably.

The working people should resist any attempt to reduce their wages or to increase their hours of labor.

We are better organized and better prepared to resist encroachments upon our condition than ever before; and, if perchance some of our efforts may be lost, it is better to

resist and lose than not to resist at all; for to complacently accept a reduction in wages is simply to invite its repetition while it enfeebles our ability to resist further efforts in the same direction.

In former periods of industrial stagnation employers often accompanied their wage reductions with discharges of some workmen, and then, as an inducement to those retained, suggested that they increase their hours of labor to, as they put it, "make up the loss." In other words, those discharged, being a menace both to the conditions of employment, as well as the employment itself, were utilized as a means to further reduce wages and impose more onerous conditions, while the increased hours of labor of those employed further accentuated and made acute the industrial situation.

Surely, it is not rational to suggest, for the relief of an over-stocked or glutted market, that the workers shall curtail their power of consumption and then work longer hours to increase production. I submit that the policy of the labor movement is wiser and has in it the means to sooner restore industrial activity and bring about its revival.

We urge as a way out that wages be maintained, even if necessary, to resist reductions; that as a substitute for discharges of workmen, the work to be performed be divided, thus not only helping to bear each others' burdens, but more quickly to restore activity in industry, trade, and commerce.

SAMUEL GOMPERS.

DUNCAN ON PANICS.

The cause of panics is at best a matter of conjecture. When they come it is usually as a result of diversified phenomena rather than of any individual business miscalculation. An exceedingly strong desire to get rich quick among adventurous speculators may have more to do with these financial depressions than anything else. In their mad desire to acquire wealth by any means and to outdo or ruin a competitor, they first invest in that which is tangible, then hazard a combination to float a scheme of some kind, and finally risk their chances in "futures." If nature is kind to them they flourish for a time, but a season or two of bad crops or bad management in the over-production of a popular commodity, brings disaster which in time affects other markets of trade, and ere long the actual producers, the men whose normal brains and skillful hands work in unison, are either called upon to produce more than by their usual gait in order to cheapen the selling price or have their compensation reduced to bring about the same result. Both methods are illogical and but tend to increase the financial stagnation. In the first place, by producing more than usual, they help to crowd the market, and in the second place the decrease in wages renders them less useful as consumers. In either case no relief is found, and, in fact, the situation is worse than when the flurry began.

Increased intelligence has a tendency to moderation, hence the country that favors the best system of education will have the fewest panics of a national character. When the body politic is well off, purchasers of natural and manufactured articles are at their best. It would therefore seem that in addition to fostering moderation through higher education, that will give the body politic the best and most permanent opportunity to purchase what is needful to its personal, as well as its national, welfare will be the greatest

means of preventing panics or at least of increasing the length between them.

This line of reasoning provides a method of reducing panics to a minimum, rather than dealing per se with the cause of them, but I take it that inquiry into the cause of panics has for its object the prevention of them, so in the end the way I am dealing with the subject is germane. An extension of practical education and encouragement of a healthy social condition are, therefore, set up as antidotes to panics. The state can and should provide the former. In several states their education laws are creditable, but the method of their administration is lax in that compulsory attendance of children is not given one-third the attention it deserves and after the rudimentary stages are past, too little encouragement is given to higher education for those who desire it, but financial environments make it necessary they should leave the school-room to become producers in the competitive field. In a few states there is neither free nor compulsory education for children, hence it is almost surprising that panic conditions are not more frequent. If education had its proper place in our political economy it would be looked after by an additional officer in the President's cabinet and instead of being subject to the whims, erraticisms or connivances of the legislatures, should be governed by the national law so that an accident of birth geographically considered, would not place a well equipped public school system as the necessity of one family and perhaps but a few yards across an imaginary line in a neighboring state another family might grow up in ignorance as far as legal regulation was concerned. A healthy social condition can best be provided by the prompt withdrawal of injunction and other unnatural proceedings against the operation of wholesome trade unionism. It is a veritable treatise in logic to study and follow up the aims of trade associations, as laid down by its recognized exponents. A reduction of the working hours per diem, for instance, is advocated commensurate with the needs of the people, until all who care to work have an opportunity to

do so. Fair compensation for labor is continuously advocated. A happy medium between millionaires and tramps is aimed at. A well-to-do system is urged for all who will work. Money under the system proposed would not be scarce nor made foolishly wasteful. The consuming power of the nation would be augmented to a rational and continuous plane. The purchasing power would be normal. The cause for excessive fluctuations on the stock exchange would be noticeably discouraged. In short, with careful blending of these two moral forces, the cause of panics would be robbed of its roots and the evolution to better conditions would in time allay the "get-rich-quick" feeling, and rear in its stead a salutary system of national finance which—while periods of prosperity might not climb to halcyon heights—would prevent the periods of dreaded depressions.

JAMES DUNCAN,
National Secretary, The Granite Cutters' National Union;
First Vice-President, A. F. of L.

Winnetka, Ill., May 3, 1903.

DEAR SIR:—I have yours of recent date with regard to the coming panic. It seems to me your suggestion is a good one, but I have been wondering whether or not it could not be carried out more effectively if it could be taken in hand by the American Federation of Labor. It seems to me a good enough idea to enlist Mr. Gompers' interest. I shall be very glad to do whatever I can to help.

Very truly yours, H. D. LLOYD.

The fight for municipal ownership of the street car lines of Chicago was thrust into the arena of action shortly after the receipt of this letter, and Mr. Lloyd was selected to prepare the literature for the campaign. With characteristic enthusiasm for the cause of the people, he buckled on his armor and waded into a battle, in the forefront of which he was destined to die a martyr to the cause.

Had he lived two weeks longer he would have co-operated with us in this work. T. P. Q.

WHO DOES IT?

FOSTER.

Once in about so many years this country, as well as others, is afflicted with what, for want of a better name, we call "hard times," "industrial depressions."

It is a striking instance of the limitations of human wisdom that the wise men have not been able to diagnose with any degree of unanimity the causes of such periodic bad spells, much less furnish a preventative for the same.

True, there are instances in partially civilized countries where natural causes, such as the plague or famine, may be held responsible, but in a land like our own, where natural resources are unlimited, where peace prevails, where disease is held in check, where government bears lightly upon the resources of the people, it will not answer to place the responsibility upon causes beyond human control. Somebody is to blame. Who is it?

During the past three or four periods of depression, we have been told that systems of finance or of taxation were at the root of the evil.

It is agreed on all sides that the preliminary symptoms are now manifest of more hard times. Employes are being discharged or having their wages reduced. A tremendous shrinkage in certain lines of stocks is manifest. There is a general air of timidity and hesitancy in the business world. A reason for this condition is being looked for.

Some of the big leaders in the business world have made a discovery. The trade unions are said to be to blame. The organization of labor is to be made the scapegoat. Important, if true.

Waiving the fact that these unfortunate spells occurred before the era of trade unions, it may nevertheless be properly noted that our last streak of "prosperity"—during the time of trade union growth and development—has extended over more than the customary length of years. If this

merely superficial kind of reasoning is to hold, then the trade unions can do much more than merely prove an alibi to the charge made. They can fairly assert that *because* they have existed, good times have lasted longer than they otherwise would. And if we look below the surface there seems to be a ground for the contention.

The industrial world is complex. A thousand and one influences play upon it. Fictitious values are created. Watered stocks and inflated mergers act as sponges to soak up the product of honest effort. Speculative pools force up prices abnormally. All these things help to bring about crises.

But there is one simple and all pervasive question, rarely if ever taken into account by the press, which explains much; one condition which, more than any others, works toward the glut of markets and the periodic depression of industry.

This axiomatic proposition may be formulated thus:

"So long as those who produce wealth do not receive for their labor a sufficient return to enable them to buy back the equivalent of that which they themselves produce, congestion is inevitable and depressions will recur. These depressions will vary in frequency and intensity in direct ratio to the discrepancy between values earned and received."

In using the term "producers of wealth," it is by no means necessary to confine its application to those who work with their hands for daily wages, as is too often done. While the wage-earner properly holds the center of the stage in this connection, there are other characters in the drama. The rational estimate must accord its full weight to those who invent, to those who direct, to those who organize and simplify, processes of production.

But when all else is said, the laborer, as making up the great bulk of the market for staple products, is the main factor and his wage rate and consequent standard of living most acutely modifies the demand for manufactured products.

The working of this principle can probably be best seen by contemplating it in its largest application. Supposing, for illustration, the wages and standard of living of all American mechanics were to be at once crowded down to the level of that of the laborer recently arrived from Southern Europe, whose food and clothing is reduced to the minimum, and whose standard of customary wants omits most of those things which are regarded as necessities by the average American wage-earner.

It requires little perspicacity to foretell the result of such a metamorphosis, on American manufactures. There would be almost immediately wholesale stoppages in all those thousand and one industries now supported by the home market.

But that which would be true in the extreme case is also true in degree in the rise and fall of wages in narrower margins. A decrease of ten per cent in wages all along the line in American industry means that hundreds of millions of dollars less will be spent for manufactured products. And every reduction of wages operates in the same direction, while every increase—up, of course, to the absorption of the full margin of profit—means a stimulation of the market.

It is not the millionaires or their families who use up the products of most wealth producers; but the people of moderate means, who depend, in whole or in part, on their daily labor for their daily bread.

To sum up this brief statement of the causes of periodic depression:

They will recur until the margin of profit in production goes to the producer instead of the speculator; and the trade union, in the degree that it works toward this end, is the benefactor, not alone of the wage-earner, but of the farmer, the manufacturer, the transporter, the professional man and of the entire useful portion of the community.

Have been ill, or should have answered your request sooner.

Yours,

FRANK K. FOSTER.

DILKE.

May 14th, 1903.

76 Sloane street, S. W. London.

DEAR SIR:—The first paragraph of the document which you sent me, purporting to be a speech by the president of a railroad, is absurd. It begins: "As labor unions killed industrial England." It is the belief of all the best authorities in this country that the unions, working with the masters, are the accompaniment of the best condition of industry, prevailing in the best trades. In the most solidly established portions of our coal trade, and in the Lancashire textile trade, and many others, the unions are universally respected, universally followed by the men, on the best of terms with the masters, and the trade, so far from being killed, is thriving. The industrial supremacy of this country could not but be in time surpassed by the newly rising industrial supremacy of the United States, but, given our natural resources and our numbers, we in Great Britain have maintained a constant improvement of our industrial position far longer than 35 years ago seemed to me probable; and even now we are, on the whole, increasing our trade, and are holding our own thoroughly well in all branches and with all the world outside the United States. The new experiments in the direction of compulsory trade unionism which are being tried in New South Wales, and less sharply in others of our colonies, and towards which French legislation and opinion are tending, form an interesting development in the advance of trades unionism, but one for which in this country we are not prepared. Whether it will ever be accepted here by labor is to my mind doubtful, but capital and labor here are agreed, as far as their most intelligent representatives are concerned, in favor of peaceful organization by both sides.

Yours truly,

CHARLES W. DILKE.

CROSBY.

Rhinebeck, N. Y., May 16, 1903.

DEAR SIR:—I believe that industrial panics arise from a defective distribution of the products of labor. When the producers of wealth (including those who work with their brains, together with manual workers) receive each the full value of their product, they are enabled mutually to buy the entire product of the country, and this condition of affairs causes "good times." There is no surplus of production which cannot be sold and which causes therefore the discharge of the workers until the old stock is disposed of. On the other hand when a considerable part of the product of labor goes to the few non-workers, the course of exchange is deranged. These few cannot use the product themselves nor spend all the proceeds of it upon themselves. They may do their best, but their luxury cannot keep pace with their income. They are obliged to invest, and we have thus at the same time, on the one hand, overproduction, and, on the other, the establishment of new plants caused by overproduction and themselves adding to the overproduction. By forcing our products upon the isles of the sea at the point of the bayonet we may postpone for a time the final smash-up, which is sure to follow this diversion of the product of labor from labor. Safety in the future depends upon the diminution of the share of the stockholder and speculator and the increase of that of the worker with mind or hands. As trade unions work directly towards this end I regard them not as a cause of industrial panics, but as a safeguard against them.

Very truly,

ERNEST H. CROSBY.

LAWSON PURDY.

The Cause of Industrial Depression.

Industrial panics are usually precipitated by superficial causes, and it is common to assume that the superficial cause is therefore the real cause. The real cause must be sought deeper; it must be a cause which operates in all countries and is not dependent upon political forms of government.

The distribution of wealth to those who have not earned it is the fundamental cause of industrial depression. Any means by which wealth is diverted from its producers to parasites tends to produce industrial depression. The most important means of diverting wealth from producers is the private appropriation of ground rent. The annual ground rent of the United States in 1890 was about a billion and a half. (This includes monopoly charges for transportation and transmission, in excess of the cost of service and ordinary return to capital.) About one-seventh of this sum was taken by taxation, leaving nearly one billion three hundred millions to the owners of ground rent. Besides the value of ground rents a vast sum is annually diverted by patent laws and tariff laws from those who produce wealth.

It is obvious that when an immense sum is annually diverted from producers to a few persons a condition must ultimately arise in which producers cannot buy their own products and we have the phenomena of an industrial depression with which we are so familiar. Warehouses full of goods, for which there is no market; idle men willing to work, for whom there is no employment.

Lawson Purdy.

GAGE.

August 31st, 1903.

DEAR SIR:—Yours of 23rd June, in which you submit certain resolutions adopted at the Chicago Federation of Labor and in which you solicited some expression by me, was duly received. It was put aside for a more convenient period, which never came. I fell ill and afterwards was compelled to take a long vacation in the far West.

The relation of unions and their methods to industrial prosperity is a most important one, as is also the relation of a large corporation to the future of our country. As operating in the field of labor and influencing to some extent its movements you are, I suppose, or ought to be, the more interested in studying the economic effect of the present methods and proper future course of the labor federation, and as your report or publication that is now due or has already transpired I have not time to express my views upon it.

Very truly,

L. J. PAGE.

Mr. Gage was asked for a special treatment of the influence of Money Manipulation on Industrial Panics.

T. P. Q.

BEMIS.

City of Cleveland, Ohio, May 11th, 1903.

DEAR SIR:—I am really too busy to give your letter the consideration it deserves, but I would say that I think the best treatment of the cause of industrial depression is to be found in the writing of Mr. John W. Hobson, the famous English economist. He places his finger upon the enormous inequalities of income as the feature which leads to the production of goods faster than the income of the masses, while the few who have the large incomes do not care to spend them in buying the goods which machinery makes. Anything which tends to increase the income of the masses and to prevent monopoly privileges, either in franchises or abuses of taxation from bringing enormous incomes to the few will help to prevent these difficulties.

Of course, there are some panics and industrial depressions due to unwise treatment of the money question by governments. The failure of the gold and silver money of the world to increase as fast as the increase of business between 1873 and 1893 doubtless was responsible for falling of prices and considerable business stagnation.

Other speculation also sometimes brings on crises and there seems a "periodicy" as it is sometimes called in human nature which tends to bring on periods of depression every ten years and in a still more marked way every twenty years, but after all I think the latest cause and the most fundamental is that which I first mentioned.

Very truly yours,

EDWARD W. BEMIS,
Supt. Water Works.

HARDIE.

June 10th, 1903.

The organization of Labor on Trades' Union lines tends to cheapen the cost of production by introducing a system into the methods of bargain-making between employer and employed, acting as a medium for the selection of the fittest for the performance of the work to be done, and putting an end to irresponsible strikes and stoppages of work.

The dearest labor in the world is sweated labor, which Trade Unionism prevents.

What is ruining industry is over-capitalization and irresponsible gambling on the Stock Exchange.

The capitalist and tthe landlord are like Hell and the grave—insatiable. It is not enough that Labor should stand on the defensive towards these enemies of the race who, as John Stuart Mill pointed out half a century ago, are parasitic growths upon the national life. They must be fought and exterminated as you would exterminate a monster which was devouring children and terrorizing old age.

Trades Unionism is at best a defensive agency. Socialism supplies the worker with an ideal to fight for and an inspiration which makes him fight successfully.

J. KIER HARDIE.

LOUIS F. POST.

Organized Labor and the Next Depression.

Since it has come to be generally agreed that the "good times" toward which there has been so much pointing with pride are doomed, an attempt is being made to hold organized labor responsible for the inevitable disaster. "In the growth and the demands of organized labor," says one prominent prosperity whooper, "is the first check to our unbounded prosperity."

This graceful sidestep provokes an embarrassing question. If responsibility for the next industrial depression is to be laid at the door of organized labor, why not account for previous industrial depressions in the same way? Why not accuse organized labor of having produced those of 1817, 1837, 1857, 1873 and 1893, if it is to be charged with responsibility for the one that now approaches?

The only apparent excuse is that organized labor was not strong enough in those years to be plausibly charged with producing any kind of calamity; whereas now it has become so great and so aggravating to employers that it might be charged with causing eclipses and sun spots without contradiction in "business circles."

But, really, there is not much sense—not even "business sense"—in accounting for the coming business depression by reference to the growth of organized labor and the demands it makes, if the business depressions of the past were not so caused and the conditions that did cause them still exist.

Organized labor did not cause the depression of 1817. Of that depression Senator Benton wrote that there was "no price for property," "no sales," "no employment," "no sound of the hammer," that "distress was the universal cry of the people, relief the universal demand," and that "the years of 1819, 1820 were a period of gloom and agony." That language leaves no

doubt of the genuineness of the depression, and many reasons have been given to account for it. Mr. Blaine said it was because the war duties were dropped in 1816 and an era of free trade was begun. Others have pointed out that the war duties, instead of being dropped, were increased 50 per cent; and have claimed that the distress was due, therefore, not to free trade but to protection, then introduced for the first time by our government as an object instead of an incident of the tariff. Benton ascribed it to currency expansion. But no one has ever ascribed it to organized labor, nor could that possibly be done.

There is no more doubt of the terrible genuineness of the depression of 1837 than of the one that preceded it. Benton pictured the collapse of the United States Bank in 1837, and the going "down in squadrons" of the country banks, their paper being "as worthless as the rags of which it was made;" and declared that "about 1840-41, the country was in precisely the same condition as in 1819-20." He ascribed this depression also to currency expansion. Protectionists ascribe it to the compromise tariff of 1833, while free traders agree with Benton in regarding it as due to the bursting of a banking "boom." But, here, again, no one has dreamed, no one could dream, of charging the depression to demands of organized labor.

The subsequent depressions are too recent to require citations of authority in confirmation. Even that of 1857 comes echoing down to us in the plaintive song, heard everywhere then, about "hard times and nothing to do." That of 1873 is notable for having evolved the "tramp" as a distinct class. The last one, known as the depression of 1893, dragged its slow length around the world from about 1889 to 1899. For these depressions, also, numerous and conflicting explanations are offered. We are told that they were due to currency expansion, to currency contraction, to tariff protection and to tariff reduction. But no one has ever been silly enough to venture upon attributing them to the demands of organized labor.

Why, then, should organized labor be held responsible for the coming depression? Isn't this pretty clearly a case of "blaming it on the cat"? There is not the slightest indication of any more connection, as of cause and effect, between trade unionism and the approaching depression than between trade unionism and the depressions of the past, except that trade unionism has acquired a growth now which it lacked then.

But that exception is not enough. No reason exists for believing that there is not present to-day in this country the same efficient cause for industrial depression—efficient now as then, without any regard whatever to organized labor—that operated ten, thirty, forty-five, sixty-five and eighty-five years ago. To ascertain that cause is not only to account for the depressions to which it is obvious that organized labor could by no possibility have furnished even a contributory influence; it is also to acquit organized labor of responsibility for the depression that approaches. For if a cause is disclosed which did produce the effect when organized labor was weak, and which still exists and would produce the same effect though organized labor were still weak, the mere fact that organized labor has grown strong cannot be considered as shifting the guilt.

The probability of such a cause is evident from the periodicity of these depressions and the uniformity of the circumstances. They have recurred with a remarkable approximation to regularity as to periods, and they have all come as bursted "booms." "Abounding prosperity" has each time preceded and culminated in commercial gloom.

In some way, then, there is unmistakably some sort of cause-and-effect relationship between industrial prosperity and industrial adversity. It is the common recognition of this fact, and not any intelligent conclusion that organized labor is conspiring against prosperity, which creates the universal impression that we are soon to enter upon another of these eras of industrial stagnation.

