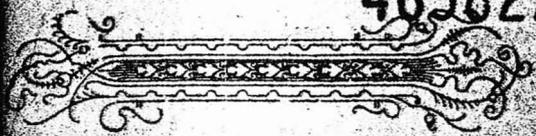


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SUCCESSFUL SOCIALISM.

By TOM TUNNECLIFFE.

CHAPTER I.

The thought has been upon me for some time past that if we could gather together all the successful State, municipal and other commercial enterprises in Australia into one given focus, the complete picture so presented to the vision would constitute one of the most convincing arguments in favour of Socialism that could possibly be advanced. So with this end in view I entered into communication with the various bodies who would be likely to provide such information, and I shall, in the following pages, reproduce for the benefit of any who care to understand our case, a bird's-eye view of the triumphs of communal enterprise and the unique and phenomenal victory which such efforts have scored over private enterprise over the whole range of industrial effort. I shall, as far as possible, avoid technicalities, and abridge of necessity much of the evidence, preserving only such portions as are essential to a right understanding of the individual cases.

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While myself fully convinced of the essential soundness of our principles which have been fairly tried by those in sympathy with them, I must confess that I was not prepared for

THE UNIQUE AND UNIFORM SUCCESS

which has attended such efforts in the hands of unsympathetic advocates, who would fain rather wreck the barque than allow a victory to be scored against their own judgment. Moreover, I am not unaware that successful municipal or State experiments in Victoria smack very often of capitalism, and are often only another step in capitalistic development, the trail of the 4 per cent interest monger being serpent-like over the whole business. Many such enterprises are therefore handicapped in this way to an enormous extent, and, while the risks and the management are communal, the profits still pass into the pockets of private individuals from whom the capital in the first place is hired at market rates. Neither have I closed my eyes to the fact that under present conditions, while society is in a transitional state, and the communal enterprises are isolated in a wilderness of individualistic thought and effort, private exploitation frequently goes on *sub rosa*, the private contractor still battens upon the municipal machine, and the community is often only the victim of the private enterprise highwayman. But even after making all these allowances, the success is of such a character as to be worth recording, and the instances of failure so very few

as to bear absolutely no comparison to the sum total, while, whenever the extension has been made of communal effort to new spheres of activity, the justification has been so complete and emphatic that all agitation in the direction of reaction has fallen completely to the ground. For the purpose of a more ready understanding of the case, I shall deal first with those industries and activities which are described by the old economists as

"BEING IN THEIR NATURE MONOPOLIES,"

because these constitute a class of themselves to the minds of those who see no good in Socialism, and they seek to justify their entering upon this sphere by quoting the hackneyed expression above, as though there were some occult properties in gas and water works, electricity and markets, which render them peculiarly liable to successful handling by the community, oblivious of the fact that, not many years ago, municipal enterprise in these departments was as rare and as vigorously opposed by the doctrinaires as the more advanced principles of Socialism are to-day. Of course we must not be surprised at this. An ounce of success is worth a ton of argument, and the success of these experiments has been such as to disarm all criticism, and has been actually justified by the approbation of the Conservative press, and re-christened, to prevent pollution, by the high-sounding title of "Municipalism," thus seeking to disguise its real origin and hide its generic

descent from socialistic idealism and political democracy.

Now of these "Businesses which are in their nature monopolies." First and foremost come those which supply

HEAT, LIGHT, POWER AND WATER

to the various communities scattered throughout the continent, and it is a somewhat remarkable fact that, with very few exceptions, these activities are almost all controlled by the various municipalities for which they cater. People who never heard of Socialism have been so permeated with its ideals that they unconsciously adopt its practices, and so add further testimony to the truth that time fights upon the side of the Socialists and justifies the evolutionary doctrine as applied to social institutions, by producing, almost automatically, the changes which once would have demanded a revolution. Strange as it may appear, there is scarcely to be found in Australia an example of a privately owned water supply, and this revolution has been accomplished without conscious effort by the community—nay, even without consciousness of the fact—while no one ever stops to ask the forgotten question, "Does it pay?" or "Is it a success?" It exists, and is found to be of public utility. In the densely-populated districts immense profits are derived from the operation of this system of municipalism, the application of which is in every case emphatically endorsed by the judgment of Socialists and anti-Socialists alike as

uniquely just and wise and beneficent, and yet in England this revolution is not yet accomplished, and the London populace is entirely at the mercy of the private exploiter, who heaps up enormous profits from the control of the water supply of "the village," and who even now is calculating upon being bought out by the community at an enormously enhanced price because he has

FAILED TO SUPPLY THE NEEDS OF THE PEOPLE

effectively or satisfactorily. Now the necessity of supplying a public want to the people, and controlling its supply by the community, instead of leaving it to the sweet will of private enterprise, which (so the old economists say) is sufficient to meet all the demands made upon it by the play of economic forces, is one which might readily be extended to other spheres of activity, and has actually been so extended in some respects, notably in connection with the erection and control of markets, abattoirs, and other public providing departments, and in nearly every case with immense success to those concerned.

In connection with

THE SUPPLY OF GAS AND ELECTRICITY

we have most extraordinary examples of success in nearly every venture undertaken by the people, the success being illustrated by large profits on the one hand, and on the other by reduced charges to the consumer, or better lighting quality of the gas supplied,

while in many cases we have examples of municipal enterprise stepping in to relieve the private companies which were unable to efficiently manage the undertakings, thus proving their fitness as managers against the expert trainees of the individualistic school. Cases of this kind are not isolated, but remarkably frequent, and show a tendency to increase in number, and this in face of the fact that in all cases a tribute is paid to private capitalists for the use of the necessary capital, which under Socialism would not be required. Similarly electricity has passed already, or is in process of passing, entirely under **THE CONTROL OF THE PEOPLE**, and its more rapid transition is only retarded by the lingering lassitude of the old municipal controllers, who are aghast at the extension of their own functions, and mistrust their own capacity to deal with new powers. This is accentuated by a faulty municipal franchise, which practically debar the new thought from exerting any active or dynamic influence upon the organisation of our municipalities. Still the facts beat them, and the phenomenal success which has attended every extension of the principle is impossible to explain away, and so tardy recognition is being given in well-informed circles to principles the validity of which it is impossible longer to refute, or the benefits of which can be no longer disguised. In these departments of enterprise we can safely leave the future development in the hands of those whose self-interest is found allied with these particular public

enterprises, for already there has arisen in connection with these institutions a large army of officials and others whose interests are closely associated with their successful administration and their further extension, and who can be trusted to secure (from private interest if not from public spirit) permanence and efficiency. But this knowledge must not blind us to the fact that democratic control of the various administrative bodies is a *sine qua non* of effective organisation in the interests of the community as a whole, and we must not lose sight of the further fact that the interest of the **BODY SOCIAL**, the community in the aggregate, is the end aimed at, and not the benefit of any special class, either

