

PROLETARIAN
AND
PETIT-BOURGEOIS



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Proletarian and Petit-Bourgeois.

Marxian Socialism predicates the formation of what is called the proletarian class. The process of the organization and development of that class is, in fact, the most striking phenomenon of the present industrial age, for on its organization and development depend the break up of the existing system, and the substitution for it, as a successor, of another industrial system, which for want of a better name is called socialism.

The term socialism at the present time has two distinct concepts, the one standing for the process by which the proletariat develops its political and industrial independence of the existing capitalistic regime, and the other a more or less hazy objective, which is sometimes called socialism and often the co-operative commonwealth.

We may ignore this latter as being a sort of apocalyptic vision.

How is the proletariat to obtain the supremacy?

According to Marx by the operation of two distinct processes—one, the growth of the proletariat itself, the rise and progress of class consciousness, with all the industrial and political manifestations flowing therefrom; the other, the automatic process of capitalism which necessitates ever more involved and complex industrial machinery, the coming into being, the development and the perpetuation of combinations.

This process of necessity implies the extinction of very large numbers of small competing capitalists, industrialists, and merchants, who formed the backbone of the present system in its earlier stages.

There can be no real doubt as to the correctness of the Marxian predictions with respect to capitalistic development, for we have now unquestionably the greater capitalism with all the legal and political problems which it involves. As a counterpart also we see the decline in

importance of the smaller capitalism which in its turn has in all modern communities given rise to certain very distinct and easily differentiated political manifestations.

The question thereon occurs: Is the Marxian theory of the rise of a revolutionary proletariat correct?

Unless this can be shown the whole of the revolutionary theory topples, at least as far as the socialist propaganda is concerned.

So we are brought to an examination of the proletariat itself and to a somewhat close analysis of its component parts, that we may the better appreciate the substantial power which it actually possesses, with a view of determining its possible effectiveness in a revolutionary struggle.

It will be observed that the term "revolutionary" is used in the broadest possible sense and is not confined to those physical manifestations and ebullitions which are generally the concomitants and transitory expressions of politico-social movements but which are not to be confused with the movements themselves.

The Marxian classification broadly and very satisfactorily divides modern industrial communities into three broad sections—the greater and dominant capitalism, which is practically in control; the smaller capitalism which has lost control but which stubbornly and incessantly maintains the fight against the greater capitalism, and the proletariat which is practically, so far, a negligible quantity.

The Marxian theory predicates the destruction of the petit bourgeois and the forcible thrusting of that somewhat unpleasant individual into the pit of proletarianism whence he is to come forth as an avenging angel and to repay his sufferings at the hands of the greater capitalism by the destruction of the latter.

But here we encounter somewhat of a check for the beaten petit bourgeois does not to any extent take sides with the proletarian and does not furnish that leadership and brains to the proletarian movement which it was con-

fidently expected that he would. On the other hand, the later decades have been marked by the growth of what is called "the new middle class" which is not revolutionary. Indeed, the whole Bernstein controversy which has occupied so much space and generated so much heat rests precisely on this undeniable fact.

If we look at the matter from a practical and concrete standpoint it is easily understood why this is so.

When a trust takes over the field of an industry it disposes of its opponents two ways. It buys them out and takes the best brains of the smaller industry into its own service, the rest it annihilates by sheer force of economic superiority. It is obviously true that the more vigorous portion of the petite-bourgeoisie thus assimilated by the trust does not become revolutionary. On the contrary, its interests are henceforth identified with the interests of the trust of which it has become employee.

Economically, the smaller capitalist has been crushed out by this process, he has become a proletarian in receipt of a salary. Obviously he cannot be generally described as a capitalist large or small, and, according to the Marxian idea, he ought to be ranged with the proletarian class, but, as a matter of fact, he is no proletarian. He becomes a good servant of his new master, he accepts the political views of his new master as a good servant should, and he is not to be reckoned as a force with the revolution but as a distinct acquisition to the power of his destroyer.

Besides this, large numbers of the middle class are shareholders in the greater capitalist concerns. The Pennsylvania R. R. has twenty-five thousand shareholders and the steel trust an even greater number. In fact, the capital of the great trusts rests largely upon the subscribed capital of middle-class stockholders. It is clear that the economic interests of these people are not with any other than the greater capitalism into which they have become merged.

The small fish swallowed is transformed into part of the shark, and the petit-bourgeois losing his economic identity is absorbed in the Nirvana of the greater capitalism.

With respect to the beaten small bourgeois, he does not count. There is no revolutionary effectiveness in a beaten class, and the defeated small tradesman either sinks into oblivion, buried in the slums, the cemeteries of the unfit, or perambulates the earth an uneasy ghost entirely out of place in society and tampering with reactionary politics, in the ranks of the Roosevelt pseudo-progressives or playing with the Socialist Party.

Really, this new middle class did not enter into the calculation of Marx. It could not have done so, for the economic facts of his time did not allow of such an anticipation.

He wrote in a milieu of which the dominant note was the petite-bourgeoisie, the philistines of the early Victorian era.

The great concerns were only just beginning to raise their heads above the welter of the competitive chaos. The mass of the workers, denominated proletarians, had no political representation, and had not even learned to organize trade unions on any effective scale, indeed, they were only just beginning to develop rudimentary forms of these organizations. Marx could see—and surely that is credit enough for one man—that the greater capitalism was the next order of the day, and that the proletarian class must remain as the only effective class with which a revolution could be made.

As a generalization the conclusion is correct. It remains practically unassailable in spite of the vehemence of the attacks made by the Revisionists, but it ignores a whole intermediary period through which we are passing at the present time. It leaves out of consideration the work of the petite-bourgeoisie in the political and social world; it does not take into consideration the tremendous efforts put forth by that class in antagonism to the

dominant capitalism, efforts which are distinctly reactionary, though apparently progressive, and still less does it recognize the unexpected vulgarization of the socialist party by the same petite-bourgeoisie.

The British Reform Acts as well as the development of liberalism in Europe placed the old world on a practical level with the new as regards the influence of the petite-bourgeoisie. In Europe the old aristocracy was more and more forced to make common cause with the capitalistic magnates and both landed and moneyed aristocracy, forgetting their old differences, were driven into the same fold.

The non-existence of those differences in the United States made the progress of the latter country in the direction of economic concentration more easy and the vastly greater opportunities afforded to the individual to prosper economically for a long time obscured the issue between the petite-bourgeoisie and the dominant class.

In Europe the process of bourgeois development was retarded by the complications of the fight for liberalism. On the continent that fight is still going on, though involved with the introduction of social ameliorative tendencies on a scale unknown to the liberalism of Great Britain until very recent times. But as time went on and as the inability of the small bourgeois to maintain a position on the economic field became more and more obvious, he was obliged to turn his attention from *laissez faire* of which he had formerly been the exponent to the very antithesis of liberalism, to-wit: state interference.

Thereupon he began to view with some complacency the socialist platform which by its denial of *laissez faire* and its demand for interference with those capitalistic activities which at the beginning had been the very basis of liberalism, served to offer some relief from the pressure to which he was subjected.

But it will be observed that the small bourgeois did not turn his attention to the socialism of Marx with its proclamation of the class struggle and its insistence upon

the triumph of the proletarian. That would never have done. The petit-bourgeois was by no means anxious to become a proletarian. On the contrary, his grievance was that he was likely to become one under the pressure of the great capitalism.

Thus he sought a remedy in State Socialism, or collectivism and the Fabian Society of Great Britain became his exponent. He favored attacks upon rent, profit and interest above certain amounts, inheritance taxes, and heavy land and income taxes, extension of government works, and greater governmental control of franchises, and finally a form of collectivism which contemplated the expropriation of the private owners of the so-called public utilities.

This last form of public ownership was triumphantly heralded as socialism and a propaganda was set on foot by which the political fortunes of the petite-bourgeoisie came to be linked with those of certain sections of the working class.

As a matter of fact the prevailing influence in the socialist parties has therefore been not proletarian but petit bourgeois. Even the membership has borne the mark of the small trader though somewhat of a transformation is now taking place, but by far the most influential men in the socialist movement are not members of the working class, a very curious state of things in a movement which according to its founders rests primarily upon a proletarian base.

In proof of this an analysis of the membership of the Socialist Party in the United States published in the Socialist Party Official Bulletin for April, 1909, shows the following figures: Laborers, 20 per cent; craftsmen, 41 per cent; transportation, 5 per cent; farmers, 17 per cent; commerce, 9 per cent; professional, 5 per cent; housewives, 3 per cent.