Yet it is inexplicable that prosperity should produce adversity. There must be something wrong either in the observation of facts or our reasoning about them, when we conclude that adversity is caused by prosperity. That conclusion is altogether too much like the absurdity of supposing that good health causes disease. We dare not stop with it. Nevertheless, it is impossible to escape the conviction, already noted, that in some way, however mysterious it may be, the relation of cause and effect between those diverse phenomena does exist.

The paradox may, perhaps, be explained upon the assumption that the industrial prosperity that produces industrial adversity is not genuine. It may be, on the contrary, an unwholesome appearance of prosperity—one manifestation of a disease of which panic and depression are other manifestations. Why, indeed, is it not possible, even probable, that this so-called alternation of good times and bad, which we are beginning to regard as a matter of course, is altogether a social malady, analogous to some kinds of physical ailments? In those cases of malaria which were once known as "fever and ague," the physician did not call the fever phases periods of "abounding health" and only the ague phases periods of disease—not unless he was a quack. He regarded each of these phases as a characteristic symptom of the disease. So it may be with our recurring periods of "prosperity" and "depression." Instead of being alternations of good periods and bad, they may both be bad periods, one of fever and the other of chill.

This idea is really latent in all that has been said or written upon the subject of our periodical depressions. The free trader tells you that your protection prosperity is feverish and bound to produce collapse. The protectionist tells you that your low tariff prosperity is abnormal and necessarily without lasting quality because the protection is imperfect. The money contractionist tells you that prosperity

under inflation is commercial fever; while the inflationist tells you that chills are bound to follow the seeming prosperity of contraction. However enthusiastic over prosperity any who predict a resulting depression may be, all of them entertain more or less vaguely the thought that the period of prosperity which produces a period of adversity is not a period of commercial good health.

But neither contraction nor expansion, neither protection nor tariff for revenue, neither lockouts nor strikes can account for the regular alternations of so-called "good times" and "bad times" which are so prominent a feature of American industrial history. The true explanation lies farther below the surface.

Of all the explanations of the collapse of 1837, for instance, that which Edward M. Shepard offers in his excellent biography of President Van Buren, is most satisfactory. It suggests clearly the cause of that depression, but a cause which examination will show to be as applicable to all the others. Mr. Shepard writes:*

The cause of the panic of 1837 lay far deeper than in the complex processes of banking or in the faults of Federal administration of the finances. Every American under Jackson's administration had before him, as the one universal experience of those who had taken lands at the West, an enormous and certain increase of value. . . . If new lands at the West could be made accessible by internal improvements, the succession of seed time and harvest had for a dozen years seemed no more certain than that the value of those lands would at once increase prodigiously. So the American people with one consent gave themselves to an amazing extravagance of land speculation. . . . There is no longer dispute that the prostration of business in 1837, and for several years afterward, was the perfectly natural

*Martin Van Buren. By Edward M. Shepard. American Statesmen Series. Houghton, Mifflin & Co., Boston and New York. 1897. Chapter VIII., pp. 242-77.

result of the speculation which had gone before. . . . During 1835 and 1836 there were omens of the coming storm. Some perceived the rabid character of the speculative fever. William L. Marcy, governor of New York, in his message of January, 1836, answering the dipsomaniac cry for more banks, declared that an unregulated spirit of speculation had taken capital out of the state; but that the amount so transferred bore no comparison to the enormous speculations in stocks and in real property within the state. Lands near the cities and villages of the state had risen several hundred per cent in value, and were sold, not to be occupied by buyers, but to be sold again at higher prices. . . . The disaster which in 1837 overtook so large and so important a part of the community was, in its ultimate nature, not difficult to comprehend. . . . There took place an enormous and speculative advance in prices in the cities where were carried on the operations of important traders and the promoters of enterprises, and in the very new country where these enterprises found their material. When a new canal or road was built or a new line of river steamers launched and an unsettled country made accessible, several things inevitably happened in the temper produced by the jubilant observation of the past. There was not only drawn from the ordinary industry of the country the wealth necessary to build the canal or road or steamers; but the country thus rendered accessible seemed suddenly to gain a value increased by the best results of former settlements, however exceptional, and by the most sanguine hopes for the future. . . . The so-called "business classes" throughout the country, related as they quickly became, under the great impetus of the national hopefulness and vanity, to the new land, to the new cities and towns and farms, and to the means of reaching them and of providing them with the necessaries and comforts of civilization, found their wealth rapidly and largely increasing. . . . On the eve of the panic, the new wealth . . . was permanently represented by titles to lands, stocks in land, canal,

turnpike, railroad, transportation or banking companies, and the notes issued by banks or traders or speculators. The value of these stocks and notes depended upon the fruitfulness of the lands or canals or roads or steamboat lines. . . . Before the panic broke, it began to appear that mere surveys of wild tracts into lots made neither towns nor cities; that canals and roads and steamboats did not hew down trees nor drain morasses nor open the glebe. . . . In 1836 and 1837 the operators found that there was no longer a population to give enduring life to their new operations. They had far outstripped all the immediate or even the really promised movements of settlers. . . . The new cities and towns and farms and the means of reaching them would be mere paper assets until an army of settlers was ready to enter in and make them sources of actual physical wealth. . . . Jackson's specie circular toppled over the house of cards, which at best could have stood but little longer. . . . Fancied wealth sank out of sight. Paper symbols of new cities and towns, canals and roads, were not only without values but they were now plainly seen to be so. Rich men became poor men. The prices of articles in which there had been speculation sank in the reaction far behind their true value. The industrious and the prudent, who had given their labor and their real wealth for paper promises issued upon the credit of seemingly assured fortunes, suffered at once with men whose fortunes had never been anything better than the delusions of their hope and imagination.

If Mr. Shepard had been writing of the hard times of 1817-21 he would have been obliged to attribute them also to the same fundamental cause to which in his life of Van Buren he attributed the hard times of 1837—speculation in land. As in 1837 so in 1817, other surface causes were abundant, but amble evidence of the presence of the deeper cause to which Shepard refers is at hand.

McMaster, in his "History of the People of the United

States," seems to have had an inkling of this cause of the depression of 1817; for, after noting that the hard times which had been felt by manufacturers and traders at the opening of the year 1817 began at the opening of 1818 to be felt by the people, he writes:* "They, too, had engaged deeply in speculation, and, carried away by the flush times of 1815, had anticipated the growth of the country by many years."

Indeed, it would have been strange if McMaster had not suspected this reason for those hard times. The circumstances were as significant then as at the later depression of which Shepard writes, and McMaster himself tells about them. A few quotations from him regarding conditions immediately prior to the hard times of 1817 will make the parallel clear:

. . . The West was almost transformed. Towns grew and villages sprang up with a rapidity which even in these days of rapid and easy communication would be thought amazing. . . . Letters from New York describe the conditions of that state west of Utica as one of astonishing prosperity. . . . Villages were increasing in population at the rate of 30 per cent a year. . . . Auburn, where twenty years before land sold for six shillings an acre, was the first town in size and wealth west of Utica, and land within its limits brought $7,000 an acre. . . . Emigrants were hurrying up the Missouri river in such numbers that in August the first sale of public lands took place in the Territory, and 40,000 acres were disposed of fifty miles west of St. Louis. . . . Such was the demand for town lots [in Alabama] that at a sale at Florence 284 lots brought $226,000. One sold for $3,500. Township 4, range 7, west, was bid off at more than half a million, which was something more than $22 an acre. A company buying a town site for speculation paid $251 an acre for one-half of a

*"A History of the People of the United States, from the Revolution to the Civil War." By John Bach McMaster, University of Pennsylvania. D. Appleton & Co., New York. Vol. IV., p. 484.

quarter section and $150 an acre for the other half-quarter. . . . More than $3,000,000 were realized from Alabama land sales at one public auction. . . . The rapid removal of hundreds of thousands of people from the seaboard to the Mississippi valley gave a new impulse to internal improvements. . . . Every old scheme of inland communication by turnpike, canal or steamboat was at once revived and urged with a seriousness hitherto unknown. . . . No characteristic of that remarkable era is so noteworthy as the development of steam navigation. . . . Private enterprise combined with state aid had [1816] covered the seaboard with a network of turnpike roads and bridges. . . . [In 1817] from New York and Pennsylvania westward to the Mississippi and southward to Tennessee a state of general bankruptcy prevailed. The rush of immigration into this belt had been followed by a wild fever of speculation.*

Here are quotations enough to bring before any intelligent imagination a companion picture of the industrial conditions prevailing up to the hard times of 1817 to that which Shepard has drawn of those that prevailed up to the hard times of 1837.

This glance at McMaster, coupled with Shepard's observations, leaves no doubt of the situation. The panic of 1817, like that of 1837, was preceded and caused by a land "boom." "Business men" were everywhere strenuously buying land, both farming land and town sites—not to use, but to sell again on a booming market at higher prices; and the collapse came when land prices had risen beyond the point at which the land could be profitably used. In the one case, as in the other, "wild cat" banking, excessive loans, premature internal improvements, and possibly tariff changes, may have knocked over the house of cards; but a house of cards it already was. It would soon have toppled without the impulse of any collateral pressure. The fundamental cause

*McMaster's history, vol. IV., pp. 385 to 487.

of these depressions of 1817-21 and 1837-41 was speculation in land values.

This was probably the fundamental cause also of the panic of 1857. It certainly was the fundamental cause of the hard times of 1873 and 1893. All were the culmination of a period of feverish speculation in land—a speculation which consisted in buying and selling on an upward incline of prices, which, having gone above the level of price where the land could be profitably purchased for the future production of actual physical wealth, were destined sooner or later to reverse their direction with a rush, carrying with them all loans and investments that were in any wise dependent upon inflated land values, and involving in the general crash some that were not so dependent.

This explanation of hard times is essentially identical with that which Henry George has advanced as the principal one. He wrote:*

I do not mean to say that there are not other proximate causes. The growing complexity and interdependence of the machinery of production, which makes each shock or stoppage propagate itself through a widening circle; the essential defect of currencies which contract when most needed, and the tremendous alternations in volume that occur in the simple forms of commercial credit, which, to a much greater extent than currency in any form, constitute the medium or flux of exchanges; the protective tariffs, which present artificial barriers to the interplay of productive forces, and other similar causes undoubtedly bear an important part in producing and controlling what are called hard times. But, both from the consideration of principles and the obser-

*"Progress and Poverty; an Inquiry Into the Cause of Industrial Depressions and of Increase of Want with Increase of Wealth. The Remedy." By Henry George. Doubleday & McClure Co., New York. Pages 261-62.

vation of phenomena, it is clear that the great initiatory cause is to be looked for in the speculative advance of land values. . . . Given a progressive community, in which population is increasing and one improvement succeeds another, and land must constantly increase in value. This steady increase naturally leads to speculation, in which future increase is anticipated, and land values are carried beyond the point at which, under existing conditions of production, their accustomed returns would be left to labor and capital. Production, therefore, begins to stop. Not that there is, necessarily, or even probably, an absolute diminution in production; but that there is what in a progressive community would be equivalent to an absolute diminution of production in a stationary community—a failure in production to increase proportionately, owing to the failure of new increments of labor and capital to find employment at the accustomed rates. This stoppage of production at some points must necessarily show itself at other points of the industrial network, in a cessation of demand, which would again check production there, and thus the paralysis would communicate itself through all the interlacings of industry and commerce, producing everywhere a partial disjointing of production and exchange, and resulting in the phenomena that seem to show overproduction or over consumption, according to the standpoint from which they are viewed.

As we have already seen, that explanation fully accounts for the industrial depressions this country has so far experienced. If it is not so obvious with reference to that of 1893 as to the others the reason is not far to seek. By that year the volume of speculative land values had come to be represented, to a degree much higher than formerly, by corporate stock. In greatly enhanced proportion, therefore, land speculation prior to the hard times of 1893 had assumed the form of stock speculation.

This is also the case to-day. Stock speculation serves to conceal much of the most ominous land speculation in which the country is indulging. Notwithstanding this speculative masquerade, however, any intelligent observer may see in the rising speculative prices even of unincorporated landholdings—in city and town lots and Western farm sites—the infallible signs of a gathering storm.

Already production is being checked. Railroads are reported to be postponing intended improvements; mines are reported to be restricting output; building investors are reported to be shrinking from the risk.

For all this the high cost of materials and labor is offered as an explanation. But investigation will everywhere disclose the fact that the principal obstruction is speculative land values. An instance is given quite inadvertently by a well known Republican daily paper of New York,* in an appeal to workingmen to be moderate in their demands for wages. This paper offers an instance within its own knowledge to "illustrate the situation." It says:

Three years ago some capital purchased a site and erected a new building for half a million dollars. The investors were content to go into the undertaking for a five per cent net return, or $25,000 a year. Since that time labor and cost of material has advanced to such an extent that to erect the same building would cost $110,000 more than when it was put up. The boom in real estate in that neighborhood has carried up the value of the same land there another $130,000. Here is an increase of cost for capital going into an investment to compete with the first-named property of very nearly a quarter of a million dollars on half a million dollars, or very nearly 50 per cent.

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*The New York Press, May 8, 1903, editorial on "Capital's Present Attitude of Abandoning New Activities."

The illustration is a good one. But it is not a good one to show that the cause of the inevitable crash to come is organized labor. The total increase for labor and building materials in three years is put at $110,000. Of that amount part is due to the arbitrary exactions of monopolists, for which organized labor is certainly not responsible. And so much of the amount as goes for wages does not obstruct the industry unless it is fixed arbitrarily. If it is a normal increase, then the wages of all labor are proportionately increased, and the greater cost for labor products is at least neutralized by the greater purchasing power of the earning classes. This part, therefore, of the $110,000 cannot be regarded as a check upon our "abounding prosperity."

But what about the increased price of the building site? While the total cost of materials and labor (monopoly exactions and all) has increased in three years by $110,000, the price of the building site, without which no building there is possible, has increased $130,000!

Is it not fair to say that speculative land value is in this instance a far more important factor than organized labor in obstructing industry and bringing on hard times?

The instance is typical. Though some production is prevented by organized labor, it is only as a drop of water in the bucket in comparison with the production that is prevented by speculative prices of land. As with the depressions of 1817, 1837, 1857, 1873 and 1893, so with the approaching depression—the principal cause, the cause which is always sufficient though no other be present, the cause which is fundamental no matter how many superficial influences may appear, is land speculation.

This principle is vividly exemplified by "boom" towns. In any of these towns there is a period of land speculation, which all the "boomers" exploit, and all the enthusiastic inhabitants regard, as evidence of "unbounded prosperity."

Building lots "go off like hot cakes."

On some of them buildings are erected, but most of them

change owners on the basis of great expectations alone.

To suggest that this is not prosperity is to be unpatriot. and disloyal to your town.

To throw any obstacle in the way of brisk trading in th real estate exchange is to incur obloquy for imperiling th "unbounded prosperity."

If mechanics were to lay themselves open to the charg of discouraging a homeseeker from building, they would b held up to public scorn.

Yet every speculative sale of a building lot at an advance price, proof of local prosperity as it is regarded, is in fac the most effective discouragement to building.

After awhile prices for building lots in the boom tow run so high that contracts for buildings begin to fall off and then the crash comes. An unwholesome "prosperity" has run its natural course and collapsed.

The present industrial "prosperity" of the country, like the "prosperity" of the "boom" towns, and of all previous periods of national "prosperity," is destined to produce industrial collapse because it is not wholesome prosperity. Like them, it is one phase of industrial conditions poisoned with the malaria of land speculation, the symptoms of which are alternating spasms of fever and chill, recurring paroxysms of brisk times and dull times.

So long as this cause of industrial depressions persists, it does not comport with the dignity nor testify to the intelligence of full grown business men to accuse organized labor of bringing on the hard times that are coming.

LOUIS F. POST.

GEORGE FRANCIS TRAIN.

SOLID CITIZEN TRAIN'S REBLY—CHER CITOYEN.

Isolated Hospital No. 1 (Small Pox Row)
Mineism Lodge, Stamford, Conn., 6-28-'02.

T. P. Quinn, Chicago Federation of Labor, Chicago, Illinois:

I mail you reply through politeness Editor Frederick Heath, Social Democratic Herald, Milwaukee, Wisconsin.

Having had hundred thousand workmen under my command (land and sea) without a strike, making them my co-partners instead of my wage slaves, I am glad to see your action! Rounding world '90 I saved $12.00 omitting four words! "Dear Sir: Yours truly! (Cable $3.00 Japan to Tacoma.) And I have crowded out one hundred and eighty-two words to save space in S. D. H.

As workingmen have all power through votes let them break parties and get their dues! They have same rights as employers! There is no capital but labor. Capitol 4 per cent. Labor 96 per cent. This is actual robbery! These figures show at glance situation!

Belonging to no party! Clique! Association! I have fought single handed through nineteenth century for laborers! I want them to live in homes they build! Now they are wage slaves! Association is nature's law! Fish in shoals! Birds in flocks! Animals in herds! Insects in swarms! Sands make mountains! Trees forests! Drops, oceans! Why should not workmen unite? See how Germany is upside down in Social (R) evolution! Look at Wisconsin's victory. Building railroads through three states—New York, Ohio, Pennsylvania—400 miles 58—62. I had hard work to raise cash for wages! Same with A. P. and W. P.! I had to hustle.

Hill built Great Northern. Sans acre of land or dollar. Got cash and deserves great credit. I met Debs when strike was threatened four years ago and stopped him. He scared Pluto out boots. (As S.-D.-H. is doing in northwest!) Let all workingmen's organizations stand together! Regardless parties Clique! Leagues! And score victory!

Physic regards to all my old friends the workingmen. —Citizen George Francis Train, seventy-fifth year, who began at fourteen in grocery store; eighteen hours a day.

GEORGE FRANCIS TRAIN.

WM. LLOYD GARRISON.

Boston, June 29, 1903.

DEAR SIR:—Your favor of the 23rd is at hand. I do not feel competent to offer anything new on the subject of "Industrial Panics." I think that Henry George's explanation of them is the most satisfactory and luminous one of which I have any knowledge.

Very sincerely yours,

WM. LLOYD GARRISON.

P. S.—I have been absent in California for five months and did not receive your previous letter. W. L. G.

JOHN BURNS.

100 Lavender Hill, Aug. 14, 1903.

DEAR SIR:

Sorry I cannot accept your kind invitation to take part in the symposium on Industrial Panics in the United States. I answer the questions, however, and make a general reply. It is not true that trade unions have killed industrial England as ignorantly, wickedly and selfishly asserted by Mr. J. Hill, an American railroad boss. On the contrary they have contributed to England's wealth by regimenting the workmen, specializing their powers, concentrating their productiveness and largely as a result made Britain the workshop of the world. They have been active factors in making the enormous wealth of this country and are daily assisting in its more equitable and wider distribution by higher wages and shorter hours. Their collective thrift and co-operative benevolence has relieved much distress and pioneered humanitarian projects, the burdens of which the rich should have carried, and under union guidance the ameliorative efforts of trade unions in America, if wisely and similarly directed, may avert a physical force revolution if they extend rapidly and are helped by a free and non-plutocratic press.

This happy consummation I believe the trusts will render impossible by their greed, arrogance and subordination of progressive reforms to their selfish, unpatriotic and disorderly ends.

Banker Hutchinson is one of the new feudalists and craftily attributes to the reasonable demands of labor the inevitable panic that the speculative and undisciplined greed of his class will produce; the trust magnate, the imperialist, the expansionist, the child labor sweater of the south who get rich by the accumulation of other

people's money are becoming conscious about their policy and fearful as to the result of their methods. They have a glimmering of the self-made wrath to come and to avert their responsibility and evade their punishment they are unloading their faults onto the shoulders of organized labor in America. It is the business and duty, therefore, of organized labor in Chicago and elsewhere not to be lured into false steps and hasty or precipitate action and when in this position to be pilloried on small errors for the greater crimes of their better organized and provocative wealthy opponents. I see troublous times ahead for the American people unless the better sections of all classes get together and in so doing save the commonwealth by collective action from the assault being made upon it by wealth without duties, monopolies without conscience, and luxury without shame.

The labor movement without friction, bitterness or vindictiveness must play a manly part in this movement. Its mission should be to inspire the mutable many with loftiness of ideal, steadiness of aim, magnanimity of attitude, toleration of minor differences so that a peaceful solution may be secured for a readjustment of social forces and industrial life.

The object of plutocracy will be to lure, provoke and perhaps goad the workers into open active resistance with its inevitable results to the weakest because the poorest.

