

THE VANGUARD

"We're beaten back in many a fray,
Yet newer strength we borrow,
And where the Vanguard camps today,
The rear shall rest tomorrow."

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The Month's Story.

Socialism Now here are some pointers which point a long way. We
and commend them especially to those who see in the Socialist
Peace movement only a crowd of materialists fighting for
more bread and butter. And we refer them also to the
orators and editors who are croaking that "Socialism
would stop the march of progress."

There is a memorial now pending in the Wisconsin legislature, asking the Congress of the United States to invite all the nations of the world to establish a permanent parliamentary union composed of delegates from all nations. The object of the union is to inaugurate a system of international arbitration in the interests of a world-peace.

This measure was not proposed by either of the old parties, who certainly have had time enough to initiate such a policy. No, it was the new party, the Social-Democrats, who at the beginning of their career have hoisted the white flag of peace together with the red banner of brotherhood. This memorial for international arbitration was one of the first measures introduced by our Social-Democrats at Madison during the present session. To these "materialists" must belong the credit of this humane and noble-spirited suggestion.

Now this was not a matter of chance, nor anything peculiar to the Socialists of Wisconsin. All over the globe, the Social-Democracy is the standard-bearer of peace.

When the German Social-Democrats in the last election lost a number of seats in the Reichstag, the world at once recognized this as a triumph for the Kaiser's Jingo policy in Africa. It was readily understood that now the brutal African wars would go on murdering and mutilating the natives unhindered. The Social-Democrats are acknowledged as the peace-makers of Germany.

Nor is this all. Many a time when relations have been strained between the German Empire and the French Republic, war has really been averted by the efforts of German Social-Democrats and French Socialists. It is generally admitted that the Socialist movement is the greatest factor for peace in European politics at the present day. And if there could be a second St. Bartholemew's, in which all Socialists should be exterminated, the result, no doubt, would be that a terrific European war would burst out in less than a year.

Now how is this? The rulers of Europe and America profess to be guided by all sorts of high-flown moral and even Christian senti-

ments, and denounce the Socialists as "materialists." And the Socialists themselves do not claim to be philanthropists or sentimentalists, and admit that they are guided by their own interests.

The capitalist editor and bourgeois philanthropist cannot understand this. For when they talk about their own interests, each man means the interest of Number One—with the mental reservation that the devil may take the hindmost.

This is just the difference between individualism, which stands for private interest, and Socialism, which is working for the collective interest.

And this is the reason that "interests" are safe enough guides when understood in the broad sense of Socialism, while "sentiments" and "ideals" and even Christian principles themselves are degraded into rank hypocrisy as soon as they are enlisted in the defense of individualism.

Here, too, we have the explanation of the strange fact that Social-Democrats, though denounced as "materialists" by their enemies, are nevertheless the champions of peace, of higher education, of culture and refinement, of decent provisions for the sick and aged, and of the rights of women and children.

The Socialist makes his interest the interest of all humanity. And that is the collective principle!

* * *

**"The
Jungle's"
Author**

Americans are a novel-reading nation. During the old anti-slavery struggle, thousands of persons wept over Uncle Tom's Cabin, who would not have glanced at Garrison's *Liberator*, or lent an ear to George Thompson's eloquent pleas for liberty. In our day, a still larger number were electrified by *The Jungle*, who, we fear, would only have looked askance at the cover of the VANGUARD.

We give this month a portrait of Upton Sinclair, the Knight of the Jungle. Our readers know the story of his living in the stock-yard district, and quietly absorbing all the secrets of the trade. The whole history of that investigation will never be written. The names of the faithful helpers who assisted him in getting at the bottom facts will not be known until the stock-yards are collectively owned and operated by the people.

The Socialists of America have recently sympathized with Comrade Sinclair in the loss of his establishment at Helicon Hall. What we must regret most deeply is the destruction of the half completed manuscript of his new book, which perished in the flames. But the brain of Comrade Sinclair has not been destroyed, and what it has produced once it can produce again.

So we say, good speed to the Knight of the Jungle.

The Tendency of Economic Development

By PAUL KAMPFMEYER

(Translated by E. H. THOMAS)

The Collapse of Capitalism through Unrestrained Production.

TO what is economic development tending? The Erfurter Program (the platform of the Social-Democratic party of Germany, adopted in 1891, and still in force) answers this question very clearly: The divided petty industries will be replaced by colossal industries, the tool grows into the machine, the powers of production develop with giant strides. "But all the advantages of this change will be monopolized by the capitalists and the great land-owners. For the proletariat and the decaying middle classes—the small traders and farmers—it means a growing increase in the insecurity of their existence, an increase of poverty, oppression, servitude, degradation and exploitation."

Ever sharper and more destructive rage the industrial crisis; they make universal insecurity the normal condition of society. Ever more numerous becomes the army of superfluous workingmen, and with growing bitterness the exploited carry on their mighty class struggle. The forces of production have grown over the head of capitalist society. This last phase awakes in us a whole chain of Marxian ideas. And in fact the spirit of Karl Marx breathes in this entire part of the Erfurt Program.

With dramatic vividness, Marx in his "Capital" shows how the powers of production, in the shape of perfecting machines, are developing into man-slayers of the workingmen. With the increase of the social wealth of today, of the functioning capital, the army of the unemployed comprises larger and larger battalions.

The higher the productive power of labor becomes and the more the workingmen press upon the means of employment, the more insecure and unstable are all their conditions of life. By means of the reserve army of the unemployed, the workingmen are more firmly "fettered to capital, like Prometheus to the rocks." "The accumulation of wealth at one pole," so says Marx literally, "is therefore at the same time the accumulation of poverty, painful toil, slavery, ignorance, bestiality and degradation at the opposite pole, that is, on the part of that class which produces its own product as capital."

According to the Communist Manifesto, the workingman is being more and more pauperized. Instead of rising with the progress of industry, he is sinking deeper and deeper under the conditions of his class. The workingman becomes a pauper, and pauperism is develop-

ing more rapidly than the population of wealth. The workingman thus is becoming more miserable, not only relatively, but also absolutely.

As a natural necessity, according to Marx, the economic development leads to the downfall of the capitalistic industrial system. "Along with the continually diminishing number of the magnates of capital who usurp and monopolize all advantages of this process of transformation, grows the mass of misery, oppression, servitude, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, and organized by the very mechanism of the process of capitalist production itself. The monopoly of capital becomes a fetter upon the mode of production, which has sprung up and flourished along with, and under it. Centralization of the means of production and socialization of labor at last reach a point where they become incompatible with their capitalist shell. This shell is burst asunder. The knell of capitalistic private property sounds. The expropriators are expropriated."

Under the fixed relations of production, which are legally termed the relations of property, the powers of production, the creating powers, are sprouting. They are spreading out within the narrow bounds of capitalistic property, and they are pushing against these bounds with their tremendous development. These bounds will burst asunder.

The capitalistic process of production draws the mass of workers into the great factories, gives them a natural and then an artificial organization, schools and disciplines them. And at last it drives them, under the influence of growing misery, oppression, and servitude, to burst by force the capitalistic system of production.

Capitalistic conditions, those conditions under which to-day the product of labor is manufactured and appropriated, have become untenable. And they will be destroyed with one mighty explosion shattering the foundations of capitalist society.

Just because the powers of production can expand no further inside the shell of the capitalist system of production, they produce colossal armies of unemployed proletariats, they extend pauperism to positively frightful dimensions.

The contradictory conditions of capitalism as a natural necessity include an increase of misery and servitude. The law of contradictions and the misery theory are in direct relationship to each other as parent and child. Both are inextricably tied together.

The world-wide contradiction between the powers of production and the conditions of production must grow continually sharper. This sharp contradiction leads to its own destruction.

The development of this contradiction, according to Marx, is the only historical road to its solution. According to his theory, processes which contain a contradiction in themselves, point to a sort of reaction to their extreme opposite. The fearful anarchy of production leads to its contrary, to a social order and social management of production.

The growth of the misery, oppression and servitude of the dispossessed mass is a necessary path to the Socialist system of society.

Misery coming to its utmost limit, produces its extreme opposite, the uprising against misery and its final abolition.

Such is the theory of Karl Marx.

The Development of the Forces of Production in History.

The contradiction between the powers of production and the conditions of production, amounting to social catastrophe, presupposes a considerable development of the powers of production and a certain unwieldiness and lack of adaptability in the conditions of production.

Such a fatal contradiction cannot arise with technically undeveloped powers, and with a high degree of changableness in the conditions of production and of property. Society must enjoy very effective, technically perfect productive powers before it can manifest a real explosive force.

If we read attentively the famous passage in the Critique of Political Economy by Marx upon the revolutionary effect of restrained productive powers, the idea of a technically highly developed society stands clearly before us in the words of Marx.

"At a certain degree of its development," writes Marx, "the material productive powers of society are found in contradiction with the present conditions of property, within which it has acted up to the present time. These conditions make fetters for the productive forces out of their forms of development. Then comes an epoch of social revolution. With the change of the economic foundations the whole immense superstructure is sooner or later changed."

This passage again shows us the development process of a very complicated, multiform society. It speaks of an "immense superstructure" which can only be the creation of many thousands of years.

