

CHAPTER VII

WOULD MODERN SOCIALISM ABOLISH ALL PROPERTY?

§ 1.

Having in the previous chapter cleared up a considerable mass of misconception and possibility of misrepresentation about the attitude of Socialism to the home, let us now devote a little more attention to the current theory of property and say just exactly where Modern Socialism stands in that matter.

The plain fact of the case is that the Socialist, whether he wanted to or no, would no more be able to abolish personal property altogether than he would be able to abolish the human liver. The extension of one's personality to things outside oneself is indeed as natural and instinctive a thing as eating. But because the liver is necessary and inevitable, there is no reason why it should be enlarged to uncomfortable proportions, and because eating is an unconquerable instinct there is no excuse for repletion. The position of the modern Socialist is that the contemporary idea of personal property is enormously exaggerated and improperly extended to things that ought not to be "private"; not that it is not a socially most useful and desirable idea within its legitimate range.

There can be no doubt that many of those older writers who were "Socialists before Socialism," Plato, for instance, and Sir Thomas More, did very roundly abolish private property altogether. They were extreme Communists, and so were many of the earlier Socialists; in More's Utopia, doors might not be fastened, they stood open; one hadn't even a private room. These earlier writers wished to insist upon the need of self-abnegation in the ideal State, and to startle and confound, they insisted overmuch. The early Christians, one gathers, were almost completely communistic, and that interesting experiment in Christian Socialism (of a rather unorthodox type of Christianity), the American Oneida community, was successfully communistic in every respect for many years. But the modern Socialist is not a communist; the modern Socialist, making his scheme of social reconstruction for the whole world and for every type of character, recognizes the entire impracticability of such dreams, recognizing, too, it may be, the sacrifice of human personality and distinction such ideals involve.

The word "property," one must remember, is a slightly evasive word. Absolute property hardly exists--absolute, that is to say, in the sense of unlimited right of disposal; almost all property is incomplete and relative. A man, under our present laws, has no absolute property even in his own life; he is restrained from suicide and punished if he attempt it. He may not go offensively filthy nor indecently clad; there are limits to his free use of his body. The owner of a house, of land, of a factory is subject to all sorts of

limitations, building regulations for example, and so is the owner of horse or dog. Nor again is any property exempt from taxation. Even now property is a limited thing, and it is well to bear that much in mind. It can be defined as something one may do "what one likes with," subject only to this or that specific restriction, and at any time, it would seem, the State is at least legally entitled to increase the quantity and modify the nature of the restriction. The extremest private property is limited to a certain sanity and humanity in its use.

In that sense every adult now-a-days has private property in his or her own person, in clothes, in such personal implements as hand-tools, as a bicycle, as a cricket-bat or golf-sticks. In quite the same sense would he have it under Socialism so far as these selfsame things go. The sense of property in such things is almost instinctive; my little boys of five and three have the keenest sense of mine and (almost, if not quite so vividly) thine in the matter of toys and garments. The disposition of modern Socialism is certainly no more to override these natural tendencies than it is to fly in the face of human nature in regard to the home. The disposition of modern Socialism is indeed far more in the direction of confirming and insuring this natural property. And again modern Socialism has no designs upon the money in a man's pocket. It is quite true that the earlier and extreme Socialist theorists did in their communism find no use for money, but I do not think there are any representative Socialists now who do not agree that the State must pay and receive in money, that money is

indispensable to human freedom. The featurelessness of money, its universal convertibility, gives human beings a latitude of choice and self-expression in its spending that is inconceivable without its use.

All such property Socialism will ungrudgingly sustain, and it will equally sustain property in books and objects of æsthetic satisfaction, in furnishing, in the apartments or dwelling-house a man or woman occupies and in their household implements. It will sustain far more property than the average working-class man has to-day. Nor will it prevent savings or accumulations, if men do not choose to expend their earnings--nor need it interfere with lending. How far it will permit or countenance usury is another question altogether. There will no doubt remain, after all the work-a-day needs of the world have been met by a scientific public organization of the general property in Nature, a great number of businesses and enterprises and new and doubtful experiments outside the range of legitimate State activity. In these, interested and prosperous people will embark their surplus money as shareholders in a limited liability company, making partnership profits or losses in an entirely proper manner. But whether there should be debentures and mortgages or preference shares, or suchlike manipulatory distinctions, or interest in any shape or form, I am inclined to doubt. A money-lender should share risk as well as profit--that is surely the moral law in lending that forbids usury; he should not be allowed to bleed a failing business with his inexorable percentage and so eat up the ordinary shareholder or partner any more than the landlord should be allowed to eat up the