Eliminating the 3 per cent credited to housewives, it gives 77 per cent non-proletarian as against 20 per cent proletarian in the membership of the Socialist Party

itself, in which the proletarian elements might be considered to be the determining factors. It is clear that so far from the Socialist Party being a proletarian party, it is hardly a working class party, even, for the laborers and craftsmen combined only give 61 per cent as against the balance obviously and distinctly petit bourgeois.

It will be seen later, moreover, that the term working class by no means necessarily implies the term proletarian.

In fact the Socialist Party is just a rallying ground for the discontented petit-bourgeois and working class to coalesce. It is a cave of Adullam, as Robert Lowe would have called it, merely that.

It is very obvious that in this borderland we find but scant traces of that proletarianism which is to redeem the world.

II.

We now shift our enquiry to the realm of the working class.

In Marx's "Capital" we find "Productive activity, if we take out of sight its special form, viz., the useful character of the labor, is nothing but the expenditure of human labor power . . . it is the expenditure of simple labor-power, *i. e.*, of the labor power, which on an average, apart from any special development, exists in the organism of every ordinary individual. Skilled labor-power counts only as simple labor-power intensified, or rather as multiplied simple labor, a given quantity of skilled being considered equal to a greater quantity of simple labor. Experience shows that this reduction is being constantly made." (Vol. I. P. 51 Kerr's Edition.)

The differentiation between skilled and unskilled labor is therefore, according to Marx, merely quantitative. The proprietors of skilled labor have, however, persisted in regarding it as qualitative and have considered the possession of this particular species of property,

i. e., a skilled trade, as marking them off from the unskilled mass.

The trade unions were formed really in defense of the property of the particular craft in which the associated members claimed special skill. The protection is two-fold. First, against the employer, and seeks to regulate the wages and hours in the special craft, to make special arrangements with respect to the conduct of business, sanitary conditions, lighting, method of collecting wages and a host of other matters which necessarily arise in the course of the production of commodities. Second, against the unskilled mass on the outside, by the regulation of apprenticeships, both as to number and duration, the imposition of a high initiation fee, and the payment of a comparatively large sum as dues. Besides in some of the more highly specialized organizations there has always been a marked tendency to crowd out competitors even in the ranks of the unions themselves, so as to give the remainder a better hold on the jobs—in other words, greater security of property.

Protection at the hands of the employers has been sought by entering into contracts for the security of the union position during an agreed period of time, and, in the case of the more highly specialized unions, frequent conferences and gentlemen's agreements have taken place in order to prevent the outbreak of hostilities and the declaration of strikes and lockouts.

In all this it will be noted there is no approach to that revolutionary attitude on the part of the proletariat predicted by Marx; on the contrary, there is no sign of proletarianism here at all. The laborer comes on the scene, not as a proletarian, but as the possessor of a specific property, to-wit: specialized skill. This property he has more or less protected by cornering the market, and he offers this property for hire or sale just as the employer offers his property. In fact, there is a labor market and there can be no labor market without the existence of objects of exchange, that is property on both sides.

The very phrases which have accompanied the labor movement show this to be the case. "A fair day's work for a fair day's wage" is nothing but a demand that the laborer should have the price on the market for which he is willing to part with his property. "Labor has rights as well as capital"—what is this but a recognition of the property in labor power? Under circumstances in which the capitalistic control of the government has become so apparent that the unions have considered it to be essential that they should make an effort to retrieve their position by the acquisition of political power, or where the unions have grown to such an extent that their economic power naturally seeks its political expression we get political platforms which express the views of these unions. An examination of these views will show that they do not differ essentially from those of the petite-bourgeoisie but are directed to the protection of themselves in terms of the existing system and do not offer any real revolutionary tendency.

The San Francisco Labor Party platform is one in point. In it the rights of capital are fully recognized and the claim is made that under the banner of trade union political victory all classes of the community will flourish, a statement which could be made equally well by any political party. In fact, the sole attack on the union labor administration by its enemies is that it is a political effort to protect the job, to-wit, the property of the union men, to the detriment of the property of other proprietors, the merchant, the manufacturer and the small capitalist. In England, where the unionists went into politics on their own account under the name of the Independent Labor Party, the essential unity of the union man with the petite-bourgeoisie has been shown in the fact that the Independent Labor Party has become little more than an appendage of the Liberal Party. Even the German Social Democratic Party cannot be shown to be other than of the same stripe, and its success in point of numbers has lain in the political sagacity of its leaders, which has

effected the assembly of liberal elements on a large scale under the apparently revolutionary banner of socialism. Australia and other places furnish the same spectacle, and what is called the Socialist victory in Milwaukee is nothing but the triumph of the trade union property notion, as an examination of its platform will conclusively show.

So far then the unions have not made any revolutionary attack upon the existing system and the proletarianism which is to destroy it obviously does not proceed from them. Their political and even their economic action is vitiated by the recognition of their craft as a property. They make their fight against the capitalist enemy in terms of that property, and thus in terms of the present system. As if it were possible to upset a system in terms of the legal and political notions on which that system actually itself depends.

The truth of the above contention is apparent from an examination of the platform of the Socialist Party in so far as it contains the actual and practical proposals of that party apart from merely rhetorical flourishes.

It will be found to embrace demands which may be conveniently classified under the heads of collectivism; attacks upon the greater capitalism, fulfilling the aspirations of the petite bourgeoisie; and the recognition of certain legislative measures which would tend to make the path of the organized unions more easy, or at least to partially block the attack which the greater capitalism is making by judicial decisions upon the organizations.

The National platform adopted at the last National convention, and particularly the State platform of Wisconsin and also of the State of California, on which the last political contests were waged, are directly in point. You may study them carefully and fail to find anything of a revolutionary nature in them, if the high-sounding platitudes of the preambles are excepted.

We are forced then to the conclusion that so far the organized working class has not shown any marked

tendency to the revolutionary attitude of the Marxian prediction.

Are we then to abandon the Marxian revolution notion as false to historic fact and therefore untenable?

By no means, the results so far merely show that the proletarian has not yet begun to operate either in the economic or the political field. But he is here and has to be reckoned with and will in the future begin more and more completely to prove the truth of the Marxian prediction.

For, what is a proletarian? He is one who has nothing but his labor power to sell, and in addition one whose labor power is incapable of being turned into property. In that respect he is differentiated from the skilled laborer who by association has to a certain extent been able to make his craft a property peculiar to the members of that craft, and to that extent interfere with free exchange in the market in terms of his particular commodity or property. The proletarian can only profit in terms of the profit of the whole class to which he belongs.

In the statement of Marx quoted above it is said that all labor is economically reducible to unskilled labor and may be expressed quantitatively in terms of ordinary unskilled labor.

But the truth is even stronger and broader than that statement. Skilled labor is being qualitatively reduced to terms of unskilled labor. The crafts are tottering and the future of the proletariat is no longer in the hands of the aristocracy of labor but is being transformed at an ever increasing speed into those of the common labor masses.

This comes about by the natural process of the economic system and the development of industrialism itself. The element of individual skill, which is the fundamental underlying base of the craft and upon which the craftsman relies for his superiority over unskilled labor, is being rapidly obliterated. Standardization and

the control of technical processes which become more and more perfect with the increasing knowledge of scientific laws and mechanics fling the craftsman in ever increasing numbers upon the scrap heap and confiscate his precious possession, his particular little piece of property.

The present system which is the great confiscator of property and which in the name of preserving property rights destroys all inferior property rights, has him in its clutch and he has to go the way of the small bourgeois. He cannot save himself.

Every strike proves his position to be more and more precarious. The scab becomes more and more of a terror to the skilled laborer, even to the highly skilled laborer, for the scab can so much the more readily now take his place. It is not difficult to learn to operate the mechanism of modern production, and a few weeks of employment of men who began in total ignorance of an industry are sufficient to make those men competent to run an industry effectively enough, at least, to destroy any chance of the success of the strike.

The scab is for the most part an unskilled laborer. Against him the craftsman contends in vain and he has no real ground of appeal to him. For has not the craftsman looked down upon him hitherto as a person possessing no specialized trade and therefore no property and has he not also on these grounds forbidden him the advantages of unionism?

The unskilled man takes the place of the skilled one. If he does so in the iron trade today he will do so in the building trade tomorrow. In fact he will invade any trade where men are required and he stands a chance of making even an uncertain living.