Mankind lived thousands and thousands of years in a highly primitive, primeval-communistic state. In these almost infinite periods there was no sign of our world-wide rank and class struggle. The most humble beginnings of social rank had not yet arisen in history. The man as yet was absolutely a part of his tribe, his gens. It cost history an immense amount of labor to tear the man out of his tribal relations, to change the member of the gens into a man of rank and class.

Even in Caesar's time, the Germanic industrial and political system rested on very meagre and simple foundations. Communist property was still the foundation of the social and political structure of German life. Private property had struck root only here and there, and we can pass right over it without tripping on one shoot of it. Society is still composed for the most part of free men.

Men who were not free were found only in small numbers, and an old tribal nobility had scarcely raised its head above the overwhelming majority of the free. "The lord exacted from the bondman," says Tacitus, "as his vassal only a certain amount of corn, cattle or clothing. The subjection of the bondman goes no further."

Above the tree tops of the German forests rose as yet no proud, powerful, political and social structure. An industrial revolution then could not yet throw a mighty superstructure of political and legal institutions into the scrap and rubbish pile. Whence moreover

should the vast gigantic forces arise for such a revolution? From the dwarf means of production of those times could spring only mere pigmies of productive forces.

A really deep contradiction of the forces and conditions of production however is closely connected with the possibility of a development of these powers. The earlier historical epochs which had to be satisfied with primitive means of production and which knew only a slow, snail-like progress of production, were free from revolutionary economic break-downs.

Rough-hewn stone implements kept production for thousands of years on the same level. Industrial progress moved so exceedingly slowly that in the course of thousands of years scarcely the least change took place in the conditions of production.

In yet later times described by written history, we find among the German people the first faint development of productive powers. Out of the gloom of the primitive forests here and there appeared green cultivated fields. In the time of Tacitus, the Germans were chiefly cattle-raisers. "Large herds," so writes this Roman historian, "are the delight of the German and cattle are his only and dearest wealth."

From the Eighth to the Fourteenth centuries, Germany passed through one simple process of social development. New social classes arose in society and became the agents of great historic events. As early as the days of Charlemagne, the peasant lost his freedom. He became a serf, yet nevertheless he was by no means an absolutely impoverished peasant. Gigantic feudal estates covered all Germany.

Out of a part of the serfs, the serving men, was formed the class of armed knights. And with the rise of this class, the peasant class did not sink into the deepest misery and the bitterest want. No, for this class dawned a golden age. The peasant ate at a well-filled board, he was of a proud, independent temper and thought himself equal to the knight.

An epoch of great industrial changes began, and with it a general rise of social classes. Now for the first time the means of production, in the workshops of the cities of the middle ages, underwent a fundamental technical revolution. And yet, how childishly feeble, how inefficient they were. The means of production in the middle ages, according to Engels' excellent characterization, were "adapted to individual use, and therefore primitive, clumsy, puny and of small effect." Great world-shaking powers surely did *not* sleep in these means of production.

Powerful, quickly ripening contradictions between the forces of production and the conditions of production, such as Marx and Engels believed they had discovered in our industrial system, could not develop in those times. The gigantic machines and steam-engines were still wanting which were first created in the nineteenth century in such immense numbers.

The end of the middle ages closed with two social revolutions, the character of which has been hotly disputed. With some justice, Ferdinand Lassalle called the Peasant War a reactionary movement. In fact, the revolutionary manifestoes of the peasants express ideas and feelings which grew up in the times of the mark-community,

when meadows, woods, pastures and waters still belonged to the peasants. The peasantry declared the ownership of the land to be a necessary condition for every individual taking part in the government of the country. "That every one should demand a part in it because he is a man, because he is an intelligent being, without any ownership of land—that did not please the peasants at all!"

The unsuccessful rebellion of the knights had a most decidedly reactionary character. They wanted to put back into the rigid conditions of the middle ages the fresh and vigorous productive powers of rising capitalism. The knights' hostility to capital expressed itself in their incessant fights with the cities, the seats of the new capitalistic merchant class. They rebelled against the "pepper sacks"* and made war on the growing "monopolists," the Fuggers, the Welsers, etc.** Their revolutionary politics aimed at the establishment of a democracy of the nobility.

The collapse of the feudal system of production after this took an essentially different form in Germany than in France. In France, the nobility, the true representative of the feudal industrial system, was violently overthrown. In Germany the nobleman himself, in his own interest, overthrew that system. By means of agrarian legislation favoring the peasants, he disappropriated entire classes of peasant serfs and turned them into free agricultural laborers. The pure class egoism of the nobleman is stamped upon the emancipation of the serfs in Prussia.

In Germany, unlike France, the process of revolutionizing feudalism into capitalism proceeded actually at a snail's pace. We can scarcely speak of any violent, catastrophe-like overthrow of feudal conditions of production in Germany.

Little enough should we say about these two so characteristic economic revolutions, if we described them both with the phrase: "In Germany and in France the powers of production were in contradiction to the conditions of production, and an epoch of social revolution ensued." Every definition, every peculiarity of these historic events would thus be completely wiped out by such a description.

This revolution in Germany had an entirely different character from the revolution in France. Can we seriously characterize as a revolution the slow creeping changes of the feudal system, moving within the limits of the law, which took place in Prussia from the time of the abolition of serfdom until the bourgeois revolution? In fact, even in the transformations of the feudal order since 1848 we scarcely detect even a breath of revolution. In Germany there was a slow adaptation of the conditions of production to the forces of production.

We have now, with a bird's eye view of history, passed from the middle ages proper to the unchaining of the forces of production. Let us proceed, and now direct our steps to that country in which the forces of production were developed as in a hot-house: Old England.

* Pepper was an important article of commerce in the middle ages.

** The Rockefellers and Vanderbilts of those days. Translators' note.

In spite of all prophecies, here the forces of production to this day have not burst assunder the conditions of production.

The forces of production outgrew society, so Marx and Engels declared, more than sixty years ago. And lo, an amazing, fabulous development of the productive forces began.

The forces of production had outgrown society, so taught many Social-Democratic theorists 35 years ago in the eventful epoch of the great panic. And the forces of production nevertheless grew and expanded like giants.

The forces of production had outgrown society, so said the Erfurt Program in our days (in 1891). The forces of production however strode forward at a double-quick pace.

Up to the present time, the forces of production have not yet thrust their unyielding limbs against the immovable bounds of capitalistic conditions of property. Capitalistic industry has just outgrown its leading strings. And having just learned how to walk, it still has half of the civilized world for its playground.

From the history of panics, Rosa Luxemburg, in her little book "Social Reform or Revolution," shows that until now the sudden expansion and not the contraction of the field of capitalistic business has led to commercial crises. The Marxian theory of how crises are formed, she thinks, only applies to a completely developed capitalistic system, "where the world market is presupposed as something fixed and definite. Only then can crises repeat themselves from the inward, proper movement of the process of production and distribution, without the external impulse of a sudden shock to the conditions of production or of the market, as is understood by the analysis of Marx. If we consider the present economic conditions, we must certainly admit that we have not yet entered on that stage of perfect capitalistic maturity which is presupposed by the Marxian theory of the periodicity of crises. The world market is included in this development."

Now in previous crises Marx and Engels discovered just this contradiction between the forces of production and the conditions of production. Already in the year 1848 the history of industry and commerce had been to them "for decades"—"the history of the uprising of the modern forces of production against the modern conditions of production, against the conditions of property, which are the necessary conditions of life for the bourgeoisie and their rule."

But now it is said—and surely with justice—that the forces of production have not up to this day run against immovable barriers. To these unbridled forces immense avenues are yet standing open. Indeed in our technically highly developed society, some individual contradictions between the forces and conditions of production will not be fatal. Economic breakdowns in the nature of catastrophes, violent explosions of the conditions of production, hitherto have seldom played an important part in the history of humanity.

The dwarfish character of the means of production in the earlier stages of social development curbed and checked the forces of production. There is no iron law of history that the powers of production in any age must burst by force the conditions of production.

The Development of Productive Forces in the Future.

The forces of production are extending to new spheres every day. The break-down of the conditions of production has been postponed until the far-off future.

But postponed is not stopped, and so in the dim distance, say the catastrophe theorists, there still lurks the violent, terrible economic break-down!

Impenetrable darkness indeed hides from our eyes the future development of the forces of production. We really do not know toward what ends capitalism is surely steering its course. This we do not know—but the catastrophe theorists feel it in a sort of clairvoyant fashion and loudly proclaim the unlimited expansion of the forces of production. In their imagination, credit is unlimited, and spurs on the forces of production to the most unheard-of achievements. Truly, the most remarkable ideas about a brainless reign of credit sometimes run in the heads of some catastrophe theorists. It almost seems to them as if the great financiers are so completely blinded by their desire to put big profits in their pockets, that they are throwing all precautions to the winds and investing their money in the most hopeless undertakings.

It seems to have escaped these theorists that on the money market today the great banking combines are getting more and more control, and that in their own interest they are introducing order and method into the credit system.

Edward Bernstein has rightly pointed out that speculation celebrates its wildest orgies just at the beginning of the capitalistic era "In the industrial field, speculation flourishes most luxuriantly in the new branches of production. The *older* a branch of production is, (the manufacture of mere articles of fashion excepted) the more speculation *ceases* to play an unrestricted part in it. The conditions of commercial power and the conditions of the market will then be more accurately surveyed, and taken into account with greater certainty."

