Chapter III: Pitfalls in Socialism

I

In its early days, socialism was a revolutionary movement of which the object was the liberation of the wage-earning classes and the establishment of freedom and justice. The passage from capitalism to the new régime was to be sudden and violent: capitalists were to be expropriated without compensation, and their power was not to be replaced by any new authority.

Gradually a change came over the spirit of socialism. In France, socialists became members of the government, and made and unmade parliamentary majorities. In Germany, social democracy grew so strong that it became impossible for it to resist the temptation to barter away some of its intransigeance in return for government recognition of its claims. In England, the Fabians taught the advantage of reform as against revolution, and of conciliatory bargaining as against irreconcilable antagonism.

The method of gradual reform has many merits as compared to the method of revolution, and I have no wish to preach revolution. But gradual reform has certain dangers, to wit, the ownership or control of businesses hitherto in private hands, and by encouraging legislative interference for the benefit of various sections of the wage-earning

classes. I think it is at least doubtful whether such measures do anything at all to contribute toward the ideals which inspired the early socialists and still inspire the great majority of those who advocate some form of socialism.

Let us take as an illustration such a measure as state purchase of railways. This is a typical object of state socialism, thoroughly practicable, already achieved in many countries, and clearly the sort of step that must be taken in any piecemeal approach to complete collectivism. Yet I see no reason to believe that any real advance toward democracy, freedom, or economic justice is achieved when a state takes over the railways after full compensation to the shareholders.

Economic justice demands a diminution, if not a total abolition, of the proportion of the national income which goes to the recipients of rent and interest. But when the holders of railway shares are given government stock to replace their shares, they are given the prospect of an income in perpetuity equal to what they might reasonably expect to have derived from their shares. Unless there is reason to expect a great increase in the earnings of railways, the whole operation does nothing to alter the distribution of wealth. This could only be effected if the present owners were expropriated, or paid less than the market value, or given a mere life-interest as compensation. When full value is given, economic justice is not advanced in any degree.

There is equally little advance toward freedom. The men employed on the railway have no more voice than they had before in the management of the railway, or in the wages and conditions of work. Instead of having to fight the directors, with the possibility of an appeal to the government, they now have to fight the government directly; and experience does not lead to the view that a government department has any special tenderness toward the claims of labor. If they strike, they have to contend against the whole organized power of the state, which they can only do successfully if they happen to have a strong public opinion on their side. In view of the influence which the state can always exercise on the press, public opinion is likely to be biased against them, particularly when a nominally progressive government is in power. There will no longer be the possibility of divergences between the policies of different railways. Railway men in England derived advantages for many years from the comparatively liberal policy of the North Eastern Railway, which they were able to use as an argument for a similar policy elsewhere. Such possibilities are excluded by the dead uniformity of state administration.

And there is no real advance toward democracy. The administration of the railways will be in the hands of officials whose bias and associations separate them from labor, and who will develop an autocratic temper through the habit of power. The democratic machinery by which these officials are nominally controlled is cumbrous and remote, and can only be brought into operation on first-class issues which rouse the interest of the whole nation. Even

then it is very likely that the superior education of the officials and the government, combined with the advantages of their position, will enable them to mislead the public as to the issues, and alienate the general sympathy even from the most excellent cause.

I do not deny that these evils exist at present; I say only that they will not be remedied by such measures as the nationalization of railways in the present economic and political environment. A greater upheaval, and a greater change in men's habits of mind, is necessary for any really vital progress.

II

State socialism, even in a nation which possesses the form of political democracy, is not a truly democratic system. The way in which it fails to be democratic may be made plain by an analogy from the political sphere. Every democrat recognizes that the Irish ought to have self-government for Irish affairs, and ought not to be told that they have no grievance because they share in the Parliament of the United Kingdom. It is essential to democracy that any group of citizens whose interests or desires separate them at all widely from the rest of the community should be free to decide their internal affairs for themselves. And what is true of national or local groups is equally true of economic groups, such as miners or railway men. The national machinery of general elections is by no means sufficient

to secure for groups of this kind the freedom which they ought to have.

