Incentive Under Socialism

BY

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Incentive Under Socialism.

I. ON REMUNERATION.

The argument which is used most often and most effectively against Socialism is that it would fail to reward merit and would destroy the incentive to excel. Of all the weapons of our enemies, this is the one they use and prize most. Let us take it away from them.

It is the weapon used in Mr. Mallock's attack on Socialism, and by the New York Times in the following editorial: "Mr. Mallock assails the very foundation theory of the Socialists, their contention that in the distribution of products the lazy, the inefficient, and the improvident are entitled to equal recognition with the industrious, the capable, and the careful classes of society. This is what their theories come to, for a Socialist who taught the other doctrine, that the greater talent is entitled to the greater reward, would not have a corporal's guard of following."

*In Speaker Cannon's judgment, also, it is the best argument with which to oppose Socialism. He

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says: "We need have no fear that Socialism will ever control this country. If I understand what Socialism is, it means substantially a division of all material things without regard to the value of the contributions made by individuals. It is the dream of the impracticable on the one hand and on the other, of the selfish, who desire to live in the sweat of somebody else's face.

"Our civilization rests on the hustling of the human unit, and when you take away the material benefits which come from individual effort, you destroy civilization. If that be Socialism, there is no danger of a Socialistic America."

President Roosevelt chose the same weapon to attack Socialism with in his messages to congress. He wrote: "It would be a veritable calamity to fail to put a premium upon individual initiative, individual capacity and effort; upon the energy, character and foresight which it is so important to encourage in the individual. But as a matter of fact the deadening and degrading effects of pure Socialism, and especially of its extreme form, communism, and the destruction of individual character which they would bring about, are in part achieved by . . . wholly unregulated competition. . . . ."

Speaking at the unveiling of the Underhill monument (July 11, 1908,) he said:

"There can be no grosser example of privilege than that set before us as an ideal by certain socialistic

writers—the ideal that every man shall put into the common fund what he can, which would mean what he chose, and should take out whatever he wanted: in other words, this theory is that the man who is vicious, foolish, a drag on the whole community, who contributes less than his share to the common good, should take out what is not his, what he has not earned; that he shall rob his neighbor of what that neighbor has earned. This particular Socialistic ideal would be to enthrone privilege in one of its grossest, crudest, most dishonest, most harmful and most unjust forms."

The following is taken from the Republican National Platform of 1908:

"Socialism would destroy wealth, republicanism would prevent its abuse. Socialism would give to each an equal right to take; republicanism would give to each an equal right to earn. Socialism would offer equality of possession, which would soon leave no one anything to possess."

Here is President Taft speaking to the students of the Ohio Northern University at Ada on "That problem than which we have had no greater in the history of the country," June 3rd, 1910:

"When, however, the right of private property is taken away, when the motive of enlightened selfishness disappears in modern society, and there is an attempt to substitute therefor the motive of disinterested unselfishness on the part of every member of society toward every other, as a practical force in the progress of civilization, it will be a failure, and the
result will be a substitution of a tyranny of governing committees in the distribution of theoretical rewards instead of a self-acting system in which the industrious and the prudent and the far-sighted are rewarded and the lazy and the inattentive fall behind."—New York Times, June 4, 1910.

Mr. Rockefeller uses the same argument. He says:

"But the error of Socialism is that you can create by formal enactment what must be a natural development and carry on through the agency of men selected by some political method what must be carried on by men selected by Nature.

"No, the successful operation of a business requires that the ablest men manage it, and natural processes see to it, generally speaking, that the ablest men rise to the management.

"I needn't expatiate on that. It is inevitable. And the ablest men command the largest pay. Pay is the incentive of energy and its proper reward.

"Is there any justice in an arrangement by which two men, one of which does three times as much work as the other, get the same pay? Not a bit. It is an immorality, and it is an economic error, and business is suffering from it."

Mr. Bryan selects the same proved weapon for the conflict he assumes in "Individualism versus Socialism."—(The Commoner, April 27, 1906.)

"If the government operates all the factories, all

the farms and all the stores, there must be superin-
tendents as well as workmen; there must be different
kinds of employment, some more pleasant, some less
pleasant; is it likely that any set of men can dis-
tribute the work or fix the compensation to the satis-
faction of all, or even to the satisfaction of a majority
of the people? When the government employs com-
paratively few of the people it must make the terms
and conditions inviting enough to draw the persons
needed from private employment; and, if those em-
ployed in the public service become dissatisfied, they
can return to outside occupations; but what will be
the result if there is no private employment? What
outlet will there be for discontent if the government
owns and operates all the means of production and
distribution?

"Under individualism a man's reward is deter-
mained in the open market and where competition is
free, he can hope to sell his services for what they
are worth; will his chance for reward be as good
when he must do the work prescribed for him on the
terms fixed by those who are in control of the govern-
ment?"

Let us take a quotation from a late college text-
book on political economy, which shows what they
are teaching in the schools:

"The sense of duty is also a motive that could not
safely be relied upon to hold men to the monotonous
daily round which is necessary to efficient production
in many, if not in most, departments of industry. Fi-
nally the desire for social esteem and social dis-
tinction, which is certainly strong in the average man, is neutralized as a motive to industrial activity because in practice public opinion is very undiscriminating in its judgments. It rarely accords applause where and at the time applause is due, and it is very apt to reward with its approval quite unworthy candidates for its recognition. Some system of graded honors, like decorations or titles, might be devised, similar to those already in vogue, to reward men for signal services on the field of battle, but that these would hold the rank and file of the industrial army to their tasks in the absence of other incentives will hardly be claimed by anyone. It is believed that these considerations admit of but one conclusion, namely, that the motives to industrial activity on which Socialism relies are all too weak, and that some form of compulsion would have to be called in to supplement them if the system was to be put into practical operation.”—Economics, by Prof. Henry R. Seager, Columbia University, page 444.

The unanimity and persistence with which the same argument is reiterated by the ablest and most distinguished opponents of Socialism show the importance they attach to it and reveal how anxious they are to establish the impression which it conveys to the public. The way to dispose of this argument is to answer it conclusively. To ignore it or to dodge the point of the argument is fatal, for that is tacitly to admit the charge that Socialism would not reward merit and would destroy the incentive to excel.

To those who are not interested in the answer,
who are only anxious to get Socialism established, and who say they "don't care much about petty details," it is pertinent here to remark that they create most determined opposition to Socialism by treating this problem in this way. We tell the voter that we know what to do now, and ask for his vote to establish Socialism at once. It cannot be done without him. Yet, when he asks how we will deal with this, the first problem that must arise, they would answer, "We don't know and it doesn't matter."

To say that we are not prophets and cannot be expected to know how the compensation of different occupations will be determined in the future, or to give an involved answer, "retreating under a cloud of words," is a poor subterfuge that does not deceive intelligent people. The failure to answer seems to sustain the fatal objection that in abolishing private ownership of the means of collective production, we would deprive merit of its opportunity and its reward. While, on the contrary, we contend that merit is now deprived of its reward by the capitalist owners of the means of production, and merit cannot get its reward while leaving capitalists in control of the essential means of production.

The right of merit to a greater reward is not at all the subject in dispute between these gentlemen and the Socialists. It is the vested right of capital that we challenge, and they are at a loss to defend it. Stung with the disgrace of their repeated defeats in this controversy, our friends, the capitalists, would divert attention from it, and the argument re-
iterated by them seldom fails to be effective for this purpose.

Under the monopoly of our industries and the private ownership of our natural resources that "equal chance" has been lost, which our fathers enjoyed through the freedom to all of forest and farm and undeveloped industrial opportunity. What we Socialists want is collective ownership by the people of the things which are necessary to their collective industries to make them independent of private control. This is the only basis upon which it is possible to establish an efficient administration of industry and equality of opportunity for the people who are to do the work.

If, under this Socialist administration, every worker is to be paid the same, or if he is paid without regard to the service he renders, we cannot refute the charge that Socialism would destroy the incentive to excel, for it is then very evidently true. Not that the only incentive to effort is the desire for money itself or to enjoy what money can buy; but all motives in business converge; all incentives become focused upon getting money, because money is exchangeable for everything else within human reach. As the indispensable means of satisfying the needs and gratifying the hopes of the ones we love, the desire to get money is prompted by the noblest motives and the most generous impulses. Anything that would destroy the hope of getting more money by doing more work or better work would destroy that incentive to excel.
If, on the other hand, equal pay for all kinds of work is not intended, and everyone would be required to render service equivalent to what he receives, then we may reasonably be asked to explain how we expect the pay of various occupations to be determined.