Who will tell us then that the credit system in the next decades will grow without limit? Cannot an epoch of thorough bank and stock exchange reforms set in? And has not a decided halt been called to private speculation in the great fields of production, even at the present day?

Private speculation has been banished in part from the extensive field of transportation, from the railway system, in which the accumulation of profits in Germany during the seventies was most frenzied and most unscrupulous.

The nationalization of the trade in grain has already been warmly discussed in Switzerland.

Great party groups in Germany now passionately advocate the nationalization of mines.

In some countries the salt and tobacco trades are government monopolies.

The cities of Germany have partly wrested the gas and water service and the street railways out of the hands of private speculation.

In short, strict limits have been set to speculation in many fields. The leavening process of state ownership, city ownership and co-operative ownership takes away the very breath of life from the unlimited credit system and speculation.

The break-down theorist must again usurp the office of the great prophets of the Old Testament, when in his infallible wisdom he proclaims the dawn of an era of unlimited credit. We would ask the breakdown theorists, if credit then must always play the part of a destroying force, driving capitalism to a catastrophe? Did not Marx himself raise the question, as Bernstein emphasizes, whether the credit system cannot offer the means "for the gradual extension of co-operative enterprises on a more or less national and progressive scale?"

Thus credit would act as a transitional means to Socialism and not as a violent explosive material for capitalism.

It is evident that, arranging themselves in the present system, the economic forces are opening the way for collective tendencies.

Everywhere industries managed by the state, the cities or co-operative associations are springing up.

In some countries, as for instance, Denmark and Norway, even small agricultural producers have been lifted out of their isolation by a powerful co-operative movement, and united in great associations.

In England, the consumers' co-operative societies have organized a portion of the consumption of workingmen. The goods are bought up in immense quantities by the co-operative societies. They now no longer go through the hands of innumerable middlemen and jobbers to overflow the smallest shops, but flow in large, well-regulated streams into the organized and collectively managed store-houses of the co-operative societies. In the sphere of consumption certain arranging and collecting forces are springing up with elemental strength.

In the industrial field here and there are arising great combines, enormous trusts. Engels saw in the trusts the final surrender of capitalist society "to the systematic production of a rising Socialist society. At first, of course, they exist for the use and profit of the capitalists. But in them the exploitation will be so evident, that it must break down. No nation would remain content with a production managed by trusts, with such an undisguised exploitation of the community by a little band of coupon-clippers."

Although we are still in the infancy of the trusts, Rosa Luxemburg is already perfectly sure of their disorganizing effect. We consider it a very bold venture to express a positive opinion about the trusts at the present time. We must first study them, and study them again, and be on our guard against all cheap prophecies about how the trusts are going to develop.

In the wild, frenzied dance of the forces of production, can we perhaps find a systematic and orderly measure? This question easily forces itself on every one. Unfortunately, in the hot fight of opinions, it has been forgotten, both at the Hanover convention and in former conventions, that one of our most gifted men, Frederick Engels, answered this question in a peculiar manner.

According to Frederick Engels, the state—of course the capitalist, not the Socialist state—will be forced to carry on production itself.

"In any case," he writes in his "Development of Socialism from Utopia to Science," "with trusts or without, the official representative of capitalist society—the state—will ultimately have to undertake the direction of production. This necessity for conversion of private capitalist property into state property is felt first in the great institutions for intercourse and communication—the post office, the telegraphs, the railways."

Here Engels pictures to us a mighty power, restraining the caprices of the forces of production. The state, according to Engels, is extending its sphere of government in an increasing degree.

Of course, it still remains a state of the capitalists, the ideal collective capitalist community. But nevertheless state ownership of the forces of production contains concealed within itself the solution of the contradiction which lies in capitalism.

If the capitalistic state embraces the forces of production with its strong arms, then these forces will find themselves in firm iron bands. The representative of capitalism, the state, thus itself fixes heavy, oppressive fetters on the "anarchy," the frenzied lawlessness of the forces of production.

Are the Conditions of Production Stationary or Elastic?

How dim before us lies the future of the forces of production! Not even in shadowy outlines can we trace the future form of these forces. And just so veiled, just so mysterious for us is the development of the conditions of production.

Karl Marx, as we have already remarked, understands by these conditions of production the conditions of property, in which the forces of production are found at a given time. In the limited form of the present capitalistic property, the forces of production must now work themselves out.

By the sudden stoppage of these forces in time of crises, capitalistic society, according to Marx, makes the painful discovery that it has too much civilization, too much of the means of life, too much trade, too much industry. Capitalistic society cannot absorb the wealth created.

An astounding enlargement of the conditions of property is taking place today before our eyes. Capitalistic private property grows into the capital of a firm, private enterprise becomes enterprise of a stock company, the stock companies proceed to the formation of trusts.

The great desocialized means of production, according to Engels, press forward by natural necessity to their conversion into state and national property. Everywhere in our economic life, tendencies are opening the way for the giant growing forces of production to find more expanded social forms of property. The future extent of this newly arising growth of forms cannot today be foreseen. Today we only see in what abundance state, municipal and co-operative ownership is springing up.

But the catastrophe theorist will point out that all these social forms of industry only increase the "superabundance of the means of life".

Can the million-headed proletariat never get possession of this superabundance? No law of wages, that is sure, banishes the workingman once and forever to a fixed level of civilization.

Frederick Engels, it is true, believes in a certain stationary and immovable condition of wages. Wages guarantee to the workingman only the value of his labor power, and this is determined by the cost of maintenance and reproduction.

But the cost of the workingman's maintenance and reproduction is a very variable quantity. The workingman lives on a certain scale. He has certain historically changing necessities of life.

The extent of his so-called essential needs, as well as the manner of their satisfaction, according to Marx, is an historic product. And it "depends therefore in a great measure on the degree of civilization of a country. And among other things essentially on this—under what conditions and therefore to what habits and to what standard of living the class of free workers has been accustomed. Unlike other wares, the valuation of labor power therefore contains an historic and moral element. For a certain period, however, the average amount of the necessities of life is given."

The workingman, with the general rise of civilization, can extend his wants. The quantity of goods necessary for his existence increases. A wide circle of new foods and new pleasures can be turned to the consumption of the workingman, if his economic and social position experiences an essential improvement.

The "historic and moral" element cannot simply be thrown out of the valuation of labor power. Every year there is a little change in the workingman's standard of living. These little yearly changes accumulate to form the visible revolutions in civilization of an epoch of thirty or forty years.

To state the case accurately: Granted that the workingman receives in the form of wages only the cost of the production of his labor power, yet it is found that the cost of this production is a variable quantity, which is conditioned by the workingman's historic standard of living.

This standard has a connection with the general degree of culture of the country, and is moreover dependent on the economic and political position of the workingman in the society of that epoch and that country. The cost of the workingman's production is inextricably bound up with his economic and political power. The workingman can considerably enlarge his standard of living with his growing economic and social influence. This fact cannot be disputed by the mere statement that the workingman has to be satisfied with the cost of his necessary maintenance and reproduction in the form of wages.

The meaning of the cost of necessary maintenance is very elastic. This cost of maintenance can cover many commodities of a high civilization, which the workingman of a certain historic epoch may consider absolutely necessary for his existence.

The decisive point of the entire discussion about the cost of the necessary maintenance of the workingman lies in the proof whether the workingman can or cannot improve his standard of living by means of his economic, social, and political power and position. The share of the workingman in the social product depends on this power. The catastrophe theorist regards the workingman as perfectly helpless and powerless before the capitalist, and therefore he considers an essential improvement in his condition impossible under the wage system.

To the rise of wages—the catastrophe theorist perhaps replies—are set certain fixed limits in our present capitalistic system. The rise in wages can never reach a point where the profits, the surplus value, will quantitatively so diminish that the capitalist system will thereby be threatened.

Now wages can rise quite considerably without the surplus value being quantitatively diminished. A colossal quantitative growth of surplus value can even go hand in hand with a fall in the rate of capitalist profits.

The capitalist class has a genuine horror of the absence of gain. It does not allow the great, ever wasting apparatus of production to stand still, because profits have perhaps fallen a few per cent. The incentive to gain does not even permit the capitalist to let his capital lie idle. The capitalist is driven to production by competition, by the whole mechanism of capitalistic production. He must invest his capital at a lower interest if wages are valued higher, but he must invest it. The extreme point to which capital can depreciate, is the disappearance of all profits.

Between no profit at all and an investment at, let us say, ten per cent, lies a wide margin. And therefore immovable limits are by no means set to a rise of wages.

The profits of capital are gigantic in quantity, even if they should come down to two per cent. And even with a tendency to a falling rate of profit, capital seeking investment can be found in plenty.

But the working class is under the influence of the conditions of rising wages, when capital is quantitatively increasing and seeking new investments.

Today there is still to be found a vast unentered field for the wants of investing capital. The capitalistic economic system the world is still in its infancy.

Germany just in the last decade has developed to a great industrial country. Great America only a few decades ago entered the world market. An enormous field is still open for capital seeking investment. Golden days still beckon to capitalism.