A force even more powerful in the break up of the crafts than the progress of mechanism is the other factor on which Marx counted, the process of capitalist development itself.

The formation of the great concerns has broken

down the dividing lines of the crafts and has transcended the old form of organization of industry in accordance with which the craft organization was formed. The small competing capitalist engaged in a specific and narrow part of the process of industry has been displaced by the combination of crafts which go to make up an industry.

The result upon unionism is not difficult to see. The striking craftsman finds himself confronted not by competing craft employers but by an entire industrial capitalistic organization in which the enormous resources of the combined industry are pitted against the feeble efforts of the craft. It is impossible except in very unusual circumstances for the craft to be able to meet the situation. It opposes to the united strength of the employers only such resources as it can bring to its aid under the circumstances of the particular case, and the result has been, in the majority of recent cases, crushing defeat. Then the craft organization, seeing that its property is gone, and desperate at the loss of that which it has relied upon as the only means of saving it from the pit, becomes angry, and the violence which is inseparable from strikes of this character supervenes.

It is obvious that the craft union is an individualistic manifestation. Now, physical violence is, as it always has been, the last resource of baffled individualism. To the absolutism of the trust the craftsman replies, as does the thwarted Russian revolutionist to the absolutism of the Czar, and the results are very much the same. Now and again the world is shocked by happenings in the trade union world, but the absolutism persists, just as in Russia, because there is no effective social attack upon it and because ineffectual acts of violence have precisely the same effect in trade disputes as in Russian politics of alienating public sympathy from the rebel, and strengthening the public belief that after all absolutism is the only protection from anarchy.

The craft unions are thereupon compelled to look in

another direction and to turn their eyes towards industrial unionism as a remedy. Louder and louder the demand arises that the only way in which the working class can expect to achieve progress in face of the odds which confront it is by organization in terms of the capitalist industry, and that means the practical elimination of the crafts, as protectors of special property interests.

That this question is becoming one of first class importance even in the Socialist Party is to be seen from the following extract from a recent article by Eugene V. Debs. The tone of impatience with the present attitude of the Socialist Party will be readily noted:

"Voting for Socialism is not Socialism any more than a menu is a meal.

"Socialism must be organized, drilled, equipped, and the place to begin is in the industries where the workers are employed. Their economic power has got to be developed through efficient organization, or their political power, even if it could be developed, would but react upon them, thwart their plans, and all but destroy them.

"Such organization to be effective must be expressed in terms of industrial unionism. Each industry must be organized in its entirety, embracing all the workers, and all working together in the interest of all, in the true spirit of solidarity, thus laying the foundation and developing the superstructure of the new system within the old, from which it is evolving, and systematically fitting the workers, step by step, to assume entire control of the productive forces when the hour strikes for the impending organic change.

"Without such economic organization and the economic power with which it is clothed, and without the industrial co-operation, training, discipline and efficiency, which are its corollaries, the fruit of any political victories the workers may achieve will turn to ashes on their lips."—International Socialist Review, January, 1910.

That the period when trade unionism, by which of course is meant craft unionism, could be considered a

menace to the existing capitalist institution is past may be gathered from the following statement from a speech delivered before the Quill Club of New York by Mr. Paul Morton, President of the Equitable Life Insurance Company:

"The real object of a labor union should be the true and ultimate welfare of labor, of the employer, and of the country in which it does business. I am a great believer in organized labor, but it is a big mistake to misdirect itself by attempting to bring a good man down to the level of a poor man. Its aim should be to encourage the man who wants to work and who is efficient, and to undertake to educate the inferior man to become as good as the best and thereby increase the production of its organization as a whole. Personally, I think it should stand for and not discourage piecework. Organized labor and organized capital should both stand for efficiency and do everything possible to create wealth. I am sure there is no sensible man who will not entirely approve of a labor organization which has efficiency as one of its chief reasons for existing. Without co-operation between labor and capital we cannot meet the competition of the world."—*Outlook*, January 7th, 1911.

As a commentary on the above the following extract from the speech of Warren S. Stone, Grand Chief of the International Brotherhood of Locomotive Engineers, is interesting. The speech was made at the last meeting of the Civic Federation on January 12th, 1911:

"Let me warn those who are attacking labor unions that they are attacking the greatest bulwark standing today between property rights and a wave of anarchy like that of the bloody commune which will sweep over the land if the radical spirits get control of American labor."—*New York Call*, January 13, 1911.

When the greater capitalist finds approval for the craft union it is obvious that the latter can no longer be regarded as a very serious protagonist of labor.

It has ceased to have fighting capacity because that for which it seeks to fight is already doomed.

A new form of organization is taking its place. This new form, called Industrial Unionism, implies more than the possession of a more effective weapon by the working class.

In fact the advent of industrial unionism brings us back to the fundamental Marxian thesis which was the starting point of our discussion.

III.

The new unionism is of necessity a revolutionary manifestation. This appears from an examination of its necessary structure.

It must include all the various kinds of labor required in a specific industry; labor of every kind which contributes to the production of the commodity for the making of which the industry exists; all the various factors which combine to form the marketable object.

By all the kinds of labor we do not mean merely all the crafts, but in addition factors which have been overlooked in the organization of crafts—factors which appear at each end of the productive apparatus—at the one end, clerks, salesmen, stenographers, telephone operators, telegraphers, and all the non-handworking staff which is essential to the practical handling of a great business, and at the other end the unskilled laborers who are equally essential but so far unorganized and unrecognized.

Both of these factors have been neglected by the trade union or rather have failed to come into the realm of operation of the union.

The former the union has so far been practically unable to affect, because, not being hand workers, they have looked down on the unions; the latter, the union has neglected because, not being craftsmen but merely unskilled hands, they have not been considered worthy of the recognition of the union.

Hence each industry has and now consists of a core of organized mechanics and operatives, surrounded by a rind of unorganized, and in the last resort the juice is squeezed out of the organized core through the unorganized rind.

It must be remembered also that even this organized portion is not a homogeneous body, and that even the crafts are not organized in terms of the industry in which they operate, but are separate entities. None can be brought to the assistance of its neighbor without much delay and the solution of involved jurisdictional questions. Consequently, we see the craft, even the highly skilled craft, engaged in a protracted struggle, expending money which it can ill afford and finally yielding to the greater force or even if it is able to secure such a compromise as enables the leaders to advertise a victory it is at such expense as to be a Pyrrhic victory.

The plan generally followed is to determine what amount of strike pay can be given to the men who come out and having settled that this strike pay can be found for at least a time to declare a strike.

Thenceforward the process follows a routine. The strikers picket, the employer imports scabs; physical conflicts arise which necessitate the employment of the police. Both sides engage a corps of lawyers. The scabs start up the industry. The unions keep on paying strike pay. Finally, one of two things happens, either the employer, by reason of the interruption to his business loses valuable customers and his business is attacked by competitors so that he is compelled to make terms, or the strike pay gives out and the striking union men are driven to return to work. It will be observed that the former alternative is less and less likely to occur with the growing concentration and the extinction of competition between employers.

All this time men not belonging to the crafts actually engaged in conflict go on with their work. I have known a building struck by one craft which picketed the build-

ing, and all the time the members of other crafts, each man with a union card in his pocket, have walked every morning past the pickets of the striking craft and gone to work on the building which was so picketed.

A more advanced form of trade organization would combine the crafts on that building and then all the crafts would go out on strike. That result has been achieved and so far progress has been made in certain industries. But the unskilled laborers are unorganized. Therefore, the unskilled swarm upon the task and complete it. With the present development of the machine industry it is quite possible to do this; though of course more expensive to the employers and in many ways not so satisfactory. These drawbacks, however, will gradually disappear in face of the machine industry, the further elimination of craft distinctions and the general progress of technique in production. This last consists in the constant subdivision of mechanical processes and a tendency to the repetition of monotonous acts even more easily and quickly learned by the average man without specialized skill.

Everything then combines to place the unskilled laborer in the strategic position in the labor struggle. He becomes the one vital factor without which no victory in the fight between the laborer and the capitalist can be won. He who has the unskilled laborer has the victory. If the employer is able to call to his aid the legions of the unskilled and unorganized his victory in the struggle is practically assured to begin with. If organized labor on its part can secure the unskilled its triumph becomes an assured fact.

The foregoing is simply explanatory of the statement that industrial unionism of necessity predicates the organization of the unskilled.