The difference in time required for different pieces of work is easily observed and measured, and therefore easily mistaken to be the important difference. It is not the only difference nor even the most important difference in the labor of different undertakings. One piece of work may be greater than another, not only in the time it takes, but in the amount of effort expended in the same time; that is, the work is harder. It may involve greater discomforts, hardships or dangers. Greater knowledge or experience may be required, which is to say that it is greater in the labor of preparation for it. The work may be greater in the ability required, whether this ability be inherited or acquired in the course of a lifetime.

Some of these differences can be measured and ingenious methods have been devised for measuring them. Insurance companies estimate from statistics the different degrees of risk in various occupations, and the difference in educational equipment for different employments is pretty well determined by mental examinations. Under Socialism, we shall have all the means which we now have for measuring the difference in various kinds of work, and we shall devise some others which will be much better than any we have now. But some differences cannot be measured and they are not the least important differ-
ences in the labors of some men and the labors of others. Even regularity of employment makes an advantageous difference. It makes a moderately paid occupation in constant employment more desirable than a better paid occupation without regularity of employment.

When the Socialist Municipal Government is called upon to estimate the pay of its teamsters, suppose it decides their pay to be fifty cents per hour; and suppose that the men needed to do the work are not to be gotten for this pay. What shall be done? To draft men to do the dirty or disagreeable work would be an intolerable proceeding, as unjust as it would be impracticable. Therefore, the pay for such work would have to be increased. If there were those who objected that the work was then too highly paid, they would not have to submit to an imposition in this respect. They could have the job themselves, with the exceptional advantages it seems to them to offer. But if they want other people to do such work for them, they would have to pay them for it enough to make these others willing to do it. That they believe their efforts to be better rewarded in some other occupation is shown by their declining to do this work themselves, and this is better evidence than their sworn testimony would be that the work is not too highly paid.

On the other hand, suppose that the pay for clerks is in like manner estimated to be fifty cents per hour and that there are a great many more seeking this employment and fit for it than can be employed. Who
are to be preferred for the desired employment? The price of such labor must drop say to forty cents per hour until some of those who desire to be clerks have found employment in other occupations which are more in demand. They desired this employment because they believed its advantages to be greater than their efforts could secure in other employments. This is the testimony that it was too highly paid of a large number of those who are best able to judge of this occupation because they do the work and know by experience its effects upon their bodies and minds.

Supply and demand will compel the readjustment of the pay for agreeable work downward and of the pay for disagreeable work upward, so that the human energy consumed will be at least as well compensated in one occupation as it would be in other occupations. Nothing else is finally possible because nothing else is right.

This is a perfectly natural and democratic method of determining the pay of various occupations. Every worker in the community votes automatically, as it were, in the determination of the pay of the occupations for which he is available. He will not falsify his decision as to which occupation he deems the best, because it would be greatly to his disadvantage to do so. It would be equally to his disadvantage if he were negligent or thoughtless in deciding what occupation is best from his point of view. He may be mistaken about it, but in choosing his work he reveals his positive opinion of what he thinks the best. By making him quite free to choose, we
shall get the most certain expression of his conviction.

This process has been working through all the anarchy of unorganized production and in spite of it. Its tendency is continually to adjust the relative pay for every occupation to correspond to the average labor consumed. Even the efforts of financial pirates in command of industrial organization cannot set it aside altogether. To argue that it would not work in the orderly co-operation of Socialism would be ridiculous. It could not altogether be prevented from working, because it is rooted not merely in our laws, but deeper—in human nature itself.

Like the law of gravitation in the universe of matter and force, the action of supply and demand is an inexorable natural law in the exchange of labor and the products of labor, inherent in human nature even before the beginnings of civilized society. It came into action at that moment when the exchange of goods began with barter—centuries before there was anything corresponding to money, even of cattle or hides or trinkets or brass or silver or gold—long, long before there was the faintest conception of value in men’s minds—thousands of years before the earliest beginnings of political economy.

By this law has the price of every commodity been silently adjusted and readjusted to the level determined by the average human labor necessary to provide it. Not that it cannot be interfered with. By the law of gravitation, water runs down hill, but it
will run up hill if you will pump it. But just at that moment when you cease to pump it, it will no longer run up hill, but will seek its lowest level under the action of gravitation. Under the free action of supply and demand, the price of every commodity seeks just as surely the level fixed by the labor of its production, and the relative pay of every occupation seeks the level of the average human effort consumed in that occupation. We have only to provide for its perfect freedom of action to get its perfect results.

The capitalists do tamper with the action of supply and demand in the market for labor as well as in the market for commodities. Their ownership of the means of employment gives them the power to limit the demand for labor to the opportunities of profit for themselves. Taking advantage of the chronic lack of employment which results, they employ those only who submit to the conditions of hardest labor and poorest pay. The effect is by no means confined to the occupations within their control; for those who escape the wage system invade the professions, the farms, the unorganized trades, and every special or individual occupation that offers them a foot-hold. The compensation is correspondingly reduced in these individual occupations, professions and trades by their competition.

This proposition is of such momentous importance that it is worth while to demonstrate it, namely: that capitalism automatically curtails the opportunities of employment, and, therefore, the demand for labor.
Private business is conducted to get profit—the largest profit possible; the private owners of industrial equipment will not permit their property to be used without profit to them. The profit is the difference between the income and the expenses; hence the aim of business administration under private ownership is to make this difference as large as possible; in other words, to make the expenses of the business as small as possible and the income as large as possible. To make the income as large as possible, the price of the product must be maintained or increased; while, to reduce the expenses, the pay of those employed in producing it must be reduced, because cost of labor employed is a considerable part of the expense of any business. The wage earners receive only a fraction of the price of their products, and the managers of business under private ownership must try to make this fraction as small as possible, in order to make the part as large as possible which the private owners get in profit, rent and interest. Therefore, while machinery multiplies the product of labor, private ownership prohibits equal increase in the consumption of it by the wage earners.

The income of a business is expended in three different ways: A part is paid to those occupied in the business—in wages. Another part is paid to the capitalists who own the property or loan the money used in the business. The rest is paid to other business organizations, and is received by them as income; and, in turn, they divide it in like manner under the profit system between the workers on the
one hand, receiving the lowest possible wages, and
the capitalists on the other, seeking the largest pos-
sible profits. So, ultimately, the capitalist private
owners get in profit, rent and interest the price of
that part of the products the workers cannot buy.

They may spend their incomes or they may save
and reinvest them. The capitalist private owners are
few in number, said to be two per cent, only one in
every fifty of the population. The workers are nu-
merous, about 79 per cent of the population. The
remaining 19 per cent are of the middle-class, not
exactly either capitalists or workingmen, but some-
thing of both. There is one capitalist to forty
workers in every fifty of the population, if these
figures are correct. It is physically impossible
for one man to consume in his own person
the surplus product produced by forty men,
especially when this surplus has been multiplied
by the use of improved machinery. Some capitalists
tax human ingenuity to plan establishments
great enough to consume immense sums of
money in automobiles, steam yachts, country
places and winter palaces, but it would be
impossible for the great capitalists to use all of their
annual profits in this way.

According to Chas. B. Spahr, who wrote this be-
fore 1895, “One-eighth of the families in America
receive more than half the aggregate income, and the
richest one per cent receives a larger income than
the poorest fifty per cent.

Even though it be possible for a capitalist to
squander his surplus income in lavish expenditure, he is restrained from doing so by the danger of being eaten up by other capitalists. Other capitalists are just as keen to take advantage of him as of defenseless wage labor. He must reserve his financial strength to resist attacks from them. If he does not expand and improve his business and invest in new and successful enterprises, he will lose his rank among his fellow capitalists and even be ostracized from his class. The capitalist must, therefore, save his surplus income for future investment.

