

Price 5 Cents

#57

# What Socialism Is

By Charles H. Kerr



**Charles H. Kerr & Company**

**Co-Operative**

**341 East Ohio Street, Chicago**



*Delis farnis*

R41

.W5

1959p

# What Socialism Is

---

THE word Socialism is a growing word. It grows because the movement for which it stands is growing. Seventy-five years ago, the word stood vaguely for the yearnings of a few scattered thinkers toward some better social order that might bring a happier life to the down-trodden millions. Today the countless millions of workers all over the world are waking into a new and vigorous life, inspired by a new hope, and to their mighty movement of revolution they have given the name **SOCIALISM**.

This world-wide movement has crystallized around the writings of **KARL MARX**, because he was the first great writer to reach a clear understanding of the social forces which are transforming society, and to point out to the workers of the world how they may take possession of the world and enjoy it.

As Prof. Thorstein Veblen wrote in the *Quarterly Journal of Economics*: "The Socialism that inspires hopes and fears today is of the school of Marx. No one is seriously apprehensive of any other so-called socialistic movement, and no one is seriously concerned to criticise or refute the doctrines set forth by any other school of 'Socialists.'"

The object of this article is to explain as briefly, clearly and simply as possible the principles, the aims and the methods of Marxian Socialism, and at the same time to direct the reader to the standard works in which the subject is fully treated.

## I. HOW WE EXPLAIN PEOPLE'S ACTIONS.

What is the difference between good people and bad? Why did the world's greatest philosophers think human slavery a good thing 2000 years ago? Why was slavery right in Virginia and wrong in Massachusetts in 1850? Why do most wage-workers hate a scab? and why do college presidents call him a hero? Why do capitalists talk about the sacredness of contracts, and why do clear-headed wage-workers object to making contracts with capitalists or to being bound by them after they are made?

Questions like these cannot be answered intelligently by people whose heads are full of the moral ideas taught in the churches. They can only be explained in the light of a discovery of Marx to which we Socialists give the name of **Economic Determinism**, or the **Materialist Conception of History**. The names may sound hard, but the theory itself is so clear, and makes so many other things clear that you may wonder why it ever had to be discovered.

Stated in the simplest possible terms, the theory is this: People must have food or they will starve. In most countries they must also have clothing and shelter, or they will die of cold and exposure. Most people wish to live. Therefore the matter of supreme importance to them is to provide themselves with food, clothing and shelter. In different countries, and at different times, they **PRODUCE** and they **DISTRIBUTE** these necessities of life in different ways. And their actions and feelings toward each other, their

laws and customs, their ideas of what ought and what ought not to be done, are bound to change as the methods of PRODUCTION and DISTRIBUTION change.

For example, here in America our great-grandfathers produced what they needed by going out on unoccupied land and planting corn. Their tools were crude; they did not produce much, but what they did produce they could keep. As long as there was plenty of land, all who would work could get plenty to eat, and it was natural enough to think under such conditions that private ownership of land and tools was right, and that if a man was poor it was his own fault.

But conditions have changed. Railroads have been built; machinery has been invented which does most of the work that used to be done by hand; the same amount of labor will produce ten times as much of the necessities and comforts of life. But now the good land is all fenced in; the wonderful machinery belongs to a small class of capitalists; millions of laborers who own no land and no machinery are compelled to work for the owners if these are willing to employ them, while if they cannot find work they must starve.

This new state of things develops two opposite ways of looking at the question of the private ownership of land and tools. Those who own them find life easy and pleasant; to them the whole social system based on private ownership naturally seems right. They bring up their children in this belief, and those who grow up in a property-owning atmosphere usually have an inborn respect for all laws and moral precepts which tend to make property secure.

The children of wage-workers, on the other hand, grow up in a totally different atmosphere. To them, property is not something sacred to be preserved inviolate; it is something to fight for and to be enjoyed when won. And they are fast learning that to make a winning fight they must struggle together, not each for himself. This different class attitude toward property is a necessary consequence of an organization of society in which one class owns the wealth and another class produces it.