With the expansion of the capitalistic industrial system the world market is extending considerably. There is now room for immense quantities of goods. And with a doubling and trebling of the consumption of goods, an increased demand for labor arises, and this in spite of all the great progress in the technical development of machines.

Moreover the machine is not conquering all the capitalistic branches to an equal extent and with equal intensity. The separate industrial branches must be examined most carefully as to their technical construction, and the conditions which they offer for the formation of an army of the unemployed must be accurately investigated, before we pass judgment in this matter.

With the extension of our capitalistic industrial system the demand for goods has been enormously increased and will continue to increase in the future. And therefore no prophet can tell us today with any certainty whether the injurious and depressing influence on wages by the army of the unemployed may not be *partly* stopped by the growing demand for labor. And then, moreover, is it proved once and for all time that we are absolutely helpless against the army of the unemployed?

In the forties of the last century the army of the unemployed in England had reached colossal dimensions. At this time that army seemed to threaten the employed workingmen with ruin and death.

Since 1848 a fabulous improvement in industry has set in, and the perfection of machinery has gone forward with seven-league boots. Piles of wealth have been heaped up in the hands of the bourgeoisie.

And in spite of all this, great classes of the English proletariat have sunk no deeper than they were in 1848. On the contrary by their solid strength they have worked their way up to light and freedom.

Mr. Hans von Nostiz has recently devoted a very comprehensive and thorough work to the rise of the working class in England. We extract from this work only a few facts.

"The best proof of the material rise of the lower classes," writes von Nostiz, "is the decrease in mortality, whether this may be caused by better food, better housing or better general care of the health.

"From a comparison of statistical investigations for the years 1838 to 1854 and 1876 to 1889, Humphreys finds that the mortality of the male sex between the ages of 5 and 25 has diminished 28 to 30 per cent, while the mortality of the female sex between the ages of 5 and 35 has diminished 24 to 35 per cent. Consequently the average length of life for men has increased about two years, and for women has even increased about $3\frac{1}{2}$ years.

"Not less significant is the decrease in the number of those persons who receive public charity. According to the reports of the Royal Commission of 1893 on the Aged Poor, the total number of persons receiving alms was:

In 1849—1,087,000 persons, that is 63-1000 of the population.

In 1872—977,000 persons, that is 43-1000 of the population.

In 1892—745,000 persons, that is, 26-1000 of the population.

"Moreover the expense for paupers, as already explained in our introduction, was much heavier before the poor law of 1834.

"This above quoted memorial of 1899 states that a decrease in serious crimes, at least, has taken place in the last generation—in fact from about 750 for every 100,000 inhabitants on the average between 1872 and 1876, to about 500 for the same number of inhabitants between 1892 and 1896.

"The working class of the present day, according to this report, is composed of three divisions, the upper, the middle and the lower. Their development is highly remarkable in two different respects.

"In the first place, the upper division is increasing, the lowest is decreasing. In England the agricultural laborers have always been worse paid than the industrial workers. With the great decline in agriculture noticed in the introduction, the number of agricultural workers is decreasing. The number of industrial workers is increasing. And therefore the number of better paid workers in the great industries of the textile, iron and mining industries is growing, and the income of the working class taken as a whole is becoming larger.

"In the second place, the greatest improvement is taking place in the circles of those industrial workers, who at the beginning of the last century stood the lowest, that is, the miners and textile workers. What intellectual and moral degradation prevailed among them can be seen from chapter 7 of the above cited reports of the Commission, especially for 1832, 1833, 1842 and 1843."

The soft voice of a Saxon attache of the German ambassador will perhaps receive less attention among Socialists than the deep bass of a radical Socialist. And therefore we will now quote Frederick Engels.

According to Engels, two classes of the English working people have undoubtedly risen in the social scale—the factory workers and the members of the great trades unions.

"A permanent improvement," he writes in 1892 in his well-known preface to his Condition of the Working Class in England, "can be recognized for two 'protected' portions only of the working class.

"Firstly, the factory hands. The fixing by Act of Parliament of their working day within relatively rational limits has restored their physical constitution and endowed them with a moral superiority, enhanced by their local concentration.

"Secondly, the great Trades Unions. They are the organizations of those trades in which the labor of *grown-up men* predominates, or is alone applicable. Here the competition neither of women and children nor of machinery has so far weakened their organized strength. The engineers, the carpenters and joiners, the bricklayers, are each of them a power, to that extent that, as in the case of the bricklayers and bricklayers' laborers, they can even successfully resist the introduction of machinery. That their condition has remarkably improved since 1848 there can be no doubt, and the best proof of this is in the fact, that for more than fifteen years not only have their employers been upon exceedingly good terms with them, but they also with their employers. They form an aristocracy among the working class; they have succeeded in enforcing for themselves a relatively comfortable position, and they accept it as final."

The great mass of the workingmen, according to Engels, still remains on their former low level. The East End of London is still the same vast slough of stagnant misery and despair.

But now there is at least a little stir in this frightful pool of filth. The awakening of the East End filled the soul of Frederick

Engels with jubilation. Inspired by this awakening, our old master took it as one of the greatest and most fruitful events of that *fin de siècle*, that end of the nineteenth century.

"The East End," he writes, "has shaken off its torpid despair, has returned to life, and has become the home of what is called the 'New Unionism', that is to say, of the organization of the great mass of 'unskilled' workers. Undoubtedly, the East Enders have committed colossal blunders; so have their predecessors, and so do the doctrinaire Socialists who pooh-pooh them. A large class, like a great nation, never learns better or quicker than by undergoing the consequences of its own mistakes. And for all the faults committed in past, present and future, the revival of the East End of London remains one of the greatest and most fruitful facts of this *fin de siècle*, and glad and proud I am to have lived to see it."

The residuum, the dull, heavy remainder of misery, begins to move. There is now a well founded hope that this residuum, these dark dregs of the people, will be uplifted.

The great expert in the condition of the English workers, Sidney Webb, is also full of this joyful confidence. And since Sidney Webb is no bourgeois optimist, but an outspoken Socialist, we will here cite his words:

"Although we are often inclined," writes the Socialist Sydney Webb in his little book "England's Working Class in 1837 and 1897," "to take a dark view of the condition of the people at the present moment, nevertheless it is evident that since 1837 a considerable change for the better can be noticed.

"In the majority of all trades, and in almost all places, the wages of men are much higher than at that time, and the workingman also receives many more commodities for his labor than 60 years ago. In many cases the working day is shorter, the conditions of labor are better, and the standard of living is higher. In the city as well as in the country the housing has become better, the sanitary conditions have often experienced a complete revolution; education is not only far more universal, but also much more comprehensive, and the means of culture, as libraries, museums, art galleries, concerts, and sanitary institutions, are much more accessible for the workingman than formerly. In short, the great mass of the people is much more civilized than 60 years ago.

"However terrible our industrial system may be, nevertheless, the standard of living in England is now in almost every respect more humane than formerly. The wrongs which still exist at the present moment should not blind us to the remarkable progress already made. Just so far the eulogies of the present optimistic statisticians are justified. . . .

"About the general rise of wages since 1837 I need not say much. As far as male workers are concerned, we have no reason in general to doubt Sir Robert Giffens' statement that in almost all trades wages have risen from 50 to 100 per cent. . . .

"In general, it cannot be denied, that the last 60 years show a remarkable improvement in the standard of living of a very large part of the people. But, nevertheless, it must be emphasized that this great

increase of prosperity, this great rise in the standard of living, has not been universal. There are even at the present day great masses of the people who as to their economic conditions still live in the year 1837. . .

"And when we sum up in one general statement various facts known to us from the comparison of statistics of wages, we come to the following result: While the income of the skilled male mechanic has considerably risen, and entirely new classes of responsible and quite well paid workers and mechanics have arisen, yet at the present day there is a greater number—although a smaller percentage—of hopelessly wretched existences than at any former time."

The result of the industrial development is therefore this: A considerable improvement for the skilled workingman and a percentage decrease of hopelessly wretched existences. Moreover, according to Webb there is a prospect that the dregs of the people, "the wretched existences", may be raised if the different forms of the collective system—municipal Socialism, co-operative societies, and trades unions, and governmental control of industry — everywhere strikes root.

"And just there," writes Sidney Webb, "where the progress of the collective system has been checked—in those industries to which effective factory legislation has not been applied through distrust, in those places which are entirely withheld from municipal undertakings—just there only a very slight or even no progress can be observed. The factory legislation, the trades union movement, and those associations for educational and administrative purposes, which appear either in the form of municipal Socialism or co-operative stores, and moreover, the powerful working system of taxation and the centralized administrative control—these were the powerful factors of all the progress which we note since 1837. We can only hope to raise the dregs of the people by further extending these forms of collectivism."

All these facts seem to us to open a joyful and heart-cheering outlook for a gradual rise of the whole working class. In any case, the fabulously rapid monopolizing of the means of production and the hot-house-like forcing of technical progress in the last half century signify no growing increase of wretchedness, oppression, servitude and degeneration of the English working class. The army of the unemployed could not stop economic and social elevation of this class.