OF WORKERS OR OF CAPITAL- ISTIC MAGNATES,

for, says Sydney Webb, in the Fabian Essays, 'although Socialism involves State control, State control does not imply Socialism—at least in any modern meaning of the term. It is not so much to the thing which the State does as the end for which it does it that we must look before we can decide whether it is a socialist state or not. Socialism is the common holding of the means of production and exchange, and the holding of them for the equal benefit of all.'

Keeping this essential in mind, we will have no difficulty in gauging the measure of success which has been already recorded, and at the same time be alive to the necessity of securing such modification as will tend to strengthen our principles and further our faith.

CHAPTER II.

Having cleared the ground somewhat in our previous article of the "thought-lumber," which too frequently impedes the progress of new ideas, the way to further investigation of our subject is comparatively open, and we are at liberty to proceed with our examination of the latest form of industrial development without fear of diverting the energies or enthusiasm of the "forefront files" from the true purpose of their life—viz., the nationalising of the means of industry and exchange to the end of equitable distribution of the social product amongst the members of the community in proportion to the value and social utility of the labour done. In one sense the title of these articles might have been more fittingly expressed as "Stepping Stones to Socialism," as the functions dealt with partake more of the natural steps in economic development than the final expression of Socialistic purpose and aspiration. They are a necessary final expression of the capitalistic system which seeks to disguise, under the mantle of Socialistic control and management, the persistence of

PRIVATE CAPITALISTIC EXPLOITATION,

but to the extent that communal management is proved to be effective, and the substitution of a socially-appointed controller or entrepreneur for the personal influence of the owner of the capital invested is demonstrated to be satis-

factory—just to that extent is the ideal of the Socialists subserved, and the truth of their theories placed before the domain of mere theorising and reduced to concrete form and visible expression.

That this has already been done in innumerable instances, both in Europe and in Australia, is beyond the shadow of a doubt, and it is safe to say that if a complete compendium of all the enterprises brought within the purview of the commune were available, all, or nearly all, of the industries in which modern civilisation is engaged would be found to be embraced in some one or other of their branches. Thus we find the municipality of Gothenberg has extended its functions to the control of the sale of spirits, impelled thereto by moral consideration, while in Western Australia the phenomenal success of the first State public-house has been such as to stimulate a desire for its further extension. In America, during the Egyptian war, the price of gum "Arabic" became so prohibitive that the community was forced to undertake the

CONTROL OF LOCAL SUPPLIES

for national purposes, and has since extended this particular department of activity with beneficial results to all concerned. In New South Wales the shameless sweating of the private contractors led to the establishment of a State clothing factory, which is now in full and profitable operation. As an adjunct of the national railway system which obtains in Australia large engineering establishments have been

erected and successfully carried on, and, spite of the incessant croaking of the advocates of private enterprise, they have been able to compete successfully with outside contractors, the two most striking examples of this successful competition being that in Adelaide, where the State engineering works in open competition with privately-owned concerns secured a pipe contract at a considerable reduction in price, while the tenders called for by the Victorian Government for the supply of locomotives revealed the startling fact that the Newport workshops, State owned and managed, were able to undercut the price of two of the largest private engineering firms—the Otis Co. and the Phoenix Foundry—by £1200 per engine, or a total on the 60 engines tendered for of £72,000. These results were so striking that even the most vociferous champions of capitalism were given pause for a time, and the instinctively

ANTAGONISTIC STATE GOVERNMENTS

were compelled to yield to the inevitable, and give (though grudgingly) the contracts to the communal works. In Switzerland the control of the brewing and distilling has been taken over by the community, with the result that the number of establishments has been reduced from about 300 to less than 20, with a corresponding economy of effort and management, combined with more efficient control and better supervision of the product in the interests of the people. In France the tobacco industry is controlled by the State, and yields a

profit to the nation of over £16,000,000 per annum, while the same proportionate result has attended the national control in Austria and Hungary, and almost similar results have followed in Italy. In some of the English municipalities the death rate among children was so alarming that the control of the milk supply was taken over, and the results have not only proved a financial success, but

THE DEATH RATE HAS DECREASED

very largely, falling from 90 per 1000 at a given age to less than 70, and even the reactionary elements in the districts affected have been compelled to endorse the judgment of the Socialists. The supply of bread is controlled by many of the European municipalities, municipal bakeries being one of the commonest forms of social activity, and the results have been of such a character, generally speaking, that no desire to return to the old system of competing private shops has been expressed. The control of railways, ships, trams, carrying vans, messenger companies, delivery of mails, transport of packages, packing of fruit and other products, and innumerable enterprises of this character, has become so common as to excite no comment at its extension, and extreme individualists vie with the neo-Socialist philosophers in their clamour for State activity being extended along these lines. One of the latest enterprises of the State in Victoria has been the buying of store cattle and sheep and fatten-

ing them on the common farm for the supply of the local meat market, which is also owned by the community, and to which the meat is supplied from a municipal abattoirs, very often from a municipal sale yards. The advance of Socialism has been so rapid of recent years that privately owned fish or meat or produce markets are an exception, while municipal buildings yielding rents to