Capitalists invest their savings in industries that promise further opportunities to make profit. That is, they pay other workers to clear new lands, build new railroads and erect new factories to make more products to sell. These new factories add to the amount of products which are put upon the market for sale. But capitalists will not invest their profits and employ workers building factories to produce more products when they already have more than they can sell. Factories that cannot be run at a profit are worthless and the money invested in them is lost. The capitalists therefore hesitate and delay and do not invest their profits. They hoard their profits, reserving their money for possible future opportunities to invest. Thus profits accumulate, and so do the products which people can't buy, which these profits represent. Thus private ownership makes it impossible to sell the greatly increased product of machinery, and stops production
when the products accumulate which it is impossible to sell.

Consequent industrial depressions have recurred almost simultaneously in all the capitalist nations of the world once in every nine years since 1814. The late Carroll D. Wright, United States Labor Commissioner, observed that “The regularity and contemporaneity which characterize commercial, financial and industrial depressions, belong to modern history and are not seen in the past.”

More machinery is being invented, and the use of that already invented is being continually extended. According to the U. S. Bureau of Labor, since a generation or two ago, by using machinery, the production of barley by the same amount of labor has been multiplied by 23; wheat, 22; butter, 10; potatoes, 13; watches, 35; twine, 119; cotton hose, 111; marble slabs, 535; ruled paper, 1,714; screw posts, 4,098.

If the use of a machine causes the same labor to produce, say eight times as much of a product, then eight times as much of the product must be sold if the same labor is to continue to be employed in its production. But capitalist private ownership prohibits that equal increase in the sale and consumption of the products.

There have been instances where the introduction of a new machine, the cotton gin, for example, has made its product, cotton cloth, so cheap that the sale of it has been vastly increased, and in consequence the labor employed in producing it has been increased by the introduction of the new ma-
chine. So far as the product replaces other things which had before been used for the same purpose, the labor employed in producing those other things is displaced by less labor employed in the new process. As for the increase in its consumption, otherwise caused by the cheapening of the product, this cannot equal the increase in power of production; for, if the private owners of the machine sold the product as much cheaper as they can make it, there would be no advantage to them in the introduction of the cheaper process. The advantage to them of the new machine consists in the fact that it enables them to get the product provided for a smaller fraction of the price at which they sell it. It thus enables them to reduce the purchasing power of the wage earners to a smaller fraction of the price of their own product.

Therefore, the introduction of labor-saving machinery under capitalism reduces the amount of labor that can be employed to produce the amount of product that can be sold. If a new machine enables one-eighth of the labor to produce the same amount of product, and if no more of the product is sold, then only one-eighth of that labor which was employed before can continue to be employed in its production. Therefore, capitalism reduces the opportunities of employment by the further introduction of labor-saving machinery, Q. E. D.

And, also, reducing the wages at the same time, it compels more of the workers to seek employment in the occupations outside the wage system. This com-
petition, under the action of supply and demand, tends to reduce the pay of all occupations to the low level established in the wage system.

The following consequences of capitalist private ownership succeed each other in order: 1. Reduction in the possibilities of employment and increasing numbers of unemployed. (More than 5,000,000 in the United States in 1908). 2. More intense competition for employment. 3. Harder conditions of employment and lower pay.

It is readily taken for granted by some who are communists rather than Socialists that, if the process of determining the relative pay remains unchanged, the pay and conditions of labor will remain unchanged. "If the pay is to be determined in the same way as now," they ask, "what will be the difference?" The action of supply and demand is the social process, whereas they mistake it to be the cause by which wages are adjusted to the present low level. They think that competition and the action of supply and demand created these great injustices and monstrous inequalities, and, unless abolished, would re-establish them. Not at all. Low wages and hard conditions of labor are not caused by the action of supply and demand, though this is the social process by which the conditions of labor are automatically adjusted. The cause of low wages is the private ownership of the means of social production which restricts the demand for labor with the failure to sell the products at a profit. Therefore is our purpose proclaimed to abolish the private ownership of the essen-
tial means of social production, and to establish collective ownership.

When collective ownership is substituted for private ownership, employment will no longer be limited to the opportunities for private profit. Every commodity devised to gratify human desires will be produced in greatly increased quantity if people want it enough to do the labor equivalent to its production. Then the demand for labor will be just as great as our desire for the good things labor produces. By this greatly increased demand for labor the pay of every worker will be adjusted upward automatically until he can purchase a share of the whole product of labor the same as his share of the labor. But this cannot be until those who take no part in the labor claim no share of the product. To cut off the incomes paid to the owners of the resources and machinery for production, that is, their power to exploit labor by restricting the opportunities of employment, will not be possible so long as they maintain their private ownership of them.

Government statistics show that the enormous incomes we pay to American and foreign millionaires, added to the pay of the wage earners would be enough to double their earnings. But this would be relatively unimportant compared with the other sources of increased remuneration for the workers, because the wastes of capitalism are prodigious. Production will expand wonderfully as soon as we can burst the restraints put upon it by the capitalist system. Benjamin Franklin, always conservative
though he was, said that “Four hours daily labor are sufficient to support any person in comfort, if not in luxury, if social conditions are just.” The labor-saving machinery introduced since Franklin’s time multiplies the productive power of labor eight times, we are told, in “The Trust, Its Book.” Here are the resources and the machinery and the labor to produce fabulous wealth as soon as the incubus of capitalism is removed. Capitalism destroys the incentive to labor by depriving labor of its reward. Inasmuch as the reward for every kind of useful effort will be very much greater under Socialism than it is under capitalism, we maintain that the incentive will be greater to get the greater reward.

We are frequently asked: “Who will have the corner house?” or “Who will smoke the best cigars?” or “Who will have the finest pictures, and the choicest of everything?” Why, those who pay for them, of course. It is our only concern to provide that they shall do work equivalent to the production of these unusually fine things before they get the money to pay for them. This is all the contract calls for which the Socialist has undertaken, and it is a pretty big contract, for it means to abolish the exploitation of labor.

Frequently it has been said that Socialism would abolish competition. Socialism would not abolish competition in the ordinary sense of the word, but communism would. Competition, in the original and commonest sense, means the effort to excel one’s fellows. This is not the competition that Socialists
aim to abolish; but the word is unfortunately used also in a special sense as the name for our present wasteful arrangement of production, which Socialism would abolish. Only through Socialism can the ideal of “free competition” be attained.

For the key to true equity in remuneration is the automatic action of supply and demand, if there be general knowledge of the conditions in the various occupations and freedom to choose between them. Only Socialism can make us free to choose. Thus can the advantages and disadvantages of our infinitely varied occupations be equalized, so that the same degree of human effort and ability shall be as well rewarded in one occupation as in another.
II. ON EQUALITY OF PAY.

The communists agree that the advantages must be equalized, but they object to varying the pay. They wish to do it by adjusting the conditions of the work. This would involve difficulties that would often amount to impossibilities, and would accomplish no useful purpose.

So it happens that some are confirmed in the opinion that Socialism promises security from want and equal pay to all who profess to be willing to work. With the help of our enemies, this erroneous impression has been well established in the mind of the general public; and it is this complete misconception of Socialist principle that lays us open to Speaker Cannon's attack, herein quoted. To those unfamiliar with the principles of scientific Socialism, Bellamy's "Looking Backward" is an authoritative work on Socialism rather than a beautiful Utopian fancy. Now, it is pretty well known that the sense of responsibility to provide against the future supplies some of us with a much needed stimulus to the development of character and ability, and arouses us to the exercise of forethought. Notwithstanding this, our communist friends would commit the Socialist party frankly and positively to the principle of equal pay, or to the principle of communism (from each according to his ability and to each according to his need). But there is nothing in any Socialist platform or in
any official declaration of the Socialist movement that can be taken to mean or to imply anything of the sort. Our platforms are invariably silent upon the subject of remuneration. The Socialist party has never proposed any other way for determining the relative pay of different kinds of labor than the way in which it is determined now by the ordinary action of supply and demand.

This solution to the problem of remuneration is perfectly consistent with the works of recognized authorities on Socialism, which the following among numberless quotations to be found, go to show:

"So far as I know, no Socialist writer of any importance or any Socialist organization in the world has ever proposed that all workers shall receive equal compensation."—A. M. Simons, editor Chicago Daily Socialist.

"The Socialist position is that each shall receive remuneration in exact proportion to the social value of what he does."—Ed. Appeal to Reason.