A great multitude of articles of use has passed over to the consumption of the workers. With the general rise of the working class a considerable quantity of the "surplus" of the means of life can overflow into the masses of the people, especially if these masses shall have attained a decisive influence in the great state, city, and co-operative institutions.

The shell of even capitalistic property is elastic and variable. Of course, this shell will no longer remain the same.

Capitalistic private property is passing through a manifold metamorphosis. It is turning into city and state property. And upward-striving workingmen are constructing the city and national institutions

The conditions of production, the conditions of property, under which capitalist society is producing, flow with the eternal stream of change. These conditions of production are perhaps gradually expanding, and altering, and they therefore do not need to be violently broken up.

Sudden Explosion or Gradual Socialization of the Capitalist Economic System?

Perhaps the conditions of production require no sudden explosion in order to make room for new forces of production?

On this point, perhaps, the catastrophe theorist is most dogmatic. Thanks to his insight into the all-powerful economic law of contradiction, he is perfectly clear about the future phases of economic history. According to his opinion, the contradiction between the forces of production and the conditions of production is growing wider. The forces of production, on the one hand in the form of labor-saving machines, are producing a continually increasing army of the unemployed, and on the other hand, through overproduction, are producing the most destructive crises, with terrible scarcity of employment and fearful misery. The oppression, servitude, misery and degeneration of the proletariat are continually increasing. The contradiction between the forces of production and the conditions of production is leading to the catastrophe.

According to the catastrophe theorist a real enlargement of the capitalistic conditions of production cannot be obtained. The capitalistic law of wages cannot be broken down. The economic and political struggles of the working class will never bring about a considerable improvement in the condition of the proletariat.

"The great Socialistic significance of the industrial and political struggle consists in this, that they socialize the knowledge and the consciousness of the working class. But when regarded as direct means to the socialization of the capitalist system, they not only belie this effect ascribed to them, but at once lose also their other only possible significance—they cease to be means of educating the working class to the proletarian revolution." So says Rosa Luxemburg.

If it is an undeniable fact that the working class is constantly sinking deeper in misery, servitude and degeneracy, who then can guarantee to us the possibility of a regeneration of this class? The sea of misery not only scourges men and stirs them to rebellion—no, it also swallows them up.

From an enslaved, degenerate class expect no deeds of deliverance. There is a law of life that only might and strength can endure in the struggle for existence. And therefore, we believe, the working class can write victory on its banners only when it develops into the most influential, the most powerful class in society.

The catastrophe theorist expects a mighty, aim-conscious political-social revolution from a class industrially powerless. Whence will this class draw the strong political powers thus working to the revolution? "Is then," I asked ten years ago, "economic impotence compatible with political omnipotence?"

In the statutes of the International Workingmen's Association we read that economic dependence is "the basis of servitude in every form, of social misery, of intellectual degradation and political dependence." Therefore we maintain that economic power is the basis of political power. Can political power abolish its own basis, "can the church spire overturn the foundation of the church?"

Politics, we can say in direct agreement with Marx, is in complete dependence upon economics. Economics is the living and shaping power which lives in all political institutions.

The political power of a class is not a power entirely dependent on itself, but in its basis it is conditioned by the economic and social powers of just this class. The operation of the political rights of a class are just as closely tied to their economic and social power.

The capitalist employer can easily call in question the workingmen's right of organization by discharging the workingmen who have formed a political organization or a trade union obnoxious to him. Finally, strong industrial labor organizations, which at once, upon any infringement of the right of organization, stand unitedly together against the employer, always give the most permanent protection against all attempts of the capitalists to violate this right of organization. The use of the right of assembling must often be won from the landlords by the withdrawal of customers, by boycotts, etc. The success of the parliamentary activity of labor representatives is based upon an extensive labor press. The existence of this press, however, depends upon a certain economic comfort of the working class. The industrial condition everywhere dominates the political condition.

A great political emancipation of the working class, in our opinion, presupposes a universal industrial and social elevation of the working class. A fundamental overthrow of society can no more proceed from the trembling hands of an economically powerless class than a mighty world creation can proceed from nothing.

The entire political history of society up to this day has been really a history of the economic and social powers of the ruling ranks and classes. In the middle ages the economic system rested mainly on agriculture, and in consequence the great land-owners, the possessors of extensive estates for agricultural production, were the lords and masters in the state. With the rise of industry and trade, the bourgeoisie experienced a splendid industrial uprising and now, little by little, they are restamping all the institutions of the state as good bourgeois coin.

In agreement with all history up to this day, we can therefore truly say—as a growing economic and political force the working class will probably put itself in possession of economic and political power and gradually socialize the whole economic system. Thanks to its increasing economic and political strength, the working class, with more and more class-consciousness and consistency of aim, is encroaching upon the capitalist industrial system.

Municipal Socialism, co-operative societies and trade unions, governmental control of industries, in spite of their present imperfect and inconsistent form, have already had a great regenerative influence

upon the English working class. Of what far-reaching social-political importance they will become, when they are systematically furthered by a strong, unitedly acting working class!

The working class is extending the right of control by the government over production. Thanks to its trades union organizations, the working class is conquering for itself the right to participate in the management even of capitalistic private undertakings. It is permeating the present industrial system with governmental, municipal, and co-operative industries. By a decided shortening of the working day and an extensive insurance against lack of employment, it is counteracting the injurious influences of the army of the unemployed. With the growing industrial and political powers of the working class, the laws regulating the wages of the workingman are changing.

Economic and political struggles are direct means of socializing the capitalistic industrial system.

Changes in the Conditions of the Economic Power of the Proletariat:

Even in the present system, the working class did not once for all bow its neck under the yoke of an unchangeable iron law of wages.

The historically changing standard of living for the working class expresses itself in the rise of wages. We cannot too strongly emphasize the saying of Karl Marx that, unlike other wares, the price of labor power contains an historical and moral element. The price of the workingman's labor power must make good to him his vital necessities, which are closely connected with the general state of civilization in his country.

The capitalist class cannot lightly ignore these civilized needs of the working class. The militant working class, arrived at a certain stage of culture, opposes itself with elemental strength to an arbitrary, unlimited reduction of wages. The capitalist cannot regulate the cost of the workingman's production simply by the most necessary and indispensable expenses for the support of the workingman. The capitalist, however, can do this with all other commodities. But labor power is inseparably bound up with the workingman. Labor power is no dead commodity. It fights bitterly in the market for its historically gained title to civilization and for the enlargement of those rights.

Will the workingman conquer or surrender in the fight? That is now the question. The economic power of the workingman will decide on the triumph or defeat of the workingman. The rise of wages, the extension of the workingman's claim to civilization, is a question of economic-political power.

In the economic struggle, on one side stand the employers, representing the demand, and on the other side stands the working class, representing the supply. Usually the two poles of the market, supply and demand, are disconnected. The more resolute, the more sure of itself is the supply, the more favorable is its position in the struggle for wages.

The industrial struggle itself demands the union of the workers who offer their services into strong, solid organizations. For the wage struggle it is of absolute importance when the employers, embodying

the demand, do not represent a homogeneous mass when there are elements among the employers connected with the working class by important interests of life. Municipal and co-operative industries, which with energy sustain the demands of the organized proletariat, are allies of the workingmen in the wage struggle. The workingman must sell his labor power, true, but it is quite another thing whether he disposes of it to an unfriendly employer or to his own flesh and blood, to his own comrades in the struggle. The workingman must influence not only the supply of labor, but also the demand for labor.

But this does not exhaust the sphere of his endeavors. He must attempt, by legal limitations, to place the fundamental conditions of the labor contract entirely outside of the economic struggle, and must do this by legislative enactments. For instance, there should be no more conflict about the ten-hour day, it should be decreed by law.

The workingman thus, for the first time, is regularly and systematically influencing the demand for labor power. With the former petty industries, the permanent welding together of the workingmen of one trade into a unitedly acting body could scarcely succeed.

The economic world is rising more and more on the strong support of collective labor. A numerous working class is the foundation of industry on a large scale. Now, this foundation is not unchangeable, not a dead stone. No, it is a splendid vitality. The foundation can easily shake the entire industry which it powerfully supports.

Only it must be perfectly clear about its movements in this or that direction. And now at last it is filled with this clearness.

Marx once said of the mechanism of the capitalistic process of production that it is teaching, uniting and organizing the working class. This natural education and unification, by means of a systematic organization, now has a far more extensive power than formerly.

An examination of the effect of trades unions upon the army of the unemployed is of fundamental importance for the settlement of the question whether the organization of workingmen has a permanent influence on the condition of wages.

Strong organizations do, indeed, enter into, and regulate, the competitive struggle of employed and unemployed. This causes capital great distress of heart.

"Therefore," writes Marx, "as soon as the workingmen get hold of the secret, how it is that in just the degree that they work more, produce more wealth for others, and increase the productive power of their labor, just so much more precarious for them becomes their function as a means of value to capital—as soon as they discover that the degree of competitive intensity among them itself depends entirely upon the pressure of the relative surplus population; as soon, therefore, as they try, by means of trades unions, etc., to organize a systematic co-operation between the employed and the unemployed, in order to break or weaken the ruinous effects upon their class of that natural law of capitalistic production—then capitalism and its sycophant, political economy, trembles at the violation of the 'eternal' and so to

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“speak ‘holy’ law of supply and demand. Every understanding between the employed and the unemployed destroys just the ‘pure’ working of this law.”