THE COMMUNITY WHICH ACTS AS LANDLORD

are as common as leaves in autumn. Municipal baths, State controlled educational institutions, even the provision of meals to the children, are the accepted order in all advanced communities, while in Melbourne the State runs a restaurant in connection with the schools, which not only serves to train the pupils in the arts of cookery and housewifery, but provides first class meals to the general public at the nominal charge of 6d., and is patronised by all classes, from workmen to legislators and clergymen, and the general opinion is that it not only fills the proverbial "long-felt want," but is a system which cannot be too rapidly extended. Did space permit, one might go on supplying instances of this character almost without limit, but to do so would be to transcend my purpose and cumber the pages in an unnecessary manner; yet so manifold have been the enterprises undertaken that one need not fear when a demand arises for an extension of the principle, but some precedent will be available with which to clinch the claim of the So-

cialist and silence the plea of "rash experiment" which is nearly always advanced by the advocates of the present system. If further evidence is wanted it is to be found in the contemporary literature of the day (where abundant details are given in connection with the various schemes, a list of which will be supplied at the conclusion).

CHAPTER III.

I think enough has already been said to prove beyond the fear of contradiction that, other things being equal,

COMMUNAL MANAGEMENT,

whether through the State or the municipalities or any other form of social organisation, is equally as effective as private management, and that, where similar conditions obtain, the efficiency of municipal or State control is considerably greater than under competitive conditions, the economies of management upon a large scale, the elimination of the unfair competition of speculative traders, the suppression of the gambling element, and the equalising of the profits upon a definite scientific system carefully calculated upon the basis of effective demand, enabling profits to be earned for the community in spite of the fact that better conditions are provided for the employees and uniformly shorter hours and more equitable division of labour substituted in place of the "catch-as-catch-can" conditions

which obtain in all departments of private enterprise. Next week I shall deal with some of these experiments, more particularly with those in which the direct employment of labour by the community has taken the place of the contractor system, and I have no doubt the revelation of uniform success which has attended this particular form of Socialistic effort will be a stimulus to those who labour much and see but little immediate result of their effort. The knowledge that the principles are growing and the ideals being surely realised will be a light in the darkness which will serve to guide the footsteps of the future, and help us to a realisation of the purpose for which we strive continuously amidst the night of commercial competition.

TO DESCEND FROM GENERALITIES

to particulars in the discussion of socialism is not a difficult task at this stage of economic development, for ever since the break-up of feudalism and the development of the industrial system there has been going on a steady absorption of individual functions by the community, the creation of local governing bodies and the investing of them with greater and larger administrative powers, has placed in the hands of the people a power of legality which is more effective as a fighting force than all the drilled armies of the ruling classes. By a strange inversion we, the revolutionary socialists, have become the real legal force, and by the application of our own newly-ac-

quired legal power, are able effectively to break to pieces the loins of illegal class dominance. The rebel revolutionary is to-day the expression in its highest form of legal force.

This is, as we have seen, manifested principally through the local governing bodies, who, with their extensive powers, are gradually undermining

THE OLD INDIVIDUALISTIC SYSTEM

of society and forming the nucleus of the commune of the future. Apart from the numerous enterprises undertaken successfully by these organisations, in innumerable cases they have substituted direct control of their local activities for the former system of private control by contractors, whose sole object was to amass surplus value from the misery of the employees. And more significant still is the fact that they have been forced thereto by a recognition of the injustice of private enterprise, and have conceived and carried out reforms of this nature—in direct response to a desire to improve the condition of those employed, thus indicating the truly socialistic character of their effort as laid down in the quotation from Sydney Webb in the first of this series of articles. For example, the Melbourne City Council had their attention drawn by petition of the citizens to the long hours (often 12 and 13 per day), and the low wages (5s. and 5s. 6d. per day), which applied to the street cleaners and other corporation employees, with the result that they

DISPENSED WITH THE PRIVATE CONTRACTORS,

and carried out the work by direct labour. The result was an immediate rise in wages to 7s. per day, eight hours being a statutory day's labour, and payment for all overtime on a liberal basis. And, strange to relate, this movement, conceived in a spirit of humanitarianism, proved an eminently profitable change, as the work is done more cheaply and much more efficiently than under the old system.

In Hawthorn, under the private contract system, the conditions were so bad that even so eminently conservative a body could not allow it to continue with indifference, the wages for single men being as low as 12s. 6d. a week and keep, while married men received £1 per week and found themselves. The council, yielding to pressure from its citizens, purchased its own plant and employed the labour direct. The wages for drivers (chiefly old men) were fixed at 6s.; refuse removers, 6s. 6d.; and ordinary labourers, 7s. per day of eight hours, with payment for overtime, and the idea, conceived in a desire to improve the conditions of the workers, has resulted most satisfactorily to the citizens from

A FINANCIAL POINT OF VIEW,

the cost only averaging 8s. 11d. per day for horse, dray and driver, which compares very favourably with anything of the kind undertaken by private enterprise. The system has been extended to all council work, and asphaltting, stone-

breaking, channel sweeping and all general work is now done by direct labour in Hawthorn. Similar results have been obtained in other districts, notably in Richmond, where contracts have been undertaken for sewerage and street levelling by the council in competition with the private contractors, and in each case the recognised rates of wages have been paid to the workers. No scamping of any kind has been permitted, and substantial profits have accrued to the citizens, in one case the work costing £30 less than the private contractor's price, and in another case £100 on a street levelling contract. In addition, this council makes a profit of £1000 a year from the control of the local abattoirs. They also control the local baths, erected at a cost of about £2000, and provide from 10,000 to 15,000 free baths every year to the school children of the district, a distinct gain being thus obtained by the citizens which no private contractor would afford. At the instigation of

A SOCIALIST DEPUTY

the principle of direct control of street lighting has also been affirmed in Richmond, and good results may be expected from this source. In Frankston, where the day labour system has been adopted, the council's finances showed a surplus for the first time in 20 years, while in Collingwood the communal quarries supply stone for municipal purposes at about half the price formerly paid to private contractors, while the labour employed is utilised under more favourable conditions as regards wages

and hours than formerly. We might go on enumerating instances of this kind indefinitely, but those chosen are taken at random from many hundreds of instances supplied by the municipal clerks throughout the State, and in every case it has been proved beyond a doubt that