"Under Socialism, just as today, many a man would gladly exchange his work for less pleasant work if the remuneration offered were higher. To the old Utopian ideas of absolute equality these methods would be fatal, but they are not at all incompatible with modern, scientific Socialism. * * * Karl Kautsky, perhaps the greatest living exponent of modern Socialism, accepts the belief that wages, unequal and paid in money, will be the method of remuneration under Socialism."—Socialist Regime. By John Spargo, pp 232-5.
“Socialism is distinguished from communism in not demanding a community of goods or property, and from nationalism in not asking that all individuals be rewarded alike.”—Standard Dictionary.

“It is no part of the Socialist program to make wages exactly equal. If enough street cleaners cannot be had at fifty cents an hour, we shall have to pay sixty; if there are too many bookkeepers at fifty cents, the pay may drop to forty until part of them have found work that is more in demand.”—“What Socialists Think.” Published by the National Committee Socialist Party.

“It must be evident to every fair-minded man that the new order (Socialism)—where every worker will be remunerated according to results—is in no sense communistic. Communism requires every one to do his share of labor and allows him to consume as he needs. Our commonwealth (Socialism) makes his consumption exactly commensurate with his performance. Adam Smith observed that “The produce of labor is the natural recompense of labor,” and St. Paul said, “Whoever does not work, neither shall he eat.” Socialism will put these doctrines into practice.”—The Co-operative Commonwealth. Gronlund, pp. 107-8.

“In short, the motto of Socialism is: ‘Everybody according to his deeds’; that of Communism is: ‘Everybody according to his needs.’ The communist motto is undoubtedly a very generous one, more generous than ours; but our motto is more just, taking human nature as it is—and the fact that Socialists
take human nature as it is is just their merit. Indeed, if we define capitalism as the fleecing of the weak by the strong, then communism is the fleecing of the strong by the weak, an observation already made by Proudhon; though the strong under our system simply means buoyed up to the top, while under the latter system they would mean the truly physically or intellectually strong.

“Communism must, therefore, plead guilty to the charges: First, that it means to abolish the institution of property; and, next, that it must result in crushing out all individuality. Socialism will not do either of these things, but the very reverse. Instead of taking property away from everybody, it will enable everybody to acquire property. It will truly sanctify the institution of individual ownership by placing property on an unimpeachable basis: that of being the result of one’s individual exertions. Thereby it will afford the very mightiest stimulus for individuality to unfold itself. Property will belong to its possessor by the strongest of all titles, to be enjoyed as he thinks proper, but not to be used as an instrument of fleecing his fellow-citizens.”—The Cooperative Commonwealth. Gronlund, pp. 107-8.

This mistaken view of Socialism gains currency through the expressed opinions of some writers on Socialism. For example, in one pamphlet on this subject which is otherwise quite excellent, the author commits us to equality of pay as a necessary part of Socialism, and says that “any laborer could exchange the wealth he produced in any given number of hours
for the wealth produced by any other laborer in the same number of hours.” In support of this opinion, he undertakes to prove “that the product of one man’s labor, hour for hour, is worth no more than the product of any other man’s labor.” He argues “that no labor is more useful than the labor that produces food for other men, without which they must die,” and “that as a matter of stern justice, no man is entitled to more for his labor than the man who produces food for other men.” The fatal mistake made by such writers is in thus confusing the usefulness of a thing with its exchange value; whereas, it is impossible to infer from the usefulness of things what their exchange values may be. Things must be useful in order to be valuable, but things are not valuable merely because they are useful. Indeed, many commodities cannot be compared even roughly as to their relative usefulness. Is coal more useful than iron or iron more useful than coal? They cannot be compared in this way. Therefore, it cannot be said that the labor of providing one is more useful than the labor of providing the other. We cannot measure the usefulness of one commodity by that of another for just the same reason that we cannot measure distances with pounds nor temperature with inches; they are too utterly different to be compared. Likewise, we cannot measure the usefulness of one occupation with that of some other, even if that were any guide to their relative value.

It is true that the most useful labor, in other words, the most necessary labor, is generally the
most unskilled labor. For example, the labor of producing our food or of cleaning our streets is the most necessary kind of labor, though it is so poorly paid; whereas diamond cutting, a comparatively unnecessary occupation, is very highly paid. The value of productive labor, that is, the value of the thing produced, does not depend upon what the thing is used for. It has value only because labor is necessary to provide it; and only to that amount to which its production consumes human life does it have any value. Its value is the average human effort necessarily consumed in providing it. To confuse value with usefulness in the discussion of remuneration results in "confusion worse confounded," and makes further pursuit of the subject hopeless.

Furthermore, the labors of different men are not equally productive. Some workers produce a great deal more of the same product than others produce. If each then should receive the same pay, that is, the same share of the product, the less productive would receive more than they produce and the more productive would receive as much less. It would be a most glaring inequality and injustice that those who do more work or better work should receive only the same pay. Moreover, the differences in intensity and in hardship of labor in different occupations is too great to be neglected. Struck by the force of this objection, the advocates of equal pay propose to equalize the day's work in different occupations by shortening the working day in some occupations and lengthening it in others, rather than to depart from the rule of equal
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pay; but it cannot be done. If it could be done, what useful purpose would it serve? It is impracticable if only for the reason that the most needed workers would be prohibited from doing more than the shortest day's work.

Marx disposes of this matter in no uncertain language in a personal letter to Bebel, Liebknecht and others, which was published, after the death of Marx, by Engels. The letter is a scathing criticism of the Gotha Program, where it says, “The uncurtailed returns of labor belong to all members of society with equal right.” Marx says:

“The right of the producers is proportional to the amount of work they furnish: the equality consists in that the labor is measured by an equal standard.”

“But one is superior to another physically or mentally, consequently furnishes more work in the same time, or can work during a longer time; and the work, in order to serve as a standard, must be determined according to the extent of the intensity, otherwise it ceases to be a standard. This ‘equal right’ is unequal right for unequal work.”

It is objected that from inequality of pay there would result inequalities of culture and social position. But this objection is meaningless, because it is not our aim to establish an arbitrarily enforced social equality, and, if it were, equality of pay would not accomplish it. Even if the pay of all workers were made equal, their burdens could not be made equal. Some have large families; others have none; some have obligations that others have not. The technical
differences of work and the advantages of location and circumstances are so many and so various that they could not be equalized with equal pay, which would result, in fact, in most unbearable inequalities. For certain industries there are special advantages in particular localities which have disadvantages in other respects. For example, we draw a supply of borax with great economy of labor from the “Death Valley” of Nevada. Diamonds are mined to advantage in the wilds of South Africa. But surely nobody would be compensated by equal pay for the disadvantages of having to work in such places.

There is a well meaning but misdirected sentiment in favor of equal pay and an arbitrarily established social equality. The thing cannot be done under the prevailing conditions, and we are in no immediate danger that it will be tried. It would be purposeless, therefore, to combat these visionary theories, which inspire earnest enthusiasm among sentimental Socialists, if it were not that such theories are a great hindrance to our success when ascribed by them to the Socialist party. We do not advance the contrary argument with any idea that we will determine the future of the Co-operative Commonwealth, nor are we so foolish as to flatter ourselves that we could do that. We know too well that it will be determined by evolutionary forces. But it is of vital importance to the early success of our agitation that we should take a defensible position upon a question involving, as this question does, the practicability of our whole program.
We all concede the beauty of the ideal of communism, and with the communist, we share the inspiration of it. But, if this ideal ever is to be realized, we must prepare the conditions which will make its realization possible, first winning the confidence of the public by showing our ability to deal successfully with the problem of remuneration in an industrial republic. For the problem of remuneration in the conditions under which Socialism must be inaugurated, the communists have no answer; and this becomes more apparent with every effort they make to give one. Confusion of the aims of communism with what the Socialist party aims to do now, is perhaps the greatest hindrance to our immediate progress.
III. SOCIALISM NOT COMMUNISM.

Communism implies collective ownership of all property. Socialism does not even involve the collective ownership of all the means of production, but only of those means of production which are necessary to a publicly-owned industry to make it independent of private control. Dr. Lyman Abbott writes in "The Outlook," March 7, 1908: "We repeat that the objection to State Socialism is not that it is impracticable; it is that it would be unjust. Some industries can be carried on by government and labor remain free, for the individual laborer may take part in those industries or not, as he pleases; but if all industries were carried on by government the labor would not remain free, for the laborer would have no choice but to do the work assigned to him by the government for the pay that the government awarded to him." Dr. Abbott's objection applies to communism; it does not apply to Socialism.