The pure working of law can therefore be influenced by the trades unions.

The size of the army of the unemployed depends among other things on the length of the working day. And the policy of the trades unions helps the shortening of the working day. A systematic and general shortening of the working day must at once greatly reduce the army of the unemployed. “England’s means of saving labor,” says Marx in *Capital*, “are vast. Yet,” he expressly states, “if tomorrow labor in general should be limited to a rational amount and the various layers of the working class should be graded according to age and sex, the present working population would be absolutely insufficient to carry on national production on its present scale. The great majority of the now unproductive laborers would become productive.”

This is a hint, we believe, which points plainly enough to the importance of the shortening of the working day for the lessening of the army of the unemployed. Since, as the trades unions become stronger, their aspirations for shortening the working day always become more effective, their influence on the size of the army of the unemployed is thus increasingly felt.

Moreover, the decision of the question of shortening the working day lies in the hands of a still stronger power than the unions—in the hands of the state.

Outside the trades unions, the municipalities, at least in part, are busying themselves very earnestly with a complete system of insurance against lack of work. The first feeble attempts for the founding of an insurance against non-employment have already been made. And certainly it is rather bold to prophesy today that the insurance against non-employment will never reach the goal which it has set for itself.

The trades union movement, even in old England, may yet develop an immense recruiting strength. The last industrial worker has by no means yet been drafted into the army of the trades unions. And only when the overwhelming mass of the English working class stands under the banners of the labor unions can a correct idea be formed of the ability of this army to fight out the wage struggle.

The catastrophe theorists often regard the English trades unions as already at the acme of their development. They even predict the decline of the union movement.

“England”, says Rosa Luxemburg, “already offers us an example of the beginning of the *second stage* of the trades union movement. It confines itself, of necessity, more and more to the mere preservation of what has been already gained, and even this is becoming more and more difficult.”

And Rosa Luxemburg tries to force this view upon us, although the influence of the English trades unions is continually growing. In England, the trades unions, together with the capitalists, decide the

conditions of labor and wages for entire trades, and there they have replaced individual personal contracts with collective contracts.

In England, according to the view of Sidney and Beatrice Webb, "in all qualified trades, when workmen are engaged in common activity in the work-shops of the employers, 90 per cent of the workmen find their wages, their working day, and often many other details fixed beforehand by a collective contract, in which they personally did not participate, but in which their interests were given expression by the representatives of their class. But although collective contract-making prevails in a wider field than the existence of the trades union, yet only a trades union can furnish the mechanism for every far-reaching, and not merely chance, application of it. Without the existence of a trades union in a given industry, it would be almost impossible to reach a general rule good for an entire district, to say nothing of an international agreement."

The English workmen have already progressed as far as the "constitutional factory". The "absolutism of the employer", says Legien in his great speech against Count Posadowsky, "must yield to the constitutional factory. The former absolute employer must be content to have beside him a representation of the workers of the trade, which has to act sharing the control of the factory with him. It is this constitution which has up to the present time been attained in England. There the employers are obliged to have beside them representatives of the working class. And here also in Germany, where almost unlimited absolutism reigns in this sphere, this constitutional factory will come, which, of course, following further development, will be replaced in the future by the democratic, or, to speak more correctly, the Socialistic factory system."

The trades unions of England strive toward the great aim of uniting in one union the craftsmen of a whole nation. Now, suppose these national craft unions united together and federated—we have a regular industrial state within the state. This industrial state guarantees to the members of the separate crafts a decent income, a sanitary working place and a regulated working time. The federated national trades unions can really influence the conditions of the production of commodities.

Within the Social-Democracy itself a great change in the estimation and valuation of the trades unions is now beginning. "One need be no Manchester man or anarchist," says Edward Bernstein in his appendix to the History of British Trades Unionism, by Sydney and Beatrice Webb, "no opponent of the calling and use of the state, to consider it less desirable that the workmen should be accustomed to expect all help and improvement from the state, 'from above'. Whoever is not given up to belief in a future miracle, to the idea that a competent organic structure can be stamped out of the ground in every moment of need, will welcome in the trades union not only a preparatory school for thorough democratic self-government, but also a mighty lever for the industrial institutions for which the Social-Democracy is striving. The proposition that the emancipation of the working class must be its own work has a wider meaning

than merely the conquering of the powers of government by the workmen."

The working class can influence not only the supply, but also the demand, if it can powerfully bring to bear its interests in the national, municipal, and co-operative industries. First, let us take only the co-operative undertakings. By means of consumers' associations, the workmen are seizing upon a part of commercial trade. A whole army of clerks and commercial workmen are employed by the workmen's associations. In England the consumers' associations have founded mills, bakeries, biscuit factories, soap factories, woolen mills and purchasing associations on a large scale. Numerous industrial existences depend upon them. The consumers' and productive associations, in England called co-operative societies, are striding vigorously forward from year to year.

"In the year 1897," says A. von Elm in his recent essay on the co-operative movement, "there were in England 1686 co-operative consumers' societies. In the year 1898 there were 1603. The number is less only because the Irish agricultural co-operative societies, which were counted with them in 1897, were not reckoned in for 1898. The British co-operative societies in 1897 numbered 1,591,000 members, in 1898 they numbered 1,646,000. In the former year the shares amounted to 18,611,000 pounds, in the latter to 19,759,000 pounds. The purchase of goods in 1897 amounted to 62,000,000 pounds, in 1898 to 65,000,000 pounds. The profits from this in the year 1897 were 6,000,000 pounds, and in 1898 7,000,000 pounds. These are enormous figures. Most interesting of all is the average amount of goods which the individual member has received in the course of the year; since it follows that in the year 1898 the individual member on an average received from the society goods worth 40 pounds (\$200), quite a considerable sum. The profit which was obtained for sharing amounted on an average to 87 marks a year (\$21.75) or 1.67 marks a week. Thus it is seen that it is an enormous advantage which accrues to the share-holding members."

According to the view of the catastrophe theorists, the consumers' associations and productive co-operative societies can develop only in a very narrow limit under capitalistic society. The productive associations were supposed to be restricted to a small local scale. Now, however, the English consumers' associations have already united into national wholesale purchasing societies. Large productive associations work to supply the extensive sale of these societies.

Rosa Luxemburg stoutly maintains that the productive societies of such an important trade as the textile industry are excluded, and yet the English co-operative societies today own large woolen mills. And these co-operative societies have started up only in the last decades. Yet Rosa Luxemburg is now cock-sure and ready with her decision on the future and eventual significance of the co-operative societies.

So excellent an expert in the trades union and co-operative movement as Beatrice Webb sees in the trades unions and co-operative societies two means of revolutionizing the capitalistic industrial system by a direct elementary overthrowing force, while a Rosa Luxemburg

passes by this co-operative and trades union movement with utter indifference.

"In conclusion," says Mrs. Webb in her well-known essay on the Trades Union Movement, "I would emphatically repeat that the social administrative and economic limits of the co-operative state by no means limit the power of the co-operative societies in our national life. The combination of the entire working class in one union of co-operative societies on the one hand, and of a federation of trades unions on the other hand, would actually give the power in the state to the workingmen.

"The organization of workingmen as consumers would effectively oppose every attempt on the part of the capitalists and landlords, should they make the attempt to corrupt certain portions of the working class by promises of higher wages, in order to get their support for a protective policy, whether by law, in the form of protective tariff, or industrially, in the form of trusts and coalitions of capitalists, for raising prices.

"And if the officers of these twin federations, representing the most primitive interests of use and production, bound themselves in a solemn agreement, it would then be comparatively easy to clear out of the association those who use without producing, the parasites of all classes. While on the other hand those who produce without using their full share, would be moved up to a higher place at the national feast.

"That this result cannot be attained without recourse to legislation, the expression of forced co-operation—experience, as I believe, has clearly proved. But before we can have a perfectly developed democracy, the entire nation must possess those moral qualities, which have enabled the co-operators to introduce democratic self-government in a portion of the industry, the trade and the finances of the nation."

The co-operative societies are only a means of strengthening the economic power of the working class. Besides these, the state and municipality must of all broaden and deepen the foundations of the economic power of the working class. The more constantly the workingman acts upon the various branches of production by means of strong industrial and political organization, the more he permeates the present social and political bodies with powerful organs serving his own interests—so much the more effectively can he influence wages.

If he can make his demands felt in strong national and international trades unions, in far-reaching co-operative associations, in the great municipal institutions so deeply affecting his weal or woe, then he has in his hands the main lever of the conditions of wages.

"The workingman," as I said in a recent leaflet, "is his own employer under an industrial system controlled by workingmen's organizations. He then himself directly regulates the conditions of the sale of labor power. He plows deeper and deeper furrows in the soil of the present industrial system. This system changes continually in form and make-up. This capitalistic industrial system, at any rate, has

never remained the same unchangeable system. The giant trusts of today, the immense co-operative consumers' societies, aiming at becoming their own producers, the trades unions combined in international federations, and the municipalities fully accomplishing their social tasks, had not grown up on this foundation one hundred years ago. Therefore do not abuse the idea of a change from the basis of the present system."