failing tenant for rent. That was once the teaching of Christianity, and I do not know enough of the history or spiritual development of the Catholic Church to tell when she became what she now appears to be--the champion of the rent-exacting landlord and the usurer against Socialism. It is the present teaching of Socialism. If usury obtains at all under the Socialist State, if inexorable repayments are to be made in certain cases, it will, I conceive, be a State monopoly. The State will be the sole banker for every hoard and every enterprise, just as it will be the universal landlord and the universal fire and accident and old age insurance office. In money matters as in public service and administration, it will stand for the species, the permanent thing behind every individual accident and adventure.

Posthumous property, that is to say the power to bequeath and the right to inherit things, will also persist in a mitigated state under Socialism. There is no reason whatever why it should not do so. There is a strong natural sentiment in favour of the institution of heirlooms, for example; one feels a son might well own--though he should certainly not sell--the intimate things his father desires to leave him. The pride of descent is an honourable one, the love for one's blood, and I hope that a thousand years from now some descendant will still treasure an obsolete weapon here, a picture there, or a piece of faint and faded needlework from our days and the days before our own. One may hate inherited privileges and still respect a family tree.

Widows and widowers again have clearly a kind of natural property in the goods they have shared with the dead; in the home, in the garden close, in the musical instruments and books and pleasant home-like things. Now, in nine cases out of ten, we do in effect bundle the widow out; she remains nominally owner of the former home, but she has to let it furnished or sell it, to go and live in a boarding-house or an exiguous flat.

Even perhaps a proportion of accumulated money may reasonably go to friend or kin. It is a question of public utility; Socialism has done with absolute propositions in all such things, and views these problems now as questions of detail, matters for fine discriminations. We want to be quit of pedantry. All that property which is an enlargement of personality, the modern Socialist seeks to preserve; it is that exaggerated property that gives power over the food and needs of one's fellow-creatures, property and inheritance in land, in industrial machinery, in the homes of others and in the usurer's grip upon others, that he seeks to destroy. The more doctrinaire Socialists will tell you they do not object to property for use and consumption, but only to property in "the means of production," but I do not choose to resort to over-precise definitions. The general intention is clear enough, the particular instance requires particular application. But it is just because we modern Socialists want every one to have play for choice and individual expression in all these realities of property that we object to this monstrous property of a comparatively small body of individuals expropriating the world.

§ 2.

I am inclined to think--but here I speak beyond the text of contemporary Socialist literature--that in certain directions Socialism, while destroying property, will introduce a compensatory element by creating rights. For example, Socialism will certainly destroy all private property in land and in natural material and accumulated industrial resources; it will be the universal landlord and the universal capitalist, but that does not mean that we shall all be the State's tenants-at-will. There can be little doubt that the Socialist State will recognize the rights of the improving occupier and the beneficial hirer. It is manifestly in accordance both with justice and public policy that a man who takes a piece of land and creates a value on it--by making a vineyard, let us say--is entitled to security of tenure, is to be dispossessed only in exceptional circumstances and with ample atonement. If a man who takes an agricultural or horticultural holding comes to feel that there he will toil and there later he will rest upon his labours, I do not think a rational Socialism will war against this passion for the vine and fig-tree. If it absolutely refuses the idea of freehold, it will certainly not repudiate leasehold. I think the State may prove a far more generous and sentimental landlord in many things than any private person.

In another correlated direction, too, Socialism is quite reconcilable with a finer quality of property than our landowner-ridden Britain allows to any but the smallest minority. I mean property in the house one occupies.... If I may indulge in a quite unauthorized speculation, I am inclined to think there may be two collateral methods of home-building in the future. For many people always there will need to be houses to which they may come and go for longer and shorter tenancies and which they will in no manner own. Now-a-days such people are housed in the exploits of the jerry-builder--all England is unsightly with their meagre pretentious villas and miserable cottages and tenement houses. Such homes in the Socialist future will certainly be supplied by the local authority, but they will be fair, decent houses by good architects, fitted to be clean and lit, airy and convenient, the homes of civilized people, sightly things altogether in a generous and orderly world. But in addition there will be the prosperous private person with a taste that way, building himself a home as a lease-holder under the public landlord. For him, too, there will be a considerable measure of property, a measure of property that might even extend to a right, if not of bequest, then at any rate of indicating a preference among his possible successors in the occupying tenancy....