Collective ownership is not itself the essential aim and end of Socialism. Collective ownership is only a means to an end. It is not necessary and it is not even desirable now that all industries and all means of production should be collectively owned under government control. The Socialist platforms define the line of demarcation between the things which must be collectively owned and the things which may be privately owned, as clearly and sharply as it seems
possible to define it. That of 1904 uses the following language: "that all those things upon which the people in common depend shall by the people in common be owned and administered. From the platform of 1908 the following quotation is taken: "The private ownership of the land and means of production used for exploitation is the rock upon which class rule is built; political government is its indispensable instrument. The wage workers cannot be freed from exploitation without conquering the political power and substituting collective ownership for private ownership of the land and the means of production used for exploitation." Common ownership must include all those things whose private ownership enables a portion of the community to exploit others. Railroads, telegraphs, telephones, mines and factories controlled by trusts and combinations are evidently ready for collective ownership. How far this development of collective ownership will go it is not necessary or possible to know. Some things which are not now properly subjects of collective ownership may, in the natural course of events, in the future become so. It would not be advantageous to have all the means of production which are individually used, owned collectively any more than it is to have the means of production which are collectively used owned individually.

It is remarkable that the Socialists should have so often passed the assertion unchallenged that we attack private property. Here is President Taft again: "Speaking generally of the issues which are likely
to be presented to you in the future, I think the issue of most importance would be the question of the preservation of our institution of private property or its destruction and the substitution of a certain kind of co-operative joint enjoyment of everything, which is the ideal of Socialism."

If one produces a thing by his own labor, or obtains it by gift, directly or indirectly, or by purchase at just valuation from those who did produce it, it is regarded as his private property. There is no right to private property therefore which does not depend upon the right to it first of the man who made it. We have persisted in using the term in a sense different from this common meaning, as though no one understood private property to mean anything but capitalist private property used for the exploitation of labor.

Marx says: "The capitalist mode of production and accumulation and, therefore, capitalist private property, have for their fundamental condition the annihilation of selfearned private property; in other words, the expropriation of the laborer." The desire for selfearned private property is the strong incentive which Socialism offers to labor. Socialism will prevent the "abolition of private property" and the present continuous expropriation of the laborer.

What the producer is deprived of by force or fraud does not in that way cease to be his property. If he has disposed of his product by the terms of a contract with capitalists, and if this contract has been imposed upon him by superior intelligence or superior force to deprive him of his life product, then the con-
tract is morally void. If it is argued that such a contract is not morally void, then it is morally right by superior intelligence or superior force in the same way to take the property back again. And take it back the workers surely will when they come to their right minds.

Socialism does not attack private enterprise. If a factory is needed, the enterprise and foresight to conceive the undertaking, the technical knowledge to plan it, the administrative skill to select and organize the men who are to build and establish it involve the highest order of ability, require brains and character of the most valuable quality. Private enterprise is the name applied to this individual energy, character and foresight which has developed our resources and new methods of production.

It is only one of the forms of useful labor after all; and, like all other labor, its exploitation is the specialty, the aim, of capitalist bankers with money to invest. Capitalism destroys the incentive to useful private enterprise by depriving it of its fruits. Our aim is to gain for it the fullest reward by securing it free and most unrestricted access to the natural resources and industrial equipment upon which it must work. Legal restrictions upon private enterprise would be inconsistent with the aims of socialism and a most dangerous encroachment upon the rights and liberties of individuals. That socialism does not attack private enterprise becomes apparent if the proper distinction is made between enterprise and exploitation.

Private enterprise may develop into labor exploita-
tion. Let us take an illustration. A sewing machine is private property, and, at the same time, means of production; but, if its owner is also its operator, he cannot through such ownership exploit labor. A woman might earn a living with a sewing machine who would otherwise have to work in a factory. To secure her possession of the sewing machine would save her from exploitation in the factory, which is just what Socialists aim to accomplish. Assume now that the great capitalists have monopolized the major sources and means of production, and dictate when and how many workers shall be employed and, barring slight and spasmodic interference from organized labor, determine how much these workers shall receive in these monopolized industries. With competition strangled, these capitalists are in position to suspend industry when the profit conditions do not suit them. The workers are thereby denied the opportunity to approach and use the natural resources and industrial equipment, and there is consequently a glut in the labor market. The workers throw themselves upon this market, fiercely competing for the jobs, the number of which has been artificially decreased by the profit system and the private ownership of the means of production. The great capitalists often find it more profitable to discontinue production and increase the price of the stock in hand. Meanwhile, the workers are compelled to accept any amount that will keep them from starving, and the relation of the scale of wages to the cost of living is revised downward. This is the modern juggernaut
that crushes humanity while a superstitious and stupid people look upon its crafty and cruel manipulators with mingled feelings of admiration and reverence. Under these conditions the owner of the sewing machine sees that he can hire a worker to operate it for a small fraction of the value produced. He proceeds to do this, and the machine immediately assumes the character of a means by which labor is subjugated. By this private monopoly and the consequent artificial restriction of the demand for labor, all resources and machinery upon which hired workers are employed are capitalized and used to exploit.

In the capitalist system it is inevitable that any large private enterprise, any enterprise that requires a business establishment, must develop into a business organization exploiting labor in order to survive in the conflict of capitalism. Such private business organization for exploitation would be effectually abolished by competition with an efficient collective organization, for the reason that it would be rendered unprofitable and become burdensome. Suppose, for example, a capitalist competing in the manufacture of hats with a like establishment conducted by the industrial republic. He could sell his hats for no more than the price prevailing in the market for the same hats provided by government manufacture. At the same time, he would have to pay to his employes, to all who do any of the work of providing the hats, just as much as they would be paid in the government service for the same work. No one would be so foolish as to continue to work for him for any
When three dollars is the price for a hat, it is our aim that all of this three dollars shall go to those who provide the hat. The difference between the price he can get for his hats and what he must pay to those who do all the work of providing them is the capitalist's profit. Under Socialism there will be no profit for him, because there will be no difference.

Such private industries as should then prove themselves fit to survive would necessarily be compelled to give the workers as much as they could secure in the government industry. When a profit could be reaped by investment in private industry, the government industry must be inefficient. The fact that capital could there command interest would show that the government had failed to fulfill an important industrial function, just as it now neglects to fulfill the industrial functions on which the people in common depend.

Those who from any reason should become dissatisfied with government employment could find infinitely better opportunities for individual employment than in the present system. Many individual occupations will remain outside of the collective control, just as in our institutions there still survive today forms and customs and laws which are types of past stages of social development, not yet entirely extinct, though much restricted in their application and use. Even should the transition to Socialism be sudden and violent, we cannot expect so complete a break with the past as to sweep away all private enterprises and individual occupations which are to-day
almost the only forms of industrial activity. It is, a natural, but none the less an unfortunate reaction from the anarchy of capitalist private enterprise that causes some Socialists to run into the opposite and equally dangerous extreme of advocating universal and compulsory government industry, the doctrine that all occupations whatsoever must be under the direction of government officials and paid out of the national treasury.

If anyone prefers to occupy himself with his own individual tools outside of the collective organization, what reasonable objection could there be to his doing so? Even the cultivation of land and the development of natural resources apart from that collectively used could be safely encouraged so long as the persons conducting it live by their own labor and not by underpaid labor of others, the rental value of the land being paid to the community.

Kautsky tells us: “The most varied kinds of property in the means of production — state, Municipal, co-operative (distributive), co-operative (productive), private — could exist side by side in a Socialist society. * * * * The same variety of the economic machinery as exists today would be quite possible in a Socialist society.” No law is needed that would prohibit the private ownership of anything. Possession of the earth rests upon the consent of the community. The land belongs to the living and not to the dead. The dead can therefore transmit no title to it. However, Kautsky says: “No Socialist of any weight or standing has ever yet
demanded that the peasants should be expropriated or their lands confiscated.” “The Socialist party strives to prevent land from being used for the purpose of exploitation and speculation. It demands the collective possession, control, or management of land to whatever extent may be necessary to attain that end. It is not opposed to the occupation and possession of land by those using it in a useful and bona fide manner, without exploitation.”—From the National Platform, 1908.