In truth the basis of bourgeois society does not stand fast, it turns and turns continually.

The State Under the Influence of the Growing Proletarian Power.

The economic powers of the present working class, according to our radical catastrophe theorists, are dry brittle sticks. Depending on these, they claim, the working class can never transform capitalism into Socialism. Neither will the working class succeed in doing this with the help of the political power. The state is a class state!

Certainly, but the state is a class state changing with economic and social conditions of power. The state is not firm as granite, it is very changeable.

In that phase of the state's development which preceded our present state, an abundance of governmental rights were concentrated in the hands of powerful private lords. In the Seventeenth Century the defense of the country in Prussia was still handed over to a few private contractors. The soldier himself practiced the trade of war as a means of earning his bread. He was a soldier for life, like a tailor or a shoemaker.

The administration of justice and the police department were partly turned over to noble landlords and royal farmers of domains. The government offices were often sold, and the lucky buyer wished to live from his office. Within the royal domains, as we read in Koser's History of Frederick the Great, those who were tenants of the royal officials' estates had curiously enough thereby also leased the administration of justice. They were indeed directed to let a learned jurist undertake the pronouncing of sentences, but a chronicle of Neumark declares that there was not then a single deputy judge who understood the law. The staff, complains the author of this chronicle, is the body of the law. It came to pass that the magistrate required fifteen thalers or six groschen for a marriage certificate. Even in the patrimonial courts of the landed gentry, the noble landlord willingly dispensed with the appointment of a jurist, in order himself to undertake the duties of a judge, whether he was legally educated or entirely unprepared. The Supreme court practice of 1709 provided that all suits brought before the Supreme court from the lower courts should be immediately referred back to these courts, since it was the intention of the king to most graciously protect the courts of the noble and the magistrate in their rights.

This seignorial jurisdiction delivered the poor peasant entirely into the hands of the noblemen. Until the reforms of Coccejis and his great successor, that is, up to the reign of Frederick the Great, according to Schmoller, "The paramount jurisdiction in all cases lay in the

hands of men who possessed it as a personal right, whether they used it as a source of fees or otherwise for their own ends, and which along with other offices and other business they exercised often without any professional education."

The Prussian junkers, (landed noblemen) possessing jurisdiction over their own serfs, and this jurisdiction moreover a source of rich profits,—please imagine the conditions. Just imagine, that the great exploiter Sturm, employing many thousand workingmen and hating union men and Socialists should get from the state the right to administer justice and police powers over his working men, and that he would then use these powerful state offices as his principal source of income through fees, the imposition of fines, etc.! This fearful thought alone makes one shiver!

The peasant of the Eighteenth century, however, was accustomed to having his employer for his judge and at the same time for his chief of police. The one-sided class rule of that time, which remained untouched by any public critic, thus possessed entirely different thorns from the present class rule.

In those days the peculiar independent life of the cities was almost entirely obliterated. The politics and economic life of the cities in the Eighteenth century were under the strictest governmental control. The city government of Berlin was regarded only as a sort of governmental board. The state enchainé the oppressed majority of the population to the soil by means of serfdom and bound them fast to a certain mode of life.

In the Eighteenth century, the condition of the trades, the corporations and the guilds depended on the grace of the all-powerful state. In the statutes of the corporations it inscribed itself with a firm hand and modeled their paragraphs to its own liking. The state immediately threw legal obstacles in the way of every energetic wage movement. The strike, to these good shepherds of the people, seemed to be a real insurrection. In some parts of the country striking was punished by penal labor and the house of correction. The journeymen who celebrated "Blue Monday" must be denounced to the magistrates. Policemen scoured all the public houses to hunt down there the celebrating journeymen.

The absolute state also invaded industrial life with taxes like a swarm of locusts. What did it not tax heavily—the wages of numerous hand-workers, the price of goods, the operations of surgeons, etc. The industrial individual felt everywhere heavy bonds and fetters on hand and foot. The state with keen scent hunted out all the personal affairs of the individual.

Under the rule of absolutism the subject of the state had not even a legal right to his own person. The dear father of his country could sell his subjects and willfully put them in the soldier's coat. The father of his country looked carefully into their books and tore out the godless and pernicious passages and writings which might endanger the patient nature of his sheeplike subjects. He spoke very plainly on the clothing question through his sumptuary laws. He prescribed the number of courses for marriage feasts, he fixed the time

for wearing of mourning, he even bothered himself about the coffins of the dead. The state forced his dear sheep to extreme meekness by frequent attendance at church, and held them in godly customs by severe penalties. Thus the state pursued its subjects even into the house of God and into their last resting place. And the state was the king, or the elector, or the duke, as the case might be.

If one correctly considers the authoritative features of different systems of government, one immediately understands that the proletariat cannot remain indifferent to the question of government. An absolute monarchy, in which only the monarch and perhaps the social groups surrounding him, can act politically, contains in itself quite a different servitude for the proletariat than a well-ordered democracy, founded on self-government, which gives complete freedom of movement to all economic and social associations. Even majority rule is always less hostile to freedom than minority rule, than the regime of any one over-powerful group. In one case a minority, and in the other case a majority, is oppressed. Moreover majority rule necessarily permits itself to be weakened by a proportional representative system, which itself admits the representation of small parties. Thus the authoritative character of majority rule is softened. Majority rule moreover can be improved by the direct participation of the masses in politics, by popular legislation. In short, the proletariat has means enough at its disposal to smooth off the angles and sharp points of the state's authority. To this last aim contributes also the greatest possible self-government of cities, districts, provinces, etc.

The working class in its struggles for emancipation sees itself chiefly opposed by a scarcely movable centralized state which exerts a paralyzing influence on the great process of economic and social development. High developed industrial localities are governmentally united with quite backward agricultural districts and a strong centralization robs the progressive circles of all possibility of independent development. The working class therefore must mobilize the state through the widest possible self-government of cities and districts. Free organization for self-government must arise in place of authoritative official bodies.

A free self-governing legislation gives an essential point of support to the social-political activity of the workingmen in the cities. Many cities own a large amount of land and carry on extensive business enterprises. In their hands rests the fate of great masses of the workingmen. They can essentially improve the economic condition of the city workingmen. And the situation of these workingmen again tends to advance the position of allied groups of the proletarian class. In short, a liberal self-governing legislation possesses a great value for the economic and social aspirations of the working class.

In England, municipal Socialism has gone on from victory to victory. In the street-cleaning question, it has accomplished a true labor of Hercules. It has carried on a bitter fight against the monopolistic spirit of the great gas and water companies, and has continually opened new fields of activity to self-government. It has spread light

among the masses by the founding of schools, libraries and museums. It has been an efficient protector and promoter of the aims of the trades unions by paying trades union wages to its employees.

In the wonderful renaissance of the English proletariat it has taken a prominent part, as testified in the interesting work by C. Hugo on Municipal Socialism in England.

The Social-Democracy from its infancy has comprehended the importance of democracy in the struggle of the proletariat for emancipation. The political program of this party very early contained a certain completeness and an adequate provision for democracy. The modern state's gigantic apparatus of power was seen at work, and it was foreseen what a vast revolutionary force this apparatus might develop if once in the hands of the working class. In the political struggles, sometimes, more was recognized than a mere means of socializing "the conscious impulse of the workingmen." These struggles were so very highly prized because they afforded the working class excellent opportunities for the gradual attainment of the power of government.

The schools are open to all social classes, legal counsel is furnished gratis, hospitals and convalescence houses are free to all, the industrial plants are inspected by the government, labor boards regulate the conditions of labor in city and country, the nation itself assumes all the various insurances of the working people.

The nation everywhere breaks into the domain of the rule of capitalistic monopoly. It binds capitalism hand and foot, and strikes one fetter after another from the wage workers.

Rosa Luxemburg laughs at the idea that wage slavery can be gradually and legally abolished. According to her view, wage slavery was not introduced in this way, and therefore cannot be thus removed.

The Prussian free wage-working class arose through the forced and partly legal expropriation of the means of production of the peasants and by their legal emancipation from the bonds of subjection and serfdom. This expropriation (for instance, in North Germany) was carried out on a large scale and in a thoroughly "legal fashion" with the aid of the power of government. Even in the Nineteenth century, the agrarian legislation expropriated entire classes of small peasants and changed them into free wage-workers.

Rosa Luxemburg is therefore in error when she maintains that wage slavery was not partly established by law. "The proletariat," she says, "is compelled to bow under the yoke of capital by no law, but by poverty, through lack of the means of production. No law in the world, however, within the limits of bourgeois society, can decree to the proletariat these means, because it was not robbed of them by law, but by economic force."

The proletariat, just at the start of the capitalistic system, was driven under the capitalistic yoke by law. A bloody legislation against vagabonds and paupers scourged the proletariat into wage slavery. Pauper legislation even to this day has not lost all its terrors for all elements "afraid of work," who wish to escape capitalistic exploitation.

Moreover, capitalistic exploitation was essentially extended by law. In England the working day was compulsorily lengthened. Marx in his main work devotes an entire chapter to the compulsory legislation for lengthening the working day, from the middle of the Fourteenth to the end of the Seventeenth century. Germany saw a protracted campaign of legislation against Blue Monday.