The power of officials, which is a great and growing danger in the modern state, arises from the fact that the majority of the voters, who constitute the only ultimate popular control over officials, are as a rule not interested in any one particular question, and are therefore not likely to interfere effectively against an official who is thwarting the wishes of the minority who are interested. The official is nominally subject to indirect popular control, but not to the control of those who are directly affected by his action. The bulk of the public will either never hear about the matter in dispute, or, if they do hear, will form a hasty opinion based upon inadequate information, which is far more likely to come from the side of the officials than from the section of the community which is affected by the question at issue. In an important political issue, some degree of knowledge is likely to be diffused in time; but in other matters there is little hope that this will happen.

It may be said that the power of officials is much less dangerous than the power of capitalists, because officials have no economic interests that are opposed to those of wage-earners. But this argument involves far too simple a theory of political human nature--a theory which orthodox socialism adopted from the classical political economy, and has tended to retain in spite of growing evidence of its falsity. Economic self-interest, and even economic class-interest, is by no

means the only important political motive. Officials, whose salary is generally quite unaffected by their decisions on particular questions, are likely, if they are of average honesty, to decide according to their view of the public interest; but their view will none the less have a bias which will often lead them wrong. It is important to understand this bias before entrusting our destinies too unreservedly to government departments.

The first thing to observe is that, in any very large organization, and above all in a great state, officials and legislators are usually very remote from those whom they govern, and not imaginatively acquainted with the conditions of life to which their decisions will be applied. This makes them ignorant of much that they ought to know, even when they are industrious and willing to learn whatever can be taught by statistics and blue-books. The one thing they understand intimately is the office routine and the administrative rules. The result is an undue anxiety to secure a uniform system. I have heard of a French minister of education taking out his watch, and remarking, "At this moment all the children of such and such an age in France are learning so and so." This is the ideal of the administrator, an ideal utterly fatal to free growth, initiative, experiment, or any far reaching innovation. Laziness is not one of the motives recognized in textbooks on political theory, because all ordinary knowledge of human nature is considered unworthy of the dignity of these works; yet we all know that laziness is an immensely powerful motive with all but a small minority of mankind.

Unfortunately, in this case laziness is reinforced by love of power, which leads energetic officials to create the systems which lazy officials like to administer. The energetic official inevitably dislikes anything that he does not control. His official sanction must be obtained before anything can be done. Whatever he finds in existence he wishes to alter in some way, so as to have the satisfaction of feeling his power and making it felt. If he is conscientious, he will think out some perfectly uniform and rigid scheme which he believes to be the best possible, and he will then impose this scheme ruthlessly, whatever promising growths he may have to lop down for the sake of symmetry. The result inevitably has something of the deadly dullness of a new rectangular town, as compared with the beauty and richness of an ancient city which has lived and grown with the separate lives and individualities of many generations. What has grown is always more living than what has been decreed; but the energetic official will always prefer the tidiness of what he has decreed to the apparent disorder of spontaneous growth.

The mere possession of power tends to produce a love of power, which is a very dangerous motive, because the only sure proof of power consists in preventing others from doing what they wish to do. The essential theory of democracy is the diffusion of power among the whole people, so that the evils produced by one man's possession of great power shall be obviated. But the diffusion of power through democracy is only effective when the voters take an interest in the

question involved. When the question does not interest them, they do not attempt to control the administration, and all actual power passes into the hands of officials.

For this reason, the true ends of democracy are not achieved by state socialism or by any system which places great power in the hands of men subject to no popular control except that which is more or less indirectly exercised through parliament.

Any fresh survey of men's political actions shows that, in those who have enough energy to be politically effective, love of power is a stronger motive than economic self-interest. Love of power actuates the great millionaires, who have far more money than they can spend, but continue to amass wealth merely in order to control more and more of the world's finance.[2] Love of power is obviously the ruling motive of many politicians. It is also the chief cause of wars, which are admittedly almost always a bad speculation from the mere point of view of wealth. For this reason, a new economic system which merely attacks economic motives and does not interfere with the concentration of power is not likely to effect any very great improvement in the world. This is one of the chief reasons for regarding state socialism with suspicion.