All through history, the way people got their food has shaped their ideas. There have been times when the people of a victorious tribe had to eat the flesh of their conquered enemies or starve. Then cannibalism was "right." But by and by men learned to apply labor to land so as to get more food from the land than was required to feed the man who did the digging. Then cannibalism came to be "wrong"; the "right" thing to do with a prisoner was to make a slave of him.

When machinery was invented the ruling class, who became the owners of the machinery, found that it was more profitable to pay wages to a laborer when they wanted him and let him shift for himself when they did not want him than to "own" him and be responsible for his livelihood. Then they decided that chattel slavery of human beings was "wrong." The eternally right thing, to their minds, came to be **free competition**, laborers competing for jobs, capitalists competing in the sale of the goods produced by wage-workers.

This ideal was almost unchallenged in America for a generation after the civil war. But now it is not only challenged by the wage-workers, it is freely questioned by many well-to-do people. And their changing mental atti-

tude is an illustration of our Socialist theory of economic determinism. The MACHINE PROCESS has gone on developing. In all important fields of production the machines are becoming bigger and more expensive. Only the big capitalists can own the big machines, and the little capitalists are fast being crowded to the wall because the big capitalists can undersell them. So now it is only the trust magnates who seem perfectly satisfied with things as they are; every one else wants a change. But the kind of change each group of people wants depends on its economic position.

The best definitions of Historical Materialism will be found on page 8 of the **Communist Manifesto** (cloth, 50c, paper, 10c), and on pages 94 and 95 of Engels' "**Socialism, Utopian and Scientific**" (cloth, 50c; paper, 15c). An indispensable book to any student desiring a full understanding of the theory and its applications is Labriola's **Essays on the Materialistic Conception of History** (cloth, \$1.00). An admirable and fascinating book applying the theory to the moral ideas commonly held in America is Clarence Meily's **Puritanism** (cloth, 50c).

## II. SURPLUS VALUE.

With modern machinery, an American wage-worker can produce and does on the average produce each day commodities that retail for at least \$10.00. He gets on the average not over \$2.00. These facts can no longer be denied. They must be explained. And the Socialist is the only one who can offer a clear and satisfactory explanation.

The great English economists, Adam Smith (1776) and David Ricardo (1817) had long ago discovered that commodities tend to exchange at their values, that is, according to the amount of necessary social labor embodied in each.

Karl Marx published in 1867 the first volume of "Capital," in which he stated a scientific discovery which has become one of the fundamental principles of Socialism.

Marx's discovery is that the power to labor day by day is itself a commodity, which the laborer sells to the capitalist who employs him. He **MUST** sell it, since otherwise he has no way of obtaining food, clothing and shelter. This commodity, like others, is sold at its **VALUE**, and this value is determined by the amount of social labor required to produce the food, clothing and shelter required for the laborer and his family, since children must be provided for in order to insure a future supply of laborers.

The capitalist who is a manufacturer buys the machinery, the raw material, the coal or other source of power to keep the machinery revolving, and he also buys the **LABOR POWER** of the men, women and children needed to tend the machinery. He has a very good reason for buying this labor power, for it has a most remarkable property, first pointed out by Marx. In less than **TWO HOURS** the American laborer produces wealth equal in value to the wages he receives. But when he has done this he does not stop working. He keeps on six, or eight, or sometimes ten hours more, and in those hours he is producing **SURPLUS VALUE**, which belongs to the employer.

This is the way the capitalist makes his profit. But not everyone who employs laborers is growing rich. Out of the "surplus value" the employer must pay interest if he is a borrower. He must pay rent if he is a tenant. He must pay taxes (and by the way,

Socialists should not make the mistake of supposing that it makes any great difference to the wage-worker whether taxes are high or low). What the employer has left, after these and other expenses are paid, is his profit.

Now, as Marx has shown, in countries where capitalism is highly developed and conditions are stable, competition establishes an average rate of profit, so that, accidents apart, the capitalists divide the surplus value produced by the laborers not according to the number of laborers each capitalist employs, but according to the number of dollars each capitalist has invested.

For a full explanation of this and the proof of it, the reader must turn to the third volume of Marx's *Capital*, and this whole work should be read by anyone desiring to write or to speak in public on the question of surplus value. But here I wish to point out some very practical conclusions at which we arrive by applying the theory.