The organization of the unskilled in the industrial union at once places that class of labor in control of the situation. It can dislocate an industry whenever it chooses to do so. It can practically dictate the terms on

which the so-called skilled trades must operate. Since it is largely migratory in character and is used to the ebb and flow of demand lack of employment does not have the same terrors for its members; it can manage without strike pay, and by frequent strikes of short duration can inflict a vast amount of damage upon the enemy without much suffering to itself. Indeed, in France, where the organization of the unskilled is being so effectively carried out by the Syndicalists, the long strike has become almost extinct. To win or lose in two weeks and go back with the organization intact is the aim of the leaders. The superiority of this method over the old-fashioned long fought out struggle with the suffering of families and the expenditure of strike pay is obvious. Industrial conflicts tend to become shorter and sharper.

The unskilled laborer of today is the pure Marxian proletarian; he has nothing but his labor power to sell, and his labor power cannot by any possibility become property in any sense. He closely approximates to the definition in the Communist Manifesto.

"The proletarian is without property; his relation to his wife and children has no longer anything in common with bourgeois family relations, modern industrial labor, modern subjection to capital, the same in England as in France, in America as in Germany, has stripped him of every trace of national character. Law, morality, religion are to him so many bourgeois prejudices, behind which lurk in ambush just as many bourgeois interests."

It is, of course, impossible in the course of a short paper to examine the testimony from which the above conclusions are reached. It may be noted in passing, however, that the unskilled laborer is not as a rule a voter; he can seldom stay long enough in one place to acquire residence. He is still more seldom a property owner, as so many of the craftsmen are, whose property represents so much impedimenta in the event of a strike, for it usually consists of a partly paid-up contract for the purchase of a house and lot. Owing to the present re-

strictions upon citizenship an ever increasing number of the unskilled must remain aliens, for it is very difficult even for a craftsman to find witnesses covering a period of five years and it is next to impossible for an unskilled laborer to do this.

The separation between the rest of the community and the unskilled laborer is therefore practically complete. His class stands as a permanently outlawed class. He has no part or lot in the existing social system. The occasions when he is interested in the present system are when he comes into collision with it and the officers of the law inflict every indignity upon him and render his necessary migration through the land as difficult and as dangerous as possible.

It will be noted that we are not speaking here of tramps or derelicts, of the social detritus which is continually being thrown off into the fetid pools of professional trampdom and of crime. This derelict or slum element is quite another factor with which we have no present concern. The unskilled laborers referred to are those who do the rough work of the world; who work hard where opportunity for work is afforded; who fill the contract camps and mines, harvest the grain and perform the thousand and one tasks upon which we are dependent, and who form the definite and indispensable substratum of every industry.

The theory in the United States at least is that such employment is permanent only for the unfit; that the best elements graduate out of it into more remunerative toil. The former history of the country goes far to establish that belief. But it is no longer tenable in face of the facts. The appropriation of the public lands, the practical closing of opportunity, the degradation of the crafts in face of the consolidation of industry, all tend not only to shut the avenue of escape for the unskilled laborer but to greatly increase his numbers.

This mass is already beginning to show signs of independent life. It is not waiting to be organized from

above, it is trying to organize itself. Slowly and painfully it is trying its limbs and exercising hitherto unused functions. Within a few months that portion of the population which has been regarded with scorn and which has been considered unworthy of recognition by the regular organized trades has made McKees Rocks, Spokane, Lawrence, Little Falls, Canadian Northern, Paterson, Mesaba Iron Range, Fresno and Everett historic names in the American labor movement. The Industrial Workers of the World may be regarded as the first definite step in the organization of the real proletariat.

With the advent of the unskilled into the ranks of organized labor there can be no further blinking or obscuring of the real point at issue between the capitalist and the laborer.

The unskilled laborer knows without any telling that he is exploited at the point of production. No question of taxes can help him, municipalization or nationalization is no remedy for his ills, no scheme of municipal or other reforms can meet the circumstances of his case.

He challenges the whole structure of modern society at its base, the contract of employment. He matches his no-property against all the property of the dominant class, his no-law against the law of the industrial and commercial masters, his ability to starve against all the resources of civilization.

When the unskilled laborer enters the fight he drags the rest of the crafts after him. They must take up his fight. Even the respectable petit-bourgeois socialist must dance to his tune, as is seen in the French chamber where the Socialist representatives vigorously took up the cudgels for Durand, the syndicalist, unjustly sentenced for the killing of a scab.

What is still more remarkable he, by means of the industrial union, builds up a society within society, an "imperium in imperio." He consolidates and harmonizes every branch of wage labor in the industry, until should he declare the present owners expropriated the industry

would go along its accustomed course in the hands of the industrial organization without any shock or jar to the rest of us.

So the fullness of time and capitalistic development have at last brought about the Marxian proletariat.

Time, however, the great dispeller of illusions, has wrought its effect upon the mind of that proletariat. No longer will it satisfy itself with the belief that parliamentary action will bring the relief which it so earnestly deserves. On the contrary it grows more and more distrustful of mere parliamentarism. It has learned the lesson that political power is merely the reflex of economic power, and that political advantage can only be had through economic superiority; that there is no road to power save through the "will to power" and all that that implies.

The proletariat, which is just entering the ring as a contestant for the mastery of the modern world, comes equipped with the knowledge that its victories are not to be won by the babblings of public men and the intrigues of political place-hunters, but by stern conflict on the industrial field and by ceaseless and relentless war upon those whom it must expropriate.

What Comes of Playing the Game.

By Charles Edward Russell.

A proletarian movement can have no part, however slight, in the game of politics. The moment it takes a seat at that grimy board is the moment it dies within. After that it may for a time maintain a semblance of life and motion, but in truth it is only a corpse.

This has been proved many times. It is being proved today in Great Britain. It has been proved recently and most convincingly in the experience of Australia and New Zealand.

In Australia the proletarian movement that began eighteen years ago has achieved an absolute triumph—in politics. Under the name of the Labor Party it has won all that any political combination can possibly win anywhere. It has played the political game to the limit and taken all the stakes in sight. The whole national government is in its hands. It has attained in fullest measure to the political success at which it aimed. It not merely influences the government; it is the government.

To make the situation clear by an American analogy, let us suppose the Socialists of America join hands with the progressive element in the labor unions and with the different groups of advanced radicals. Let us suppose a coalition party to be formed called the Labor Party. Let us suppose this to have entered the state and national campaigns, winning at each successive election more seats in Congress, and finally, after sixteen years in conflict, electing its candidate for President and a clear majority of the Senate and House of Representatives. This would be admitted to be the summit of such a party's aims and to mean great and notable success; and it would closely parallel the situation in Australia.

Exactly such a Labor Party has administered the affairs of Australia since April, 1910. Its triumph was the political success of a proletarian movement that was steered into the political game. What has resulted?

This has resulted, that the Labor Party of Australia is now exactly like any other political party and means no more to the working class except its name. Constituted as the political party of that class, it has been swept into power by working class votes, and after almost a year and a half of control of national affairs it can show nothing more accomplished for working class interests than any other party has accomplished. The working class under the Labor Party is in essentially the same condition that it has been in under all the other

administrations, nor is there the slightest prospect that its condition will be changed.

In other words, the whole machine runs on exactly as before, the vast elaborated machine by which the toilers are exploited and parasites are fed. Once in power, the Labor Party proceeded to do such things as other parties had done for the purpose of keeping in power, and it is these things that maintain the machine.

On the night of the election, when the returns began to indicate the result, the gentleman that is now Attorney General of the Commonwealth was in the Labor Party headquarters, jumping up and down with uncontrollable glee.

"We're in!" he shouted. "We're in! We're in!"

That was an excellent phrase and neatly expressed the whole situation. The Labor Party was in; it had won the offices and the places of power and honor; it had defeated the opponents that had often defeated it. It was "in." The next thing was to keep in, and this is the object that it has assiduously pursued ever since. "We are in; now let us stay in. We have the offices; let us keep the offices."

The first thing it does is to increase its strength with the bourgeoisie and the great middle class always allied with its enemies. To its opponents in the campaigns the handiest weapon and most effective was always the charge that the Labor Party was not patriotic, that it did not love the dear old flag of Great Britain with the proper degree of fervor and ecstasy; that it was wobbly on the subject of war and held strange, erratic notions in favor of universal peace instead of yelling day and night for British supremacy, whether right or wrong—which is well known to be the duty of the true and pure patriot. This argument was continually used and had great effect.