THE DIRECT EMPLOYMENT OF LABOUR

is more profitable from a mere financial point of view than was the contract system, besides yielding beneficial results of a pronounced character, in the improvement produced in the comfort of the citizens and the much more satisfactory character of the work done. Nor must it be overlooked that results of this kind are obtained in open competition with the private employer, the gain in most cases being due to the elimination of the contractor's profit, which enables the citizens to receive the benefit of cheaper work combined with a more substantial reward to the workers engaged. We have here then an organisation capable of infinite extension for usefulness, only, owing to its class domination, lacking that ready responsiveness to the will of the people which is so essential to render it of real value to the workers as a medium through which this ultimate ideal may be realised. Without direct control by the people

WE CANNOT ERECT A SOCIALIST STATE

with any chance of permanent benefit to the proletariat. Mere municipalism in itself will not secure the end aimed at, which is the democratic organisation and

administration of all public activities in the interests of the community. This democratic control means also, to the philosophic student, something more than a mere change of governmental form. In its truest acceptation democracy means government by the people—the whole people—and when the whole people are enlisted in the work of government there remains none to dominate or to rule; there is, therefore, attained that ideal of true democracy, where the perfecting of governmental efficiency ends in the abnegation of the necessity of government. Thus social democracy, which to the timid conservative and the youthful academic critic means the multiplication of functions, is to those who look more closely and understand more fully the very antithesis of all this, its ends being accomplished with the minimum of governmental activity by the mutual interaction of social relations.

SOCIALISM WILL BE ATTAINED

as much by a process of elimination of force as by the accretion of power. To secure control of the municipalities is therefore essential to the attainment of our purposes, as these local governing bodies constitute, with all their imperfections, the nucleus of the commune of the future, of which the State Government will become but the federal administrative machine. Their efficiency is already marked, and the economy of their management is unique. The amount of revenue derived from taxation and for the purpose of maintaining their numerous public activities is infinitesimal

Thus we find an average municipal rate in Victoria of about 1s. 6d. in the £ on the assessable property, varying from 1s. in the sparsely populated shires to 11d. in the more crowded cities, while the same services in the United Kingdom require taxes varying from 11s. in Liverpool to 6s. in the more favoured districts. Water supply, as we have indicated, is controlled in Victoria almost entirely by the municipalities.

ROADS, BRIDGES, BATHS, MARKETS, KITCHENS, ABATTOIRS, GARDENS—reserves, street maintenance, street cleansing, sanitary services, tree planting and numerous other activities, none of which are directly remunerative, and all undertaken by these bodies, and the results attained are such as to completely justify their existence. In those cases where additional services have been undertaken the profits derived have led to a reduction of the rates—as in the case of the South Melbourne markets, where the £3500 profit is equal to a rate reduction of 3d. in the £. In fact it is safe to predict that the limited revenues of the municipalities will compel the early absorption of additional enterprises, and enable many of the local bodies to carry on. But sufficient has been said on this head to show the successful character of local enterprise and the tacit acquiescence in this tendency of the dominant class though they have no room in their mental make up for socialism. But the facts beat them, and they yield a reluctant approval of its triumphs, by disguising it under the name of municipalism.

CHAPTER IV.

The activities of the people manifest themselves so variously, and are indeed so complex, that one is at a loss sometimes to ascertain their actual limitations, but wherever private enterprise has succeeded there you may safely investigate for still greater triumphs of State or municipal endeavour. Even in the sacred domain of finance—a territory hitherto "tabu" to all save the elect of the commercial world, and around which there hangs as much mystery as enshrouded the inner temple of Isis—something only to be understood by the chosen few, and about which the most learned and abstruse treatises are from time to time written to the end of mystifying the people—even here all-conquering Demos has entered, to guide with the fire pillar of his practical commonsense, the host of modern Israelites who are wandering in the wilderness of fiscal muddle. The people have snatched on more than one occasion a victory from the very jaws of defeat, and when private enterprise failed, and private financial institutions were repudiating their obligations on every hand, and even the savings of the people were threatened with submersion, the State came to the aid of the anti-socialists and

STEMMED THE TIDE OF
DISASTER

by guaranteeing the depositors in the Savings Bank, stayed the panic fear

ing to provide advances to tradesmen and business people on the lines of Credit Foncier system, nationalisation of news service—all of which are conceived in accordance with the general spirit of democracy, which sees in this extension of State activity a further decrease in the evil power of private enterprise, and recognise that

THE RIGHT OF MEN TO EMPLOYMENT

can only be secured by transferring the means of production, as opportunity arises, from the hands of the individual into the control of the people themselves, where they can be used for the public good rather than for private profit, and if at times the progress appear too slow to the earnest and fire-souled enthusiasm of youth, we may rest content that it will be none the less permanent. New Zealand has stood the test of many years; as each crisis has arisen it has been met; each failure of private enterprise, whether in the domain of agriculture or finance, has been the opportunity for extending the sphere of State activity, and each extension has brought with it a complete justification. Every success scored has been a victory, not only for New Zealand, but for democracy everywhere—another outpost won, another prejudice overthrown, another victory scored by collective effort. Even in those departments where hitherto the angels of progress have feared to tread—all this has had its effect upon the world, and is slowly permeating the social philo-

sophy of the time. Australia catches the spirit of the epoch, and embarks with trembling hopes upon the (to them) uncharted sea, but New Zealand has sounded all the shoals and shallows, and knows how deep and broad the fairway really is, and every rising wind of circumstance, or flowing tide of opportunity, is seized upon to sail to further shores and conquer newer worlds.

CHAPTER IX.