Be wisely patient, be cautiously bold, above all be sympathetic to those who come most your way. Cooperate with all good citizens for a clean and righteous city government. Educate the workmen so that unionism by its discipline, aim and benefits will attract the steady and the most serious of those who toil. Vote only for the politician who will help social regeneration by political means. Use all men and all honorable methods to palliate the panic when it comes and whilst it is

with you take such steps as the facts warrant to prevent a recurrence of crises that collective production of wealth creates, when unaccompanied by collective control of its distribution.

Pending municipal ownership and state control of industry the trades union is the rallying refuge of the disinherited.

Within its borders all workmen should be found who, whilst upholding the best interests of their trade, will be strengthening the resistance to the menacing attack that monopoly is directing against the political liberty, industrial freedom and social independence of the American people.

In the new armageddon between money and mankind America will be the country where that issue will be grappled with first.

I hope that the common sense of most will avert another struggle over the resuscitation of slavery, this time of white and black, for which some of your rich men are contending and conspiring. There are symptoms, however, of the intention of Americans to deal with the new tyranny within as on previous occasions they have rejected dictation from without. In that laudable effort I wish them all success, and in that righteous movement the front place of honor and duty falls to the organized trades unions of the United States.

May they be worthy of the confidence reposed in them by their friend and wellwisher.

JOHN BURNS.

EUGENE V. DEBS.

Terre Haute, Ind., May 9, 1903.

DEAR SIR AND BROTHER:

Your favor of recent date with copy of resolutions of the Chicago Federation of Labor attached came during my absence from the city, and I now proceed to comply with your request.

In his interview upon the industrial outlook, James J. Hill, faithfully represented the interests of his class in serving warning upon the workers that unless they changed their tactics from aggressive assertion of their rights through organized labor, to subservient submission to their masters, they would bring a panic upon the country and pay the penalty of their recklessness in a long period of enforced idleness.

Of course it is expected that Mr. Hill will stand by his class and that in what he has to say upon the labor question the workers have but to take the opposite view to find what course they are to pursue to advance their interests and to reach their ultimate goal.

It is therefore clear, in the light of the Hill interview, that what is needed is more instead of less organization, and more radical instead of more conservative demands.

As to industrial panics and their cause, Mr. Hill has read history to poor purpose, if he attributes them to the unreasonable demands of the working class. Indeed, such a contention seems to any thoughtful man like an attempt to joke upon a serious subject. The analogy he attempts with industrial England, still more weakens his case and adds strength to the position of American workingmen in proposing to profit by the experience of the past and as far as possible provide against its calamities and sufferings.

The modern industrial panic has one controlling cause. It is the direct opposite of that given by Mr. Hill. He insists that workingmen are demanding a larger share of their products and that this will eventuate in collapse and disaster. The panics of recent years have been caused mainly by the fact that the workers, who constitute the bulk of the population, have been unable, on account of their diminished wages, to buy their own products. Production has greatly increased but consumption has not been able to keep up with it, on account of the small wages which the many receive as the result of increasing sharpness in competition due to the widespread and ever increasing application of machinery to industry.

The panic predicted by Hill will come, but the workers will be the victims of it, while their capitalist exploiters will be responsible for it, and their attempt to shift this responsibility is on a par with that of the wolf that made excuse for devouring the lamb for polluting the water of the spring, when the opposite was true.

The efforts of your committee to arouse the workers to open their eyes and set them thinking and thus enable them to forestall Hill and his co-exploiters are most commendable and deserve all possible encouragement and support.

As a socialist the remedy for the threatened evil seems very simple to me. The workers have simply to organize and build up the socialist party, the party of the working class, until it is strong enough to conquer the public powers and put the working class in absolute control of government. This is the essential part of the present program and appeals to the intelligent support of the workers throughout the world.

Yours fraternally,

EUGENE V. DEBS.

LUCIEN SANIEL.

To the Wage Working Class of the United States:

PART I.

THE CLASS STRUGGLE.

(NOTE—In presenting to the wage-workers of this country a plain statement of the position which, as Revolutionary Socialists, we conceive to be the only one consistent with past experience, present conditions, and impending developments, we deem it imperative to thoroughly establish the soundness of our conclusions, by prefacing them with a broad outline of the course of social evolution.

In this age of advancing intelligence, stimulated at every step by the visible results of scientific inquiry, essential knowledge is no longer beyond the possible reach of the people. The only condition of its propagation lies in the method of imparting it.

Care has consequently been taken to use no form of language, and no method of treatment, which, pretentiously called scientific by mere pedants, is calculated to fatigue or repel the minds of men daily worn out by hard labor, but willing and capable to master the "social problem." For, holding as we do—and as we propose to clearly demonstrate—that "the emancipation of the Working Class Must and Shall be Accomplished by the Working Class, Itself," it is to such men, especially, that these lines are addressed.

We thust, therefore, that this first part of our Manifesto will not only be perused carefully, but stored in the minds of its readers for timely reference when its later parts (dealing with our attitude and tactics upon the various questions and under the various circumstances that are now confronting, or may further confront, the Socialist movement) will be submitted.

CHAPTER I.

Broad Outlines of the Historic Process of Class Formation and Class Development, from Slavery to Serfdom and Wagedom.

In these two words, "Class Struggle," may be summed up the whole course of history.

At the very dawn of human association we find the class struggle originating in the tribe from the incipient division of labor and the consequent beginning of a specialization of functions.

Later we see it, in the tribe also, intensified by war and the consequent institution of slavery.

And when at last the tribe, after passing through the various stages of its nomadic period, is compelled by its own development and surroundings to effect a permanent settlement, we find its individual families not only possessed of slaves, as well as of cattle, in unequal proportions, but divided into classes unequal in privileges and dignity.

Moreover, we find that at that time, also, a class revolution had already taken place. The supreme authority had passed from the patriarchal to the warrior class.

This was the first of the two great class revolutions that have thus far been fully accomplished; a third and last one—which will put an end to classes and class rule—being now painfully on its way, but steadily nearing its climax.

The Ancient City now rises. It is only, at first, a fortified enclosure on a great watercourse, at a point commanding the tribal settlement. Slowly, gradually, at a tremendous cost of enslaved muscle supplied by war, it grows, expands, embellishes and at last, star-like, shines far and wide.

Farther and farther the ancient city must indeed extend its sway. To conquer is a necessity of its existence. To be master or slave—that is the question.

War, universal and merciless, becomes the normal state. Even in civilized Greece, among cities of the same blood, speaking the same language, worshiping the same gods, and threatened by the same enemies, the conflict goes on, at the risk of a common ruin.

Everywhere plunder is its object; plunder of the wealth created by slaves for the rulers of cities doomed to be conquered; plunder again of the wealth which those vanquished rulers, themselves at last reduced to slavery, shall have to create under the lash of their conquerors.

One city in the end gets to be the master of all: and from its noble class, physically rotten and mentally foul, issues the Roman Emperor in god-like splendor.

The known world then is one; not in thought, for there is and can be no thought; not in aspiration, for there is and can be no aspiration; but one in vile subjection to a Caesar and his armies.

Yet this apparently petrified world, composed of so many desperate races held together by the cement of despotism, moves on, impelled by mystic forces. The Caesar becomes a Christian.

Shall man now live in peace with man, even though the cost of such peace as is then possible be Christian submission in slavery and squalor? No! Revolt everywhere, blind, aimless, hopeless, desperate revolt, drowned in blood every day, alive and furious the following day.

Nor is this all. From unknown regions to the north of India comes pouring down upon Roman "civilization" a flood of uncouth barbarians, fearless demons, until then hidden from human sight by the highest mountain wall on earth.

It is their turn to conquer, pillage and devastate. They do it grandly, in the face of the sun; then, careless of the morrow, revel at night on the field of carnage, in the rude manner of their own gods of storm.

Like the hunting tribe in its palmy days, they make no

prisoners in battle. Slaves would impede their motion. They kill.

Under their heavy tramp the Ancient City vanishes. Nothing remains of it but ruins and tradition.

When they reach the sea and must turn back, the land is nearly all a waste. As they sowed the famine must they reap the crop.

Here and there, however, the unarmed, inoffensive, industrious slaves who fled to the woods on the first appearance of the invaders, have returned to the fields and tilled the soil.

Our barbarian, by no means a fool, understands their use, appreciates their value, bids them to fear not. These, indeed, he will not kill. Manifestly they belong to the soil; they are its fertility. Under his "protection" they shall, cattle-like, grow and multiply. Not as "slaves," but as "serfs," attached to that soil which he declares his own by the right of his mighty sword—and later, in addition, "by the grace of God;" for he also, Caesar-like, finally becomes a Christian.

From slavery to serfdom the step, at first sight, does not seem very great. It was not, to be sure, so much even as a beginning of that "Second Revolution, greater than the first," to which reference has already been made. Yet it was, most obviously, a structural change in the social organism, a change of vast importance, through which that second revolution became not only possible, but inevitable.

In slavery times, the enfranchisement of individual bondsmen by their owners had not and could not have the effect of creating a new class, a revolutionary class, intent upon seizing the reins of government and establishing a new social order. It rather consolidated slavery itself by taking out of it the intelligent, active and vigorous spirits capable of organizing and leading a rebellion. Nor could an insurrection, ever so successful, eventuate in the abolition of slavery under the moral and economic conditions then prevailing throughout the world. The great rebellion under the lead of Spartacus endangered for a time the existence of

Rome; it did not for a moment threaten slavery as an institution. The victorious slaves would have simply enslaved their conquered masters.

But with the advent of feudalism the field of class evolution was vastly enlarged, and the self-formation of a class which, born in serfdom and compelled to fight its own way out of it, will steadily grow in capacity of self-organization, self-elevation and self-emancipation, is a possibility and, as history shows, becomes of necessity a fact.

No sooner, indeed, had the feudal lords taken possession of their respective domains and provided against famine by quartering their human cattle upon the land, than the necessity of further providing for themselves adequate shelter, secure from attack, and comforts befitting their station, led them to recognize the special "use value" of those among their serfs who had been instructed in the mechanic arts.

The skill of those poor men—in some cases also their possession of that empirical knowledge which constituted very nearly the whole science of antiquity—was almost the only legacy of ancient civilization to Feudalism; and the barbarian who, as a warring tramp, had wantonly destroyed its accumulated product of ages, was not slow, as a lord living on his vast estates, to perceive the advantage of adapting to his feudal machine the restoring and creative power of the skilled labor at his command.

Of course, he did not free the artisan. He made him a special serf, together with his descendants, attached to the tool of his trade as his rustic brother was attached to the land, and subject to such requisitions as the lord, according to his necessity or fancy, might make upon his labor or its product.

Then, calling him Smith or Wright, and others of the skilled sort also in various lines, carpenter, mason, shoemaker, tailor, weaver, dyer, potter, etc.—the better to brand them and their posterity forever with the stamp of their respective trades—he gives each of them a plot in a fortified enclosure, guarded night and day within and without by his

men-at-arms, and bids them do good work, as they best please and best know to their heart's content.

The Feudal City rises. In those parts where ancient cities have stood, its growth is rapid. Stately ruins, abundant materials and the number of artisans favor reconstruction. In those wilder regions that have not been deeply penetrated by Roman civilization, the work is one of complete creation, and inevitably slow. Here, however, owing to the character of the population, chiefly composed of people who were free at the time of the barbarian invasion, the structure is not only more original, but more truly representative of feudal conditions.

Here, also, the artisan serfs grow more restless under every new exaction of the lord, more resentful of indignities heaped upon them by his ribald gentry, and more disposed to combine for their mutual protection.

In whispers at first they talk of independence. Finally, they make common cause; secretly they commune:—Woe to the traitor! And one day, from his towering castle on the hill yonder the lord wonders at that strange flag—the flag of the commune—defiantly waving on the walls of his feudal city.

With this first successful outbreak of the artisan class—for it is now a "class," proudly calling itself the "Bourgeoisie" (from the word "bourg," "burgh," "berg," meaning "fortified town")—begins the long struggle that will culminate in the second revolution; that is, in the overthrow of Feudalism and the initiation of Capitalism.

Thenceforth the rise of that class, despite all temporary setbacks, will be constant. As a factor of social evolution, its action will increasingly be felt in both the economic field and the political, until the day in the still remote future when it shall have fully accomplished its revolution, and when its own mightier offspring, the Plutocracy, shall appear on the scene and become supreme.

In the first place, as it needs laborers and servants, the prospering Bourgeoisie opens the gates of its town to num-

bers of rural serfs, who seek within its walls the only possible refuge from lordly ill-treatment. Once admitted, these runaways are "free." Free to work hard for a pittance in the service of a "bourgeois," or to undergo such punishment as the laws and regulations of the well organized, well administered, industrious commune inflict upon the lazy and the immoral. Of course, they cannot become "artisans," however skillful they may get to be in the trades of their respective masters. "Art" now conferring social dignity, is no longer a mere matter of skill; it is also a matter of privilege.

Thus in the shade of the rising Bourgeoisie, and dependent upon it for subsistence, grows in numbers a class that shall never possess aught else than the labor power within its own body, namely, the "City Proletariat."

And what are, in the rural districts, the effects of this exodus from the fields to the town?

Manifestly, unless the lord moderates his exactions, he will lose his best serfs and find in the end that there is but little, if anything at all, to exact. "Let us moderate," says he, in a true Christian spirit. But moderation depletes his larder and cripples him in many ways. What shall he do? A curse upon those cities! At any cost they must be made to pay.

To be sure he can rightfully, in a brigand sort of way, tax the traffic that is already springing up between the towns; for the highway runs through his domain and is a part of his possessions. The tax is imposed; the towns protest. The tax is increased; the towns form a "League." The tax grows intolerably high; the League threatens war. "Let it be war," says the lord.

Then begins an almost interminable conflict, of unequaled complexity in the annals of the world. Lords now siding with their fellow lords against the communes, then with the communes against their fellow lords, according as the side they take may best serve their economic interests or political ambitions. Lastly comes the king, mightier lord,

moved by the highest considerations of statesmanship and "public good," not to speak of personal aggrandizement.

When it is all over, many lords have lost their estates, many communes have lost their freedom. The absolute monarch looms up, irresistible, surrounded by a large body of dependent nobility, pledged to do his bidding. Concentration, already then, had inevitably issued from competition.

In the meantime, with the concentration of land into fewer and larger domains, a fundamental change in the mode of administrative exploitation became necessary. To be brief, in every great domain a comparatively few serfs were selected, to whom the land was farmed out in large tracts, the greater lords, like the king himself, finding it more convenient and profitable to haye a few well equipped, responsible tenants than many poor ones. This tenantry, together with country nobles of the low order and little property, formed that class which in England is still called the "Yeomanry;" a rural middle class, corresponding somewhat in social standing to the Bourgeoisie of cities; while the mass of serfs turned over to its mercy as mere laborers constituted the "Rural Proletariat."

Let us rest here for a moment and consider the lesson taught by the above series of closely connected facts. It is a lesson which we ought to learn well and remember, for it will greatly facilitate the comprehension of later facts and consequent teachings.

As we have just seen, it was by the artisan that the first blow was dealt to the feudal structure at the corner stone of its foundation. By that blow, struck in the name of liberty, the artisan class not only opened a way for itself into the citadel of privilege, but brought about the birth of its rural counterpart, the yeomanry, from which it was to receive occasional assistance in its further attacks upon the nobility. As a seed unable to germinate under a wide-spreading rock works its way to the surface when a rent is made in the obstructive mass, so did the rural middle class,

when that blow was struck, spring from the soil in which its elements of life lay deeply buried.

Again, observe that the weapon with which the blow was delivered was the tool of industry—a tool then simple enough to be quite easy of acquirement if the skill necessary to handle it had been made.

PART I.

CHAPTER II.

From the Institution of Wagedom Under Feudalism to the Advent of Machinery and Consequent Capitalism.

In the preceding chapter we followed the artisan class from its birth in serfdom to a point in the straight line of its development, where it had already become a "Bourgeoisie" economically powerful but politically subject to the royal authority.

We saw that in throwing off the yoke of many petty lords, this class had actually dealt a mortal blow to feudalism; but that—contrary to its natural aspirations and despite its resistance—it had inevitably, fatefully as it were, proved instrumental in concentrating the powers of government into the hands of one mighty lord—the king.

Observe, however, that while in the course of its struggle for independence it had for a comparatively brief period caused a reversion of the political body to that particular form of ancient times when there were "cities" (and "Leagues" of Cities), but no "Nation," it was through this very struggle that the "Nation" came to be. And in the greater political aggregate evolved in this new form the Bourgeoisie took its place as a national class, known in history as the Third Estate.

Again, we saw that coincidently with its own formation and rise, the Bourgeoisie had created for its own exclusive use and benefit a City Proletariat—a class of so-called free men, which it kept in absolute economic dependence, abject servitude and political non-existence.

Lastly, we saw that its own evolution had indirectly caused the birth and development of two rural classes, namely: (1) a Tenantry, with large holdings, whose ultimate aspirations, when fully developed, would naturally be to own the land, just as the Bourgeoisie owned the Tool; and (2) a Rural Proletariat, more impotent even and more degraded than its urban prototype.

For the lower of those two classes the Bourgeoisie, of course, had the utmost contempt. With the higher it had little sympathy; and although the cities, in their days of desperate struggle, had frequently used it against a common enemy, they never sustained its spontaneous uprisings when at the height of their independence and strength.

We may now follow, with rapid strides, the further progress of the Bourgeoisie.

The greater the king, the more costly his establishment. While the large estates of powerful vassals who resisted his political encroachments have become a part of the royal domain, the income they can be made to yield is in no proportion to the increased and steadily increasing needs of his court, now crowded by faithful lords that their devotion to the royal cause has impoverished.

To tax the nobility for the support of the crown, were it not morally unjust and politically unwise, is therefore practically impossible. To tax the high clergy would be a sacrilege; its vast estates—on which the hard and well directed labor of pious souls, living chiefly on prayers and alms, is blessed with exceptional productivity—are the property of God. To those two great "Orders," pillars of the monarchy, must obviously be left the absolute right to tax as they deem best—in money, in produce, in services—the peasantry on their respective domains.

Observe also that by the methods in use at the time we speak of, the increase of agricultural wealth was inevitably so slow as to be hardly perceptible. The bulky produce of the land, owing to the lack of adequate means of communi-

cation, could not be shipped to distant parts, and its best market was the neighboring town.

Not so with the wealth of cities, which, under the conditions of securing intercourse and enlarged area of exchange produced by the consolidation of provinces into a nation, was now increasing at an unprecedented rate. The special product of the artisan, highly valuable in comparison with its bulk, found a constantly widening market, and the merchant branch of the bourgeoisie, in particular, was steadily growing in riches, consideration and influence.

It were, perhaps, superfluous to remark that under the surface of this moving world, which it bore every day higher on its lean shoulders, stood unnoticed, more and more despised, and apparently motionless, the Proletarian class.

Manifestly, then, it was to the cities that the king had to look for the means of making the royal ends meet. In times of war, especially, his needs were pressing and his ability to borrow was reduced. To tax the cities was his only resource.

Several attempts to tax them without their consent resulted badly. So did the free-silverite expedient, frequently resorted to by the king, of paying his debts in debased coin.

The bourgeoisie was "patriotic." It fully realized the necessity of defending the national territory whenever it was threatened, and the desirability of extending it whenever an opportunity promiseful of success presented itself. For the national territory was its market. To preserve its integrity and achieve its expansion, the Bourgeoisie would not only pay, but fight; and fight it could, as well as the nobility, which it had fought of yore. But on all such matters, which were a part of their own affairs as well as of the king's, it claimed the right to a voice and vote. It had good bookkeepers, who could figure out to a farthing the cost of war and the value of its object.

And this right was granted; reluctantly to be sure, but

irrevocably. The Bourgeoisie, through its elected representatives, entered parliament.

True, more than once the king violated his contract, made and renewed under duress with the most solemn oaths. No end of trouble and rioting and blood letting on such occasions. Yet, if he was a good fellow, brave in battle, successful in war and known to be quick in decapitating "conspirators," the Bourgeoisie laughed at its own rebuffed Commoners, and paid the tax bill on sight, saying grimly in tones that could not be heard, "Let us bide our time." And when the time came—as it did in England, for instance, in the good bourgeois year 1649, then in France in the still better and far greater bourgeois year 1793—the long patient, long abused, long despoiled bourgeoisie, to the plaudits of the infuriated Proletariat, which it had held for centuries and was still to hold for many generations under its iron heel, did in turn decapitate the king.