There should be nothing to compel anyone to submit to government employ who is not induced to do so by the greater reward due to the increased efficiency of co-operative over individual, unorganized effort. Indeed, this right to secede from the collective organization is a most important safeguard against its officers becoming inefficient, tyrannous and corrupt.

The ideal utopia, conceived in the theories of St. Simon and Robert Owen, and pictured by William Morris and Edward Bellamy, is substantially the conception of Socialism in the minds of our honest opponents. This is the thing they believe the organized Socialists intend to throw full-grown into the gap made by the destruction of capitalist society. It is manifestly impossible, and as far from the purposes of the Socialist party as any misconception could be.

Cynicism about the lack of goodness in human nature receives new inspiration continually from the failures of communism, notwithstanding there is nothing more certain in the world than the persist-
ence of the spirit of communism as an active influence for good. It is inherent in the human heart, perhaps from the period of savagery. That we should return instinctively to the practice of communism in moments of great public calamity does not occasion the least surprise and passes without comment. We do so by a common instinctive impulse. Its more complete and lasting establishment has been attempted by religious and fraternal orders, by the early Christian church, and by persons devoted to it as to a part of a religious ideal.

The world’s problem of distribution would be easier if only the communistic ideal of generosity were needed to solve it. But it is a problem of exact justice in the measurement and apportionment of values. The communist holds a contempt for value, deeming it something that he can and in fact ought to ignore. He says, “The amount of his resulting product has nothing whatever to do with the problem of remuneration of labor, which is one of desert.” To quote Bellamy, “Desert is a moral question, and the amount of the product is a material quantity. It would be an extraordinary sort of logic which would try to determine a moral question by material standard. The amount of effort alone is pertinent to the question of desert. All men who do their best do the same. A man’s endowments, however god-like, merely fix the measure of his duty. The man of great endowments who does not do all he might, though he may do more than the man of small endowments who
does his best, is deemed a less deserving worker than the latter, and dies a debtor to his fellows.” Yes, but he will never pay. How are we to make him pay, so that he cannot die a debtor to his fellows? The problem is to stimulate the effort of the man of great endowments by commensurate rewards, and yet at the same time to prevent him from exploiting others.

There are no moral laws, indeed, without relation to material things. It would not be wrong to steal if it would make no material difference to anyone. Almost all the laws governing human relations have to do with material things. The reasons for every one of them have their basis in the conditions of our material existence. It is one of the most common and most important facts of this material existence that Nature does not reward individuals according to their good intentions, but according to their productive powers as developed by their own efforts and the efforts of their parents through countless generations. This is the law in the material world as it exists.

When we have established the right of the laborer to his product and secured him in the possession of it, idlers will be compelled to develop some useful activity. Then we will be ready to discuss the terms of an arrangement more generous to less capable though perhaps not less deserving members of the community. Justice is, after all, but a cold and calculated thing. A moving machine crushes out human life indifferently by the same
motion that frees many from toil, and the laws of justice are no less exact and pitiless. It may well be that the community under Socialism can do for its weaker members something more than exact justice.

Society is already giving things to its members without reckoning in its parks, its schools, its libraries, its public water supply, public roads without toll-gates, public hospitals, and an increasing variety of public conveniences and privileges. As the supply of one thing after another becomes more plentiful, through the greater facility of production, and the want of it becomes more universal, we shall have more and more communism in distribution. These things being supplied without reckoning to everyone as they have need, even as the sun shines on the just and the unjust alike.

Capitalism is enormously wasteful in duplicated machinery and duplicated labor, in stifled talent and ruined enterprise, in the enforced idleness of willing workers and the heartless waste of luxuriant idlers. If the co-operation and efficiency of Socialism were to do away with these and hundreds of other sources of waste which now exist, with the enormously increased productive power of labor-saving machinery society would become, for the first time, really rich. If even poverty-stricken capitalist society can occasionally be generous to its members, what may not be expected when the co-operation and efficiency of Socialism have replaced the chaos and waste of capitalism?
It is a pity that our communist friends invite needless opposition by their purpose to establish equality arbitrarily, and blame us for not supporting them in it; for there is another and wholly different cause which would tend, through the action of supply and demand, to establish an approximate equality of remuneration under Socialism. Upon this ground it can be defended for reasons of the coldest justice. Just as gunpowder to a great extent equalized the fighting powers of men in battle, so the machinery of associated labor and exchange tends to equalize individuals in production of wealth. It becomes an increasingly important factor in production, and the factor of individual strength and skill becomes relatively insignificant by comparison with it. The element in the total industrial product which is due to the social organism is represented by the difference between what one man produces as a worker in connection with the social organism and what he could produce in a condition of isolation. "Working in concert with his fellows by the aid of the social organism, he and they produce enough to support all in the highest luxury and refinement. Toiling in isolation, human experience has proved that he would be fortunate if he could at the utmost produce enough to keep him alive." "To whom belongs the social organism, this vast machinery of human association, which enhances some two hundred fold the product of everyone's labor? Manifestly, it belongs to no one in particular, but to society collectively. Society
collectively can be the only heir to the social inheritance of intellection and discovery, and it is society collectively which furnishes the continuous daily concourse by which alone that inheritance is made effective." "The difference in individual endowments between two men might remain the same; but that difference would be reduced to relative unimportance by the prodigious equal addition made to the products of both alike by the social organism."—Bellamy.

To make men equal by arbitrary enactment, an absurd idea, our enemies are so fond of ascribing to us, is impossible; but with equal opportunities and equal incentives, such monstrous inequalities as we now suffer must be outgrown. Not that we would become alike. On the contrary, the division and specialization of labor increases, and with it increases the multitude and variety of our occupations. At the same time, easy interchangeability in employments should maintain human versatility and adaptability, and afford the widest range of selection for the development of individuality. The following quotation is taken from the same letter of Marx, criticising the Gotha Program: "Instead of the uncertain concluding phrase of the sentence, 'the removal of all social and political inequality,' it should read: that with the abolition of the class differences, all social and political inequality originating in them would disappear of itself."
IV. HOW CAPITALISM FAILS TO REWARD MERIT.

Our distinguished opponents seem to feel some solicitude for the rights of honest labor and progressive enterprise, which they say Socialism threatens. They charge that we would give to the lazy, the inefficient, and the improvident what belongs to the industrious, capable, and careful classes of society. In order that we may judge whether their solicitude is really for the rights of honest labor, let us see what treatment honest labor gets at their hands, from the present capitalist society in which our distinguished opponents hold positions of wealth and influence. Let us see what kind of enterprise capitalism rewards best.

Numberless striking illustrations could be offered of the misery and injustice inflicted upon labor by capitalist society, but the capitalists would produce illustrations to the contrary to offset every such instance of ill-treatment accorded to labor. A statement of the conditions of labor under capitalism, in order to be conclusive, must be drawn from the aggregate results. The United States Census Bureau, under Republican administration, has prepared a report on the wages paid to labor in 123,703 manufacturing establishments. These reports can generally be had for the asking. The figures from which the averages were obtained were supplied to
the census bureau by the employers. In the West the average pay ran as high as $13.65 per week; in the North Central States it was $10.62; in the South Atlantic States, $7.31. New York State pays the men and women who produce her wealth $10.40 per week; Pennsylvania, $10.51; Massachusetts, $9.68. A little less than four-fifths of these wage workers are men, and their average wage throughout the whole country was $11.16 per week. There is about one woman to every five men, and the women get an average of $6.17 per week. The children are worth on the labor market an average of $3.46 per week. The average pay of the wage earners of the whole country amounted to almost exactly ten dollars per week. But this was during the boom times before the panic of October, 1907. Since then, three or four out of every ten of these employes have lost their jobs, according to the reports of state labor bureaus; and the employers have taken advantage of the numbers of unemployed to reduce wages still lower. The conditions of labor are further shown by the census report that there were 616,295 killed and injured in industries in the United States in 1908, or about twice as many as in the Russian-Japanese war.