Naturally, as the Labor Party was now in and determined to stay in, the wise play, indicated in the game upon which it had embarked, was to disprove all these

damaging allegations and to show that the Labor Party was just as patriotic as any other party could possibly be. So its first move was to adopt a system of universal military service, and the next to undertake vast schemes of national defense. The attention and admiration of the country were directed to the fact that the Labor administration was the first to build small arms factories, to revise the military establishment so as to secure the greatest efficiency and to prepare the nation for deeds of valor on the battlefield.

At the time this was done there was a crying need for new labor legislation; the system or lack of system of arbitrating labor disputes was badly in need of repairs; workingmen were being imprisoned in some of the states for the crime of striking; the power of government was often used to oppress and overawe strikers, even when they had been perfectly orderly and their cause was absolutely just. These, with many other evils of the workingman's condition, were pushed aside in order to perfect the defense system and get the small arms factories in good working order, for such were the plain indications of the game that the Labor Party had started out to play. "We're in; let us stay in."

The next thing to attest properly the true spirit of patriotism that burned and throbbed in the Labor Party was to send the Prime Minister and eighteen members of Parliament, at public expense, to the coronation puppet show. The Prime Minister was, in fact, one of the bright ornaments of that precious occasion, and was universally admired as he pranced around in knee pants and other regalia. He is by trade a steam engineer, and for years lived by the work of his hands. He was said greatly to enjoy the gew-gaws of the occasion. I do not know whether this is true, but certainly he presented a sad and humiliating spectacle as a representative of the working class, and one that would never have been offered to the world except for the necessity of "playing the game." It would have been bad politics for the

Labor Party to have appeared in the least indifferent to the childish and silly tricks of the coronation; hence it must leave nothing undone to show its loyalty, lest our enemies get ammunition to use against us and we shall not be able to stay in. Nothing more absurd and degrading can be imagined than the participation of any Labor Party in such a spectacle, but such are the conditions of this game. If you start in to play it you must play it, and you must play it in the way that will win.

Meantime there remains this awkward fact about the condition of the working class. It is no less exploited than before. It is as far, apparently, from the day of justice under the rule of the Labor Party as it was under the rule of the Liberal Party. What are you going to do about that? Why, there is nothing to be done about that as yet. The country, you see, is not ready for any radical measures on that subject. If we undertake to make any great changes in fundamental conditions we should be defeated at the next election, and then we should not be in, but should be out. True, the cost of living is steadily increasing, and that means that the state of the working class is inevitably declining. True, under the present system power is steadily accumulating in the hands of the exploiters, so that if we are afraid to offend them now we shall be still more afraid to offend them next year and the next. But the main thing is to keep in. We're in; let us stay in.

Hence, also, the Labor administration has been very careful not to offend the great money interests and powerful corporations that are growing up in the country. These influences are too powerful in elections. Nothing has been done that could in the least disturb the currents of sacred business. It was recognized as not good politics to antagonize business interests. Let the administration keep along with the solid business interests of the country, reassuring them for the sake of general prosperity and helping them to go on in the same safe, sane and conservative way as before. It was

essential that business men should feel that business was just as secure under the Labor administration as under any other. Nothing that can in the least upset business, you know. True, this sacred business consists of schemes to exploit and rob the working class, and, true, the longer it is allowed to go upon its way the more powerful it becomes and the greater are its exploitations and profits. But if we do anything that upsets business, or tends to disturb business confidence, that will be bad for us at the next election. Very likely we shall not be able to keep in. We are in now; let us stay in, and have the offices and the power.

Therefore it is with the greatest pride that the Labor people point out that under the Labor administration the volume of business has not decreased but increased; the operations of the banks have shown no falling off; they are still engaged as profitably as of yore in skinning the public; the clearings are in an eminently satisfactory condition; profits have suffered no decline; all is well in our marts of trade. The old machine goes on so well you would never know there had been any change in the administration. Business men have confidence in our Party. They know that we will do the right thing by them, and when in the next campaign the wicked orators of the opposition arise and say that the Labor Party is a party of disturbers and revolutionists we can point to these facts and overwhelm them. And that will be a good thing, because otherwise we might not be able to keep in. We're in; let us stay in.

So stands the case in Australia. But if anyone says to me that the heart of the trouble is some defect in the men that are the leaders of the Australian Labor Party, I deny it. There are no leaders of the Australian Labor Party in the sense that American politics understands leaders. Whoever comes to the front in the affairs of the Australian Labor Party is chosen by a free vote of the members of that Party and has not pushed himself to the front in the manner to which American politicians

are accustomed. And as for the men that hold cabinet positions in the Labor administration, and therefore may be regarded as chiefly the advocates of the policy I have here outlined, if we think that these men are at fault we shall make the greatest possible error. There are no better men anywhere. Their sincerity is beyond question. They believe absolutely in working class government, they are personally above reproach, they represent a class of public men that for flawless honesty and purity of purpose is almost unknown in American public affairs; I wish we had a thousand like them in our government this day.

Nor is there any question about their ability. They are among the ablest of all executives. Every one of them, when he came into office, gave a notable example of efficiency by studying, simplifying and improving the operations of his department. The fault is not with their convictions nor with their intellectual resources. The trouble is with the game that they started out to play. That game has always these results and no others. Whosoever starts to play it must play according to the rules, and these are the rules. You sit at the grimy board to win. If you win you can win in but this way, by continual compromise and by continual sacrifice of your principles.

Most of these men are Socialists. One of them, Senator George H. Pearce, now the able and efficient Minister for Defense, once delivered in my hearing the clearest and most concise exposition of the fundamental principles of Socialism that I have ever heard anywhere. They are convinced Socialists and they will tell you that their ultimate ideal is the Co-operative Commonwealth—when the people are ready for it. And yet, sincerely and truly believing in the Socialistic theory, they proceed to play the Capitalists' game, because they must play that game to keep in. We're in; let us stay in.

Meantime, how has the cause of Socialism progressed in Australia? Not at all. I would by no means dis-

parage the efforts of the band of clear-sighted and able men and women that in Australia and New Zealand steadfastly insist upon the truth that nothing will ever be won by palliatives; but the great working population, carried away by the idea of winning political victories, is so far indifferent or hostile toward the only movement that can really accomplish anything. I know of but one other country in the civilized circuit where Socialism is so dead. The full attention of the proletariat is centered in the political success of this Labor Party. It will give no heed to anything else, and the few men that with clear vision and inspiration continue to insist that the only way to emancipate the working class is to emancipate it are like the voice of one crying in the wilderness. If the capitalists had designed the very best way in which to perpetuate their power they could not have hit upon anything better for themselves than this. It keeps the working class occupied; it diverts their minds from the real questions that pertain to their condition; it appeals to their sporting instincts; we want to win, we want to cheer our own victory, we want to stay in; this is the way to these results. And meantime the capitalists rake off the profits and are happy. We are infinitely better off in the United States. The Labor Party of Australia has killed the pure proletarian movement there. At least we have the beginnings of one here. If there had been no Labor Party there would now be in Australia a promising working class movement headed towards industrial emancipation. Having a Labor Party, there is no such movement in sight.

I said a moment ago that there is but one other country in the civilized circuit where Socialism is as dead as it is in Australia. The other country is New Zealand, where the game has been played as assiduously as in Australia and with identical results.

Here is the one spot on earth where the proletarian movement ought to be the strongest, and where it is, practically speaking, the weakest.

New Zealand was the first country where the workmen recognized something of their power, the first country where the labor union was made a part of the government, the first to try to deal adequately with problems of factory conditions and hours of employment, the first to seek a peaceful solution of the problem of the strike.

Having made years ago so excellent a start, it is discouraging to find that the pristine spirit died out so early; that in these days the first concern of the working class seems to be the figures of the ballot box; and that, while the country has gone over wholly into the control of the capitalists, the workman now gets nothing from his government but an elaborate confidence game and swindle.

In the face of injustice and governmental oppression as bad as anything we know in the United States and somewhat worse, there is no more revolt in the New Zealand proletariat than there is in so much putty. It has been hypnotized by the political game.

Year after year the wily gentlemen that hold the offices and rake off the good things in that country assure the workmen that they are better off than the workmen anywhere else in the world, and then fasten their minds on the Punch and Judy show of an election that, however it may result, can mean nothing to any toiler except the right to carry a banner in a parade and cheer on the streets on election night.