But between the English middle class tornado and the French bourgeois cyclone certain great events had occurred in the placid world of thought, science and invention, which in themselves constituted what we have termed here, "The Second Revolution."

From that time dates the actual end of Feudalism, the Era of Machinery, the consequent transformation of the Artisan or Bourgeois class into a Capitalist class, the slow but sure awakening of the Working class—in a word, the beginning of the Third Revolution.

It is this momentous period that we shall consider in our next chapter.

PART I.

CHAPTER III.

Modern Machinery—Birth of the Factory System.

It falls under the sense that during the centuries which elapsed between the institution of Feudalism and the advent of modern machinery, the progress of the industrial arts,

however slow, had upon the whole been very great. The artisan's ingenuity, stimulated by a legitimate pride in the perfection of his work to a far greater extent than by its comparatively small remuneration, had been productive of discoveries and inventions which in turn acted as a further inducement to systematic observation and experiment. A spirit of inquiry had thus been awakened, which gradually ventured into many fields previously unexplored by the human mind or long closed to it by the barbarian flood. Not among the wealthier artisans alone, whose sons attended the now rising universities with a view to the gaining of positions in the clergy, at the bar and in parliaments, through which they could constantly work at the elevation of their own class, but also in the dark recesses of the monastery and in the palaces of the studiously inclined among the nobility, this spirit went on, developing men of great intellectual power. It has been correctly observed that the revival of Greek learning, in particular, contributed vastly to the mental impulse which marks the close of the Dark Ages and the dawn of Modern Civilization. Not so much, however, because of the influence which the speculations of Greek philosophers exerted upon the metaphysicians of the "Renaissance" as our university pedants would still have us believe. Not even so much because of the artistic development which was unquestionably one of the results of modern acquaintance with the achievements of Greece, but in which luxurious idlers are apt to see the foremost benefit of progress. But chiefly and fundamentally because of the scientific and therefore materialistic, vistas which the works of Greek physicists and mathematicians opened to the practical minds of our pioneers in modern inventions. Of incalculably greater value, indeed, were at the dawn of modern research the machines already invented by Hero of Alexandria more than twenty-one centuries ago—*and among which was a steam engine*—than all the dissertations of Plato or the masterpieces of Phidias.

And now let us bear this in mind. In the midst of that

great intellectual awakening that was the necessary prelude to the "second revolution," crass ignorance, of course, remained the mental attribute of the proletarian, whose social distance and economic dependence were further increased by the increasing knowledge of his masters.

Invention, we said, painfully slow in the Dark Ages, naturally became more and more active with the progress of knowledge. But until the Eighteenth Century was well advanced in years, it had not been of such a character as to cause a sudden and fundamental revolution in the mode of production, and therefore in the life of the working people.

Then, however, in rapid succession, appeared those machines in the textile industry which, supplemented a few years later by Watt's steam engine, blew out the fire in numberless poletarian hearths throughout England and drove masses of her country population, regardless of age and sex, into pens called "factories," there to be "milled" flesh and bones into Capital.

In order to fully comprehend the lightning-like suddenness and irresistible force of the blow thus struck at the whole laboring class, we must observe that it occurred at a time when the nobility, with the interested approval and effective support of the yeomanry, had succeeded in divorcing the rural proletariat from the land, thereby actually reversing the fundamental conditions of the earlier feudal times, when the serf was bound to the soil.

Let us briefly describe this historic process of turning serfs into "absolutely free men."

The fact has already been mentioned here that at a certain epoch in the evolution of the tenantry from serfdom, the lords had found it more convenient and profitable to have a few large tenants than many small ones. Nevertheless, as those large tenants needed wage labor at the lowest possible cost to properly cultivate the land, each laborer was allowed to retain a small holding, subject, of course, to the will of the lord, and so insufficient for his sustenance that he was compelled to hire his labor and the

labor of his family to his former fellow serfs, now raised to the dignity of "property holders." "The very circumstance that he held a patch of land and could, besides, graze a couple of goats or perchance a cow upon the waste portion of the lord's estate, which was abandoned to such as himself for their common use, was rather taken advantage of to keep the price of his labor below the point which it might otherwise have reached. Moreover, under the supervision of a keen-eyed employer, and applied collectively instead of singly, the intensity and efficiency of that labor were then as now (though not to the same extent) much greater on a large holding than they could be under the wretched conditions of a small one. Of all the things that are not new in the exploitation of man by man the sweating system is perhaps the oldest."

But with the development of industry in the cities, resulting not only in the enrichment of artisans and merchants, but in the consequently increased ability of the monarch to levy taxes and borrow money, the demand for fine clothing became so great that it was found highly profitable to raise sheep. On many estates a large portion of the arable land was converted into pasture, and this proving still inadequate to the purpose in view, the lords at last undertook to resume possession of those waste lands that had been abandond to the laborers for their common use.

Then began that long series of pitiless evictions, known in history as "Inclosures," which for several generations filled England with beggars and criminals. It did not end until the nobility had fully attained its object. By that time the further development of the cloth manufacture had enabled the surviving families of the rural proletariat to fairly sustain thmselves in the employment of city merchants by making cloth in their country homes with the primitive instruments then in use. And it was again this same class of workers upon which fell the first blow of "human progress" by modern machinery.

Of the condition in which those poor people suddenly

found themselves one account, among many, has been left us, which no capitalist mouthpiece has ever dared to dispute. It reads almost literally as would a true account of present conditions in the cotton mills of our own Southern states. We quote from the Duke of Argyle's "Reign of Law":

"Very soon the course of every mountain stream in Lancashire and Yorkshire was marked by factories. It was a necessity of the case that such factories must, generally, be situated at a distance from fore-existing populations, and, therefore, from a full supply of labor. Consequently they had to create communities for themselves. From this necessity again it arose that the earlier mills were worked under a system of apprenticeship. The due attendance of the requisite number of 'hands' was secured by engagements which bound the laborer to his work for a definite period.

"And now for the first time appeared some of the consequences of gregarious labor under the working of natural laws, and under no restrictions from positive institutions. The mill-owners collected, as apprentices, boys and girls, youths and men, and women, of all ages. In very many cases no provision adequate, or even decent, was provided for their accommodations. The hours of labor were excessive. The ceaseless and untiring agency of machines kept no reckoning of the exhaustion of human nerves. The factory system had not been many years in operation when its effects were seen. A whole generation were growing up under conditions of physical degeneracy, of mental ignorance, and of moral corruption. * * *

"Meanwhile Watt's great invention had been completed. And now a new cycle of events began. When the perfected steam engine became applicable to mills, it was no longer always cheaper to erect them in rural districts; on the contrary, it was often cheaper to have them in the towns, near a full supply of labor and a cheap supply of fuel. With this change came the abandonment of the system of apprenticeship. It was now 'free labor' which more and more supplied the mills. But this only led to

the same evils in an aggravated form. Children and women were especially valuable in the works of mills. There were parts of the machinery which could be fed by infant 'hands.' The earnings of children became an irresistible temptation to the parents. They were sent to the factory at the earliest age, and they worked during the whole hours that the machinery was kept at work. The result of this system was soon apparent."

Apparent in many ways. Apparent, first of all, in the processions of pale-faced and deformed ghosts hastening to the mill long before sunrise and leaving it long after sunset. So apparent that the famous capitalist politician, Sir Robert Peel—himself a great manufacturer, enriched by the monstrous practices which he privately claimed to deplore—was shamed into giving some public evidence of human feeling by introducing in the House of Commons a bill for the regulation of child labor, which the pioneer socialist of England, Robert Owen, had drafted and placed in his hands with a terrible indictment of the rising shaddiocracy.

From Owen's son, who accompanied his father through the mills of England and Scotland in search of facts calculated to awaken the so-called "conscience" of a Parliament naturally bound by the private interests of a majority if its members to do nothing that might interfere with the "free development" of capitalism, we have the following statement:

"The facts we collected seemed to me terrible almost beyond belief. Not in exceptional cases, but as a rule, we found children ten years old worked regularly fourteen hours a day, with but half an hour's interval for the midday meal, which was eaten in the factory. In the fine-yarn cotton mills they were subjected to this labor in a temperature usually exceeding 75 degrees; and in all the cotton factories they breathed an atmosphere more or less injurious to the lungs because of the dust and minute cotton fibers that pervaded it.

"In some cases we found that greed of gain had impelled the mill owners to still greater extremes of inhumanity, utterly disgraceful, indeed, to a civilized nation. Their mills were run fifteen and sometimes sixteen hours a day, with a single set of hands; and they did not scruple to employ children of both sexes from the age of eight. We actually found a considerable number under that age.

"It need not be said that such a system could not be maintained without corporal punishment. Most of the overseers openly carried stout leather thongs, and we frequently saw even the youngest children severely beaten.

"We sought out the surgeons who were in the habit of attending these children, noting their names and the facts to which they testified. Their stories haunted my dreams. In some large factories from one-fourth to one-fifth of the children were either cripples or otherwise deformed, permanently injured by excessive toil, and sometimes by brutal abuse. The younger children seldom held out more than three or four years without severe illness, often ending in death.

"When we expressed surprise that parents should voluntarily condemn their sons and daughters to slavery so intolerable, the explanation seemed to be that many of the fathers were out of work themselves, and so were, in a measure, driven to the sacrifice for lack of bread.

"In London my father laid before several members of Parliament the mass of evidence he had collected, and a bill which he had prepared forbidding the employment in factories of child workers under twelve years of age, and fixing the hours they might be employed at ten a day. Finally he obtained from the elder Sir Robert Peel a promise to introduce this humane measure in the House of Commons. * * * *The bill was dragged through the House for four sessions, and when passed at last was in a mutilated and comparatively valueless form.*"

As "labor legislation," so-called—meaning thereby legislation nominally intended for the protection of the working

class even when it turns out to be a mere sham or a villainous snare—practically dates from the British bill of 1819, above referred to as a worthless mutilation of the measure conceived by Robert Owen, the parliamentary debate upon that bill may be deemed of great historic interest. And it is so considered by middle class political demagogues and historians, who affect to see in this bill a sort of entering wedge which the representatives of capitalistic wrongdoers in Parliament.

But a special inestimable value otherwise attaches through it from the fact which it glaringly brings out in the light of all the later labor legislation, not only in England but in this and other manufacturing countries; namely, the fact that capitalism has never changed its fundamental position; that its present claims, arguments and general attitude towards labor are still exactly those of a century ago; and that no abuse of its power was ever expressed, no concession made, no improvement of any sort granted, but under such pressure; chiefly of a revolutionary character, as the working class, in the natural course of the class struggle, was from time to time able and determined to exert.

It is of the utmost importance that this great fact be fully grasped by the American proletariat; for it not only justifies but actually dictates the uncompromising attitude of the Revolutionary Socialists as a political party, and of their representatives in parliamentary bodies.

For this reason we deem it well to give some space to a review of the debate in question, using again for our purpose the Duke of Argyle's "Reign of Law" in preference to any statement of our own:

"Then began that great debate which in principle may be said to be *not ended yet*—the debate, how far it is legitimate or wise in positive institutions to interfere for moral ends with the freedom of the individual will. Corbett denounced the opposition to restrictive measures as a contest of mammon against mercy. No doubt personal interests were strong in the forming of opinion, and some indignation

was natural against those who seemed to regard the absolute neglect of a whole generation, and the total abandonment of them to the debasing effects of excessive toil, as nothing compared with the slightest check in the accumulation of the warehouse. * * * Yet, some of the ablest men in parliament, wholly unaffected by any bias of personal interest, declared that nothing would induce them to interfere with the labor which they called 'free.' * * *

"Now, in what sense was this labor free? It was free from legal compulsion; that it to say, it was free from that kind of compulsion which arises out of the public will of the whole community, imposed by authority upon the conduct of individuals. But there was another kind of force from which this labor was not free—the force of overpowering motive operating on the will of the laborers themselves. * * * (Non-employment, consequent starvation, etc.)

"On the other hand, motives hardly less powerful were in constant operation on the masters. The ceaseless, increasing and unrestricted competition among themselves, the eagerness with which human energies rush into new openings for capital, for enterprise, and for skill, made them, as a class, insensible to the frightful evils which were arising from that competition for the means of subsistence, which is the impelling motive of labor.

"Nor were there wanting arguments, founded on the 'constancy' of 'natural laws,' against any attempt on the part of legislative authority to interfere with the 'freedom' of individual will. The competition between the possessors of capital was not confined to our own country. * * * Capital would be driven to countries where labor was still free from such restrictions, and the result would be more fatal to the interests of the working classes of the English towns than any of the results arising from the existing hours of work. All these consequences were represented as inevitable; as necessarily flowing from the operation of invariable laws."

The bill, when passed, was of course heralded as a great "reform," a great act of justice for which the working class was indebted to capitalist politicians. What were its effects? Fourteen years later a royal commission reported as follows:

"From the whole evidence laid before us we find, first, that the children employed in all the principal branches of manufacture throughout the kingdom work during the same number of hours as the adults. Some begin to work in factories when five years old. It is not uncommon to find them there at six. Many are under seven, still more under eight, but the greatest number are under nine. From sheer fatigue the poor creatures would go supperless to bed, be unable to take off their clothes at night or to put them on in the morning. * * * Pains in the limbs, back, loins and sides are frequent. * * The effects of labor during such hours are in a great number of cases permanent deterioration of the physical constitution, and the production of diseases wholly irremovable. * * *"

Said Dr. Robert Baker, inspector of factories: "The deformities produced consist of in-knee, flat foot and curvature of the spine. The first of these deformities is familiarly known in the manufacturing districts as the '*factory leg*.' There is scarcely a thoroughfare in any of them where they are not to be seen."

Enough quotations. Another bill—Lord Ashley's bill, is passed in 1833. Again, what are its effects? Read Frederick Engel's work on the condition of the British working class in 1844, when the third generation of factory victims was already in its grave, resting at last.

The fourth generation was not so submissive, and the wholesome shaking of old England by the Chartist Movement was unquestionably productive of better times for the working class.

From all the typical facts already noted here as forcible iillustrations of the primary effects of modern machinery upon labor conditions the immediate impression might be

that the British proletariat—which was the first to feel those effects—had instantly been so paralyzed or unmanned, that it could not and did not attempt to resist the oppressive acts and tendecies of the newly formed and fast rising capitalist class. Before proceeding further it may be well, therefore, to show by other typical facts—essential also to the understanding of our social revolutionary position, how erroneous such an impression would be; for, in reality, the class struggle never ceased for a moment during that period, and it was actually carried on with a bitterness unsurpassed in the previous rebellions of the oppressed against their oppressors.

We should even observe right here, that the class conflict in its present form dates from that epoch. Until then the industrial proletariat had blindly followed in all things the lead of its direct exploiters, namely, the artisans and merchants. It had made common cause with them in all their attacks, first upon the nobility, then upon the royal power. Easily deceived into the belief that the improvement of its own condition as a body depended upon and would necessarily result from the elevation of the bourgeoise to supreme authority; accepting, for instance, as a self evident proposition that its wages would be higher if the taxes levied upon its employers for the support of noble parasites and court favorites were abolished, it had been on all occasions a more ardent, more desperate middle class revolutionist than the middle class itself.

This traditional attachment of the industrial proletariat to the bourgeoise and its sudden, sharp, violent ending on the very day when the latter, with the aid of the former, had attained its long coveted object, may be more strikingly perceived in the great political cataclysm known as the French Revolution, through which the French bourgeoise installed its republic on the throne left vacant by the decapitation of a king, than in the more gradual and peaceful process through which British capitalism, while preserving the monarchial form of government and even

respecting the feudal substance of land ownership, not less effectually became the ruling power.

When the French Revolution took place some of the machinery invented by Englishmen had already been introduced in France, thereby increasing to some extent and in some regions the intense misery that was then general among the proletarian classes throughout the country. This ominous fact, however, was lost sight of by the working people in the great political excitement caused by the conflict between the king and the bourgeoise; but the bourgeoise itself steadily kept it in mind and legislated accordingly. One of the first laws passed by its representatives contemplated, therefore, the institution of "free" labor "a' l' anglaise" (English fashion) by forbidding under severe penalties any combination of working people having for its object to raise wages. The same law, of course, forbid also any combination of manufacturers and merchants to raise prices; but the judiciary power in the hands of the bourgeoise could be fully trusted for a correct understanding of the intention of the legislator. The government itself had to pay exorbitant prices to infamous rings of contractors for all its supplies, while the working class, that produced everything from bread to lead, besides giving freely their blood on the field of battle for the salvation of the bourgois republic, went barefooted and starving.

No wonder, then, that a large and intelligent fraction of that class soon opened its eyes as it had never opened them before and determined to make the revolution its own in benefit as well as in sacrifices, by opposing the first Paris Commune to the bourgeoise parliament. In revolutionary times thought moves fast, and so the will; faster in a day sometimes than in centuries of smouldering discontent.

That this first Commune perished on the bourgeois guillotine could no more put an end to the class struggle than did the execution of Baboeuf a few years later, the massacre of socialists in 1848, and the slaughter of the second Commune in 1871. By the chaotic conception of human free-

dom and happiness issued from the proletarian volcano of 1793 went on taking form as it spread far and wide until it reached its present definite shape and scientific certainty. By the supreme law of the Cosmos, known as the Conservation of Energy, no force in any way liberated from a body seemingly at rest can ever be lost. Its manifestations are simply changing according to the nature and consequent responsiveness of the environment, which it tends also to modify; hence evolution.

No wonder, again, that the highly "patriotic" bourgeoise of England deemed it her sacred duty to fight to the death her bold, enterprising, dangerous French sister, who with one blow had cleared her own ground of all feudal rubbish and in many ways prepared it for the untrammeled development of a powerful capitalism, aiming at the subjection of the European continent by the force of arms. In this mortal conflict England could not pit great armies of her own against the enormous military establishment of her natural enemy. Nor could her mighty fleet, ever so serviceable in the expansion of her colonial empire, be of much effect upon war operations in the heart of Europe. But she pitted against her an irresistible force, namely, the infant operatives of Lancashire and Yorkshire. These were the heroes that fought the battles of England against the French Republic and finally dethroned the mighty Napoleon (i. e., the "usurper" who, ever so great as a soldier and so despotic as a ruler, was merely the unconscious instrument required by the French bourgeoise to carry out its scheme of industrial aggrandizement and financial domination). It was, indeed, with the wealth created by those puny, sickly, deformed victims of British capitalism, held in a condition of slavery unknown to antiquity, that England was able to supply the tottering feudalism of Europe with the means of prolonged resistance and final victory; all, of course, in the name of human freedom and universal progress!

Yet, as previously stated, all this while the class war,

which the flash of guns rendered somewhat less perceptible on the continent, raged with fury throughout England. There, as in France, the working people were forbidden by law to combine for mutual protection. Nevertheless, despite all the penalties of fine, imprisonment, pillory and loss of ears, provided by the legislator, secret combinations of hired mechanics and laborers for the regulation of wages and hours had for several centuries been in existence under the handicraft system of production. Far from causing the abandonment of this traditional practice, the factory system naturally gave it a new and formidable impetus. The necessary massing of workers at manufacturing centers not only promoted it, but facilitated the commission of revengeful deeds, which would have been more readily traced to their authors and abettors in sparsely settled districts. Incendiarism was frequent. Machinery was sometimes destroyed. Spier, "Knobsticks" and other obnoxious persons were in constant fear of attack. The life even of employers was not always safe.

After a struggle of nearly fifty years on those anarchistic lines the more cunning among the manufacturers came to the conclusion that conspiracy laws not only were ineffective, but defeated their object. They reasoned that if the working people were legally permitted to openly form combinations, their purpose would be known before they could carry them out, and measures could then be taken to guard against them. Moreover, the fact that their leaders, their officers, would also be publicly known, would inevitably cast upon them a responsibility, moral as well as legal, calculated to render them cautious if not absolutely conservative, so that they could use their influence, their power, in restraint of their bolder "followers." At last, in 1824, to the astonishment of the working class itself, a Tory government abolished the conspiracy laws.

From that moment trade unionism grew apace. In commenting upon its development and results, Frederick Engels wrote as follows, in 1844, when British capitalism was

at the highest point in that competitive stage, and when, therefore, the combined action of workingmen on purely economic lines could be most effective:

"The history of these unions is a long series of defeats, interrupted by a few isolated victories. All these efforts naturally cannot alter the economic law" (of capitalism) "according to which wages are determined by the relation between supply and demand in the labor market. Hence the unions remain powerless against all great forces which influence this relation. . . . but in dealing with minor, single influences they are powerful."