[2] Cf. J. A. Hobson, "The Evolution of Modern Capitalism."

III

The problem of the distribution of power is a more difficult one than the problem of the distribution of wealth. The machinery of representative government has concentrated on ultimate power as the only important matter, and has ignored immediate executive power. Almost nothing has been done to democratize administration. Government officials, in virtue of their income, security, and social position, are likely to be on the side of the rich, who have been their daily associates ever since the time of school and college. And whether or not they are on the side of the rich, they are not likely, for the reasons we have been considering, to be genuinely in favor of progress. What applies to government officials applies also to members of Parliament, with the sole difference that they have had to recommend themselves to a constituency. This, however, only adds hypocrisy to the other qualities of a ruling caste. Whoever has stood in the lobby of the House of Commons watching members emerge with wandering eye and hypothetical smile, until the constituent is espied, his arm taken, "my dear fellow" whispered in his ear, and his steps guided toward the inner precincts--whoever, observing this, has realized that these are the arts by which men become and remain legislators, can hardly fail to feel that democracy as it exists is not an absolutely perfect instrument of government. It is a painful fact that the ordinary voter, at any rate in England, is quite blind to insincerity. The man who does not care about any definite political measures can generally be won by corruption or flattery,

open or concealed; the man who is set on securing reforms will generally prefer an ambitious windbag to a man who desires the public good without possessing a ready tongue. And the ambitious windbag, as soon as he has become a power by the enthusiasm he has aroused, will sell his influence to the governing clique, sometimes openly, sometimes by the more subtle method of intentionally failing at a crisis. This is part of the normal working of democracy as embodied in representative institutions. Yet a cure must be found if democracy is not to remain a farce.

One of the sources of evil in modern large democracies is the fact that most of the electorate have no direct or vital interest in most of the questions that arise. Should Welsh children be allowed the use of the Welsh language in schools? Should gipsies be compelled to abandon their nomadic life at the bidding of the education authorities? Should miners have an eight-hour day? Should Christian Scientists be compelled to call in doctors in case of serious illness? These are matters of passionate interest to certain sections of the community, but of very little interest to the great majority. If they are decided according to the wishes of the numerical majority, the intense desires of a minority will be overborne by the very slight and uninformed whims of the indifferent remainder. If the minority are geographically concentrated, so that they can decide elections in a certain number of constituencies, like the Welsh and the miners, they have a good chance of getting their way, by the wholly beneficent process which its enemies describe as log-rolling. But if they are

scattered and politically feeble, like the gipsies and the Christian Scientists, they stand a very poor chance against the prejudices of the majority. Even when they are geographically concentrated, like the Irish, they may fail to obtain their wishes, because they arouse some hostility or some instinct of domination in the majority. Such a state of affairs is the negation of all democratic principles.

The tyranny of the majority is a very real danger. It is a mistake to suppose that the majority is necessarily right. On every new question the majority is always wrong at first. In matters where the state must act as a whole, such as tariffs, for example, decision by majorities is probably the best method that can be devised. But there are a great many questions in which there is no need of a uniform decision. Religion is recognized as one of these. Education ought to be one, provided a certain minimum standard is attained. Military service clearly ought to be one. Wherever divergent action by different groups is possible without anarchy, it ought to be permitted. In such cases it will be found by those who consider past history that, whenever any new fundamental issue arises, the majority are in the wrong, because they are guided by prejudice and habit. Progress comes through the gradual effect of a minority in converting opinion and altering custom. At one time--not so very long ago--it was considered monstrous wickedness to maintain that old women ought not to be burnt as witches. If those who held this opinion had been forcibly suppressed, we should still be steeped in medieval superstition. For such reasons, it is of the utmost importance that

the majority should refrain from imposing its will as regards matters in which uniformity is not absolutely necessary.

IV

The cure for the evils and dangers which we have been considering is a very great extension of devolution and federal government. Wherever there is a national consciousness, as in Wales and Ireland, the area in which it exists ought to be allowed to decide all purely local affairs without external interference. But there are many matters which ought to be left to the management, not of local groups, but of trade groups, or of organizations embodying some set of opinions. In the East, men are subject to different laws according to the religion they profess. Something of this kind is necessary if any semblance of liberty is to exist where there is great divergence in beliefs.