The way in which competition establishes the average rate of profit is this: Take two industries, one like shirt-making, where inexpensive tools or machines are used, and where a capital of one thousand dollars will employ several laborers. Let the other industry be one like the making of structural steel, where the most expensive machinery is required, so that several thousand dollars must be invested for each laborer employed. If now both shirts and steel products were sold at their value, investors could get far better returns by making shirts than by making steel products. As a matter of fact, the shirt-makers compete with each other to get business by cutting the wholesale prices of shirts far below their value, until each little capitalist, buying the labor-

power of his work-women as cheaply as he can, gets on the average, besides pay for his own individual labor-power, about the usual rate of profit on what little capital he has invested. On the other hand the big investor who has bought a million dollars' worth of steel trust stock will get only about the same rate of profit, even tho the steel products are sold above their value. He is better off than the shirtmaker, not because his rate of profit is larger, but because his capital, and with it his mass of profit, is larger.

As capitalism develops, as machinery is improved, more and more capital is needed to become an employer. The average rate of profit is growing less, but this does not mean thta the wage-workers are getting more of what they produce; quite the contrary. The rate of profit is growing less because the percentage has to be figured on an ever greater mass of capital.

It used to be so that a wage-worker might hope to establish himself as an employer. This is now growing harder and harder. Moreover, as capitalism develops, the employer with small capital finds his profits growing smaller and smaller, so that he is scarcely better off than the laborers he employs, while thousands on thousands of little capitalists every year drop back into the ranks of the wage-workers.

In pointing out the nature of surplus value, we Socialists do not assert that the wage system was always wrong, nor that the capitalists who uphold it today are "bad." The wage system in its time was a distinct advance upon the forms of production which had preceded it. Under this system labor has become far

more efficient and productive than ever before. But two things should be noted:

First, the capitalist, whose brain directed the whole process in the early stages of machine production, has thru the growth of corporations and trusts, become transformed into a do-nothing stockholder or bondholder. The brain work as well as the hand work is now done by hired laborers.

Second, every improvement in machine production has diminished the amount of **necessary labor** required to produce the food, clothing and shelter of the laborer and his family. The consequence is that the **surplus value** produced by the laborer for the capitalist is much greater today than at any previous stage in the world's history. When Marx wrote "Capital" the English wage-worker, whom he took for an example, produced wealth to the amount of \$1.50 a day and received 75 cents in wages. The average American wage-worker today produces \$10.00 and gets \$2.00. A dollar buys much less than formerly because gold can be produced more cheaply, so that part of the increase on both sides is only apparent. But the important point is that the capitalist class of America today makes about \$8.00 a day out of the labor of each productive wage-worker, which is far more than any previous ruling class ever squeezed out of its slaves.

By all means the first book to read when beginning the study of Surplus Value is Mary E. Marcy's **Shop Talks on Economics**. Any wage-worker can read it understandingly in a few hours. It is not only a delightful and stimulating book in itself; it is also the best possible introduction to the study of Marx. 10 cents. Untermann's **Marxian Economics** is interesting

and suggestive, altho marred here and there by an opportunistic bias. Boudin's **The Theoretical System of Karl Marx** is an important and valuable work, showing the necessary connection between the various theories of Marx and answering in a convincing fashion the attacks on Marx by various critics. But of course the great authority on this subject is Marx himself. Two small books of his, **Wage Labor and Capital** and **Value, Price and Profit**, should be read, as well as some of the introductory works just mentioned, before attacking **Capital**, which is a three volume work of over 2,500 pages. No one should, however, feel himself thoroughly qualified to talk on Socialism in public who has not studied **Capital**.

### III. THE CLASS STRUGGLE.

We have seen that people's political institutions and their moral ideas are the direct result of the way the people get their living—taken in connection with the way their fathers and grandfathers got their living. We have also seen how the laborers today get their living by creating surplus value for the capitalists.