Then there is a whole field of proprietary sensations in relation to official duties and responsibility. Men who have done good work in any field are not to be lightly torn from it. A medical officer of health who has done well in his district, a teacher who has taught a

generation of a town, a man who has made a public garden, have a moral lien upon their work for all their lives. They do not get it under our present conditions. I know that it will be quite easy to say all this is a question of administration and detail. It is. But it is, nevertheless, important to state it clearly here, to make it evident that the coming of Socialism involves no destruction of this sort of identification of a man with the thing he does; this identification that is so natural and desirable--that this living and legitimate sense of property will if anything be encouraged and its claims strengthened under Socialism. To-day that particularly living sort of property-sense is often altogether disregarded. Every day one hears of men who have worked up departments in businesses, men who have created values for employers, men who have put their lives into an industrial machine, being flung aside because their usefulness is over, or out of personal pique, or to make way for favourites, for the employer's son or cousin or what not, without any sort of appeal or compensation. Ownership is autocracy; at the best it is latent injustice in all such matters of employment.

Then again, consider the case of the artist and the inventor who are too often forced by poverty now to sell their early inventions for the barest immediate subsistence. Speculators secure these initial efforts--sometimes to find them worthless, sometimes to discover in them the sources of enormous wealth. In no matter is it more difficult to estimate value than in the case of creative work; few geniuses are immediately recognized, and the history of art, literature and

invention is full of Chattertons and Savages who perished before recognition came, and of Dickenses who sold themselves unwisely. Consider the immense social benefit if the creator even now possessed an inalienable right to share in the appreciation of his work. Under Socialism it would for all his life be his--and the world's, and controllable by him. He would be free to add, to modify, to repeat.

In all these respects modern Socialism tends to create and confirm property and rights, the property of the user, the rights of the creator. It is quite other property it tends to destroy; the property, the claim, of the creditor, the mortgagee, the landlord, and usurer, the forestaller, gambling speculator, monopolizer and absentee.... In very truth Socialism would destroy no property at all, but only that sham property that, like some wizard-cast illusion, robs us all.

§ 3.

And now we are discussing the Socialist attitude towards property, it may be well to consider a little group of objections that are often made in anti-Socialist tracts. I refer more particularly to a certain hard case, the hard case of the Savings of the Virtuous Small Man.

The reader, if he is at all familiar with this branch of controversial literature, probably knows how that distressing case is put. One is presented with a poor man of inconceivable industry, goodness and

virtue; he has worked, he has saved; at last, for the security of his old age, he holds a few shares in a business, a "bit of land" or--perhaps through a building society--house property. Would we--the Anti-Socialist chokes with emotion--so alter the world as to rob him of that? ... The Anti-Socialist gathers himself together with an effort and goes on to a still more touching thought ... the widow![13]

[13] "The ethical case for slavery in the Southern States of America," my friend Mr. Graham Wallas reminds me, "was largely argued on the instance of the widow 'with a few strong slaves.'"

Well, I think there are assurances in the previous section to disabuse the reader's mind a little in this matter. This solicitude for the Saving Small Man and for the widow and orphan seems to me one of the least honest of all the anti-Socialist arguments. The man "who has saved a few pounds," the poor widow woman and her children clinging to some scrap of freehold are thrust forward to defend the harvest of the landlord and the financier. Let us look at the facts of the case and see how this present economic system of ours really does treat the "stocking" of the poor.