Such was the condition of British trade unionism when the British working class, as miserable then as it had ever been, cast a look at the political fabric, and, as we previously stated, shook old England with its Chartist movement.

PART I.
THE CLASS STRUGGLE.
CHAPTER IV.

First Period of Political Rebellion.

We have now reached a momentous epoch in the evolution of the proletarian struggle; an epoch of political agitation in a form and on a scale frequently suggestive of revolutionary action upon class lines more and more sharply defined.

The consecutiveness of this historic outline requires that we should still give priority to the course of events in England; but the scene will soon be shifted to France, where a movement far superior to the Chartist in comprehensiveness and world-wide influence was less tumultuously but more durably developing at the same time. For reasons that will clearly appear later on, many years were still to elapse before any signs of proletarian motion could be perceived on this side of the Atlantic, and America must therefore come last in this general view of the class conflict.

At the beginning of the period now under consideration the exploiting class had already been economically split into two bodies which were of necessity mutually antagonistic, namely, a rather compact body of wealthy manufacturers, merchants and bankers, and a chaotic mass of inferior competitors in the various branches of industry and commerce. Of course, with the expansion of the factory system consequent upon the application of machinery to a constantly increasing number and variety of industries, the old mode of individual enterprise that fitted the artisan period was steadily tending to be superseded by associated capital in the corporate form. And while this capital was in small part supplied by middle class people who had been sufficiently prosperous to save money, the much greater portion of it came from the wealthier men who had amassed immense fortunes by being first in the field with machinery—and whose profits, by the way, had been at a rate that may be inferred from the fact that in the textile industry, for instance, yarn of a quality which in 1815 was sold for three shillings a pound brought in the infancy of the manufacture as high as thirty shillings.

Especially was the overwhelming preponderance of this rising plutocracy noticeable in the organization and administration of large companies—railroad corporations among others—which required the grant of public franchises in order to make modern invention serve the capitalist purpose of private monopoly in services and functions previously considered as essentially public and inalienable.

To this transfer of public privileges and public powers from the government to capitalists the middle class could not think of objecting; for it was then an admitted principle of the social system under which only that class itself could exist, that the government should do nothing which the exploiters of labor could profitably undertake to do. But with the development of great capitalistic interests the public cost of protecting them was steadily increasing, and the middle class esteemed that its share of taxation was

growing in a much higher ratio than its ability to pay, while the income of the rich was left untouched. Especially was this the case in times of business depression or industrial crisis. A mighty outcry could then be heard against the extravagance of the government, its policy, its partiality to the wealthy and all its acts, together with a demand for "Parliamentary Reform;" that is, for an extension of the suffrage to the middle class by reducing somewhat the amount of property which was a condition of the right to vote.

On such occasions it had been a pleasant pastime for the unemployed workingmen to contribute to the public excitement by attending the middle class meetings, where their presence was highly valued as an important factor of agitation, and was therefore duly rewarded by middle class orators with sympathetic buncombe calculated to arouse their enthusiasm. In the course of time, however, it occurred to a number of the hard-headed and hard-fisted sons of toil that if the suffrage was a good instrument for the redress of middle class wrongs, it could not be a bad one for the alleviation of the more crying evils that made proletarian life a burden to body and soul. This much at least was intimated to the middle class politicians in the midst of their great parliamentary reform agitation of 1831, when the loss of production support would have proved disastrous to their "noble cause." Only one thing men of their sort could do; and they did it. Solemnly they pledged themselves to agitate for universal suffrage in and out of parliament should their class obtain what it demanded; then, having compromised with the ruling powers by agreeing to such a reduction of the electoral property qualification as would only give the suffrage to the better off portion of the middle class, they strenuously opposed any further change in the political arrangements of the country.

It would certainly seem reasonable to conceive that in the light cast upon the nature of the class struggle by this stupendous act of treachery, the British workingman should

have at last clearly seen that in the political field as in the economic there are class lines along which the proletarian body is fated to move singly against all the warring factions of its exploiters. Yet, as stated by Frederick Engels, who was an eye-witness of the events of that time, while "Chartism was from its beginning in 1835, chiefly a workingmen's movement it was not yet sharply separated from the lower bourgeoises," who then was "in a very violent and even bellicose state of mind in consequence of its disappointment over the Reform Bill." In the bad business years 1837-39, the agitation was carried on with a vehemence of which no one can have any idea. At torch-light meetings numbering sometimes a quarter million persons of both sexes, "the people were urged to arm themselves and to revolt; pikes were got ready as in the French Revolution, and at the end of 1839 three of the Chartist leaders, Burrey, Taylor and Frost, called forth simultaneous uprisings in the north of England, Yorkshire and Wales." Frost's plan being betrayed, he was obliged to open hostilities prematurely. Those in the North heard of his failure in time to withdraw.

In the meantime a body calling itself the National Convention, elected by the Chartists throughout the kingdom, had begun sitting in Birmingham. Among the means which it proposed to use for coercing the legislature into submission was the general strike. The government forced an issue by provoking a collision between the people of Birmingham and the military. Arrests followed, public meetings were forbidden, outbreaks were sternly repressed; yet the agitation, now carried on almost exclusively by workingmen, not only continued unabated, but in many places went far beyond the original Chartist platform, the famous "six points" of which were actually one, namely, Universal Suffrage.

Manifestly, the thought-stirring influence of those great pioneers—Robert Owen, Fourier, St. Simon—who were still in the utopian stage of conception, but had to a great ex-

tent cleared the way for the advent of Scientific Socialism, was beginning to be felt in the British proletariat. And the class instinct of labor exploiters, sharpened by the utterances of the more advanced labor agitators, was already strong enough to make them realize that a movement impregnated with the Socialist spirit could never be suppressed by violent means or sophistical argument. How to stop the impregnation process before the labor movement of England had reached the point of incurability, was therefore the problem that confronted the British bourgeoise. And to the task of solving it this stupid bourgeoise, thanks to the bamboozling capacity of its free trade apostle, Richard Cobden, proved wonderfully equal.

"Cheap bread! Repeal the corn laws!" Here was, to be sure, a practical remedy for practical men; simple enough, too; requiring for the understanding and application of it no deep knowledge of history, politics and economics. Are you hungry? No social theory, no right of suffrage, will fill your stomach. Here is bread, eat. Free bread, we say. Don't we hear this Chartist miscreant yonder object: "To those only who can buy it?" Why, of course! You don't want charity; you want justice, the right to live by your labor; and this bread is so cheap that, be your wages ever so low, you can always get enough of it to keep soul and body together.

And upon these lines the anti-cornites began a popular agitation not less revolutionary in tone than Chartist agitation, actually calling upon the people to rebel.

It goes without saying that the disaffected members of the lower middle class who were still lingering in the Chartist ranks hastened to join the anti-cornites. The British bourgeoise found itself one again and indivisible engaged in the patriotic work of befooling the British proletariat and thus securing the industrial supremacy of England for the benefit of humanity."

We may now cast a rapid glance at the course of events on the other side of the British channel.

CHAPTER V.

Outlines of the Conflict in France—The Revolution of 1848 and the Commune of 1871.

In sustaining at an enormous cost of treasure the feudal powers of Continental Europe against the French bourgeoise, England had accomplished her real object, which was not so much the preservation of feudal institutions abroad as the world-wide supremacy of her own capitalism. Throughout the conflict her nobility had always felt entirely secure in its feudal privilege of land ownership and consequent class distinction. It would not, therefore, have given its assent to the participation of England in the most dangerous and most costly war that had yet marred the earth with blood, for the mere sake of vindicating a "principle," or maintaining a "right," which was not disputed in its own country. But, precisely because the British nobility felt so absolutely safe in the possession of its special privilege and consequent class distinction, that the development of capitalism in England could not affect it injuriously, but could on the contrary benefit those of its members who would be wise enough to avail themselves of the opportunities of profit afforded by capitalistic enterprise, many lords had entered the capitalist movement without fear of losing caste by association with bourgeoise of the upper crust.

In other words, the British lord had eagerly adapted himself to the economic changes brought about by modern invention. While outwardly preserving an aristocratic attitude he had inwardly become a bourgeois; so that the interests, aspirations and policy of the two ruling classes of Great Britain, instead of clashing with increased violence, as did the corresponding classes of the continent, had in nearly all respects become absolutely identical. There was obvious strength in this union; and so long as the struggle betwten the nobility and the bourgeoise of other countries could be made to last, British capitalism would evidently be without a rival in the world.

Of course, it must have been quite plain to British "statesmen" that, despite the triumph of the reaction in 1815, the French Revolution had dealt to continental feudalism a blow from which it could not recover, and that the restoration of the Bourbon monarchy in France could not under any sort of pressure be made to imply a return of that country to previous social and economic conditions. Had any illusion in this regard been at all possible, the overthrow of the Bourbons in 1830 and the installation of Louis Philippe, "King of the Bourgeois," would have dispelled it. Nevertheless, as this was a palpable proof of the persistency of that class antagonism between the nobility and the bourgeoise on the continent, which was highly favorable to the development and supremacy of British capitalism, England viewed the foreign event with equanimity.

Moreover, as we saw in the previous chapter, another class struggle, the struggle of her own proletariat against the capitalist power, now claimed her undivided attention. On the other hand a similar struggle confronted the French bourgeoise as soon as it had succeeded in again taking the reins of government.

First of all, in 1831, the silk-workers of Lyons, tired of starvation in enforced idleness, leave their wretched tenements on the heights of Cruix Rousse and descended upon the wealthy quarters, flinging to the breeze an immense black flag on which was inscribed in blood-red letters this brief, but expressive, formula of their desperate demand: "To live working or to die fighting." They fought, and of course they died.

Undaunted by the fate of their Lyons brothers, deeming death in battle preferable to torture in submission, and unable as yet to conceive of any other possible course of action against their oppressors, the workingmen of other cities successively rise in the same manner and with the same results. Numberless are the rebellions of this anarchistic character from 1831 to 1839.

At last a ray of light penetrated that darkness.

It was not by any means a very clear light, but as it came from the "intellectual" proletariat the bourgeoise feared it and the working class welcomed it.

This much, at any rate, must be admitted. Great was the impetus given to thought in all directions by the Utopian socialists of that epoch. Crude, impracticable and even absurd as their conceptions of the future social order must now appear, it cannot be denied that their bold, masterly arraignment of the capitalist system was a factor of incalculable value in the production of that now world-wide movement of the proletarian masses for the abolition of class despotism and wage slavery.

With a better comprehension of the social structure it became possible for the working class to grope its way through it in search of freedom. To despair in the helplessness of ignorance succeeded hope in the activity of research. Brushing aside the Utopian schemes of intellectuals, but taking from them the truths which they had plainly established, numbers of wage-workers became of one mind as to the fundamental requirement of proletarian emancipation, namely, the conquest of the political power.

And thus it happened that in 1848, when the political leaders of the lower middle class undertook to respectfully impress upon the "King of the Bourgeois" the necessity of "electoral reform," the result of the popular demonstration which they had planned with this end in view was singularly at variance with their expectations.

Instead of a banquet and fine speeches there were barricades and the roar of guns. Instead of a "reform," there was a "revolution." The starving proletarians claimed "a seat at the banquet of life."

The bourgeoisie was taken by surprise. Not long, however, was its scheming faculty paralyzed by the blow. "Fraternizing" with the workers, the reform leaders rushed to the Hotel de Ville (city hall), proclaimed the republic and appointed a "Provisional Government," composed of themselves. An outcry being raised in the tumultuous crowd

against the non-representation of the proletariat in that government, they promptly added to its members the workingman Albert; also the historian, Louis Blanc, whose celebrated pamphlet on the "Organization of Labor" had vastly contributed to the spread of socialist sentiment. To these two men was grandiloquently assigned the special task of "ardently studying" the labor problem with a view to its early solution by "guaranteeing to the people the legitimate fruits of their exertions." That they might "study" undisturbed by other cares, they were pompously installed in the Luxembourg palace, away from the center of governmental intrigue.

Of course the "Provisionals" were so busy plotting that they had no time to consider the propositions coming from their Luxembourg Labor Commission for the national organization of industry on a socialist basis. But in order to appease the starving proletariat, which was threateningly demanding work and bread, they resorted to a scheme calculated to discredit these propositions. They opened "national shops," so called, where the unemployed could get work, not at their respective trades, but at the digging and wheeling of earth from one place to another, then back again to the place whence it had first been taken. Forty cents a day was the rate of wages in that novel kind of organized industry.

Two months had not elapsed since the revolution had taken place, when the working people of the city of Rouen, chiefly spinners and weavers, were mercilessly shot down for insisting upon the immediate organization of the textile manufacturers. Two months later—the "Provisionals" being now ready for any emergency—the "national shops" were suppressed and the Parisian proletariat was blandly invited to starve or fight to its heart's content. It fought four days and was crushed. The number of its dead was three thousand. Thousands of the survivors were cast into dungeons. A few only escaped to foreign countries.

Such was the "Provisional;" then came the "Permanent" —twenty-two years of galling bourgeois despotism under

the political rule of the most contemptible mountebank that ever assumed the part of "society savior." We need not dwell here upon that dark period; nor upon its tragic ending with the rise and fall of the Paris Commune. A masterly pen has already written this page of history. Read Marx's "Eighteenth Brumaire of Louis Bonaparte" and "Manifesto of the International."

Again, for a more comprehensive view than could be given here of the great class struggle and consequent development of socialism in Germany and other European countries from that time to this, we may simply refer to the "Socialist Almanac." We shall only state here that not one day passed in the last fifty years which did not add to the number of proletarian victims mercilessly sacrificed by the capitalist class to its monstrous god of greed; not one day that did not show some increase in the intensity of the conflict as compared with the preceding day; and, fortunately, not one day that did not show also a stronger determination and greater capacity of the proletariat to put an end to that horrible struggle by abolishing capitalism and instituting the International Socialist Republic.

LUCIEN SANIEL.

Northport, L. I., N. Y., July 20, 1903.

DEAR SIR:—When your first letter reached me my wife was very sick and, being alone to take care of her, I could attend to nothing else. On the first leisure day I subsequently had of answering my correspondents I looked for it, but although I had safely—as I thought—laid it on my desk with other letters, I could not find it. (It had no doubt been blown away into a pile of newspapers that I burned.) At any rate, having no longer your address, I was unable to reply to it.

My failure to do so was, however, of little importance, for there are numbers of men among you who need no suggestion from me or anybody else to once more explode the

repeatedly exploded arguments of such as James J. Hill on the class struggle. Later, I took up the more recent and less stale but equally absurd utterances of this man on the prospective markets for our surplus wheat in the Far East. My article on this subject was entitled "New Markets," and appeared in the Pittsburg "Socialist Standard" of July 10. If you have not seen it and want it I shall mail you a copy.

I am now busy on an "Address," or "Manifesto," which I have been requested to draw up by the Conference held at Philadelphia between the S. L. P. men who repudiate the DeLeonite gang of pirates, and a number of S. P. men who, thinking as we do, desire to bring about a union of all the bona-fide social-revolutionary forces of this country; such union necessarily implying perfect agreement, not only as to the fundamental "principles" of Scientific Socialism, but as to the only "tacher" which those very principles logically suggest and imperatively demand.

In this "Manifesto" the question you refer to in your last letter—namely, "Causes of Industrial Panics in the U. S."—will, among others, be treated at length. The whole document is to appear in the "Socialist Standard," one chapter in each issue, beginning with the next number, which will bear the date of July 31st. If the chapter on "Crisis" has not yet been reached on the day you have appointed for your report (Sept. 1), I shall ask the Pittsburg comrades to send you advance proofs and to authorize you to make such extracts therefrom as you may deem useful for the purpose in view. Of course I could not, for the present, undertake to write a second article on this subject.

Fraternally yours,

LUCIEN SANIAL.

GEORGE D. HERRON.

THE CAUSES OF INDUSTRIAL PANICS.

The prophecy of financial and industrial collapse is becoming commonplace. Whether that which is close upon us be a panic that will test and strain to the utmost our present financial system; whether it brings the murmur and menace and hungry riots of some appalling and universal unemployed; or whether it prove to be merely a long and paralyzing financial depression—whichever of these things be at hand, whatever the end of the approaching industrial crisis, it is but the prelude of the doom of the capitalist system of production and distribution.

Whether a better or a worse world lies beyond the judgment day of capitalism, the present kind of a world is coming to its end. The present mode of production and distribution, the present way of getting the world's work done, is falling into confusion; the machinery will not work much longer; there are enough broken belts, dislocated wheels and burnt fires to testify to this. Furthermore, humanity will not continue to labor for the profit of the master. Profits will not be a motive strong enough by which to keep the world at work. The profit-sharing organization of society is increasingly incompetent to continue the administration of the world. The collapse of capitalism, with something better or worse in its place is as inevitable as the succession of the seasons.

Not because men have made up their minds to have a change; not because any arrived or intelligent sense of justice revolts against the present; not because the working class has decided that capitalism is bad, and that Socialism is better; not because of anything yet developed or apparent in the will or purpose of the common life, will the end of capitalism come, but because it carries in itself the sources and seeds of its own destruction.

One of these is the relation it sustains to labor. The solidarity or organization it has forced upon labor by its

own solidarity and organization is the enemy most hateful to the capitalist. Trade unionism has blocked the capitalistic highway. The trade union is not by any means the solution of labor's problem, nor the goal of labor's struggle; it is merely a method of defense in a state of war; it is, indeed, an adaptation of capitalist methods by labor for its own protection against capitalism. No society can be sane or final, or anything but self-destructive, which consumes human attention and energy in the conflict of classes—and are employed or exploited class forever and vainly defending itself against employing or predatory class. There can be no social harmony in a state of industrial war. And trade unionism is merely the armed camp of one of the armed forces in a society based upon economic war. But, while organized labor is not the end of labor's problem, it has turned back the progress of capitalism from what we once thought to be its full and final development.

For this reason the unchecked and fully developed growth of the profit-making system depends upon the unresisting submission of labor to the evils and chances of that system. Capitalism can grow only through having it its command a vast and helpless mass of unemployed labor. Profits can feed to the full only on the products of hungry wages. Capitalism can have its unbridled way only so far as labor is kept so unorganized and competitive that the laborer must work for any price that capitalists' profits will allot as a sustenance wage. The moment he begins to think—the moment he no longer accepts hungry wages, and the chance and gamble of life, as part of providential or governing order; the moment he begins to inquire into the causes of his misery and uncertainty of his lot; the moment he begins to organize for the increase of wages and the improvement of conditions, that moment capitalism has brought forth that which will defeat its own fulfillment. Organized labor is the capitalist begotten child which will in turn devour its parent. The wage and the conditions which organized labor will wrest and has wrested, from the capitalist's might,

do not leave sufficient labor-produce for the present monsters of capitalists concentration to feed upon. The end is as inevitable as nature.

Another cause is this—that capitalism is destroying its own markets. There are two ways by which the profit makers take the product of labor: first, by taking from the laborer as a producer; and, second, by taking from him as a consumer. In the first place, the laborer gets but a fraction of what he produces. He does not work for use. He has no personal interest in, or relation to, the thing he makes. He knows nothing about the value of the product or output of his labor power. All he receives is his sustenance-wage. The product of his labor over and above that, of which product, his wage, is but a small fraction, goes to the profit-makers. In the second place, the wage worker takes his wage to market to buy the things that he eats and wears. Perhaps it may be the coat or the bread which he has helped to make. But what he pays for in the market is vastly more than what he receives. It is not merely the article of consumption that he pays for—that is merely a fraction of that for which he has given up his wage. He must pay for the support of stratum upon stratum of profit-makers, and their institutions, that build upon his back and live out of his labor-power. Among the things which his poor wage pays for, in the pound of sugar or the gallon of oil, or the sweat-shop garment, or his ride to his work on the street car, are dividends upon billions of dollars of watered stock, millions of able-bodied idlers employed in standing armies, police systems, legislatures and governments, churches and social institutions. In one form or another the support of these huge world-parasites all comes out of the wage of the worker when he goes into the market to buy things. The price of all the profits and all the institutions of capitalist civilization is included in what the worker pays for his pound of sugar or loaf of bread. The thing that he buys is the merest fraction of what he has paid for; the thing that he gets for his wage money is but

the veriest scrap of what he bought but does not get.