The extension of the operation of Governmental activity to ever-wider spheres, is one of the characteristic features of modern society, and the same principle is being as much applied in autocratic Russia and military Germany as in the more democratic countries of England and America. We are compelled, therefore, to look below the surface of mere governmental forms for the common principle which determines this usurpation of functions by the community, and we will discover it to exist not in the growth of democratic sentiment or the extension of the suffrage of the people so much as in the development of the industrial conditions, which, in their turn, have produced a definite effect upon the political and social forms. One of the most profound truths of philosophy is that which indicates the slow modification of morals and art, political institutions and social relations, in response to the new and developing industrial co-

ditions of the epoch. The ideals of the early socialists were but efforts to establish by arbitrary restraints a perfect society beyond the confines of civilisation, where the social relations would be simplified and the distribution of the social product would be determined upon the basis usually of personal needs or requirements, but it was only after centuries of fruitless endeavour, which culminated in England in

THE EXPERIMENTS OF ROBERT OWEN,

and which found expression in Europe in a number of communistic ventures, all more or less doomed to failure, that the more definite socialist ideal was evolved by Marx and Engels, who began dimly to realise that it was only by utilising the forces of civilisation for the purpose of establishing the co-operative Commonwealth, that any true or permanent solution of the problem could be found. Necessarily they were compelled to utilise the institutions which were in existence, and the establishment of the International Society was the first step towards welding together the forces of the people in preparation for any emergency, but the era of revolution had gone by, and the enlightened leaders of the new movement early began to recognise that a modification of the constitutions of the various Governments would be necessary to enable free expression to be given to the new ideas which were germinating. Moreover, it became early apparent that to continue to transfer administrative functions to

the State, while the State was usually but the representative of the middle class capitalists and landlords, whether organised as a republic or a monarchy, would be but to intensify their power of oppression, and to continue in the name of the people the tyranny of a class. Thus was evolved the idea of Social Democracy, as embodying at the same time the spirit of

SOCIALISED INDUSTRY AND POLITICAL DEMOCRACY,

the object being first to secure control of the machinery of government, and then to utilise that machinery for the purpose of industrial emancipation. It is well, therefore, that we should keep this fact in mind when advocating extensions of the sphere of State activity, for although the supreme egotism of the expression of Louis XIV., "The State it is I," is not likely to find acceptance to-day, there is a dangerous modification of the same spirit which finds expression in the sentiment, "The State it is we," which was cruelly manifested during the recent railway strike, when a small coterie of individuals, subsidised by the merchants of Flinders-lane, secured the control of the machinery of government, and proceeded to use their power for the purpose of suppressing the freedom of the people, and administering the industrial functions committed to them for the purpose of their own class aggrandisement. Failure or success, therefore, must not be measured by the amount of profit yielded so much as by the general welfare of the community

as a whole. Many enterprises which, from the point of view of the capitalist class critics, are essentially unprofitable, may, when viewed in the light of social advantage, be pre-eminently justifiable. Such, for instance, is the educational system which exists in Australia, and which, in fact, has been applied in nearly every civilised community. It is a tacit recognition of

THE RIGHT OF THE CHILDREN

of the community to have the best possible education, altogether regardless of the cost to the people, the end in the truest sense being held to justify the means, and the cost being held to be a perfectly equitable impost in the interests of society as a whole. Similarly in regard to our postal administration; while some letters cost as much as 1s. each to deliver, the burden is distributed equally over the whole people by a uniform tax of 1d. on each letter, and any deficiency is made good out of the general revenue. The principle of equal rights and opportunities for all being tacitly recognised this spirit is found in various ways to pervade the different departments of public activity, as in the construction and maintenance of public roads, bridges and other national undertakings, the community as a whole equalises the burden by special grants and allowances from the public revenue. To a still greater extent this principle is carried out in times of national calamity, when the "vox populi" finds ready expression, and becomes a veritable "vox Dei" in the demand for co-operative ac-

tion and general communal effort, regardless of the incidence of the burden. Thus, when fire or flood devastates the country, the people endorse the effort at amelioration sanctioned by the State, regardless of all principles of economics, and thus we read

BENEATH THE SURFACE OF THE SOCIAL FORMS

the unifying spirit of communal action, which bears within it the promise of the future. In time of need the whole resources of the nation are at the command of the State. That is a principle of constitutional law, and it is the outcome of the principle of unity of interests which has been recognised ever since man evolved from a state of savagery, and without which society and civilisation would be impossible. It is therefore, the application of this principle to ever wider spheres which we seek, and the demand which we formulate is identical with that put forward in time of fire or flood. The nation is in danger. Sixteen thousand people in Victoria are permanently unemployed. This is a larger number than has ever been affected by any disaster falling upon us as a people. On very rarely in the history of the world have so many people been affected at one time. Surely then we can with confidence demand that the whole resources of society shall be placed at the disposal of those affected, regardless of the incidence and cost involved. Sixteen thousand people says the record—adult males and females, with, to put it at

low estimate, twice as many others dependent upon them, or nearly

50,000 PEOPLE IN DIRE DISTRESS

from lack of employment. The drought in the mallee districts was infinitesimal in comparison; the Gippsland floods did not affect one-twentieth of the number; but these people had voices, and made themselves heard, while the unemployed are silent, and so pass unnoticed. Yet they possess, were they but class conscious, a potentiality to transform society. The efforts made in the direction of relieving this mass of misery bears no proportion to its amount, but herein lies the way out of many social quagmires. Gradually the right of these men to consideration will force itself upon society, and once the start is made in the direction of municipal or national workshops, the advent of the Socialist State will be upon us.