Later on, legislation arose against unlimited wage slavery and created the laws for the protection of labor. It lends a legal basis to the workingmen's resistance against capitalistic exploitation through the right of combination. Here and there the workingmen have won establishment of minimum wages by law. With the aid of governmental legislation, the right of the capitalists to unlimited rule in their work shops and plants can be considerably restricted. In workingmen's committees and arbitration boards, a considerable co-operation and control by vote over the management of the industry can be legally given to the workingmen.

In short, the government in England, through its compulsory legislation, interferes very authoritatively against industrial exploitation. A nation is in a position to gradually abolish wage slavery and legally to take over the means of production into the possession of the democratic government and of the free, self-governing cities. When we set clearly before our eyes the activity of governmental legislation in the founding and in all the changes of the capitalistic industrial system, we must recognize as absolutely unfounded the claim of Rosa Luxemburg that all the fundamental conditions of capitalistic class rule cannot be transformed on a bourgeois basis, because they were neither introduced by bourgeois laws nor took their form from such laws.

In the fight for the ten-hour law, according to Marx, a great controversy was opened. This question, as is stated in the preface to the famous international Manifesto, is the controversy between the blind rule of the law of supply and demand, which forms the political economy of the middle class, and the control of social production by social insight and foresight, which forms the political economy of the working class.

The ten-hour law was not therefore merely a great practical achievement, it was the victory of a principle. For the first time, the political economy of the middle class surrendered in broad daylight to the political economy of the working class. Marx sees in the ten-hour law a victory of the principle of the control of social production through social insight and foresight. Poor Marx perhaps must be further taken to task by Rosa Luxemburg because, just as Conrad Schmidt and Bernstein, he speaks of governmental social reform as a piece of control by society. Thus in the pronounced class state, the working class can already make its new political-economical principle triumph. The capitalistic world is therefore not divided by the breadth of a wide ocean from the new Socialist world!

The state, by its labor legislation, limits the legal sphere of power of the means of production. They thus receive, as it were, a

different social and legal character. The property rights of the owners of the means of production are *restricted* by labor legislation.

The state today is in the midst of the process of moulting. The social composition of the population of Prussia has undergone a fundamental change since the days of the bourgeois revolution of 1848-49. Then 64 per cent of the population were employed in agriculture, today scarcely more than 35 per cent. The forces of social persistence have been broken, the forces of social progress have gone mightily forward.

The progress of the political movement of the German proletariat in the last two decades resembles a rapid victorious march. One year ago I wrote in a Social-Democratic jubilee memorial of the close of the century:

"The means of the working class for forming new economic and political organs have increased to really gigantic proportions. Influential proletarian groups try to breathe a new social spirit into the present governmental institutions and executive bodies. Often forced by economic development itself to the exercise of arrangements for the general welfare, the cities in a progressive ratio are following co-operative paths.

"The German proletariat could not worthily conclude this century, without uniting in one brief presentation the entire completeness of the self-governing activity, which is performed by the political bodies and by the industrial organizations. This gives us a clear light on how the proletariat is gradually penetrating into all the pores of bourgeois society, is securing itself there and inspiring it with its own peculiar social spirit. It is itself becoming a determining factor in this society. Try to tear it by force out of the present social system, and you will see how society will bleed to death.

"With trembling anxiety therefore our mortal enemies, the conservatives, watch our well-considered systematic entrance into all institutions of the present society. The Social-Democracy, living and acting in all political, economic and social institutions, announces the certain overthrow of the present system. From a mere union for purposes of political propaganda, which only occasionally in great political actions was in touch with the masses, the Social-Democracy has become an institution firmly rooted among the people. And looking backward at its mighty development, it feels itself the bearer of a great new epoch of civilization."

The modern state must lean more and more upon the masses. Its defenders, the soldiers recruited from the masses of the people, like the mighty extending system of industry on a large scale, originate from the growing mass of the proletariat. Moreover the living foundation of the state, the giant army of the petty officials and the workingmen in government employ, have been carried away on the high tide of the political idea of the proletariat. These workingmen and officials live in poor and thoroughly proletarian conditions. The state often acts towards them like a hard-hearted capitalistic employer, looking out merely for his own private interests. In many cases the state does not

even guarantee to these classes the right of free organization. No wonder that they openly or secretly place themselves in opposition to the government. Perfectly at home in the world of the thought and feeling of the proletariat, they sympathize with the political actions of the working class and aid them in many ways by counsel and deed. At the very least, they are lukewarm and indifferent to all so-called government measures.

It is in the nature of things that a state whose basis is formed in an increasing degree upon the proletariat itself, can never for any length of time carry out a policy decidedly hostile to labor, in the interests of its own self-preservation. It must, of necessity, sooner or later, bring its governmental institutions into harmony with the most important and pressing political demands of the proletariat.

Not alone the under portion, but also the upper stratum of the state's organism is seized upon by the growing power of the working class.

The authoritative powers of the state see themselves compelled, by the growing industrial and social importance of the working class, to form quite a new opinion of this former Pariah. The dignitaries of the state consider themselves the real, rightful representatives of society, and therefore their behavior towards the various classes of society is so exceedingly characteristic. The excellent and thoughtful essay of Prof. Platter on the spirit of Social Politics, throws a very interesting light on this subject. *

Is it really believed, that all the industrial and social revolutions cutting bourgeois society to the very quick, are leaving the nature of the state untouched? That would border upon superstition.

Would the Millerand question have occupied the international proletariat so intensely, if the ministry of this man had been only a single ephemeral incident? A wonderful spectacle—a great international labor congress debates the question, "May a Socialist accept a position in a bourgeois ministry, or may he not?" Had the hardy class-fighters nothing more important to exercise their brains than a simple ministerial office? This is a significant symptom! The international proletariat has grown so strong in the last decade, that in all civilized countries it is confronted by the question, "What role shall it play in bourgeois governments?" The Socialist minister and the Socialist privy councillor are no longer characters of romance. As Vollmar has so well said, "Millerand has been the first, but will not be the last Socialist Minister."

But even this entire question of ministers and privy councillors dwindles to a lilliputian insignificance before the fact that the state has gotten a proletarian backbone and that in the most secret depths of its heart it feels the political and economic influence of the proletariat.

Frederick Engels sketches in broad lines a picture of the general nationalization of the means of production. But with every large and

* See Platter, *Critical Contributions to the Knowledge of our Social Conditions and Theories*. Basel, 1894.

monopolized industry the capitalist state gives itself proletarian flesh and blood. The red blood streaming in flows into the black blood of the ruling classes of society. Such a state can no longer be called the ideal collective capitalist. Engels holds that the more productive powers the state takes over as its property, the more it becomes the actual collective capitalist—the more citizens will it exploit. But this exploitation would be very difficult for it, with its growing proletariat composition. It is certain that a state whose industrial life is essentially influenced by economic proletarian organizations, whose very foundation is formed by the masses of the workingmen, will throw off one capitalistic shell after another.

And to this completely renewed state, transformed in head and body, we may safely trust the realization of the great social-political proposition embodied in the Erfurt Program.

THE END.

Shots at Capitalism

By FREDERIC HEATH.

Will Roosevelt go down in history as the jawing president?

Socialism has taken root in Panama, also. What follows the flag? Socialism!

Eighty-six thousand dollars have thus far been contributed toward the defense fund of the Western Federation of Miners in the Moyer-Haywood case.

The press dispatches say that Proctor, the millionaire soap man of Cincinnati, who committed suicide, made his millions by his own labor. Indeed! Well, it couldn't have been at the current rate of wages.

At the recent general election, eighty-three Socialists were elected to the parliament of Finland, thereby constituting a plurality. Of the Socialists elected seventy-two are men and eleven are women. The conservatives elected forty-seven candidates, the reactionary and Swedish party (combined) elected fifty-four. The granting of woman suffrage was due to the propaganda of the Social-Democratic party, and constitutes the basis for the recent victory.

"According to the Philadelphia *North American*, thirty-five English peeresses are devoting all their time and great sums of money to further the cause of Socialism. Among the names mentioned are those of the Countess of Warwick, Countess of

Aberdeen, Lady Henry Somerset, Lady Victoria Vielliers, Duchess of Sutherland, Lady Frances Balfour and Miss Lyttleton. They have quit their gay lives, dress in modest attire and address meetings of labor people from the ends of wagons or on boxes in the streets."

Says a Paris cablegram: The startling growth of Socialism in France is attracting the attention of students of political economy through Europe. Socialism is reaching a development and a strength here that it never has attained in Germany, Belgium or any other of its strongholds.

The New York legislature adjourned in confusion to avoid the introduction of resolutions on the Moyer-Haywood case. Of course, there are no classes in society, only the capitalists have a wonderful habit of standing by each other, no matter how many miles of the continent divide them.

Fourteen thousand people die annually in New York City of tuberculosis. But they are not really killed by tuberculosis. They are killed by capitalism, that depletes their lives, ravishes them of the product of their labor, and consigns them to noisome tenements to fester and die. And, what's worse, many of these wretched victims invited their fate by voting the capitalist tickets.

An "Undersirable Citizen"



**Colorado Workingman Chained to Telegraph Pole
for the Crime of Going On Strike**