Nearly twenty years ago the working class of New Zealand went into politics as a game and won the nominal control of the country's affairs. A telegraph operator forgot all about his fellow workers when he got a cabinet office and accepted knighthood. The carpenters, masons and journalists that led the first movement lost sight of the real labor question as soon as they began to scheme and dream about getting office and keep it. After twenty years of government by the Labor

Liberal combination, the telegraph operator, now became Prime Minister, slips over to Great Britain a present of a Dreadnaught battleship, taxes every man, woman and child in the country ten dollars to pay for the gift, and then parades England in the glory of his achievement. Meantime the condition of the workingman, absolutely and relatively, is worse than it has ever been; the government placed in power and held there by workingmen's votes gives to them such treatment as you would expect from a member of the National Manufacturers' Association; and a man that preaches the social revolution among them is looked upon as a strange, weird beast. What do we want of a social revolution? There is an election next year, and if you talk like that you may injure the chances of our candidate. People are not ready for that sort of thing, you know, and we must be practical.

Practical—that is a good word, especially in New Zealand. In that country striking has been made practically a crime; a man that engages in a strike (except under the impossible conditions laid down by the government) can be thrown into jail for that mere act alone. This is the express and practical provision of the statute and there is no protest against it from the working class.

In New Zealand the government operates a coal mine, wherein it exploits its workers and extorts from them more labor than private mine owners get; and the working class makes no protest against that.

Men have engaged in a just and necessary strike, and to punish them their homes have been invaded and the sewing machines and little personal belongings of their wives have been seized and confiscated; and the working class accepts that.

The system of compulsory arbitration is now being worked by the capitalist class to keep down wages in a country where the cost of living rapidly increases; and the working class endures that.

For some years almost every important issue has been decided by the arbitration court against the toiler; and the working class endures that.

The government is plainly in alliance with the exploiting corporations, upholds the steamship trust, the coal trust, the bank trust, the fish trust, the oil trust, and many other trusts, and although this is perfectly apparent to any observer, the working class submits to it.

To make any protest and to urge the pure proletarian movement would not be to the advantage of our party or our candidate. People are not ready for such things yet. If we take an advanced position we shall not be able to carry the election.

In New Zealand, as in Australia, all workingmen continue to create wealth but do not possess the wealth that they create. They continue to toil for the pleasure and aggrandizement of the masters. They continue to live under a system that enables idlers, parasites and cogging knaves to ride pleasantly upon the toilers' backs; a system that makes the poor poorer and the rich richer; that places a premium on dishonesty and penalizes virtue; a system so ingeniously contrived in deviltry that the greater the efficiency of the worker the greater the amount of which he is robbed. They continue to live under this system and to have no means of protest against and no present hope of relief from it, although they know that it condemns four men in every five to existence below a rational standard of food, shelter, comfort, leisure and opportunity. They see, or can see if they but look around them, that every year the forces that establish and maintain these evils become more powerful in their country and that the difficulty of ever dislodging them becomes greater, and against all this they have no means of revolt and no impetus thereto, because they have been bedeviled by the game of politics. They want to elect this man or defeat that, and they entirely lose sight of the only thing in the world that is of real importance to them or to any of us, and that is the

destruction of the wage system and the emancipation of the working class.

You say: Surely it was something gained in New Zealand to secure limited hours of employment, to have sanitary factories, clean luncheon rooms, old age pensions, workingmen's compensation. Surely all these things represented progress and an advance toward the true ideal.

Yes. But every one of these things has been magnified, distorted and exaggerated for the purpose and with the result of keeping the workingman quiet about more vital things. How say you to that? Every pretended release from his claims has been in fact a new form of tether on his limbs. What about that? I should think meanly of myself if I did not rejoice every time a workingman's hours are reduced or the place wherein he is condemned to toil is made more nearly tolerable. But what shall we conclude when these things are deliberately employed to distract his thoughts from fundamental conditions and when all this state of stagnation is wrought by the alluring game of politics?

I cannot help thinking that all this has or ought to have a lesson for the Socialist movement in America. If it be desired to kill that movement the most effective way would be to get it entangled in some form of practical politics. Then the real and true aim of the movement can at once be lost sight of and this party can go the way of every other proletarian party down to the pit. I should not think that was a very good way to go.

When we come to reason of it calmly what can be gained by electing any human being to any office beneath the skies? To get in and keep in does not seem any sort of an object to anyone that will contemplate the possibilities of the Co-operative Commonwealth. How shall it profit the working class to have Mr. Smith made sheriff or Mr. Jones become the coroner? Something else surely is the goal of this magnificent inspiration. In England the radicals have all gone mad on the subject

of a successful parliamentary party, the winning of the government, the filling of offices and the like. I am told that the leaders of the coalition movement have already picked out their prime minister against the day when they shall carry the country and be in. In the meantime they too must play this game carefully, being constantly on their guard against doing anything that would alarm or antagonize the bourgeoisie and sacred businesses and telling the workers to wait until we get in. I do not see that all this relieves the situation in Whitechapel or that any fewer men and women live in misery because we have a prospect of getting in.

Furthermore, to speak quite frankly, I do not see where there is a particle of inspiration for Americans in any of these English speaking countries. So far as I can make out the whole of mankind that dwells under the British flag is more or less mad about political success, parliament and getting in. They say in New Zealand that the government can make a conservative of any radical, if he threatens to become dangerous, by giving him some tin-horn honor or a place in the upper chamber. In England we have seen too often that the same kind of influences can silence a radical by inviting him to the king's garden party or allowing him to shake hands with a lord. I do not believe we have anything to learn from these countries except what to avoid. And I do not know why we should not look for an American ideal in Socialism that will listen to no compromise, play no games in politics, care nothing for temporary success at the polls; seek to elect no particular individual to any office, never lower the standard, look beyond the skirmishes of the day, and following unhesitatingly and confidently the one ideal of the emancipation of the working class as the only object to which it will pay any attention.

Socialism or nothing. If this cause of Socialism is worth believing in it is worth following to the end without compromise. Either it is the greatest boon, incom-

parably, that ever was dreamed of for the human race, or we are a lot of lunatics. If it is what we believe it to be, then what shall we gain for it by compromise or coalition or turning for one moment from the ultimate goal? All the offices in the world—what are they worth compared with putting an end to wage slavery?

THOSE WHO OWN AND THOSE WHO WORK.*

By Scott Nearing.

Those who own and those who work face each other. The worker demands a return for his work. The owner demands a return for his ownership. The rapid growth of property values during recent years has accentuated and emphasized the conflict between work and ownership. On the one hand, are the people who devote their time and energy to the production of wealth. On the other hand are the people who own income-yielding property. The workers receive a wage or a salary; the owners receive payments of rent, interest and dividends. Many of the workers are growing clamorous over "human rights." The property owners, persistent, and ever watchful, urge the "rights of property." The time has come when the claims of the contending interests must be analyzed and understood.

A clearer idea of the points at issue will be assured if the term "property income" is applied to the returns that accrue from ownership and the term "service income" is applied to the returns that accrue from the expenditure of time and energy in the rendering of service. All regular income owns its origin to one of these two sources.

The owners of property bulwark themselves with certain prerogatives that have proved of the greatest impor-

*This same line of argument and much of the following material will be found in "Income," Scott Nearing. The Mac-Millan Company, Chapter 7.

tance in the conservation of property interests. Speaking broadly, there are four characteristic features of the shares of income which are derived from the ownership of property. First, property income enjoys priority in its claims upon the proceeds of industry. Second, the vicissitudes of industry affect property income less sharply than they affect service income. Third, income-yielding property exhibits a tendency to concentrate in the hands of a small fraction of the people. The total effect of these characteristics of property income is stupendous. The priority, regularity, permanence and concentrability of property income combine to place the owners of modern income-yielding property in a position of economic security that surpasses the dreams of past ages.

Those who are giving their time and energy to the production of wealth, face the fact that property rights have been so construed as to give property owners a first claim on production and to make property income a fixed charge on the industry of the community. This priority of claim has played a leading part in raising property to a position of supremacy in the economic world.

The risks of industry, the burden of economic uncertainty, and the losses incident to the dislocations of the industrial systems are carried in the first instance by labor. The first appearance of hard times is followed by a decrease in the working force. The least curtailment in orders leads to part-time work. Wage rates are not cut—that method is crude and disastrous—but men and women are laid off temporarily or permanently. Bonds still draw their interest; the dividends are paid on stocks; and labor waits for a job. The defender of property income will say at once,—“If there is nothing to do, why pay labor?” The counter question is obvious. “If there is nothing to do, why pay capital?” “Ah,” responds the propertied interests, “you can get rid of the laborer by firing him, but the investment still stands.” That answer carries the essential distinction in priority between the

position of the property owner and of the worker. Mines, railroads, factories, and machinery, cannot be laid off. Through good times and bad, they are a fixed charge, unless the business wishes to face bankruptcy proceedings. The most important obligation of a modern business is the interest on its bonded debt. Wages and salaries may stop, but interest on bonds must continue if the business is to remain solvent.