Put these two thoughts together and what do they suggest? Here we have on the one side a class of capitalists living in luxury on the labors of others. Yet no one capitalist is forcibly robbing any one laborer. In many cases each capitalist, or at least the father or grandfather of each capitalist, has been a laborer himself. So these capitalists and their hangers-on persuade themselves and also persuade the less intelligent laborers that wealth is the natural reward of virtue and efficiency.

On the other hand, the more intelligent laborers realize that they are getting far less

than they produce. They realize that the modern machinery now used makes their labor immensely more productive than labor used to be, yet they see that they are receiving as wages a smaller portion of their product than ever laborers received before.

So the class struggle is on. Socialists do not make it; they simply explain it, and point out the lines on which it must develop. Thus far the chief weapon of the laborers has been the labor union, and the fighting has been thru strikes and boycotts. In the day of the small capitalist, real gains were made by the unions. But in this country the development of the unions has lagged behind the development of industry. The laborers today if organized at all are mostly organized by crafts, so that a corporation employing laborers of several crafts can make a separate contract with each, and when those of one craft are striking for better conditions, can use their fellow workers in the other crafts to crush them. To contend with the great corporations on anything like equal terms, the unions will be forced to organize industrially, so as to include in the membership of one union every laborer in the employ of one corporation.

Again, the unions have thus far been made up mainly of the better paid laborers, and thru these unions they have generally endeavored to hold on to what little advantages they have had, rather than to overthrow the capitalists; they have been conservative rather than revolutionary. But the changing mode of production, irresistible force that it is, has cheapened the skill of the union laborers.

Every improvement in machinery enables each laborer to turn out a larger product than

before in the same number of hours, and thus the employer is enabled to do without a part of his laborers. These displaced laborers make up the "army of the unemployed." If the workmen employed by a trust go on strike, a new force of workmen can soon be organized out of that army.

It is natural under such circumstances for the unions to resort to force, but here the capitalists are ready for them with superior force. The powers of government in America and in every other "civilized" country are at the disposal of the capitalist when a contest is on with the laborer.

Thus by the logic of events the class struggle has been extended to the ballot box. Here from year to year the voters have a chance to say who shall direct the clubs of the police and the rifles of the soldiers. Thus both in the shops and at the polls the struggle is on.

Let us take a look at the forces ranged on each side. The capitalists would have you believe that the battle is between hand workers on one side and brain workers on the other. But such an assumption is wholly untrue, and it is in direct conflict with the Marxian ideas that we are studying.

We have seen that classes of men are mainly moved by the economic conditions under which they get their bread. Now apart from begging and the various illegal methods of stealing there are just two ways to get bread and the other necessities of life under our present society. One way is to work with hand and brain. The other way is to own things and by this ownership to get hold of the wealth made by someone else. It is, of course, possible for one person to do both. It used to be

more common than it is. It will soon be less common than it is. The lines are being drawn more and more clearly between those who live by working and those who live by owning.

Once the employer was a laborer who worked in a little shop along with the other laborers to whom he paid wages.

Later, he was a superintendent who did not work with his own hands, but day by day directed the labor of the others to make it more efficient.

Still later, he hired a workman to do the superintending, while he went into the market to buy the raw material and sell the product.

Lastly he has sold his factory to a trust and has received in payment a block of dividend-paying stock or a bunch of interest-drawing bonds. Now he never needs go near the factory; he may live where he likes and spend his income as he pleases. All the buying and selling, all the account-keeping and planning, all the brain work as well as all the hand work is done by hired wage-laborers. And the income he draws and spends without working is made possible only by the fact that those who are doing the work are getting for it less than they really earn.

So when the battle lines are drawn for the final contest between the capitalist and the laborer, there will be on the side of the capitalist only those who live by owning and those who can be fooled, or bribed, into voting against the interests of the class to which they really belong.

On the other side will be those who live by their labor. The distinction between bodily and mental labor is really an outgrown distinction like that between body and "soul."

There is no bodily labor without mental labor. If a ditch-digger were to put no intelligence into his work he could not hold his job. And there is no mental labor without bodily labor. No matter how sharp or unscrupulous a corporation attorney may be, he cannot earn his big fee without the bodily labor of dictating his legal papers and then examining them.