The result of this is that, through the gradual intensification of the struggle for life, the purchasing power of the workers is gradually debauched and destroyed. The people who make the things upon which the world trades are becoming too poor to buy the things they make. The overproduction which the capitalist economist talks about is nothing but this destruction of the power of the worker to buy or consume. This exploitation of labor on the one hand as a producer, and upon the other hand as a consumer, so that he really gets but a fraction of a fraction of what he produces, steadily brings about this destruction of its own markets by capitalism. For a while the evil is averted by the conquest of new markets through the vulgar and bullying cowardice of the modern imperialism. But that is only a very temporary and not a saving expedient. In the end the collapse is inevitable. The parasite that has fed upon the world body of labor has become so monstrous that it is larger than the body it feeds upon. As labor is now organized under capitalism, there is not enough labor-blood or labor-power to feed the capitalist monster. The thing that feeds is larger than the thing it has fed upon. Capitalism will die through its own exhaustion of labor-profits, because it has grown so big that the labor profits cannot sustain it.

One result of this is the increasing uselessness of capital. It would seem strange that there might come a time when a billion dollars would be of no more use to a man than yesterday's edition of a "yellow" journal. But, strange as it is, it is a fact that is not many years short of becoming true. Capital is of no use unless it has profits to feed upon. And every day the opportunities and securities of capitalist investment are decreasing. The battles of today upon Wall Street, in New York, upon Lombard Street, upon the Bourse of Paris or the Stock Exchange of Berlin, is the battle between the capitalist giants, between the concentrated or congested capitalist interests, for the control of

the sources of profits. It is the anti-socialist struggle of the monsters of the capital deep. When they have destroyed each other, as destroy each other they will, there remains but the waste and void out of which some kind of new system will be called forth.

Another result is the approaching universal problem of the unemployed. The uselessness of capital, of course, carries with it the unemployment of labor. In the capitalist mode of production, the employment of labor depends wholly upon the profits which capital derive from it. If there are no more profits to be had; if capital becomes useless as a profit-making investment; if the profit-making system of getting the work of the world done comes to an end, we are then face to face with the strange and insane spectacle of a world out of work in the midst of a world of almost untouched resources waiting for the workers' hands and brains, and with millions of eager workers seeking work but find ing idleness.

What will happen when this collapse of capital comes, no man can foresee. Although I am a socialist of the socialists, although my life belongs to that cause, although I can see no hope for all the hopes that trouble and baffle the human race except through the triumph and establishment of the co-operative commonwealth which socialism proposes, yet I cannot agree with those who hold that socialism is inevitable merely because the collapse of capital is inevitable. Increasingly must the human factor be reckoned with in the process of evolution. Increasingly is man the evolver as well as the evolved; the maker as well as the made. And until man does consciously make his own world, make it with a set purpose and after a deliberate pattern, he will not have a world that is worthy of himself—a world fit for free men and comrades, for workers and lovers, to live in. The society that comes as the mere result of blind and unconscious force, as the mere outcome of unthinking suffering and purposeless struggle, will be neither final, nor free, nor good. The reality of socialism, and the new world and

the new life that is to grow out of it, will not come until the workers of the world bring it in upon their own hands. Social Socialism will arrive upon the collapse of capitalism only if the socialist has arrived. And the certainty and the reality of socialism will depend upon the quality as well as the quantity of the socialists. We will have the co-operative commonwealth only when we are worthy of it, through having gone out and won it with intelligence in our heads and with brotherhood on our hearts, and each of us with a man inside of himself.

Hence it is that the coming industrial panic, or else the greater panic that will not be long in following it—bringing with it, as it will, the doom of the capitalist system—makes this the most critical day of human history. The world is hard up against its most definite day of judgment. Shall we have futile anarchy, with the rise of the tyrant, with a Bismarkian socialism or the "benevolent feudalism," with the obscuring of all that is hopeful and free and good, and with long, dark years, if not dark ages, during which the heavens shall become as brass, and the earth as scorching fire beneath men's feet? Or shall we have the democracy of socialism, the commonwealth of all that is good, the ransomed, co-operative and lone motioned labor, to the achievements of which the wildest imagination can put no bounds. The release and co-operative genius that may bridge the stars in their courses, as well as create the new earth from which springeth undreamed-of realizations and gladnesses for countless billions of full-blossom men and women?

It is for the working class of America to decide which.

GEORGE D. HERRON.

EDWARD CARPENTER.

To the Committee of the Chicago Federation of Labor.

CAUSE OF INDUSTRIAL PANICS.

DEAR SIRS:

To my mind the great main cause of industrial panics and depressions is very obvious. There may be other small modifying causes which enter now and then, but it is easy to prove that *when the working masses get in wages the full value of the goods they produce, industrial depressions practically cannot occur,* while when they get in wages only a *fraction* of the same value, *industrial depressions must* occur. Other causes, therefore, can only superficially modify this root cause; they cannot seriously affect it.

The truth of the law here enunciated has, of course, often been proven; but at the same time, on account of its importance, it cannot be too often insisted on. To make it clear, it is sufficient to take an example. Let us suppose (what is not far from the fact) that of the goods produced in the United States in a year the workman receives only half the value in the form of wages. Then it is clear that with that money going into the markets he can only buy back one-half of those goods. The rest somebody else may buy, but not he. The same thing happens the next year, and the next. Who, then, buys up the remaining halves?

When you take the great toiling masses away—clerks, laborers and skilled craftsmen—wage earners and their families—you have taken the great bulk of the nation. These are the folk who keep the markets going, who must always be the mainstay of the markets.

In a factory the cost of production may generally be roughly divided into (a) cost of materials, (b) wages of labor, and (c) profits, including rent, interest and dividends. I am here supposing (b) and (c) to be about equal, on the average. As to (a), it need not be considered, because it will fall under the accounts of another factory, or factories, and these will be reduceable to its proper elements (b) and (c) are gone, there remains only the comparative handful of landowners and capitalists—they who receive rents and profits, and their families.

These folk have received the cheques and claims representing the other half of the goods produced each year, and theoretically they could go down into the markets and buy up their share. But practically, of course, they do not. However wastefully they live they cannot possibly consume this enormous mass of goods. Let us suppose by a great stretch that they actually buy up and consume a half of their share—that they actually go into the markets and spend a half of their checks and claims; then there still remains the rest—that is, a quarter of the total goods produced in the year—unsold, and with no prospect of being sold, while as to their balance of checks and claims all they can do is to save it up for investment in fresh profit-yielding concerns.

Thus, on this system, a large fraction of the goods produced in one year *must* remain unsold. But the next year the same thing happens, and there is a larger overplus, and the next year and the next things are still worse, till the market is fairly glutted. Then there remains nothing to be done except to stop production, close the mills and wait. But for a time this makes things worse; wages are not paid, the wage earners cease to come into the markets, and the stagnation becomes absolute.

At last, however, the wealth of the profit-mongers saves the situation; they can still come into the markets, they can organize charities, relief funds, circulate money; and so at last the overplus is bought up, and the stupid old commercial machine begins to work again. If an engineer were to construct an engine on such principles as these—such that after a few revolutions it blocked its own action and brought itself to a standstill, he would be drummed out of his profession!

Now if for a moment you imagine a society in which the workers always receive in wages the *full* value of the goods which they produced, it is obvious that nothing could stop the machine working there. Whether they produce much or whether they produce little in a year, they always would be

able to buy back all they had produced. There never would or could be any gluts or any industrial booms or depressions (except such purely detail matters as the transfer of industry from one trade to another); the industrial machine would work smoothly, steadily, without fever and without possibility of breakdown.

Of course in any decently sensible state a small proportion (say 5 per cent) of the goods produced each year would be produced not for consumption, but for purposes of future production—i. e., would be reserved as capital. And if in our present system the total reserve by the capitalist classes under the various heads of rent, profits and dividends were not more than 5 per cent, there would not be so much to complain of. But when it amounts to something like 50 per cent, the situation is of course monstrous!

For this immense reserve which comes to them every year the capitalist classes look in desperation for an outlet. It is this which makes them rush wildly into small wars with outlying races, to open up new countries, to plant factories in outlying regions—anything to stave off the final block of the commercial engine. For a time the turning of an immense and utterly disproportionate amount of human labor into the production of fresh machinery, the laying down of new works, railways, etc., has delayed the inevitable crises. Workmen have been employed more than they otherwise would have been, but they have been employed in producing the capital, the machinery, which once in operation will only intensify the ends from which they are already suffering.

The failure, the collapse, of our industrial system looms ominously ahead. Once the limit of the present artificial expansion over the globe has been reached, industrial depresssions will become more and more severe. The cause of these depressions is obvious, and nothing will remove them except the removal of the cause. Trades unions, by keeping up the rate of wages, have done much to stave off the final catastrophe.

With hearty good wishes, EDW. CARPENTER.

Homesfield, Sheffield, Eng., Nov. 13, 1903.

CLARENCE S. DARROW.

A panic in commerce is like a panic in war. It is what the word implies, a wild scramble where men lose their heads in defeat and rout. On the field of battle when the panic overtakes the army, each soldier forgets his comrades and seeks only to save his own life, and in his wild fright ruthlessly tramples upon the prostrate bodies of the weak. In the world of commerce, when the panic comes, each man tightly clutches his bag of gold, refuses to part with it or risk it on any terms, turns his back on his friends and business companions, closes his factories and mills, and hangs on to what he has. Ever since industry and commerce were organized, panics have returned with more or less regularity, bringing their want and suffering in their train. If panic were physical diseases like "small-pox," "the yellow fever," the diphtheria, the wit of man would contrive some way to prevent them or at least to regulate their evil. But in spite of the long experience of the ages those who are responsible for our industrial system are as helpless to deal with panics as they were five hundred years ago.

From the very nature of things panics must always recur under the present system of production for profit instead of production for use. The farm, the factory and the counting house are not operated to feed, clothe or shelter human beings, but for the purpose of making money. More and more as the years go by the great army of workmen who produce the things that sustain life are divorced from the land and the tools by which these products are secured. The mine and the forest, the factory, the bank and the railroad, even the farm are passing rapidly into the hands of a very few. These few allow all of the resources of production to be operated only on condition that the owner may reap unconscionable and immoderate profits from the labor of the workman and the consumption of the masses. That is, for instance, the various land, mill, railroad and other owners who must be consulted in the making of shoes

may provide that a thousand pairs of shoes can be made only on condition that the workman shall give over five hundred pairs to the owners of the tools and divide the other five hundred amongst the great mass who do the work. And so through all lines of activity the half goes to a very few, the other half is divided amongst the great many who do the work. But the exporters who own the tools and take the half can only profit by selling this half and this can be sold only to the workman. That is, the whole 1,000 pairs must be sold, but they can be sold only to the men who already receive for their pay but five hundred. Thus the workmen, the real consumers, cannot buy back what they produce. The end is inevitable. A few are ever heaping up great stores of goods, which the workman has not the means to buy. When these stores are too large the factory and mill must close, they must be thrown upon the market at any price; industry and commerce must be paralyzed until in some way the stores shall be consumed.

Every panic means that so much has been taken from the workman that he has not the power to purchase back the things created by his hands. If in the face of a panic the exploiting classes would double wages and thus give the producer a chance to buy, no panic could ensue. Instead of this wages are reduced or entirely cut off and commercial paralysis results.

No panic can come because of real over production. There can be no over production until every want is satisfied and then a stoppage of production could work no harm. Panics come from the lack of the power in the consumer to buy. They are produced automatically by our system of production for profit, and can never be prevented until the scheme of profit is eliminated from industrial life, and all work shall have for its end and purpose the satisfaction of human wants.

CLARENCE S. DARROW.

Homesfield, Sheffield, Eng., Nov. 13, 1905.

ELISEE RECLUS.

DEAR SIR:—My views of the American situation are summed up in the enclosed leaflet. I am satisfied that you are about to reply to the gentlemen (Hill and Hutchinson) in the only way they can be successfully replied to, by educating the workers. The universal struggle of our time is this, between the workers and their parasites, and evolution must play its part before the parasites can be killed off. I wish that I could treat this subject as my heart dictates, but I am too far from the scene of activities.

ELISEE RECLUS.

The following is Prof. Reclus' contribution:

What the worker vaguely felt yesterday, he knows today, and each new experience teaches him to know it better. And are not the workers, who cannot raise enough to keep body and soul together from their morsel of ground, and the yet more numerous class who do not possess a clod of their own, are not all these beginning to comprehend that the soil ought to belong to the men who cultivate it? They have always instinctively felt this, now they know it, and are preparing to assert their claim in plain language.

This is the state of things; what will be the issue? Will not the evolution which is taking place in the minds of the workers, i. e., of the great masses, necessarily bring about a revolution; unless, indeed, the defenders of privilege yield with a good grace to the pressure from below? But history teaches us that they will do nothing of the sort. At first sight it would appear so natural that a good understanding should be established amongst men without a struggle. There is room for us all on the broad bosom of the earth; it is rich enough to enable us all to live in comfort. It can yield sufficient harvests to provide all with food; it produces enough fibrous plants to supply all with clothing; it contains enough stone and clay for all to have houses. There is a place for each of the brethren at the banquet of life. Such is the simple economic fact.

What does it matter? say some. The rich will squander at their pleasure as much of this wealth as suits them; the middle-man, speculators and brokers of every description will manipulate the rest; the armies will destroy a great deal, and the mass of the people will have the scraps that remain. "The poor we shall have always with us," say the contented, quoting a remark which, according to them, fell from the lips of a god. We do not care whether their god wished some to be miserable or not. We will re-create the world on a different pattern. "No, there shall be no more poor! As all men need to be housed and clothed and warmed and fed, let all have what is necessary, and none be cold or hungry!"

Thus two opposing societies exist amongst men. They are intermingled, variously allied here and there by the people who do not know their own minds and advance only to retreat; but viewed from above, and taking no account of uncertain and indifferent individuals who are swayed hither and thither by fate like waves of the sea, it is certain that the actual world is divided into two camps, those who desire to maintain poverty, i. e., hunger for others, and those who demand comforts for all. The forces in these two camps seem at first sight very unequal. The supporters of existing society have boundless estates, incomes counted by hundreds of thousands, all the powers of the state, with its armies of officials, soldiers, policemen, magistrates, and a whole arsenal of laws and ordinances. And what can the workers, the artificers of the new society, oppose to all this organized force? Does it seem that they can do nothing? Without money or troops they would indeed succumb, if they did not represent the evolution of ideas and of morality. They are nothing, but they have the progress of human thought on their side. They are borne along on the stream of the times.

The external form of society must alter in correspondence with the impelling force within; there is no better established historical fact. The sap makes the tree and gives it

Homesfield, Sheffield, Eng., Nov. 1,, 19[illegible]

leaves and flowers; the blood makes the man; the ideas make the society and yet there is not a conservative who does not lament that ideas and morality, and all that goes to make up the deeper life of man, have been modified since "the good of men's minds that social forms must change and a proportionate revolution take place?

Does not the spread of an education, which gives the same conception of things to all, contribute to our progress towards equality? If instruction were only to be obtained at school, governments might still hope to hold the minds of men enslaved; but it is outside the school that most knowledge is gained. It is picked up in the street, in the workshop, before the booths of a fair, at the theatre, in railway carriages, on steam boats, by gazing at new landscapes, by visiting foreign towns. Almost every one travels now, either as a luxury or a necessity. Not a meeting but people who have seen Russia, Australia or America may be found in it, and if travellers who have changed continents are so frequently met with, there is, one may say, no one who has not moved about sufficiently to have observed the contrast between town and country, mountain and plain, earth and sea. The rich travel more than the poor, it is true, but they generally travel aimlessly; when they change countries they do not change surroundings, they are always in a sense at home; the luxuries and enjoyments of hotel life do not permit them to appreciate the essential differences between country and country, people and people. The poor man, who comes into collision with the difficulties of life without guide or *cicerone*, is best qualified to observe and remember. And does not the great school of the outer world exhibit the prodigies of human industry equally to rich and poor, to those who have called these marvels into existence and see railways, telegraphs, hydraulic rams, perforators, selfthose who profit by them? The poverty-stricken outcast can old times." Is it not a necessary result of the inner working lighting matches, as well as the man of power, and he is no less impressed by them. Privilege has disappeared in the

enjoyment of some of these grand conquests of science. When he is conducting his locomotive through space, doubling or slacking speed at his pleasure, does the engine-driver believe himself the inferior of the sovereign shut up behind him in a gilded railway carriage, and trembling with the knowledge that his life depends on a jet of steam, the shifting of a lever, or a bomb of dynamite?

The sight of nature and the works of man, and practical life, these form the college in which the true education of contemporary society is obtained. Schools, properly so called, are relatively much less important; yet they, too, have undergone their evolution in the direction of equality. There was a time, and that not very far distant, when the whole of education consisted in mere formulas, mystic phrases, and texts from sacred books. Go into the Musselman school opened beside the mosque. There you will see children spending whole hours in spelling or reciting verses from the Koran. Go into a school kept by Christian priests, Protestant or Catholic, and you will hear silly hymns and absurd recitations. But even in these schools the pressure from below has caused this dull routine to be varied with a new sort of instruction; instead of nothing but formulas the teachers now explain facts, point out analogies and trace the action of laws. Whatever the commentaries with which the instructor accompanies his lessons, the figures remain none the less incorruptible. Which education will prevail? That according to which two and two make four, and nothing is created out of nothing; or the old education according to which everything comes from nothing, and three persons make only one?

The elementary school, it is true, is not all; it is not enough to catch a glimpse of science, one should be able to apply it in every direction. Therefore Socialistic evolution renders it necessary that school should be a permanent institution for all men. After receiving "general enlightenment" in a primary school, each ought to be able to develop to the full such intellectual capacity as he may possess, in

a life which he has freely chosen? Meanwhile let not the worker despair. Every great conquest of science ends by becoming public property. Professional scientists are obliged to go through long ages of research and hypothesis, they are obliged to struggle in the midst of error and falsehood; but when the truth is gained at length, often in spite of them, thanks to some despised revolutionists, it shines forth clear and simple in all its brilliance. All understand it without an effort; it seems as if it had always been known. Formerly learned men fancied that the sky was a round dome, a metal roof—or better still—a series of vaults, three, seven, nine, even thirteen, each with its procession of stars, its distinct laws, its special *regime* and its troops of angels and archangels to guard it! But since these tiers of heavens, piled one upon the other, mentioned in the Bible and Talmud, have been demolished, there is not a child who does not know that round the earth is infinite and unconfined space. He hardly can be said to learn this. It is a truth which henceforth forms a part of the universal inheritance.

It is the same with all great acquisitions, especially in morals and political economy. There was a time when the great majority of men were born and lived as slaves, and had no other ideal than a change of servitude. It never entered their heads that "one man is as good as another." Now they have learnt it, and understand that the virtual equality bestowed by evolution must be changed into real equality, thanks to a revolution. Instructed by life, the workers comprehend certain economic laws much better than even professional economists. Is there a single workman who remains indifferent to the question of progressive or proportional taxation, and who does not know that all taxes fall on the poorest in the long run? Is there a single workman who does not know the terrible fatality of the "iron law" which condemns him to receive nothing but a miserable pittance, just the wages that will prevent his dying of hunger during his work? Bitter experience has

caused him to know quite enough of this inevitable law of political economy.

Thus, whatever be the source of information, all profit by it, and the worker not less than the rest. Whether a discovery is made by a *bourgeois*, a noble, or a plebeian, whether the learned man is Bernard Pallissy, Lord Bacon, or Baron Humboldt, the whole world will turn his researches to account. Certainly the privileged classes would have liked to retain the benefits of science for themselves, and leave ignorance to the people, but henceforth their selfish desire cannot be fulfilled. They find themselves in the case of the magician in "The Thousand and One Nights,' who unsealed a vase in which a genius had been shut up asleep for ten thousand years. They would like to drive him back into his retreat, to fasten him down under a triple seal, but they have lost the words of the charm, and the genius is free forever.

What is to be done to replace the departing religion? As the worker believes no longer in miracles, can he perhaps be induced to believe in lies? And so learned economists, academicians, merchants, and financiers have contrived to introduce into science the bold proposition that property and prosperity are always the reward of labor! It would be scarcely decent to discuss such an assertion. When they pretend that labor is the origin of fortune, economists know perfectly well that they are not speaking the truth. They know as well as the Socialists that wealth is not the product of personal labor, but of the labor of others; they are not ignorant that the runs of luck on the Exchange and the speculations which create great fortunes have no more connection with labor than the exploits of brigands in the forests; they dare not pretend that the individual who has five thousand pounds a day, just what is required to support one hundred thousand persons like himself, is distinguished from other men by an intelligence one hundred thousand times above the average. It would be scandalous to discuss this sham origin or social inequality. It would

be to be a dupe, almost an accomplice, to waste time over such hypocritical reasoning.