In the first place it does not guarantee to the small investor any security for his little hoard at all. He comes into the world of investment ill-informed, credulous or only unintelligently suspicious--and he is as a class continually and systematically deprived

of his little accumulations. One great financial operation after another in the modern world, as any well-informed person can witness, eats up the small investor. Some huge, vastly respectable-looking enterprise is floated with a capital of so many scores or hundreds of thousands, divided into so many thousands of ordinary shares, so many five or six per cent. preference, so much debentures. It begins its career with a flourish of prosperity, the ordinary shares for a few years pay seven, eight, ten per cent. The Virtuous Small Man provides for his widow and his old age by buying this estimable security. Its price clambers to a premium, and so it passes slowly and steadily from its first speculative holder into the hands of the investing public. Then comes a slow, quiet, downward movement, a check at the interim dividend, a rapid contraction. Consider such a case as that of the great British Electric Traction Company which began with ordinary shares at ten, which clambered above twenty-one (21-7/8), which is now (October 1907) fluctuating about two. Its six per cent, preference shares have moved between fourteen and five and a half. Its ordinary shares represent a total capital of £1,333,010, and its preference £1,614,370; so that here in this one concern we have a phantom appearance and disappearance of over two million pounds' worth of value and a real disappearance of perhaps half that amount. It requires only a very slight knowledge of the world to convince one that the bulk of that sum was contributed by the modest investments of mediocre and small people out of touch with the real conditions of the world of finance.

These little investors, it is said, are the bitter champions of private finance against the municipalities and Socialists. One wonders why.

One could find a score of parallels and worse instances representing in the end many scores of millions of pounds taken from the investing public in the last few years. I will, however, content myself with one sober quotation from the New York Journal of Commerce, which the reader will admit is not likely to be a willing witness for Socialism. Commenting on the testimony of the principal witness, Mr. Harriman, of the Illinois Central Railroad, before the Inter-State Commerce Commission (March 1907), it says:--

"On his own admission he was one of a 'combine' of four who got possession of the Chicago and Alton Railroad, and immediately issued bonds for \$40,000,000, out of the proceeds of which they paid themselves a dividend of 30 per cent, on the stock they held, besides taking the bonds at 65 and subsequently selling them at 90 or more, some of them to life insurance companies with which Mr. Harriman had some kind of relation. There were no earnings or surplus out of which the dividend could be paid, but the books of the company were juggled by transferring some \$12,000,000 expended for betterments to capital account as a sort of bookkeeping basis for the performance.

"Besides this, the Chicago and Alton Railroad was transformed into a 'railway,' and a capitalization of a little under \$40,000,000 was swollen to nearly \$123,000,000 to cover an actual expenditure in improvements of \$22,500,000. In the process there was an injection of about \$60,600,000 of 'water' into the stock held by the four, some of which was sold to the Union Pacific, of which Mr. Harriman was president, and more was 'unloaded' upon the Rock Island. Mr. Harriman refused to tell how much he made out of that operation.

"It shows how some of our enormous fortunes are made, as well as what motives and purposes sometimes prevail in the use of the power entrusted to the directors and officers of corporations. It is a simple and elementary principle that all values are created by the productive activity of capital, labour and ability in industrial operations of one kind and another. No wealth comes out of nothing, but all must be produced and distributed, and what one gets by indirection another loses or fails to get. The personal profit of these speculative operations in which the capital, credit and power of corporations are used by those entrusted with their direction come out of the general body of stockholders whose interests are sacrificed, or out of the public investors who are lured and deceived, or out of shippers who are overtaxed for the service for which railroads are chartered, or out of all these in varying proportions. In other words they are the

fruits of robbery."

So that you see it is not only untrue that Socialism would rob a poor man of his virtuously acquired "bit of property," but the direct contrary is the truth, that the present system, non-Socialism, is now constantly butchering thrift! Simple people believe the great financiers win and lose money to each other. They are not--to put it plainly--such fools. They use the public, and the public goes on being used, as a perpetual source of freshly accumulated wealth. I know one case of a man of fifty who serves in a shop, a most industrious, competent man, who has been saving and investing money all his life in what he had every reason to believe were safe and sober businesses; he has been denying himself pleasures, cramping his life to put by about a third of his wages every year since he was two-and-twenty, and to-day he has not got his keep for a couple of years, and his only security against disablement and old age is his subscription to a Friendly Society, a society which I have a very strong suspicion is no better off than most other Friendly Societies--and that is by no means well off, and by no means confident of the future.