It is interesting, as indicating the present class character of the State in Victoria, to notice how ready has been the response of the Government to demands made by the middle class, and how meagre the supplies granted for the relief of the workers. The old shiboleths of Individualism, which serve so effectually to scare the people, are quietly set aside when the needs of the agriculturists, who possess the largest share of representation, are being pressed upon the Government of the day. Thus we find that while in 1901-2 £142,418 was granted for agricultural purposes, and £15,992 for mining,

VILLAGE SETTLEMENTS

received only £2993, and while the relief of distress caused by cyclones and bush fires, etc., accounted for £3295, only £1161 was made available for the relief of distress caused by unemployment. Thus will be seen the pressing necessity for transferring political power, as speedily as possible, from the hands of the manufacturing and capitalist class into the hands of the people, so that more effective use may be made of the resources of society in the interests of the whole community. Thus, too, will be brought about that combination of Socialism and democracy which will render State and communal action beneficial to all, and which will place the interests of the community as a whole above the personal advantage of any of its units. This principle is a far-reaching and revolutionary one, and will permeate every department of social activity, for a society is permanent, just in proportion to the number of people interested in its maintenance, and every increase in the number benefited by its activities means added strength and greater security. This brings with it a larger production of wealth and a wider diffusion of prosperity when the welfare of the State and community is identical with the prosperity of their individual members. Thus, too, will be solved

THOSE ECONOMIC PROBLEMS

which arise continually at present, when every increase in national prosperity is accompanied by the persistence of pov-

erty, simply because the nation represents only one section of the people, and national prosperity stands out for class aggrandisement. This transformation means not the transfer of special social functions to special classes, not the sectional control of the railways by its employees, or the mines by the miners, but the co-operative control of all social functions and activities by a democratically-organised State, which will regard the well-being of its meanest citizen as the concern of the whole community, and will apply intensively the principle which is now so frequently applied intensively, and which elevates the injury of a citizen abroad into a national insult, while it allows thousands of its people to perish within its borders from lack of employment. It becomes therefore increasingly necessary that Socialism and Democracy should close up their ranks, so that as the pressure of industrial conditions becomes more intense, a means will be ready to take control of the new forces. In America, we find the development of industry proceeding at an unusually rapid rate, and

THE PLUTOCRATIC COMBINE

is sopping up the smaller industries and reducing an ever-increasing number of workers to a condition of slavery. This is due to the rapid development of industrial forces and the somewhat lag-gard movement of the proletarian mass, whose economic knowledge has not advanced in proportion to the development of industry. The alternatives here are not pleasant to contemplate. The

issue is either the dominance of the capitalist combine or the revolt of the multitude, and at present it is difficult to foresee the end. In England, the development of industrial processes has been less rapid, and the political institutions have expanded more steadily in response to the economic stimulus. Thus the transference of industry to the community is rapidly taking place under the very noses of the ruling classes, and almost unconsciously to the mass of the people. Here in Australia the constitutions are eager in their demands for political democracy, and there are wanting signs that they seek this power as a means only to the economic and industrial emancipation of the people. It is too early yet to prophecy, but the tendency is undoubtedly socialistic, and the unique and uniform success which has so far accompanied each extension of functions is full of hope for the future.

CHAPTER X.

RESULTS AND COMPARISON

A comparison of the results of our investigation into the various departments of social activity is so pronouncedly favourable to collective enterprise that at the risk of protracting these pages one cannot refrain from recapitulating thus: State-owned tramways in Sydney have penny sections, are propelled by electricity upon the latest principle, and are extended into far outlying suburbs in the interest of the people, thus

ducing rents, by bringing distant places within easy access of the city. A night service is provided, and a big profit is secured, which goes into the consolidated revenue to relieve the general burden of taxation; while in Melbourne, of nearly the same population, the longest stretch of tram line is under five miles; outlying districts are entirely neglected. No night service is provided, no penny sections are given, and the enormous profits pass into the pockets of the private shareholders, who seek to shirk every responsibility of rates, etc., while an obsolete system of traction is persisted in, and will continue for many years to come, thus placing it in ten years' time among the most obsolete. In addition, the hours of labour are longer and the wages lower, and the general condition of the employees worse than upon the State-owned Sydney trams. Similarly in Glasgow. When the council determined to buy out the company, horse traction was discarded for a better system,

PRIVATE ADVERTISING WAS DISPENSED WITH,

hours of labour were reduced, wages were increased, fares were lowered, lines were extended, profits rose, general rates were reduced, and other advantages accrued as a result of collective ownership and control. These are but two examples taken from the new world and the old, but they prove beyond cavil the distinct advantages of public over private enterprise in this department at

least. If we compare the advantages in the matter of telephones, we find a similar result—lower rates, combined with greater facilities, both in Melbourne and Glasgow under public control—better conditions for the employees and profits to the public, instead of to private individuals. In the sphere of electricity we again find the facts arrayed in favour of public ownership, both in Victoria and in the older countries. Thus, the City Electric Light Works made a profit last year of over £10,000, and while extending their services, have made electric light and power attainable to any who care to use it. All this in the space of three years. While ten years of private enterprise (sic.) left the city unilluminated, and practically unsupplied, in spite of the combined efforts of three competing companies. In England so uniform has been the success attending this branch of social activity, that private enterprise is practically driven from the field, and

ONLY THE MOST REACTIONARY SECTION OF THE COMMUNITY

seeks to vindicate its claims. In the matter of house accommodation, 100 years of private effort in London left the people homeless, crowding them into filthy tenements and noisome slums; forced rents up to prohibitive prices, and compelled families to herd together under conditions unfit for the lowest animals. Men and women of all ages were crowded into "dwellings" of one room, where the ordinary decencies of life were impossible, and where vice grew apace. The spasmodic efforts of

philanthropists were of no avail—the mass of misery was too great. Competition, the god of the capitalist, was powerless to provide for the demand. It remained for the people themselves in their co-operative capacity, having captured the municipalities and the County Council, to undertake this work and show the way to private capitalists. Whole cities have been built, miles upon miles of slums have been destroyed, parks and gardens, public baths and reserves, and all the conveniences of civilisation have been made available for the denizens of the slums through the beneficent operations of co-operative effort unctioining through the democratic councils and other public bodies. One might dilate at length upon the failure of private enterprise in the departments of finance, and hold up to contempt the miserable fiasco of private banking institutions, which fell like a pack of cards before the first wind of adversity, and institute comparison altogether favourable to collective control, illustrating the success with such examples as the banks of New Zealand, and the necessity of a Government guarantee to secure the stability of the Commissioners' Savings Banks in Victoria. To enumerate

THE TRIUMPH OF STATE INITIATIVE

in regard to the Credit Foncier system would be altogether redundant. The figures speak for themselves, and even the most blatant advocates of individualism are silenced and overwhelmed.