Some matters are essentially geographical; for instance, gas and water, roads, tariffs, armies and navies. These must be decided by an authority representing an area. How large the area ought to be, depends upon accidents of topography and sentiment, and also upon the nature of the matter involved. Gas and water require a small area, roads a somewhat larger one, while the only satisfactory area for an army or a navy is the whole planet, since no smaller area will prevent war.

But the proper unit in most economic questions, and also in most questions that are intimately concerned with personal opinions, is not geographical at all. The internal management of railways ought not to be in the hands of the geographical state, for reasons which we have already considered. Still less ought it to be in the hands of a set of irresponsible capitalists. The only truly democratic system would be one which left the internal management of railways in the hands of the men who work on them. These men should elect the general manager, and a parliament of directors if necessary. All questions of wages, conditions of labor, running of trains, and acquisition of material, should be in the hands of a body responsible only to those actually engaged in the work of the railway.

The same arguments apply to other large trades: mining, iron and steel, cotton, and so on. British trade-unionism, it seems to me, has erred in conceiving labor and capital as both permanent forces, which were to be brought to some equality of strength by the organization of labor. This seems to me too modest an ideal. The ideal which I should wish to substitute involves the conquest of democracy and self-government in the economic sphere as in the political sphere, and the total abolition of the power now wielded by the capitalist. The man who works on a railway ought to have a voice in the government of the railway, just as much as the man who works in a state has a right to a voice in the management of his state. The concentration of business initiative in the hands of the employers is a great evil, and robs the employees of their legitimate share of interest in the larger

problems of their trade.

French syndicalists were the first to advocate the system of trade autonomy as a better solution than state socialism. But in their view the trades were to be independent, almost like sovereign states at present. Such a system would not promote peace, any more than it does at present in international relations. In the affairs of any body of men, we may broadly distinguish what may be called questions of home politics from questions of foreign politics. Every group sufficiently well-marked to constitute a political entity ought to be autonomous in regard to internal matters, but not in regard to those that directly affect the outside world. If two groups are both entirely free as regards their relations to each other, there is no way of averting the danger of an open or covert appeal to force. The relations of a group of men to the outside world ought, whenever possible, to be controlled by a neutral authority. It is here that the state is necessary for adjusting the relations between different trades. The men who make some commodity should be entirely free as regards hours of labor, distribution of the total earnings of the trade, and all questions of business management. But they should not be free as regards the price of what they produce, since price is a matter concerning their relations to the rest of the community. If there were nominal freedom in regard to price, there would be a danger of a constant tug-of-war, in which those trades which were most immediately necessary to the existence of the community could always obtain an unfair advantage. Force is no more admirable in the economic sphere than in dealings

between states. In order to secure the maximum of freedom with the minimum of force, the universal principle is: Autonomy within each politically important group, and a neutral authority for deciding questions involving relations between groups. The neutral authority should, of course, rest on a democratic basis, but should, if possible, represent a constituency wider than that of the groups concerned. In international affairs the only adequate authority would be one representing all civilized nations.

In order to prevent undue extension of the power of such authorities, it is desirable and necessary that the various autonomous groups should be very jealous of their liberties, and very ready to resist by political means any encroachments upon their independence. State socialism does not tolerate such groups, each with their own officials responsible to the group. Consequently it abandons the internal affairs of a group to the control of men not responsible to that group or specially aware of its needs. This opens the door to tyranny and to the destruction of initiative. These dangers are avoided by a system which allows any group of men to combine for any given purpose, provided it is not predatory, and to claim from the central authority such self-government as is necessary to the carrying out of the purpose. Churches of various denominations afford an instance. Their autonomy was won by centuries of warfare and persecution. It is to be hoped that a less terrible struggle will be required to achieve the same result in the economic sphere. But whatever the obstacles, I believe the importance of liberty is as great in the one case as it

has been admitted to be in the other.