It is possible to argue that the small man ought to take more pains about his investments, but, as a matter of fact, investing money securely and profitably is a special occupation of extraordinary complexity, and the common man with a few hundred pounds has no more chance in that market than he would have under water in Sydney Harbour amidst a shoal of sharks. It may be said that he is greedy, wants too

much interest, but that is nonsense. One of the crudest gulfs into which small savings have gone in the case of the British public has been the trap of Consols, which pay at the present price less than three per cent. Servants and working men with Post Office Savings' Bank accounts were urged, tempted and assisted to invest in this solemn security--even when it stood at 114. Those who did so have now (November 1907) lost almost a third of their money.

It is scarcely too much to say that a very large proportion of our modern great properties, tramway systems, railways, gas-works, bread companies, have been created for their present owners the debenture holders and mortgagers, the great capitalists, by the unintentional altruism of that voluntary martyr, the Saving Small Man.

Of course the habitual saver can insure with an insurance company for his old age and against all sorts of misadventures, and because of the Government interference with "private enterprise" in that sort of business, be reasonably secure; but under Socialism he would be able to do that with absolute security in the State Insurance Office--if the universal old age pension did not satisfy him. That, however, is beside our present discussion. I am writing now only of the sort of property that Socialism would destroy, and to show how little benefit or safety it brings to the small owner now. The unthinking rich prate "thrift" to the poor, and grow richer by a half-judicious, half-unconscious absorption of the resultant savings; that, in brief, is the grim humour of our present financial method.

It is not only in relation to investments that this absorption of small parcels of savings goes on. In every town the intelligent and sympathetic observer may see, vivid before the eyes of all who are not blind by use and wont, the slow subsidence of petty accumulations, The lodging-house and the small retail shop are, as it were, social "destructors"; all over the country they are converting hopeful, enterprising, ill-advised people with a few score or hundreds of pounds, slowly, inevitably into broken-hearted failures. It is, to my mind, the crudest aspect of our economic struggle. In the little High Street of Sandgate, over which my house looks, I should say between a quarter and a third of the shops are such downward channels from decency to despair; they are sanctioned, inevitable citizen breakers. Now it is a couple of old servants opening a "fancy" shop or a tobacco shop, now it is a young couple plunging into the haberdashery, now it is a new butcher or a new fishmonger or a grocer. This perpetual procession of bankruptcies has made me lately shun that pleasant-looking street, that in my unthinking days I walked through cheerfully enough. The doomed victims have a way of coming to the doors at first and looking out politely and hopefully. There is a rich and lucrative business done by certain wholesale firms in starting the small dealer in almost every branch of retail trade; they fit up his shop, stock him, take his one or two hundred pounds and give him credit for forty or fifty. The rest of his story is an impossible struggle to pay rent and get that debt down. Things go on for a time quite bravely. I go furtively and examine the goods in the window,

with a dim hope that this time something really will come off; I learn reluctantly from my wife that they are no better than any one else's, and rather dearer than those of the one or two solid and persistent shops that do the steady business of the place. Perhaps I see the new people going to church once or twice very respectably, as I set out for a Sunday walk, and if they are a young couple the husband usually wears a silk hat. Presently the stock in the window begins to deteriorate in quantity and quality, and then I know that credit is tightening. The proprietor no longer comes to the door, and his first bright confidence is gone. He regards one now through the darkling panes with a gloomy animosity. He suspects one all too truly of dealing with the "Stores." ... Then suddenly he has gone; the savings are gone, and the shop--like a hungry maw--waits for a new victim. There is the simple common tragedy of the little shop; the landlord of the house has his money all right, the ground landlord has, of course, every penny of his money, the kindly wholesalers are well out of it, and the young couple or the old people, as the case may be, are looking for work or the nearest casual ward--just as though there was no such virtue as thrift in the world.

The particular function of the British lodging-house--though the science of economics is silent on this point--is to use up the last strength of the trusty old servant and the plucky widow. These people will invest from two or three hundred to a thousand pounds in order to gain a bare subsistence by toiling for boarders and lodgers. It is their idea of a safe investment. They can see it all the time. All

over England this process goes on. The curious inquirer may see every phase for himself by simply looking for rooms among the apartment houses of such a region as Camden Town, London; he will realize more and more surely as he goes about that none of these people gain money, none of them ever recover the capital they sink, they are happy if they die before their inevitable financial extinction. It is so habitual with people to think of classes as stable, of a butcher or a baker as a man who keeps a shop of a certain sort at a certain level throughout a long and indeterminate life, that it may seem incredible to many readers that those two typically thrifty classes, the lodging-letting householder and the small retailer, are maintained by a steady supply of failing individuals; the fact remains that it is so. Their little savings are no good to them, investments and business beginnings mock them alike: steadily, relentlessly our competitive system eats them up.