In the department of gas supply, we have only to compare the 20 per cent. dividends of the Melbourne Gas Company, wrung from the consumers by a charge of 5s. per 1000 feet, with the 2s. and 2s. 6d. rate under municipal control elsewhere, and the profits passing into the pockets of the people; and then, when we become surfeited with the wearisome succession of collective triumphs in this sphere, we can examine those departments where the victory of co-operative ownership and control has been so pronounced that private enterprise has given up the contest (as is the case generally with water conservation and supply), and left the field to the people free from contest.

IN AGRICULTURE AND GRAZING,

we need but refer to the experiment of the Metropolitan Board of Works, while there will still remain a host of enterprises into which the private capitalist fears to enter, and where the community has been forced to take the initiative such as the supply of baths and the establishment of municipal washhouses. In life and fire insurance New Zealand has led the way, and scored a distinct triumph in open competition with private institutions, while in South Australia a land grant has been under offer to private capitalists for the construction of a railway line, which the community will ultimately be compelled to finance, because of the failure of private capitalists to undertake the contract. In fact, the complete breakdown of the

system of private enterprise has been so marked that all kinds of subterfuges have been resorted to to justify its continuance in certain directions, and many of the most successful efforts which continue to lend the glamour of their prestige and their profits to the "cause," are bolstered up by the aid of collective capital, granted by a too sympathetic individualistic government. Nay, so hopeless has the private capitalistic experimenter become, that he is ever cap in hand to

THE ORGANISED COMMUNITY

to share his risks, as was the case with that monument of financial disaster, the Maffra beet sugar industry, which ruined all connected with it, and at last sought refuge in a State mortgage. It is so with the iron industry, which seeks from the community a bonus of

A QUARTER OF A MILLION POUNDS

ere they will risk their hundreds in the enterprise. Such comparisons might be continued indefinitely, and the relative results of public over private control might be shown to be uniformly favourable to the former. But unto what end? The socialistic tendency is so definite and pronounced that the forces of reaction are completely broken, and even the "Farmers' League" and the "Liberty and Property Defence League" have stolen the programme of the progressive party, and are scoring a victory over socialists upon an ultra socialistic platform. Soon we shall have the cry of social peace emanating from the lips

of the individualistic school, as evidence of the desire for surrender, for they cannot take a forward step without stealing from

THE PLATFORM OF THE SOCIALIST

party. The only difference is not one of kind, but of degree; not one of principles, but of names. The press and the Parliament combine to secure even greater extensions of the sphere of public activity; farmers vote Conservative only on condition that they are granted the socialist concession of free carriage of manure; the "Liberty and Property Defence League" determines to put down socialism only that its members may dip more deeply into the public purse in defence of the private monopoly of the iron trade; while the Cranbourne League of anti-socialists was composed of the same fifty farmers who had foregathered to seek further extension of Government aid to agriculturists. Of a verity time fights upon our side, and the days of the private enterprise highwayman are almost numbered. Political power has passed, or is in process of passing, into the hands of the people. The centre of power has been shifted, and now rests with that vast majority in every community—the working class. Is it likely that they will consent to submit tamely to disabilities when they possess the power to remove them? We cannot think that it will be so. The line of demarcation is drawn straight between the two schools, the Individualistic Conservative and the Collective Democratic school. That inter-

mediate and disturbing Liberal party has been crushed between the upper and nether millstone, and the goal is no longer uncertain. Progress must move along the lines of collectivism. This is the purpose of the ages, which seeks its final expressions in co-operate humanity, the means to the attainment of which are association. Each new

TRIUMPH OF COLLECTIVISM

is another nail in the coffin of individualism. Slowly but surely is evolved the new form. How speedily it will eventuate depends upon the education of the people. From them must spring the new faith which will give definiteness and form to the economic society of the future.

DISTINCTIONS—TRUE AND FALSE.

When, some years ago, the present King of England announced, amidst the plaudits of the press, that "We are all Socialists now," a feeling of smug self-satisfaction seized upon the Pecksniffs of Society, who imagined that, in a vague and mysterious way, they were taking part in some grand revolutionary movement, and since then there is an ever increasing number of people masquerading under the title of Socialists, who have but the vaguest conception of its meaning or its purpose. All sorts and conditions of men, caught by the magnetism of the words, declare themselves as sympathisers with the Socialist movement; and every petty political association suns itself in the glory of the flag, and so perpetuates its existence a little

longer than it otherwise would. Amidst all this chaos of thought, it becomes increasingly necessary that some clear and definite meaning should be attached to the term, and that its connotation should be fixed, at least to those who take an active part in propagating

THE PRINCIPLES OF REFORM,

for it is quite possible at present for comparatively well-meaning men and women to spend their time and energies in propagating principles which, even if universally applied, would still leave the social problem unsolved, and the "fringe of misery" as large as ever, while other schemes which absorb the best energies of some of the most enthusiastic workers are only ameliorative on condition that their activity is strictly limited, and the sphere of their operations circumscribed. The "mania for doing something" seizes hold upon the hearts of the enthusiasts, and immediately they commence operations, regardless alike of the means or the end to be subserved. Let us glance for a moment at the well-meant efforts of those engaged in founding Utopias, such as the New Australia colony in Paraguay, and the various other schemes which, from time to time, have exhausted the best efforts of some of the best and bravest spirits of the world. Their attempt to create the world anew, from the centre of their inner consciousness, is foredoomed to failure. Socialists are not the architects of a new order. They seek merely to interpret the spirit of the age as manifested in the economic conditions of the epoch, and

give expression to the forces which are at work in the womb of society, seeking normal development and expansion. Not by deserting the field of battle and establishing elsewhere

A LITTLE UTOPIA,

hemmed in from the world of strife and competition, is the new era to be evolved, and even should every such attempt prove successful, they would not demonstrate the practicability of Socialism, for we seek to take advantage of the past ages of economic development, and to utilise the products of modern capitalistic development, in readjusting the relations between man and the community. This is the task which Marx and Engels, each working in their own sphere, sought to accomplish—viz., the alliance of the old idealistic movement (as represented by Robert Owen in England, and on the Continent by Fourier, St. Simon, and Cabet), with the political institutions of the time. Then, finding the political machinery obsolete for the purpose of higher economic development, they sought, by active participation in the revolutionary movements of the period, to modify the political machine in the direction of bringing it more completely under the control of the democracy, and so rendering it a fitter instrument for the interpretation of the new spirit which sought, by means of association, to body forth the ideal society. Any scheme of social reform, therefore, which does not seek alliance with the political forces of the period, has a reactionary tendency, and will, even if not

productive of actual evil, be of no material assistance in advancing the interests of society.