Thus land owners, the owners of bonds and mortgages, and in late years, the owners of stocks as well, have saddled their property ownership claims on society. They are possessed of the vitals of present-day economic life. Armed with title deeds to natural resources and to machinery alike, they are in a position to dictate terms to the remainder of mankind. Before a tree can be cut or a ton of coal mined; before a wheel can turn or a locomotive speed along the steel pathway; before a wage-earner can raise a hand to labor for himself and his family, the proper owners must be assured that they will receive a specified rate of return on their holdings.

Society, for the use of the earth which was here before our forefathers came, and for the use of the machinery of production which the people of America have spent three centuries in building, must pay a royalty, or tax, to the owners of land of machinery. The method by which the owners came into possession of this property is scarcely brought into question. As owners, they are entitled to the first fruits.

The point is well illustrated by an analysis of the way in which periods of prosperity and of adversity affect the shares of income. First, take railroad earnings. During a good year, a regular rate—say 5 per cent.—is paid on bonds. The earnings being high, a dividend of 8 per cent is paid on the stock. The general run of wages and salaries remains the same, although they are increased in a few departments. A bad year ensues. The interest on the bonds is paid at the same rate as in a good year. Earnings are low, therefore

the dividends on the stock are cut from 8 to 5 per cent. There are less freight and fewer passengers to carry. No new construction work is undertaken; therefore, a quarter of the railroad employees are dropped from the pay rolls. No reduction is made in wages; the wage earner is simply denied the opportunity to earn a living. Interest must continue, else bankruptcy ensues. Dividends may be, and frequently are, cut or passed. Earnings for a considerable proportion of the employees stop absolutely. In other industries, such as textile manufacturing and coal mining, instead of dismissing employees, the establishment is worked two or three, or perhaps four days a week during bad times. The interest on the bonds is, of course, paid. Dividends on the stock may be passed or paid out of surplus. Wages are decreased by the simple methods of part-time work. In short, the incorporation of industry, involving the issue of stocks and bonds, creates a situation in which, during periods of adversity, the chief burden is borne by the employees; and year in and year out, through adversity and prosperity, interest is paid to bondholders. Exactly the same thing is true of the rent of land. In good years and bad years alike, the tenants must pay the same amount. Certain forms of vested income thus continue, while earned income and the opportunity to earn income are dependent on the caprice of industry.

Heretofore the bonds of an industrial enterprise have been looked upon as the stable form of security. The development of law and of public opinion has rendered them ironclad. The United States Commission of Internal Revenue reports, for the corporations coming under its purview, a bonded indebtedness of \$34,749,516,-354. Here is a fund, which at the very outset will yield at 5 per cent, a billion and three quarters annually.

The same security which now surrounds bonds, is being gradually thrown around stock issues. In days gone by, stock issues were not taken seriously. Today, the right to pay a 6 per cent return on stock—even if

the issue did not originally represent value invested—is being recognized in court decisions, in the decisions of railroad commissions, and in the attitude of industry toward income. Thus there has been effected a reversal in the relation between property claims and the claims of labor. Time was when property shouldered the give and take—the profits of industry. If there was a lean year, profits were small. They were larger in fat years. The man invested his money, took the risk involved, and was paid for it.

At present, labor shoulders the give and take of prosperous and adverse years. When times are bad, men are laid off. Orders decrease, and part-time automatically ensues. Meanwhile the snipping of coupons sounds at regular, unvaried intervals, and the book in which dividend checks are drawn is busy four times every year.

Modern business practice has wielded an immense influence in the direction of property permanence. A thousand dollars, once invested, is virtually immortal, unless it is stolen, or disposed of in some extra legal way. Depreciation, amortization, insurance and special surplus-fund charges throw around income earning property a large guarantee of safety. Any failure in the perpetuity of the property values is due to inadvertence or impotence in the property interests. For centuries the thought and effort of the business world have been directed toward the increasing permanence of property rights.

The efforts of the propertied interests have been exerted to good purpose. The public mind, the laws and constitutions, the forms of judicial practice—in short, all of the social forces that were of advantage have been bent to the guarantee of property income permanence.

Granted the continuance of the present system of property, the student trembles to think of the task in store for the toiler of the future. Each year, besides producing wealth in sufficient quantities to provide for himself and his family, he must devote a large portion of his

energies to the provision of income for the owners of a vast and ever-growing body of immortalized property rights and interests.

Men look with pretended aversion toward the Feudal System—an organization of society under which the nobility and the priestcraft, through the control of the natural resources (agricultural land) were able to live upon the efforts of the great mass of the people. Is it not time to turn from the perspective of history to the realities of the present day economic organizations? Here, in the twentieth century, civilization of the Western World is an economic system which automatically turns into the coffers of those who control the natural resources (forests, ore, coal, fertile land) an endless stream of wealth. As rent ate up the fruits of a man's energy, under feudalism, interest and dividends do likewise under the modern system of industrialism, which has given to income-yielding property a permanence that rivals that estate held by the mediæval landlord.

There is one further feature of the property income situation which cannot be dismissed without a word of comment—that is the tendency of property income to concentrate in the hands of a small group of the population. The tendency is revealed by the record of wealth distribution in every society about which history contains a page. It is present, no one can say with what impetus, in the United States today.

The present system of property ownership places no limitations on the amount of income-yielding property which one individual may control. The Rockefellers, Guggenheims and Carnegies may secure title to a hundred-thousand, a hundred-million, or a hundred-billion estate. There is nothing in the custom or law of the land to check such a procedure, and in the course of the undertaking, business practice affords every conceivable advantage. The modern property-owning world is organized on the assumption that every man has a right to as much property as he can get. Under the circumstances, it is

not strange that there has been a very considerable concentration of property ownership in a comparatively few hands.

The rapidity with which large fortunes have been acquired is one of the wonders of the modern world. At the present time, the United States numbers its millionaires by thousands. The mere mention of such names as Vanderbilt, Gould, Astor, Rockefeller, Morgan, Havemeyer, Belmont, Whitney, Goelet, Carnegie, Armour, Harriman and Dupont (all of them families numbered among the multi-millionaires whose wealth was acquired, for the most part, since the Civil War) calls to mind the immense concentration of income-yielding wealth which has been going on within the past century. The industrial system is intertwined with a device known as private property in income-yielding wealth, which leads inevitably to the concentration of property income in the hands of a comparatively small portion of the population.

The exact figures showing the concentration of property values are unobtainable, and of no great moment in the present discussion. The tendency of income-yielding property to concentrate in a relatively small number of hands is evident on every side. The extent of the concentration cannot, and need not, be ascertained with accuracy.

The actual amounts paid to the men and women who do the work of the industrial world are extremely small. Current wage rates, placed side by side with the expense accounts of thousands of families whose sole claim to income rests upon their ownership of property, are startling in their paucity. Five hundred dollars a year paid to an able-bodied man whose back was bent three hundred days of the year in his efforts to support a wife and four small children; seven dollars a week to the anæmic man whose eye races with his machine along the seams of ladies' coats; fifteen dollars a week to a mechanic, keeping a family in a big city; a thousand dollars a year to a skilled artisan. These wage rates are meagre when

contrasted with the returns to the men who own the valuable property of the country.

More than nine-tenths of those who are at work in organized industry are clerks or wage-earners. Among male clerks and wage-earners an annual return of \$1,000 is exceptional, while \$1,500 is almost unique. Almost the entire male wage-earning population receives less than \$1,500 per year; most of it receives less than \$1,000, and full half of it falls under \$600. The incomes of women fall far below those of men. At the same time the owners of property receive an annual income of many billions. The facts adduced in the present investigation tend to show at least six billions of property income—a sum sufficient to support the twelve million poorest families in the United States on their present level of existence, or to add \$300 per year to the income of every family in the United States. The amount now paid in property income, distributed among the producers, would probably raise every family income in the United States to a level of decency or efficiency.