These figures are sufficient to indicate what incentive capitalism offers to honest labor. We do not know that the figures are correct; on the contrary, we think if the whole truth were known, it would prove to be worse; but since the figures embody the conclusions of investigators appointed
by the capitalists themselves, it is certain they do not err in our favor. One thing we do know positively is that they who toil continually are poor. "In fairly prosperous times," Mr. Robert Hunter says, "no less than ten million persons in the United States are underfed, underclothed and poorly housed." It can never be known how much of genius, of poetic and artistic impulse, is stifled in poverty and despair by this capitalist system, whose complacent defenders still have the effrontery to charge that we would destroy the incentive to excel.

But, though capitalism offers small incentives to honest effort, there are those whom capitalism does lavishly reward; and we must look at these favorites to find the traits of character which capitalism offers the strongest incentives to develop; for we shall find the qualities of mind and heart, the dominant motives of action that win pre-eminent success from capitalism most conspicuously exemplified in the men whom capitalism most conspicuously rewards. As great a financier as Russell Sage was, his petty meanness amounted to a mental aberration. If any doubted that Jay Gould was eminently well qualified to succeed in the railroad business under capitalism, his astonishing rascality soon convinced them of their mistake. In the practice of the law few attain success and distinction nowadays who have not earned it in the defense of the questionable practices of great business men and in the service
of the exploiters of labor. Philander C. Knox, Elihu Root and Joseph B. Foraker are all successful corporation attorneys who "well know the stepping stones over some very muddy bits of practice." In public life, the men whose personal characters adapt them to succeed in capitalist politics are not the men who have been more loyal to their country's interests than to their own, but such men as Platt and Depew, the late lamented Mathew Stanley Quay, senator from Pennsylvania; Simon Guggenheimer, from Colorado; Joseph W. Bailey, of Texas; Clark, from Montana; Aldrich, from Rhode Island, and our own Dick Croker, whose reported boast it was that he was in politics for his own pocket all the time. Corrupt politics is only the reflex and natural concomitant of corrupt business. This is the conclusion reached in the investigation of political graft by Lincoln Steffens, "that the 'bad' politician is only the agent of the 'good' business man." In business, Mr. John D. Rockefeller stands preeminent as the unconscious master of modern Machiavellianism. These are all men whose personal characters marked them for conspicuous success in the world of capitalism. They certainly cannot be without the qualities of mind and heart, the traits of character that capitalism offers the strongest incentives to develop. If the tree of capitalism is to be judged by its fruits, it must be condemned for the evil incentives that it holds out as much as for the incentives to good that it destroys.
Future generations will read the narratives of these men’s lives with wonder, just as we read the life of George Jeffreys, Lord Chief Justice of England, or the history of the Duke of Alva, commanding in the Netherlands the troops of his majesty, King Philip II. of Spain. To narrate incidents from the personal history of the men who “have made good” under capitalism would be pertinent here to show the types of character which capitalism offers the strongest incentive to develop; but it has been done elsewhere. The disclosures that have filled the pages of our current magazines of late years are not a cheerful narrative. McClure’s Magazine concludes Miss Tarbell’s character sketch of Rockefeller, with a note of comment on the character of Judas Iscariot. Judas, who betrayed Christ, is condemned as the worst of men, yet he only pointed out Jesus to the chief priests and pharisees. And when he perceived the thing he had done, that he had betrayed innocent blood, he returned into the temple, where sat the chief priests and scribes and pharisees, and threw at their feet the thirty pieces of silver which had been the price of his everlasting infamy, and went and hanged himself. How many of our captains of industry today would have the good grace to go and hang themselves when they realize what they have done?

Mr. Rockefeller objects that “The error of Socialism is that you can create by formal enactment what must be a natural development and carry on
through the agency of men selected by some political method what must be carried on by men selected by Nature. Now, the successful operation of business,” he says, “requires that the ablest men manage it.” The gentlemen who have selected themselves for the command of our industries by the “natural processes” referred to, show their “ableness” by a keenness of intellectual perception and a dullness of moral perception rarely found combined in the same individual. They afford us, in the experience we have had of their benevolent business activities, the best possible arguments for taking command of the natural processes by which they have come into the control of our industrial life.

In a recent article, adverse to Socialism, Dr. Lyman Abbott says: “In most of our great co-operative enterprises the directive ability is largely paid by salary, and there is no inherent reason why it might not be employed and paid by labor as well as by capital, by an industrial democracy, as well as by an industrial autocracy, provided the industrial democracy possessed sufficient intelligence and sufficient conscience. . . . There is no adequate reason for affirming what the nation does in carrying on a postoffice it could not do in carrying on an express business, what it does in constructing a Panama Canal it could not do in operating a railway, what it does in constructing battleships it could not do in making cotton cloth.” Under democratic governments, the greatest power
is exercised by public officers; but it is tempered and restrained by responsibility to public will and not such irresponsible power as our industrial lords now command. When our industrial life is collectively controlled and administered for public welfare and not for private profit, such characters will no longer be fitted for its administration. When we understand and appreciate administrative ability and devotion to public welfare enough to reward them rather than the craft and brutality that now attain great power, then there will be ample material incentive to develop such qualities.
V. ON CHOICE OF OCCUPATION.

It has been proposed that the foremen and superintendents in a factory might be elected by the workers themselves. The workers would desire the highest pay and the greatest ease and comfort in their work. They would naturally elect foremen and superintendents who would be agreeable to their desires. The quantity and quality of the product would be secondary objects. The results of such an arrangement would be so disastrous that we can rest assured it would be promptly abandoned if it ever should be attempted. Only in case the pay of each workman were made to depend upon the output of the factory as well as upon the quantity and quality of his own work, would the workmen be interested in getting that superintendence for his business which would secure the highest efficiency. Such efficiency cannot be attained without earnest effort on the part of every worker in the labor he has to perform.

There are instances where the product could be measured and valued annually or monthly, and the charges for raw material, maintenance, insurance, taxes, etc., could be deducted, so as to find the value which had been added to the raw material by the workers in that establishment. Each worker might then be paid his fraction of the value produced in that establishment.
But, let us suppose there is a community dependent upon the factory for clothing. What is to become of their demand for cheaper and better clothing? They want a better product and more of it at the same or a lower price. The workers could have but an altruistic interest in an improvement of processes which is to cheapen every unit of their product and result in little or no increase in reward to them, an improvement in machinery that might even throw some of them out of their occupation altogether. The rest of the community have an equal right to the industrial equipment and natural resources used in this business, and a very material concern to secure efficient use of them, since they are dependent upon this factory for clothing. What is to become of the claims of the rest of the community if this body of workers is to be left thus in complete possession and entire control of the administration of this industry?

Moreover, how shall the production of a factory be adjusted in quantity and kind to suit the needs of the community and in relation to other industries? At present the managers of factories must adjust their output to the demand and adopt more efficient means of production or suffer dire consequences in competition with other establishments of the same kind. But this influence of competition would be inoperative when the distribution of the product as well as the manufacture of it is assumed by one great industrial organization. The system must provide for the co-ordination of
the work of different establishments, for the adjustment of production to distribution, and for maintaining a just equilibrium between the conflicting interests of producers and consumers; which cannot be done if bodies of workers are to be left in independent control of important industrial units.

As new social institutions grow out of institutions that have gone before, and show more or less resemblance to them, present industrial and political organization is very apt to decide the form which the future political, industrial organization will take for a long time to come. In taking over the great organized industries, the trusts, Socialists will certainly make use of the existing organizations in the factory and the office of which they come into control with the industry. The political machinery they will also take, as they find it, extending its functions to the conduct of commerce and manufacture. Fundamental changes will come only slowly and when firm control has been established.

The public cannot choose industrial experts, but they can elect an administration to appoint them. They cannot choose the foreman for a shirt factory, but they can tell the difference between good shirts and poor ones, and therefore between the success or bad judgment with which the administration appoints a foreman in a shirt factory. It may even be that heads of great industrial departments would be elected by popular vote and form the great council of state; but the departments would have to be co-ordinated and directed under one consistent, harmonious control. Certain it is that Socialism
will develop in different countries under different conditions and through various circumstances and in its form will differ accordingly, in order to adapt itself to the circumstances of its development. If the administration of industry were unsatisfactory, the effects would be experienced by the public, who must have power to change the administration. If the administration of a department of industry were unsatisfactory, the population feeling the effects would have power in the same way to change it; or, if the department head were appointed by the chief executive of the nation, that officer would be under popular pressure to secure a change and improvement. Being responsible for the appointment of the head of department in question, his popularity and strength politically would suffer by the failures of an incompetent appointee.