Again, it is absurd to attempt to draw a line between useful work and useless work under capitalism and to count those who do useless work on the side of capital. Useful work is that which satisfies the desires of somebody that has the price, and under our present system, when each member of the working class must find a purchaser for his labor power if he is to stay on the earth, it is foolish to count a man as being on the capitalist side because he has to earn his week's pay by setting jewels in a poodle dog's collar or adding up columns of figures in a bank.

And not all workers are employed on a weekly wage. When the railroad corporations received from their government millions of acres of fertile lands, they did not hire wage-workers to go on those lands and raise crops for them. That was because they found that by selling the land to farmers who thought they were going to become wealthy by their labor they could get a great deal more out of each farm in interest and freight charges than by hiring laborers to work it. And these Western farmers are working longer hours for smaller pay than the average city laborer. What is more, they are as ready to rebel.

The small shopkeeper is also in the same boat. If he is stupid, he many think of himself as a capitalist, but if he is at all bright he

is coming to see that his "profit" is mostly wages, and usually very low wages, for the labor he expends in taking care of his shop and selling goods. So his material interests really lead him to favor the social revolution that will bring him better pay for shorter hours of labor.

Thus we see that in the class struggle that is daily growing more intense, only those who live by owning, less than ten per cent of the people, have anything to gain by upholding the present social system, while those who live by working, more than ninety per cent, have, in the words of the Communist Manifesto, nothing to lose but their chains, and all the world to gain.

The classic book on this subject is "**The Class Struggle**," by Karl Kautsky, translated by William E. Bohn from the German work entitled "Das Erfurter Program." The book is a general exposition of Socialism, but its closing chapter, pages 159-217, deals specifically with the war between the classes. **Industrial Socialism**, by William D. Haywood and Frank Bohn, is a most valuable pamphlet which deals specifically with present industrial conditions in America, showing the need of industrial union and of working class party in harmony with them. **Socialism Made Easy**, by James Connolly, is a simple and readable booklet for beginners, which is well suited to start wage-workers on the right track.

#### IV.—THE CO-OPERATIVE COMMON-WEALTH.

The class struggle between workers and owners can have only one possible ending. The end may be near or far, but sooner or

later the great mass of the people who do the work will see that their own separate interests are bound up with the interests of their class. They will see that it is folly for them to support in luxury a class of do-nothing owners. They will unite to overthrow the capitalistic system under which we are living, and to establish the Co-operative Commonwealth.

By this we mean a society in which the good things of life shall not be produced for the profit of a part of the people, but for the use of all the people, and where no one who is able to work shall have the privilege of living on the labor of others. We mean a society in which there shall not be a class of rulers with a class of workers under them, but in which all shall work and all shall rule—in which human equality shall be not a phrase, but a fact.

When I say equality, I do not mean that all the money or all the wealth of the country will be "divided up." That is something never advocated by a Socialist. It is one of the ridiculous lies told by our opponents to scare the laborer who has \$98 in the savings bank or who has a \$1,200 cottage with a \$900 mortgage on it.

No, we don't need the money nor the houses nor the automobiles that the capitalists have today. We want the use of the earth and of the machinery, and our labor will every year produce all the good things we need.

Again, it is no part of the Socialist program to make wages exactly equal for all kinds of labor. When the Socialist party comes into power it will find industry being carried on and wages being paid. It will find some workers being paid good wages and others very

low wages. It will find many unable to get work. It will find many children at work who ought to be in school. It will find that a large proportion of the earnings of those who work have been used to pay incomes to idlers.

Now, I do not know, nor does anyone know, just what will be the first act of a Socialist administration, but assuming that it comes into power with the general industrial conditions as I have described them, I think it pretty safe to make a few predictions as to what it would do.

It would stop paying rent, interest and dividends to capitalists.

It would take the children out of the factories and send them to school, and would at least double the force of teachers within a short time.

It would give at once to the least-skilled laborers enough of the comforts of life in return for their labor to let them live like human beings.

It would at once reduce the hours of labor to not more than eight, to be followed by further reductions as soon as a plentiful supply of the necessities and comforts of life have been accumulated.

It would, no matter whether "money" were continued or abolished, sell the products of labor back to the laborers at actual cost, allowing for a percentage to pay for public services, furnished free, which would take the place of our present taxes.