Property income is relatively stable. Numerous and effective safeguards have been thrown around it. Despite occasional breaks in the abatis protecting property income rights, as a general rule, the defenses erected by the propertied classes have proved well-nigh impregnable.

With those receiving service income the situation is far different. Excepting the small percentage of high-salaried workers, the great mass of those who receive service income are forced to struggle in a sea of economic uncertainties. There are five forces always confronting the workers, any one of which may reduce or entirely eliminate service income. They are (1) overwork, (2) sickness and accidents, (3) invention of new machinery, (4) shutting-down of individual plants and (5) industrial crises.

Under the strain incident to overwork, a man may break down at forty and be discharged because he is physically or nervously unable to continue with his

duties. Modern industry is run at a terrific speed which leads inevitably to a shortened working life, or decreased efficiency. The speeding-up system clearly places a premium on youth and vigor and a serious handicap on age. This fact the companies are not slow to recognize. They do not want old men on their pay-rolls—and they say so, clearly and emphatically. There are many industries in which men are expected to go to pieces before reaching normal old age. The pace is set high, and those who cannot keep it, must drop out or take less lucrative positions.

Industry offers the workingman an opportunity to earn a living, subject to the caprice of overwork, sickness, accidents, new machinery, individual shut-downs and general suspensions of industrial activity—a hierarchy of forces which overshadow every movement of his life, threatening continually to hurl him into an abyss of hardship and misery. Any one, or any combination of these five forces, may, at any time, diminish, temporarily or permanently, the income-earning capacity of the worker. All of them are beyond his individual control, yet they strike, with merciless certainty, the sources of livelihood of the family in which they occur.

The nation is built on the work of its workers.

Today, as in every past age, the idler and the parasite are burdens on national life. They add nothing to national well-being, while they cost their keep.

The workers are the nation. As they thrive, the nation thrives. As they succeed in life, the nation is prosperous and great. The future of the nation is inseparable from the future of the nation's workers. It was not for nothing that Capt. John Smith insisted,—“He who will not work, neither shall he eat.”

Fronted by these facts, we are deliberately working out an economic system which glorifies ownership and penalizes work. The owner prospers; the worker exists. The owner lives upon the fat of the land, which the worker has created.

A survey of the relative positions occupied by the recipients of service and of property income, shows that the property owners hold practically all of the strategic points. They are supported by tradition; bulwarked by custom, and protected by most of the motive forces of society. The social mind and the social structure alike have been shaped so that they would function in terms of property income rights and privileges.

Those who receive service income have the advantage of numbers and the possibilities of organized action. They are convinced of the essential injustice of their position. Otherwise they are compelled to go weaponless into the conflict.

Economic forces are pushing forward the issue. They have placed on one side the majority of the population, who carry the burdens of economic society, and put forth the energy necessary to propel industry. On the other side, the economic forces have ranged a small group of persons in whose hands is concentrated the great bulk of the income-yielding wealth of the community. The forces of economic society are sharpening the contrast between service and property income, and adding daily to the irony of a status which compels workers to skimp and abstain while property owners may idle and luxuriate.

Wherever one group in a community secures large income return without participating in the work of creating those returns, while another group in the same community carries the burden of the work and at the same time receives a meager share of the product of its labor, there, sooner or later, a conflict will arise. The conflict may be peaceful, and long drawn out, like that between the English peasantry and the English landlords, or it may be dramatic, spectacular and bloody like that between the French peasantry and their landlords. The conflict will come, however, because if there is one deep-rooted conviction in the human breast, it is that each person has a right to what he earns. Crude, indeed,

are the definitions, and the ideas and standards for "earning" are incomplete. Always the thought is there in its most general form, carrying with it the possibility of revolt against any economic order which denies to a man the right to his full earnings.

The economic conflict in the United States will eventually develop between property owners and the producers of wealth. A student of current American economic facts is led to the inevitable conclusion that there is only one economic contrast that can be made clear cut and definite—the contrast between service income and property income; between income secured as a return for effort, and income secured in return for property ownership.

The facts in the case point clearly to the distinction between service income and property income. The line of future contrast and of future conflict is the line which separates these two ideas.

The student will search in vain through the annals of economic history for a situation more fraught with destructive possibilities than those now confronting the American people. The recipients of property income (derived from property ownership) and of service income (paid for the expenditure of effort) face each other and prepare for the conflict. Those who have put forth the effort, declare their right to the products of that effort. Those who own property hold fast to their property and to the prerogatives which are inseparable from them.

Law, custom, and business practice have made property income a first charge on industry. There can be no considerable readjustment of income values until the pre-eminent position of property is overbalanced by some social action.

The present tendency should greatly increase the total amount of property income and the proportion of property income paid with each passing decade. Land values should continue to rise; as population grows

denser, demand for land increases, and methods of using land are perfected. The returns to capital (the interest rate) show every indication of advancing. It certainly will not decrease in the near future.

Meanwhile the immortalization of capital proceeds apace. The day when capital could be easily dissipated has passed away. Accounting systems, insurance devices, depreciation funds, boards of directors, and trusteeships conserve capital, reduce risks, distribute dangers, and in general, provide against misadventures for which interest, at least in part, is supposed to be a recompense. When once created, capital does not disappear. Instead, every conceivable method has been devised to perpetuate it. It may even add to itself, as it frequently does, when earnings, instead of being used for the payment of dividends, are reinvested and turned directly into new capital.

The workers, meanwhile, are living, for the most part, a hand-to-mouth existence, successful if they are able to maintain health and keep up appearances. Against the value of the products which their energy creates, is charged the property incomes for which the labor of some one must pay. Today, the producers of wealth are saddled with an enormous property income charge which increases with each passing year—increases far faster than the increase in the population—and which, from its very nature, cannot be reduced, but must be constantly augmented.

Were there no protests from the producers of wealth, the future for capital would, indeed, be a bright one. With increasing stability, increasing safety, decreasing risks, an increasing interest rate, and increasing land values, the property owners might face a future of unalloyed hopefulness.

Fortunately, no such situation exists. On the contrary, there is every indication that, with the passing years, the producers of wealth will file a protest of ever increasing volume against an economic system which automatically gives to those who already have.

While the spirit of protest grows in intensity, the form remains a matter which future years alone may determine. An appeal to the available facts leads to the conclusion that the most effective protest the producers can make will be based on a clear recognition of the distinction between service income and property income. Shall the economic world decide that only those who expend effort shall share in the wealth which is the result of that effort? Shall the economic world decide that each person expending effort is entitled to all the value for which his effort is responsible—no more and no less? Shall the economic world set its stamp of approval on effort, and its stamp of disapproval on parasitism, by turning the income from activity into the hands of workers, and denying income to all others? Has the time arrived when a few may no longer live in idleness upon the products created by those who give their lives to labor? Shall not the social blessing be bestowed upon those who labor and the social curse be hurled upon the idler and the wastrel? Lo! these many years has mankind looked forward to a day when economic justice could prevail. Is not this the day and this new century the seed-ground for this new idea?

Who shall say? Who but those who carry the burden of production, and are bound by the bonds of economic necessity to the tread-mill of toil?

The hope of America lies in its workers. To them the nation owes its existence. Upon them rests the possibility of continued growth. The worker must be encouraged and the idler penalized.

Pay should be a reward for work; not for ownership which leads to idleness.

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The working class and the employing class have nothing in common. There can be no peace so long as hunger and want are found among millions of working people, and the few who make up the employing class have all the good things of life.

Between these two classes a struggle must go on until the workers of the world organize as a class, take possession of the earth and the machinery of production, and abolish the wage system.

We find that the centering of the management of industries into fewer and fewer hands makes the trade unions unable to cope with the ever-growing power of the employing class. The trade unions foster a state of affairs which allows one set of workers to be pitted against another set of workers in the same industry, thereby helping to defeat one another in wage wars. Moreover, the trade unions aid the employing class to mislead the workers into the belief that the working class have interests in common with their employers.

These conditions can be changed and the interests of the working class upheld only by an organization formed in such a way that all its members in any one industry, or in all industries if necessary, cease work whenever a strike or lockout is on in any department thereof, thus making an injury to one an injury to all.

Instead of the conservative motto: "A fair day's wages for a fair day's work," we must inscribe on our banner the revolutionary watchword: "Abolition of the wage system."

It is the historic mission of the working class to do away with Capitalism. The army of production must be organized, not only for the every-day struggle with capitalism, but also to carry on production when capitalism shall have been overthrown. By organizing industrially we are forming the structure of the new society within the shell of the old.

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