SOCIETY IS AN ORGANISM,

and must find its highest expression through the political organs which have been evolved for the purpose. When Fichte, the philosopher, in the middle of a lesson to his students, seized a musket and set forth to take part in the conflict which was raging, he was but giving expression to the true spirit of philosophy which seeks not merely to record the progress of the period, but also to impress the age with its purpose and its character. To claim, therefore, triumph for Socialism because of the temporary success of some Utopia, or to condemn Socialism because of its failure, is equally beside the mark, and indicates a lack of appreciation of the real aim of socialistic philosophy, which seeks to express society as a co-operate entity, not as a series of petty Utopias, each expressing some particular phase of thought, or some personal idiosyncrasy. But perhaps the most popular theory of social regeneration is that known as co-operation, by which a number of people, in voluntary combination, seek by concentrating their purchases to eliminate the element of profit, and thus secure a more effective use of their money. Now, whatever may be said of the temporary or personal benefits to be derived from such efforts, we cannot seriously regard them as likely in any way to effect a permanent

AMELIORATION OF SOCIAL CONDITIONS.

Putting aside for the time being these so-called co-operative societies, which, with a limited share capital, are only joint stock enterprises in disguise, which seek to stimulate the activity of their employees by a modified system of profit-sharing, and glancing for a moment at the recognised co-operative ventures which, with an unlimited share capital, seek to enrol as large a number as possible within their ranks, we have at least the nucleus of a true system—a system which, if universally applied, would indeed bring many undoubted benefits in its train. Unfortunately, the sphere of their operations is limited, and they cry in the midst of a wilderness of competition. Gigantic strides have undoubtedly been made in the direction of ameliorating social conditions, but they are as yet but a drop in the ocean, and the mass of the dispossessed is never effectually reached by the necessarily limited and partial scope of their operations. It is only by the application of this principle through the organisation of the State, that any effective progress can be made against the forces of competition.

ANOTHER SERIOUS ERROR,

too often fallen into, is to ascribe to every State enterprise the term "Socialistic," regardless of the motive or intent of the effort. It is not so much the thing itself as the end aimed at, which distinguishes the truly socialistic proposal, and the end should always be the welfare of the community as a whole,

and not the benefit of any special section. Thus, the State control of the mining industry, to the end that labour conditions may be improved, while not to be despised, is yet not well conceived; for the interests of the workers, as workers, must, in a true socialistic State, be ever subservient to the interests of the community as a whole. It is not therefore the mines for the miners, or the ships for the sailors, but the world for the whole people, which is the grand ideal of the socialist philosopher. And wherever the interests of any section are found to conflict with the interests of the community as a whole, the sectional interests must go by the board. Thus—and thus only—can we justify our purposes to the future. It is humanity as a whole, as the visible symbol of the divine purpose, which we seek to express, and to this end all the forces of society are made subservient. Closely allied to this question, is that equally pertinent one of the

DISTRIBUTION OF THE SOCIAL PRODUCT

in the State of the future, and, although Socialists themselves have little anxiety on this account, it is well that misapprehensions should be combated in the interests of progress. The arbitrary adjustment of rent, without regard to the advantages of position, is an allied subject of great import, and to anticipate that no discrimination will be made between the relatively good and the relatively bad situation, is to totally disregard the common sense of collective

economies. The economic advantages of position will be fully appreciated by the community, even as they are to-day by the various municipalities, which have entered upon this sphere of enterprise, and any citizen who chooses his residence in a special locality will be compelled, without doubt, to contribute to the community in proportion to the special concession obtained, thus equalising the opportunities of the people. Much more might be said upon the false ideas which obtain with regard to Socialism, but space forbids. Many of the objections, indeed, are of so frivolous a character, or indicate such a colossal ignorance of sociology, that it would be mere waste of effort to attempt to reply to them, but it will be found that wherever there is a conscious socialistic trend the various possibilities have been fully weighed and considered, and the course of future development is clear and plain before the men who comprise "the forefront files of time." Misrepresentation cannot persist in the face of the education of the people, and the wide diffusion of economic knowledge. Prejudice always arises from ignorance, and ignorance is being rapidly dispelled. Yet a little while, and the principles now despised will become the accepted gospel of the multitude.

CHAPTER XI.

One might multiply instances of successful commercial management "ad infinitum," but no good purpose could possibly be served thereby. Perhaps the

most eloquent testimony yet borne to the success of such enterprise is derived from the critics and antagonists of public control. These croakers have been unusually busy in compiling statistics in support of the theory that persistence in municipal extension will result in disaster, and so, after an exhaustive study of the whole field of co-operate enterprise, they are forced to the conclusion that a net interest return over all charges of 6s. 3d. per cent. is too paltry to justify any further extension of the principle. They have, for the purpose of arriving at this conclusion, eliminated the enormous reduction in the cost of gas, water, tram and electricity supplies to the public, and they include all those municipal efforts which never were intended to be profitable from the ordinary commercial standpoint; yet, with every desire to prove the efforts a failure, they are compelled to admit a profit of 6s. 3d. per cent., and, as under Socialist control there would be no interest charge whatever—as all capital would be a social asset, and not an individual monopoly—they stand condemned out of their own mouths, and their most strenuous efforts at defaming have but succeeded in placing the advantages in a still stronger light than before. But as yet the Socialistic principle has not been admitted amongst English-speaking peoples, and much of the work done in the direction of municipalisation of industries has been done under the direction of bourgeoisie (to use the expressive French term), direction forced on by the pressure of expanding capitalism, and