When the Co-operative Commonwealth is in operation the rewards of the various kinds of labor will tend to adjust themselves automatically. If it is hard to find street cleaners

and easy to find bookkeepers when collectivism begins, it will be a simple matter to increase the rewards and reduce the hours of the street cleaners until a balance is reached.

It is very certain that a Socialist administration would not control all industry from one central point. The Socialist party always and everywhere leaves the control in the hands of the smallest groups that can manage things efficiently. Again, it would not take away the artist's brushes, nor the farmer's little farm. We hold that tools so complex that they have to be used in common, should be owned in common, but if a man choose to work with his own tools, there would be nothing in the world to prevent him doing so, except the probable fact that as machinery improves it will be possible to earn more by working-co-operatively than by working alone.

Finally, Socialists do not want to set up a government to control people's actions. They believe that when everyone has an equal chance to earn a living there will be little temptation to steal. We may have to keep a few policemen a few years, but their work will be mostly in taking care of those whose lives have already been wrecked by capitalism. When alcoholic drinks are no longer sold for profit, when cheating is no longer the road to social prominence, when every woman can be sure of a living, without selling herself—then we may safely leave all questions of morals to the individual, while society attends to the production of the things the people need.

Socialists do not want to do away with the freedom of the individual. On the contrary, they realize that today it is only a few here

and there who have any freedom worth speaking of. What they mean to do is to make individual freedom a real thing for all.

There is no Socialist Utopia. In other words, there is no picture of the future collectivist society on which all Socialists agree. All who know anything of International Socialism realize that ideas and institutions are not eternal and do not fall from heaven; neither do they take shape because a few individuals wish them to take shape in a particular way. New ideas and institutions are the outgrowth of industrial and economic changes, and since we cannot tell what industrial and economic changes the next few years may bring, we cannot tell how the laborers, when once victorious over the capitalists, will modify their ideas or adjust their institutions.

Consequently most clear-headed Socialists are extremely cautious about making predictions. There are, however, two books by a European writer of unquestioned standing in the Socialist movement which answer in some detail the questions constantly asked as to how things might be adjusted under the Co-operative Commonwealth. These are "The Class Struggle" and "The Social Revolution," both by Karl Kautsky. The one book to avoid if you want to get a clear idea of the Socialist republic of the future is Bellamy's "Looking Backward." Bellamy had not, when he wrote this book, the faintest conception of the principles of Socialism; on the other hand his mind was saturated with middle-class ideas about regulating people's conduct. Naturally, his book pictures a society in which poverty is indeed abolished, but in which the "best people" of Boston as they were in 1887 have laid down elaborate regulations as to how each

individual in the United States shall spend both his working and his leisure hours. Any one who enters the Socialist movement with his head filled with the ideas in this book will be a nuisance in it until he learns better. This is because the ideas of "Looking Backward" are a character to attract the complacent little capitalists who are an unimportant survival from a by-gone age, and to repel the rebellious wage-workers by whom the social revolution must be accomplished.

If you care for the best picture of the future Socialist Republic that has yet been drawn, read **News from Nowhere**, by William Morris, the great English poet, artist and Socialist. It will help you imagine how delightful life will be when capitalists are abolished and the workers control the tools with which they work and enjoy in their own way the wealth they produce. Of course every detail in this book represents simply one man's fancy, and no Socialist is under obligation to defend any detail that is not pleasing to himself. But the book as a whole will be a real inspiration to the wage-worker who does not yet quite understand what the success of the working-class revolution will mean to him.

## V. THE SOCIALIST PARTY OF AMERICA

We have seen that men's ideas and institutions grow out of the methods by which they make a living. Also that American wage-workers make a living by producing "surplus value" for the capitalists, who in their turn get a very luxurious living by taking what the workers earn. We have seen also that this class division leads to a class struggle, which

must end in the overthrow of the Capitalists and the establishment of the Co-operative Commonwealth by the workers.

We come now to the means by which the Co-operative Commonwealth is to be brought about; whether by reform or by revolution; and if by revolution, then whether this is to be effected by political action, or direct action, or both. And in this discussion we shall become hopelessly entangled unless we define our terms.