It is said that no class of people in the community is more hostile to Socialism and Socialistic legislation than these small owners and petty investors, these small ratepayers. They do not understand. Rent they consider in the nature of things like hunger and thirst; the economic process that dooms the weak enterprise to ruin is beyond the scope of their intelligence; but the rate-collector who calls and calls again for money, for more money, to educate "other people's children," to "keep paupers in luxury," to "waste upon roads and light and trams," seems the agent of an unendurable wrong. So the poor creatures go out pallidly angry to vote down that hated thing

municipal enterprise, and to make still more scope for that big finance that crushes them in the wine-press of its exploitation. It is a wretched and tragic antagonism, for which every intelligent Socialist must needs have sympathy, which he must meet with patience--and lucid explanations. If the public authority took rent there would be no need of rates; that is the more obvious proposition. But the ampler one is the cruelty, the absurdity and the social injury of the constant consumption of unprotected savings which is an essential part of our present system.

It is a doctrinaire and old-fashioned Socialism that quarrels with the little hoard; the quarrel of modern Socialism is with the landowner and the great capitalist who devour it.

§ 4.

While we are discussing the true attitude of modern Socialism to property, it will be well to explain quite clearly the secular change of opinion that is going on in the Socialist ranks in regard to the process of expropriation. Even in the case of those sorts of property that Socialism repudiates, property in land, natural productions, inherited business capital and the like, Socialism has become humanized and rational from its first extreme and harsh positions.

The earlier Socialism was fierce and unjust to owners. "Property is

Robbery," said Proudhon, and right down to the nineties Socialism kept too much of the spirit of that proposition. The property owner was to be promptly and entirely deprived of his goods, and to think himself lucky he was not lynched forthwith as an abominable rascal. The first Basis of the Fabian Society, framed so lately as 1884, seems to repudiate "compensation," even a partial compensation of property owners, though in its practical proposals the Fabian Society has always admitted compensatory arrangements. The exact words of the Basis are "without compensation though not without such relief to expropriated individuals as may seem fit to the community." The wording is pretty evidently the result of a compromise between modern views and older teachings. If the Fabian Society were rewriting its Basis now I doubt if any section would insist even upon that eviscerated "without compensation."

Now property is not robbery. It may be a mistake, it may be unjust and socially disadvantageous to recognize private property in these great common interests, but every one concerned, and the majority of the property owners certainly, held and hold in good faith, and do their best by the light they have. We live to-day in a vast tradition of relationships in which the rightfulness of that kind of private property is assumed, and suddenly, instantly, to deny and abolish it would be--I write this as a convinced and thorough Socialist--quite the most dreadful catastrophe human society could experience. For what sort of provisional government should we have in that confusion?

Expropriation must be a gradual process, a process of economic and political readjustment, accompanied at every step by an explanatory educational advance. There is no reason why a cultivated property owner should not welcome and hasten its coming. Modern Socialism is prepared to compensate him, not perhaps "fully" but reasonably, for his renunciations and to avail itself of his help, to relieve him of his administrative duties, his excess of responsibility for estate and business. It does not grudge him a compensating annuity nor terminating rights of user. It has no intention of obliterating him nor the things he cares for. It wants not only to socialize his possessions, but to socialize his achievement in culture and all that leisure has taught him of the possibilities of life. It wants all men to become as fine as he. Its enemy is not the rich man but the aggressive rich man, the usurer, the sweater, the giant plunderer, who are developing the latent evil of riches. It repudiates altogether the conception of a bitter class-war between those who Have and those who Have Not.

But this new tolerant spirit in method involves no weakening of the ultimate conception. Modern Socialism sets itself absolutely against the creation of new private property out of land, or rights or concessions not yet assigned. All new great monopolistic enterprises in transit, building and cultivation, for example, must from the first be under public ownership. And the chief work of social statesmanship, the secular process of government, must be the steady, orderly resumption by the community, without violence and without delay, of

the land, of the apparatus of transit, of communication, of food distribution and of all the great common services of mankind, and the care and training of a new generation in their collective use and in more civilized conceptions of living.