The future Socialist republic is, then, to be very much like the present one. Yes, very much like it in form, though vastly different from it in fact. The main industries being no longer privately owned, would no longer be administered for private profit. The income of each factory would go to the people who do the work in that factory. The books would be open, as all public accounts are, to all who wish to know how the income is collected and expended. Though the whole value of his product might not be paid to him immediately in cash, each worker, directly or indirectly, would get the full value of his labor. Insurance against accident, death and old age, for instance, would have to be taken out; but don't we have to pay for these now at extortionate rates? Taxes to pay for the benefits of government administration in all case have to be paid. Taxes would include an additional amount from the annual income to pay for renewal, extension and improvement of the industrial equipment; but
these improvements would be the property of the workers themselves collectively from which they would derive very substantial benefits in the future. They are now the property of capitalists. A surplus of goods would have to be held in reserve to safeguard against the mistakes and inevitable miscalculations of administration and the failure of crops and other unforeseen contingencies; but this in all cases is necessary. The worker would still ultimately receive benefits equivalent to the full value of his labor.

But what redress would the workers have for their grievances in any establishment in such an arrangement. It will be objected that such an organization would be just as despotically ruled from above as the present, from which it scarcely differs in form. They would have the right to protest and appeal to the superior heads of departments, and even to the executive head of the government; the right to appeal to the courts, which would not then be dominated as now by a class antagonistic to the workers. Finally they would have the right to withdraw to other establishments or other departments of government industry, or even to such private industries and occupations as will no doubt survive under Socialism.

If there were any general and prolonged condition of injustice or hardship in any establishment of the government, this would cause a marked exodus out of this establishment or department into other industries and departments and a great reduction in the supply and a consequent great increase in the cost of labor for that department, and a corresponding marked loss of efficiency through the loss of many valuable workers. The cost of the output would be increased and the quality would deteriorate and the efficiency of this department or
establishment would suffer in comparison with others. This would be felt by the consuming public in the poorer quality of their shirts, suppose, or in their increased price, and would react very strongly and very quickly against the very heads of departments who were responsible in the first place for the injustices and hardships complained of. The public who have to suffer from inefficient and costly production in that establishment would demand a change and get it.

It will be a problem of the first importance in the Socialist republic how to distribute the multitude of ordinary occupations. Its answer is seldom attempted, and it cannot be attempted on the basis of communism or of equality of pay. Conscription for industrial service is out of the question.

In the distribution of the various occupations in the public service, public interest requires that the ablest and best fitted shall be chosen for them from any who are willing to accept the pay. The endeavor must be to secure the best by choosing from the largest possible number; and no one should be excluded save by his unfitness or unwillingness. The usual tests would be employed to determine fitness, such as mental and physical examinations, previous experience, etc. No test is final, however, but to let the applicant prove by doing the work that he is able and willing to do it.

On the other hand, the interest of the individual requires, and he can reasonably demand, that every occupation in the government service shall be open to him upon the same terms as to all others. If his opportunities are not equal to the opportunities of any other individuals, it should be only in so far as he is not equal in fitness. These interests of the individual on the one hand and of the community on the other are opposed; but they
coincide in the demand that all shall be equally eligible who are equally well qualified for the work, and no one should be excluded but by his own incapacity.

How does capitalism deal with this vitally important problem of arranging our occupations? It does not even recognize that there is a problem. By all manner of prejudice, ignorance and iniquity, individuals are forced into uncongenial tasks and surroundings, and society is deprived of the skill, and most of the art, in the beautiful words of William Morris, "is the expression of man's joy in his work." If the worker in any trade or profession discovers any other opportunities of employment for himself, it is by the merest good fortune, or by the greatest diligence in inquiring for them. In private business, the wage earners as well as the employers observe the greatest secrecy regarding the pay in their several occupations. If there is anything about their work or the pay and conditions of it of which they should be ashamed, the first step toward having the thing rectified is to have it known. Unscrupulous use of such information in private business competition makes people reticent about such matters. Only in the public service can the opportunities, pay and conditions of employment be matters of public information available to anyone who is interested enough to inquire.

A great many of us are employed in occupations we cordially dislike, even if the requirements of physical and mental health do not urgently demand a change. The thought of changing our occupations from time to time from inclination, for the perfection and full rounding of our mental and physical growth, is so far outside of the bounds of a reasonable possibility in the present capitalist system that the suggestion of it provokes a smile
of incredulity. When the individual falls, by good or ill fortune, into "that state of life to which it has pleased God to call him" he there remains stuck fast, clamped down, immovable, chained for life, until the monotonous cares and dreary routine of his existence warp and distort mind and body out of the freshness and adaptability of youth into the hideous deformities and lopsidedness of old age. This is what capitalism calls "developing individuality."

Socialism certainly must afford a greater flexibility of arrangement, permitting such occasional interchange of occupations as would be consistent with efficiency. Therefore the number and variety of occupations to choose from must be unlimited, assignment depending only upon the ability to meet requirements. The pay for each being automatically adjusted, through the free action of supply and demand, would offer the greatest material incentive in those occupations in which there is the greatest demand for workers. Any individual desiring the highest pay could get it only in that occupation in which he would do the most valuable work he could for the community. At the same time, any individual who chooses some occupation for the pleasure or improvement he derives from it without regard to the value of the services he renders to society, will have equal freedom to do so if he accepts the pay which represents the value to society of the services he renders in that occupation.

Adjustment of the pay for different kinds of work by the action of supply and demand for labor makes the problem of distributing the occupations perfectly easy. We have therefore another indication that this is the correct solution to the problem of remuneration in the fact that it makes the answer
quite obvious to this accompanying problem of distributing the occupations.

Individualism, as defined, is "the quality of being separate or individual, having individuality; personal independence of action, character or interest. The theory of government that favors the utmost social and economic liberty of the individual." By every conceivable test capitalism conflicts with the social and economic liberty of the individual. Capitalism rewards honest industry with poverty and destroys the incentive to excel. Capitalism holds out the most powerful incentives to evil, and disguises the evil so perfectly to resemble good that the difference is hardly to be distinguished and harder to analyze. Beyond blasting hope and blighting ambition, capitalism is destroying faith in the goodness of life itself; witness the alarming increase in suicides and insanity and the increasing reluctance to rear even moderate-sized families.

The capitalist pretends that it is individualism he is defending. He persists in this hideous hypocrisy too long to be merely ridiculous. Individualism is the theory of government that favors the utmost social and economic liberty of the individual, and that is Socialism.

Socialism does not involve equality of pay nor does it aim at an arbitrarily enforced social equality. Through equality of opportunity and the development of co-operative industry, with machinery under collective control, our monstrous social inequalities will be outgrown. Socialists are the only consistent defenders of private property. Socialism does not attack private enterprise. It is our only concern to abolish exploitation of labor, its employment for private advantage and for the purely selfish purpose of getting the surplus value labor creates
in excess of its wages. Private enterprise of individuals or societies under conditions that would safeguard us against exploitation could be safely encouraged even in the development of natural resources outside of the collective control. There should be no compulsion upon individuals to submit to government employ if they are not induced to do so by the greater reward due to the increased efficiency of co-operative over individual labor. The problem of remuneration under Socialism is easily disposed of. The relative pay for different kinds of work must be determined just as it is now, automatically, by the action of supply and demand. But the remuneration determined in this way cannot be just until every one is free to choose any occupation in which he can fulfill the requirements, and the conditions of all occupations are made public. Accordingly, the largest pay would be offered in those occupations which are most in demand and hardest to attain to. At the same time one would be free to choose any occupation for the pleasure or improvement of it without regard to his services to the community if he accepts the pay that represents the value of his work. Under the action of the greatly increased demand for labor, each worker would receive increased compensation representing a share of the whole product of labor the same as his share of the labor. If, in the industrial republic, there shall be a decline in the demand for labor, it will be because the desires of the laborers, being appeased by plenty, their demands decrease in the same proportion; being satisfied, they will rest in contentment from their labors, when new and greater desires will be born in the human imagination, opening new fields to conquer and tempting us to greater and nobler attainments.