But arguments of another kind are brought forward, which have at least the merit of not being based upon a lie. The right of the strongest is now evoked against social claims. Darwin's theory, which has made its appearance in the scientific world, is believed to tell against us. And it is in fact, the right of the strongest which triumphs when fortime is monopolized. He who is materially the fittest, the most wily, the most favored by birth, education, and friends; he who is best armed, and confronted by the feeblest foe, has the greatest chance of success; he is able better than the rest to erect a citadel, from the summit of which he may look down on his unfortunate brethren. Thus is determined the rude struggle of conflicting egoisms. Formerly this blood-and-fire theory was not openly avowed; it would have appeared too violent, and honied words were preferable. But the discoveries of science relative to the struggle between species for existence and the survival of the fittest, have permitted the advocates of force to withdraw from their mode of expression all that seemed too insolent. "See," they say, "It is an inevitable law! Thus decrees the fate of mankind!"

We ought to congratulate ourselves that the question is thus simplified, for it is so much the nearer to its solution. Force reigns, say the advocates of social inequality! Yes, it is force which reigns! proclaims modern industry, louder and louder in its brutal perfection. But may not the speech of economist and traders be taken up by revolutionists? The law of the strongest will not always and necessarily operate for the benefit of commerce. "Might surpasses right," said Bismarck, quoting from many others, but it is possible to make ready for the day when might will be at the service of right. If it is true that ideas of solidarity are spreading; if it is true that the conquests of science end by penetrating the lowest strata; if it is true that truth is becoming common property; if evolution towards justice *is*

taking place, will not the workers, who have at once the right and the might, make use of both to bring about a revolution for the benefit of all! What can isolated individuals, however strong in money, intelligence and cunning do against associated masses!

In no modern revolution have the privileged classes been known to fight their own battles. They always depend on armies of the poor, whom they have taught what is called loyalty to the flag, and trained to what is called "the maintenance of order." Five millions of men, without counting these superior and inferior police, are employed in Europe in this work and Americans are following our example. But these armies may become disorganized, they may call to mind the nearest of their own past and future relations with the mass of the people, and the hand which guides them may grow unsteady. Being in great part drawn from the *proletariate*, they may become *bouregeois* society what the barbarians in the pay of the Empire became to that of Rome—an element of dissolution. History abounds in examples of the frenzy which seizes upon those in power. When the miserable and disinherited of the earth shall unite in their own interest, trade with trade, nation with nation, race with race; when they shall fully awake to their sufferings and their purpose, doubt not that an occasion will assuredly present itself for the employment of their might in the service of right; and powerful as may be the master of those days, he will be weak before the starving masses leagued against him. To the great evolution now taking place will succeed the long expected, the great revolution.

It will be salvation, and there is none other. For, if capital retains force on its side, we shall all be the slaves of its machinery, mere bands connecting iron cogs with steel and iron shafts. If new spoils, managed by partners only responsible to their cash books, are ceaselessly added to the savings already amassed in bankers' coffers, then it will be vain to cry for pity, no one will hear your complaints. The

tiger may renounce his victim, but bankers' books pronounce judgments without appeal. From the terrible mechanism whose merciless work is recorded in the figures on its silent pages, men and nations come forth ground to powder. If capital carries the day, it will be time to weep for our golden age; in that hour we may look behind us and see like a dying light, love and joy and hope—all the earth has held of sweet and good. Humanity will have ceased to live!

ELISEE RECLUS.

Viola, Bromley, Kent, July 16, 1903.

DEAR COMRADE:—Thousand excuses for not having timely replied. There are times when health being not first rate, I am simply overpowered by correspondence.

Your idea of compiling a work which might be a text-book for the American Trade Union movement is excellent. Several such books would be required, in order to represent the problems of today from different points of view; and one would be absolutely necessary to give a history of the growth of labor and capital conflict, and of the laborer's stand in it, in America written by an American, thoroughly acquainted with the American movement.

For myself, I would be most happy to write a sort of general review of the whole matter, and I shall think of it seriously. But I cannot promise anything certain. Health is not brilliant—I have not the capacity for rapid work I once had—and I have a couple of works in hand which must be finished.

Still, to write such a work that workingmen could look upon it as upon a compendium, is so attractive a problem to which I should be happy to devote the few years of activity which I may still have in stock.

Yours fraternally,

P. KROPOTKIN.

P. S.—Enclosed find something on the wage question which you may be able to use.—P. K.

PETER KROPOTKIN.

THE WAGE SYSTEM.

I.—Representative Government and Wages.

In their plans for the reconstruction of society, the Collectivists commit, in our opinion, a double error. Whilst speaking of the abolition of the rule of capital, they wish, nevertheless, to maintain two institutions which form the very basis of that rule, namely, representative government and the wage system.

As for representative government, it remains absolutely incomprehensible to us how intelligent men (and they are not wanting among the Collectivists) can continue to be the partisans of national and municipal parliaments, after all the lessons on this subject bestowed on us by history, whether in England or in France, in Germany, Switzerland or the United States. Whilst parliamentary rule is seen to be everywhere falling to pieces; whilst its principles in themselves—and no longer merely their applications—are being criticized in every direction, how can intelligent men, calling themselves Revolutionary Socialists, seek to maintain a system already condemned to death?

Representative government is a system which was elaborated by the middle class to make head against royalty and, at the same time, to maintain and augment their domination of the workers. It is the characteristic form of middle class rule. But even its most ardent admirers have never seriously contended that a parliament or municipal body does actually represent a nation or a city; the more intelligent are aware that this is impossible. By upholding parliamentary rule the middle class have been simply seeking to oppose a dam betwixt themselves and royalty, or betwixt themselves and the territorial aristocracy, without giving liberty to the people. It is moreover plain that, as the people become conscious of their interests, and as the variety of those interests increases, the system becomes unworkable. And this is why the democrats of all countries are seeking

for different palliatives or correctives and cannot find them. They are trying the Referendum, and discovering that it is worthless, they prate of proportional representation, of the representation of minorities, and other parliamentay utopias. In a word, they are striving to discover the undiscoverable; that is to say, a method of delegation which shall represent the myriad varied interests of the nation; but they are being forced to recognize that they are upon a false track, and confidence in government by delegation is passing away.

It is only the Social Democrats and Collectivists who are not losing this confidence, who are attempting to maintain so-called national representation; and this is what we cannot understand.

If our anarchist principles do not suit them, if they think them inapplicable, they ought, at least, as it seems to us, to try to discover what other system of organization could well correspond to a society without capitalists or landlords. But to take the middle class system—a system already in its decadence, a vicious system if ever there was one—and to proclaim this system (with a few innocent corrections, such as the imperative mandate, or the Referendum, the uselessness of which has been demonstrated already) good for a society that has passed through the Social Revolution, is what seems to us absolutely incomprehensible, unless under the name of Social Revolution they understand something very different from Revolution, some petty botching of existing middle class rule.

The same with regard to the wage system. After having proclaimed the abolition of private property and the possession in common of the instruments of production, how can they sanction the maintenance of the wage system under any form? And yet this is what the Collectivists are doing when they praise the efficiency of labor notes.

That the English Socialists of the early part of this century should invent labor notes is comprehensible. They were simply trying to reconcile capital and labor. They repudiated all idea of laying violent hands upon the property

of the capitalists. They were so little of revolutionaries that they declared themselves ready to submit even to imperial rule, if that rule would favor their co-operative societies. They remained middle class men at bottom, if charitable ones; and this is why (Engels has said so in his preface to the Communist Manifesto of 1848) the Socialists of that period were to be found among the middle class, whilst the advanced workmen were Communists.

If later Proudhon took up this same idea, that again is easy to understand. What was he seeking in his Mutualist system, if not to render capital less offensive, despite the maintenance of private property, which he detested to the bottom of his heart, but which he believed necessary to guarantee the individual against the state? Further, if economists, belonging more or less to the middle class, also admit labor notes, it is not surprising. It matters little to them whether the worker be paid in labor notes or in coin stamped with the effigy of king or republic. They want to save, in the coming overthrow, private property in inhabited houses, the soil, the mills; or, at least, in inhabited houses, and the capital necessary for the production of manufactures. And to maintain this property, labor notes will answer very well.

If the labor note can be exchanged for jewels and carriages, the owner of house property will willingly accept it as rent. And as long as the inhabited house, the field and the mill belong to individual owners, so long will it be requisite to pay them in some way before they will allow you to work in their fields or their mills, or to lodge in their houses. And it will also be requisite to pay wages to the worker, either in gold or in paper money or in labor notes exchangeable for all sorts of commodities.

But how can this new form of wages, the labor note, be sanctioned by those who admit that houses, fields, mills are no longer private property, that they belong to the commune or the nation?

II.—The Collectivist Wage System.

Let us examine more closely this system for the remuneration of labor, as set forth by the English, French, German and Italian Collectivists. (The Spanish Anarchists, who continue to call themselves Collectivists, understand by this term common possession of the instruments of labor and "liberty for each group to share the produce of labor as they think fit;" on Communist principles or in any other way.)

It comes very much to this: Every one works, be it in fields, in factories, in schools, in hospitals or what not. The working day is regulated by the state, to which belong the soil, factories, means of communication and all the rest. Each worker, having done a day's work, receives a labor note, stamped, let us say, with these words: eight hours of labor. With this note he can procure any sort of goods in the shops of the state or the various corporations. The note is divisible in such a way that one hour's worth of meat, ten minutes' worth of matches, or half-an-hour's worth of tobacco can be purchased. Instead of saying: "two pennyworth of soap," after the Collectivist revolution they will say: "five minutes' worth of soap."

Most Collectivists, faithful to the distinction established by the middle class economists (and Marx also) between qualified (skilled) and simple (unskilled) labor, tell us that qualified or professional toil should be paid a certain number of times more than simple toil. Thus, one hour of the doctor's work should be considered as equivalent to two or three hours of the work of the nurse, or three hours of that of the navvy. "Professional or qualified labor will be a multiple of simple labor," says the Collectivist Gronlund, because this sort of labor demands a longer or shorter apprenticeship.

Other Collectivists, the French Marxists for example, do not make this distinction. The proclaim "equality of wages." The doctor, the schoolmaster and the professor will be paid (in labor notes) at the same rate as the navvy.

Eight hours spent in walking the hospitals will be worth the same as eight hours spent in navvies' work or in the mine or the factory.

Some make a further concession; they admit that disagreeable or unhealthy labor, such as that in the sewers, should be paid at a higher rate than work which is agreeable. One hour of service in the sewers may count, they say, for two hours of the labor of the professor.

Let us add that certain Collectivists advocate the wholesale remuneration of trade societies. Thus, one society may say: "Here are a hundred tons of steel. To produce them one hundred workers of our society have taken ten days; as our day consisted of eight hours, that makes eight thousand hours of labor for one hundred tons of steel; eighty hours a ton." Upon which the state will pay them eight thousand labor notes of one hour each, and these eight thousand notes will be distributed among the fellow-workers in the foundry as seems best to themselves.

Or again, if one hundred miners have spent twenty days in hewing eight thousand tons of coal, the coal will be worth two hours a ton, and the sixteen thousand labor notes for one hour each received by the miners' union will be divided among them as they think fair.

If there be disputes: if the miners protest and say that a ton of steel ought to cost six hours instead of eight; or if the professor rate his day twice as high as the nurse; then the state must step in and regulate their differences.

Such, in a few words, is the organization which the Collectivists desire to see arising from the social revolution. As we have seen, their principles are: collective property in the instruments of labor, and remuneration of each worker according to the time spent in productive toil, taking into account the productiveness of his work. As for their political system, it would be parliamentary rule, ameliorated by the change of men in power, the imperative mandate, and the referendum—i. e., the general vote of Yes or No upon questions submitted to the popular decision.

Now, we must at once say that this system seems to us absolutely incapable of realization.

The Collectivists begin by proclaiming a revolutionary principle—the abolition of private property—and, as soon as proclaimed, they deny it, by maintaining an organization of production and consumption springing from private property.

They proclaim a revolutionary principle and ignore the consequences it must necessarily bring about. They forget that the very fact of abolishing individual property in the instruments of production (land, factories, means of communication, capital) must cause society to set out in a new direction; that it must change production from top to bottom, change not only its methods but its ends; that all the everyday relations between individuals must be modified as soon as land, machinery and the rest are considered as common possessions.

They say: "No private property;" and immediately they hasten to maintain private property in its everyday forms. "For productive purposes you are a commune," they say; "the fields, the tools. the machinery, all that has been made up to this day—manufactures, railways, wharves, mines—belong to all of you in common. Not the slightest distinction will be made concerning the share of each one in this collective property.

"But from tomorrow you are minutely to discuss the part that each one of you is to take in making the new machines, digging the new mines. From tomorrow you are to endeavor to weigh exactly the portion which will accrue to each one from the new produce. You are to count your minutes of work, you are to be on the watch lest one moment of your neighbor's toil may purchase more than yours.

"You are to calculate your hours and your minutes of labor, and since the hour measures nothing—since in one factory a workman can watch four looms at once, whilst in another he only watches two, you are to weigh the muscular force, the energy of brain, the energy of nerve expended.

You are scrupulously to count up the years of apprenticeship, that you may value precisely the share of each one among you in the production of the future. And all this, after you have declared that you leave entirely out of your reckoning the share he has taken in the past."

Well, it is evident to us that a society cannot organize itself upon two absolutely opposing principles, two principles which contradict one another at every step. And the nation or the commune which should give to itself such an organization would be forced either to return to private property or else to transform itself immediately into a Communist society.

III.—Unequal Remuneration.

We have said that most Collectivist writers demand that in a Socialist society remuneration should be based upon a distinction between qualified or professional labor and simple labor. They assert that an hour of the engineer's, the architect's or the doctor's work should be counted as two or three hours' work from the blacksmith, the mason or the nurse. And the same distinction, say they, ought to be established between workers whose trades require a longer or shorter apprenticeship and those who are mere day laborers.

This is the case in the present middle class society; it must be the case in the future society of Collectivism.

Yes, but to establish this distinction is to maintain all the inequalities of our existing society. It is to trace out beforehand a demarcation between the worker and those who claim to rule him. It is still to divide society into two clearly defined classes: an aristocracy of knowledge above, a horny-handed democracy below; one class devoted to the service of the other; one class toiling with its hands to nourish and clothe the other, whilst that other profits by its leisure to learn how to dominate those who toil for it.

This is to take the distinctive features of middle class society and sanction them by a social revolution. It is to

erect into a principle an abuse which today is condemned in the society that is breaking up.

We know very well what will be said in answer. We shall be told about "Scientific Socialism." The middle class economists, and Marx too, will be cited to prove that there is a good reason for a scale of wages, for the "labor force" of the engineer costs society more than the "labor force" of the navvy. And, indeed, have not the economists striven to prove that, if the engineer is paid twenty times more than the navvy, it is because the cost necessary to produce an engineer is more considerable than that necessary to produce a navvy? And has not Marx maintained that the like distinction between various sorts of manual labor is of equal logical necessity? He could come to no other conclusion, since he took up Ricardo's theory of value and insisted that products exchange in proportion to the quantity of the work socially necessary to produce them.

But we know also how much of all this to believe. We know that if the engineer, the scientist and the doctor are paid today ten or a hundred times more than the laborer, and the weaver earns three times as much as the toiler in the fields and ten times as much as a match girl, it is not because what they receive is in proportion to their various costs of production. Rather it is in proportion to the extent of monopoly in education and in industry. The engineer, the scientist and the doctor simply draw their profits from their own sort of capital—their degree, their certificates—just as the manufacturer draws a profit from a mill, or as a nobleman used to do from his birth and title.

When the employer pays the engineer twenty times more than the workman, he makes this very simple calculation: if an engineer can save him £4'000 a year in cost of production, he will pay him £800 a year to do it. And if he sees a foreman is a clever sweater and can save him £400 in handicraft, he at once offers him £80 or £90 a year. He expends £100 where he counts upon gaining £1,000; that is the essence of the capitalist system. And the like holds good of the differences in various trades.

Where then is the sense of talking of the cost of production of labor force, and saying that a student who passes a merry youth at the university, has a right to ten times higher wages than the son of a miner who has pined in a pit since he was eleven? Or that a weaver has a right to wages three or four times higher than those of an agricultural laborer? The expenditure needed to produce a weaver is not four times as great as the necessary cost of producing a field worker. The weaver simply benefits by the advantageous position which industry enjoys in Europe as compared with parts of the world where at present there is no industrial development.

No one has ever estimated the real cost of production of labor force. And if an idler costs society much more than an honest workman, it still remains to be known if, when all is told (infant mortality among the workers, the ravages of anoemia, the premature deaths) a sturdy day laborer does not cost society more than an artisan.

Are we to be told that, for example, the 1s. a day of a London workwoman and the 3d. a day of the Auvergne peasant who blinds herself over lace-making, represent the cost of production of these women? We are perfectly aware that they often work for even less, but we know also that they do it entirely because, thanks to our splendid social organization, they would die of hunger without these ridiculous wages.

The existing scale of wages seems to us a highly complex product of taxation, government interference, monopoly and capitalistic greed—in a word, of the state and the capitalist system. In our opinion all the theories made by economists about the scale of wages have been invented after the event to justify existing injustices. It is needless to regard them.

We are, however, certain to be informed that the Collectivist wage scale will, at all events, be an improvement. "You must admit," we shall be told, "that it will, at least, be better to have a class of workers paid at twice or three

times the ordinary rate than to have Rothschilds, who put into their pockets in one day more than a workman can in a year. It will be a step toward equality."

To us it seems a step away from it. To introduce into a fessional labor would be to sanction by the revolution and Socialist society the distinction between ordinary and proerect into a principle a brutal fact, to which we merely submit today, considering it all the while as unjust. It would be acting after the manner of those gentlemen of the Fourth of August, 1789, who proclaimed, in high sounding phraseology, the abolition of feudal rights, and on the Eighth of August sanctioned those very rights by imposing upon the peasants the dues by which they were to be redeemed from the nobles. Or again, like the Russian government at the time of the emancipation of the serfs, when it proclaimed that the land henceforth belonged to the nobility, whereas previously it was considered an abuse that the land which belonged to the peasants should be bought and sold by private persons.

Or, to take a better known example, when the Commune of 1871 decided to pay the members of the Communal Council 12s. 6d. a day, whilst the National Guards on the ramparts had only 1s. 3d.; certain persons applauded this decision as an act of grand democratic equality. But, in reality, the Commune did nothing thereby but sanction the ancient inequality between officials and soldiers, governors and governed. For an Opportunist parliament such a decision might have seemed splendid, but for the Commune it was a negation of its own principles. The Commune was false to its own revolutionary principle, and by that very fact condemned it.

In the present state of society, when we see cabinet ministers paying themselves thousands a year, whilst the workman has to content himself with less than a hundred; when we see the foreman paid twice or three times as much as the ordinary hand, and when among workers themselves there are all sorts of gradations, from 7s. or 8s. a day down to

the 3d. of the seamstress, we disapprove the large salary of the minister, and also the difference between the artisan's eight-shillings and the seamstress' three-pence. And we say, "Let us have done with privileges of education as well as of birth." We are anarchists just because such privileges disgust us.

How can we then raise these privileges into a principle? How can we proclaim that privileges of education are to be the basis of an equal society, without striking a blow at that very society. What is submitted today, will be submitted to no longer in a society based on equality. The general above the soldier, the rich engineer above the workman, the doctor above the nurse, already disgust us. Can we suffer them in a society which starts by proclaiming equality?

Evidently not. The popular conscience, inspired by the idea of equality, will revolt against such an injustice, it will not tolerate it. It is not worth while to make the attempt.

That is why certain Collectivists, understanding the impossibility of maintaining a scale of wages in a society inspired by the influence of the revolution, zealously advocate equality in wages. But they only stumble against fresh difficulties, and their equality of wages becomes a Utopia, as incapable of realization as the wage scale of the others.

A society that has seized upon all social wealth, and has plainly announced that all have a right to this wealth, whatever may be the part they have taken in creating it in the past, will be obliged to give up all idea of wages, either in money or in labor notes.

Equal Wages vs. Free Communism.

"To each according to his deeds," say the Collectivists, or rather according to his share of service rendered to society. And this is the principle they recommend as the basis of economic organization, after the revolution shall have made all the instruments of labor and all that is necessary for production common property!

Well, if the Social revolution should be so unfortunate as to proclaim this principle, it would be stemming the tide of human progress; it would be leaving unsolved the huge social problem cast by past centuries upon our shoulders.

It is true that in such a society as ours, where the more a man works the less he is paid, this principle may seem, at first sight, an aspiration toward justice. But at bottom it is but the consecration of past injustice. It is with this principle that the wage system started, to end where it is today, in crying inequalities and all the abominations of the present state of things. And it has ended thus because, from the day on which society began to value services in the money or any other sort of wages, from the day on which it was said that each should have only what he could succeed in getting paid for his work, the whole history of capitalism (the state aiding therein) was written beforehand; its germ was enclosed in this principle.

Must we then return to our point of departure and pass once more through the same process of capitalist evolution? These theories seem to desire it; but happily it is impossible; the revolution will be communistic; or it will be drowned in blood, and must be begun all over again.

Service rendered to society, be it labor in factory or field, or moral service, cannot be valued in monetary units. There cannot be an exact measure of its value, either of what has been improperly called its "value in exchange" or of its value in use. If we see two individuals, both working for years, for five hours daily, for the community, at two different occupations equally pleasing to them, we can say that, taken all in all, their labors are roughly equivalent. But their work could not be broken up into fractions, so that the product of each day, each hour or each minute of the labor of one should be worth the produce of each minute and each hour of that of the other.

Broadly speaking, we can say that a man who during his whole life deprives himself of leisure for ten hours daily has given much more to society than he who has deprived

himself of but five hours a day, or has not deprived himself of any leisure at all. But we cannot take what one man has done during any two hours and say that this produce is worth exactly twice as much as the produce of one hour's work from another individual, and reward each proportionately. To do this would be to ignore all that is complex in the industry, the agriculture, the entire life of society as it is; it would be to ignore the extent to which all individual work is the outcome of the former and present labors of society as a whole. It would be to fancy oneself in the Stone Age, when we are living in the Age of Steel.

Go into a coal mine and see that man stationed at the huge machine that hoists and lowers the cage. In his hand he holds a lever whereby to check or reverse the action of the machinery. He lowers the handle, and in a second the cage changes the direction of its giddy rush up or down the shaft. His eyes are attentively fixed upon an indicator in front of him which shows exactly the point the cage has reached; no sooner does it touch the given level than at his gentliest pressure it stops dead short, not a foot above or below the required place. And scarcely are the full trucks discharged or the empties loaded before, at a touch to the handle, the cage is again swinging up or down the shaft.

For eight or ten hours at a time he thus concentrates his attention. Let his brain relax but for an instant, and the cage would fly up and shatter the wheels, break the rope, crush the men, bring all the work of the mine to a standstill. Let him lose three seconds upon each reverse of the lever and, in a mine with all the modern improvements, the output will be reduced by from twenty to fifty tons a day.

Well, is it he who renders the greatest service in the mine? Or is it, perhaps, that boy who rings from below the signal for the mounting of the cage? Or is it the miner who risks his life every moment in the depths of the mine and will end one day by being killed by fire damp? Or, again, the engineer who would lose the coal seam and set men hewing bare rock, if he merely made a mistake in the addi-

tion of his calculations? Or, finally, is it the owner, who has put all his patrimony into the concern, and who perhaps has said, in opposition to all previous anticipations: "Dig there, you will find excellent coal?"

All the workers engaged in the mine contribute to the raising of coal in proportion to their strength, their energy, their knowledge, their intelligence and their skill. And we can say that all have the right to live, to satisfy their needs, and even gratify their whims, after the more imperious needs of every one are satisfied. But how can we exactly value what they have each done?

Further, is the coal that they have extracted entirely the result of their work? Is it not also the outcome of the work of the men who constructed the railway leading to the mine, and the roads branching off on all sides from the stations? And what of the work of those who have tilled and sown the fields which supply the miners with food, smelted the iron, cut the wood in the forest, made the machines which will consume the coal, and so on?

No hard and fast line can be drawn between the work of one and the work of another. To measure them by results leads to absurdity. To divide them into fractions and measure them by hours of labor leads to absurdity also. One course remains: not to measure them at all, but to recognize the right of all who take part in productive labor first of all to live, and then to enjoy the comforts of life.

Take any other branch of human activity, take our existence as a whole, and say which of us can claim the highest reward for his deeds?

The doctor who has divined the disease or the nurse who has assured its cure by her sanitary cares? The inventor of the first steam engine or the boy who one day, tired of pulling the cord which formerly served to open the valve admitting the steam beneath the piston, tied his cord to the lever of the machine, and went to play with his companions, without imagining that he had invented the mechanism essential to all modern machinery—the automatic valve? The

inventor of the locomotive or that Newcastle workman who suggested that wooden sleepers should take the place of the stones which were formerly put under the rails and threw trains off the line by their want of elasticity? The driver of the locomotive or the signalman who stops the train or opens the way for it?

To whom do we owe the trans-Atlantic cable? To the engineer who persisted in declaring that the cable would transmit telegrams, whilst the learned electricians declared that it was impossible? To Maury, the scientist, who advised the disuse of thick cables and the substitution of one no bigger than a walking stick? Or, after all, is it to those volunteers, from no one knows where, who spent day and night on the deck of the Great Eastern, minutely examining every yard of cable and taking out the nails that the shareholders of the maritime companies had stupidly caused to be driven through the isolating coat of the cable to render it useless?

And, in a still wider field, the vast tract of human life, with its joys, its sorrows, and its varied incidents, cannot each of us mention some one who during his life has rendered him some service so great, so important, that if it were proposed to value it in money he would be filled with indignation? This service may have been a word, nothing but a word in season, or it may have been months or years of devotion. Are you going to estimate these, the most important of all services, in labor notes ?

"The deeds of each!" But human societies could not live for two successive generations, they would disappear in fifty years, if each one did not give infinitely more than will be returned to him in money, in "notes" or in civic rewards. It would be the extinction of the race if the mother did not expend her life to preserve her children, if every man did not give some things without counting the cost, if human beings did not give most where they look for no reward.

If middle class society is going to ruin; if we are today in a blind alley from which there is no escape without ap-

plying axe and torch to the institutions of the past, that is just because we have calculated too much. It is just because we have allowed ourselves to be drawn into giving that we may receive; because we have desired to make society into a commercial company based upon debit and credit.

Moreover, the Collectivists know it. They vaguely comprehend that a society cannot exist if it logically carries out the principle, "To each according to his deeds." They suspect that the needs (we are not speaking of the whims) of the individual do not always correspond to his deeds. Accordingly, De Paepe tells us:

"This eminently individualistic principle will be tempered by social intervention for the purpose of the education of children and young people (including their maintenance and nurture) and by social organizations for the assistance of the sick and infirm, asylums for aged workers, etc."

Even Collectivists suspect that a man of forty, the father of three children, has greater needs than a youth of twenty. They suspect that a woman who is suckling her child and spends sleepless nights by its cot, cannot get through so much work as a man who has enjoyed tranquil slumber.

They seem to understand that a man or woman worn out by having perhaps, worked over hard for society in general may find themselves incapable of performing so many "deeds" as those who take their hours of labor quietly and pocket their "notes" in the privileged offices of state statisticians.

And they hasten to temper their principle. Oh, certainly, they say, society will feed and bring up its children. Oh, certainly it will assist the old and infirm. Oh, certainly needs not deeds will be the measure of the cost which society will impose on itself to temper the principle of deeds.

What, charity? Yes, our old friend, "Christian Charity," organized by the state.

Improve the foundling hospital, organize insurance against age and sickness, and the principle of deeds will be "tempered." "Wound that they may heal," they can get no further.

Thus, then, after having forsworn Communism, after having sneered at their ease at the formula, "To each according to his needs," is it not obvious that they, the great economists, also perceive that they have forgotten something, i. e., the needs of the producers? And thereupon they hasten to recognize these needs. Only it is to be the state by which they are to be estimated; it is to be the state which will undertake to find out if needs are disproportionate to deeds.

It is to be the state that will give alms to him who is willing to recognize his inferiority. From thence to the poor law and the workhouse is but a stone's throw.

There is but a stone's throw, for even this step-mother of a society, against which we are in revolt, has found it necessary to temper its individualistic principle. It, too, has had to make concessions in a Communistic sense, and in this same form of charity.

It also distributes halfpenny dinners to prevent the pillage of its shops. It also builds hospitals, often bad enough, but sometimes splendid, to prevent the ravages of contagious disease. It also, after having paid for nothing but the hours of labor, receives the children of those whom it has itself reduced to the extremity of distress. It also takes account of needs—as a charity.

Poverty, the existence of the poor, was the first cause of riches. This it was which created the earliest capitalist. For, before the surplus value, about which people are so fond of talking, could begin to be accumulated it was necessary that there should be poverty-stricken wretches who would consent to sell their labor force rather than die of hunger. It is poverty that has made the rich. And if poverty had advanced by such rapid strides by the end of the Middle Ages, it was chiefly because the invasions and wars,

the creation of states and the development of their authority, the wealth gained by exploitation in the East, and many other causes of a like nature, broke the bonds which once united agrarian and urban communities, and led them, in place of the solidarity which they once practiced, to adopt the principle of the wage system.

Is this principle to be the outcome of the revolution? Dare we dignify by the name of a Social revolution—that name so dear to the hungry, the suffering and the oppressed—the triumph of such a principle as this?

It cannot be so. For, on the day when ancient institutions splinter into fragments before the axe of the proletariat, voices will be heard shouting: Bread for all! Lodging for all! Right for all to the comforts of life!

And these voices will be heeded. The people will say to themselves: Let us begin by satisfying our thirst for the life, the joy, the liberty we have never known. And when all have tasted happiness, we will set to work; the work of demolishing the last vestiges of middle-class rule, with its account-book morality, its philosophy of debit and credit, its institutions of mine and thine. "While we throw down we shall be building," as Proudhon said; we shall build in the name of Communism and of Anarchy.

PETER KROPOTKIN.

LEO TOLSTOY.

Moscow, Russia, Nov. 25, 1903.

CHICAGO FEDERATION OF LABOR COMMITTEE:

I am a little distressed at not being able to comply with your request for a special treatment of "Industrial Conditions in the United States of America," and will be compelled to forward to your body some old manuscripts which have a universal application, as economic panics are always general in their cause and effect.

All of the conditions, under which, what some men call wealth, is produced under our present factory systems, are wrong, and however obviously unjust may be the assertion of the men of science, that the welfare of humanity must consist in the very thing that is profoundly repulsive to human feeling—in monotonous, enforced factory labor—the men of science were inevitably led to the necessity of making this obviously unjust assertion, that slaves and their masters were creatures differing in kind, and that the inequality of this world would be compensated in the next.

The cause of this evidently unjust assertion is that those who have formulated and who are formulating the laws of science belong to the well-to-do classes, and are so accustomed to the conditions, advantageous for themselves, among which they live, that they do not admit the thought that society could exist under other conditions.

The condition of life to which people of the well-to-do classes are accustomed is that of an abundant production of various articles necessary for their comfort and pleasure, and these things are obtained only thanks to the existence of factories and works organized as at present; and

Therefore, discussing the improvement of the workers' position, the men of science belonging to the well-to-do classes always have in view only such improvements as will not do away with the system of factory production and those conveniences of which they avail themselves.

Even the most advanced economists—the Socialists, who demand the complete control of the means of production for the workers—expect production of the same or almost of the same articles as are produced now to continue in the present or in similar factories with the present division of labor.

The difference as they imagine it, will only be that in future not they alone, but all men, will make use of such conveniences as they alone now enjoy. They dimly picture to themselves that, with the communalization of the means of production, they, too—men of science, and in general the ruling classes—will do some work, but chiefly as managers, designers, scientists or artists. To the questions, who will have to wear a muzzle and make white lead? Who will be stokers, miners, and cess-pool cleaners? They are either silent or foretell that all these things will be so improved and underground that they will afford pleasant occupation. That is how they represent to themselves future economic condition, both in Utopias, such as that of Bellamy, and in scientific works.

According to their theories, the works will all be economically organized, and will cultivate solidarity among themselves, and participate in parliaments till they obtain possession of all the means of production, as well as the land, and then they will be so well fed, so well dressed, and enjoy such amusements on holidays that they will prefer life in town, amid brick buildings and smoking chimneys, to free village life amid plants and domestic animals; and monotnous bell-regulated machine work to the varied, healthy and free agricultural labor.

Though this anticipation is as improbable as the anticipation of the theologians about a heaven to be enjoyed hereafter by workmen in compensation for their hard labor here, yet learned and educated people of our society believe this strange teaching, just as formerly wise and learned people believed in a heaven for workmen in the next world.

And learned men and their disciples, people of the well-

to-do classes, believe this, because they must believe it. This dilemma stands before them; either they msut see that all that they make use of in their lives, from railways to lucifer matches and cigarettes, represents labor which costs the lives of their brother men, and that they, not sharing in that toil, but making use of it, are very dishonorable men; or they must believe that all that takes place, takes place for the general advantage in accord with unalterable laws of economic science. Therein lies the inner psychological cause. Compelling men of science, men wise and educated, but not enlightened, to affirm positively and tenaciously such an obvious untruth as that the laborers, for their own well being, should leave their happy and healthy life in touch with nature and go to ruin their bodies and souls in factories and workshops.

In what does economic slavery consist? What are the forces that make some men the slaves of others? If we ask all the workers in Russia, Europe, and in America alike in the factories and in various situations in which they work for hire, in towns and villages, what has made them choose the position in which they are living, they will all reply that they have been brought to it, either because they had no land on which they could and wished to live and work, or that taxes, direct and indirect, were demanded of them, which they could only pay by selling their labor, or that they remain at factory work, ensnared by the more luxurious habits they have adopted, and which they can gratify only by selling their labor and their liberty.

The first two conditions, the lack of land and the taxes, drive men to compulsory labor; while the third, his increased and unsatisfied needs, decoy him to it and keep him at it. Then when his surplus products can no longer be disposed of the reaction comes, business stagnation takes place, and workmen are brought to starvation conditions.

We can imagine that the land may be freed from the claims of private proprietors by Henry George's plan, and that, therefore, the first cause driving people into slavery—

the lack of land—(besides the single-tax plan) we may imagine the abolition of taxes, or that they should be transferred from the poor to the rich, as is being done now in some countries; but under the present economic organization one cannot even imagine a position of things under which more and more luxurious, and often harmful, habits of life should not, little by little, pass to those of the lower classes who are in contact with the rich as inevitably as water sinks into the ground, and that those habits should not become so necessary to the workers that in order to be able to satisfy them, they will be ready to sell their freedom.

So that this third condition though, it is a voluntary one —that is, it would seem that a man might resist the temptation—and though science does not acknowledge it to be a cause of the miserable condition of the workers, is the firmest and most irremovable cause of slavery.

Three causes, as the workman themselves explain, produce the slavery in which they live and all the miseries which follow in their trail; and the history of their enslavement and the facts of their position confirm the correctness of this explanation.

All the workers are brought to their present state and are kept in it by these three causes. These causes, acting on people from different sides, are such that none can escape from their enslavement. The agriculturalist who has no land, or who has not enough, will always be obliged to go into perpetual or temporary slavery to the landowner, in order to have the opportunity of feeding himself from the land. Should he in one way or other obtain land, enough to be able to feed himself from it by his own labor, such taxes, direct or indirect, are demanded from him that in order to pay them he has again to go into slavery.

If to escape from slavery on the land, he ceases to cultivate land, and living on some one else's land, begins to occupy himself with a handicraft, or to exchange his produce for the things he needs, then on the one hand, taxes, and on

the other hand, the competition of capitalists producing similar articles to those he makes, but with better implements of production, compel him to go into temporary or perpetual slavery to a capitalist.

If working for a capitalist he might set up free relations with him, and not be obliged to sell his liberty, yet the new requirements which he assimilates deprive him of any such possibility. So that one way or another the laborer is always in slavery to those who control the taxes, the land, and the articles necessary to satisfy his requirements.

The condition of workmen results from three sets of laws —those about land, taxes and property. And therefore, all the attempts of those who wish to improve the position of the workers are inevitably though unconsciously, directed against those three legislations.

One set of people repeal taxes weighing on the working classes and transfer them on to the rich; others propose to abolish the right of private property in land, and attempts are being made to put this in practice, both in New Zealand and in one of your American States (the limitation of the landlord's rights in Ireland is a move in the same direction); a third set, the Socialists—propose to communalise the means of production, to tax incomes and inheritances, and to limit the rights of capitalist—employers. It would, therefore, seem as though the legislative enactments which cause slavery were being repealed, and that we may, therefore, expect slavery to be abolished in this way. But we need only to look more closely at the conditions under which the abolition of those legislative enactments is accomplished or proposed to be convinced that, not only the practical, but even the theoretical projects for the improvement of the worker's position are merely the substitution of one legislation producing slavery for another, establishing a newer form of slavery. Thus, for instance, those who abolish taxes and duties on the poor, first abolishing direct dues and then transferring the bureau of taxation from the poor to the rich, necessarily have to retain, and do retain, the laws making

private property of landed property, means of production, and other articles, on which the whole burden of the taxes is shifted. The retention of the laws concerning land and property keeps the workers in slavery to the landowners and the capitalists, even though the workers are freed from taxes. Those who, like Henry George and his partizans, would abolish the laws making private property of land, propose new laws imposing an obligatory rent on land, and this obligatory land rent will necessarily create a new form of slavery, because a man compelled to pay rent, or the single-tax, may at any failure of the crops or other misfortune have to borrow money from a money lender, and he will again lapse into slavery. Those who like the Socialists, in theory, wish to abolish the legalization of property in land and in means of production, retain the legalization of taxes, and must, moreover, inevitably introduce laws of compulsory labor—that is, they must re-establish slavery in its primitive form.

So that, this way or that way, all the practical and theoretical repeals of certain laws maintaining slavery in one form have always and do always replace it by new legislation creating slavery in another and fresh form.

What happens is something like what a jailer might do who shifted a prisoner's chains from the neck to the arms, and from the arms to the legs, or took them off and substituted bolts and bars. All the improvements that have hitherto taken place in the position of the workers have been of this kind.

The laws giving a master the right to compel his slaves to do compulsory work were replaced by laws allowing the masters to own all the land. The laws allowing all the land to become the private property of the masters may be replaced by taxation laws, the control of the taxes being in the hands of the masters. The taxation laws are replaced by others defending the right of private property in articles of use and in the means of production. The laws of right of private property in land and in articles of use and means of production, it is proposed to replace by the enactment of

compulsory labor, through the medium of compulsory arbitration.

So it is evident that the abolition of one form of legalization producing the present economic conditions, whether taxes, or land-owning, or property in articles of use or in the means of production, will not destroy slavery or prevent hard times, but will only repeal one of its forms, which will immediately be replaced by a new one, as was the case with the abolition of chattle slavery, of serfdom, and with the repeal of taxes. Even the repeal of all three groups of laws, together will not abolish slavery, but evoke a new and as yet unknown form of it, which is now already beginning to show itself and to restrain the freedom of labor by legislation concerning the hours of work, the age and state of health of the workers, as well as by demanding obligatory attendance at schools, deductions for old age insurance or accidents, by all the measures of factory inspection, the restrictions on co-operative societies, etc.

All this is nothing but the transference of legalization—preparing a new and as yet untried form of slavery.

So that it becomes evident that the essence of slavery lies not in those three roots of legislation on which it now rests, and not even in such or such other legislative enactments, but in the fact that legislation exists; that there are people who have the power to decree laws profitable for themselves, and that as long as people have that power there will be slavery.

Formerly it was profitable for people to have chattel slaves, and they made laws about chattel slavery. Afterwards, it became profitable to own land, to take taxes, and to keep things one had acquired, and they made laws correspondingly.

Now it is profitable for people to maintain the existing direction and division of labor; and they are devising such laws as will compel people to work under the present apportionment and division of labor. Thus the fundamental cause

of slavery and its attendant miseries is legislation, the fact that there are people who have the power to make laws.

It will give me much pleasure to feel that the above can be utilized for your present purpose, Yours sincerely,

LEO TOLSTOY.

MAR 16 1909

LB Ag '09

THE CAUSE OF

Industrial Panics

IN THE UNITED STATES

HB3743
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PUBLISHED BY THE
CHICAGO FEDERATION OF LABOR
CHICAGO, ILLINOIS

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