Reforms are not necessarily peaceful; revolutions are not necessarily violent. The real difference between them is this. Reforms are changes made in laws or institutions by the same economic class which had all the time been in control. A revolution is a change in laws or institutions made by a new economic class which overthrows the former rulers and takes control of the political and economic structure of society.

The SOCIALIST PARTY, in America and elsewhere, stands not for reform but for revolution, since it holds that the rule of the capitalist class must come to an end, and that the workers must become the rulers.

As to the means by which the revolution shall be brought about, the only important question is as to what means will prove most effective.

The methods generally advocated by Socialists are known as political action and direct action. By political action we mean the election of Socialists to legislative, executive and judicial positions, and thus indirectly, through the action of these elected officers, taking possession of the means of production. By direct action, we refer to the collective

efforts of wage-workers, exerted not thru officials elected to political office, but thru their own economic organizations, the industrial unions.

Clear-headed Socialists in all countries advocate both direct action and political action. Direct action alone will almost inevitably be suppressed by force, since if the capitalists are left in undisputed possession of all the powers of government, they will not hesitate to use those powers to crush the labor unions. On the other hand, political action alone can never overthrow capitalism, for in every country the ruling class is so entrenched in power that they could successfully defy even a united working class, if the struggle were confined to the political field alone. In Germany the Socialists cast a large plurality at the last election, but they have no voice in the administration of the government, and they might remain equally powerless if they were to increase their plurality to a majority unless they supplemented their political action by direct action. Here in America the senate and the courts might hold a Socialist majority in check for years were we to do nothing but vote.

Moreover, government ownership is a very different thing from Socialism. The United States government already employs more wage-workers than even the largest trust, and with few exceptions they are exploited for the benefit of the capitalist class like other wage-workers. Certain sections of the capitalist class are enthusiastic for more government ownership of industry, and rapid progress in this direction is more than probable.

The great war has hastened ten-fold the progress toward government ownership of in-

dustry in all the warring countries, and as we go to press with the present edition of this booklet (September, 1917), the process is fairly under way in the United States. Much that we have urged in our propaganda regarding the useless wastes of competition is now out of date, not because there was anything wrong with our arguments, but because the capitalist class has itself applied the remedy. Even many of the so-called "immediate demands" which the Socialist Party has incorporated in former platforms are out of date, since the capitalist class has already taken control of the distribution of food and coal, and has forced the private owners of the railroads to run them under a unified administration which is virtually controlled by the government. And this is probably only the beginning. More startling changes in the same direction may be looked for any day.

International trade has practically passed out of the hands of private capitalists and into the hands of the allied governments, working together so as to buy on the best possible terms. England, which until the war began was the greatest investor in the stocks and bonds of corporations, has now practically prohibited any new investment except in government bonds. Production in the United States is increasing by leaps and bounds; the wage-workers are still getting a living and nothing more, and the title to most of the new wealth that is being produced is passing to the owners of the "Liberty Bonds."

When the smoke of the great war finally blows away, it will probably be found that production in America, England, France, Germany, Italy and Austria is too firmly or-

ganized under government control to be "unscrambled," and that a new era has set in, the era of state capitalism. This means that a great and increasing number of wage-workers in all the most essential industries will be under one powerful group of bosses, who will exercise a double control, thru the power of hiring and firing in the shops, and the power of the policeman's club and the soldier's bayonet in the streets.

What then will the Socialist Party do? It is becoming more and more evident that only one course is possible, and that is why the members of the party are drawing closer together and forgetting past controversies over tactics. What we must do is to stand together for the right to organize in the shops and to have a controlling voice over the conditions under which we are to work. Craft unions will be helpless to meet the new conditions. Industrial unions enrolling all the workers in each industry will be the only kind that can make headway against the concentrated power of the capitalist government. The Socialist Party must, in its propaganda and educational work, urge the need of such organization. And on the political field we must stand firm for the right of the workers to control the conditions under which they work. The old-party officials will represent the bond holders, who will be the most obviously parasitic class in the whole history of the world. Their claim to a share in the annual product of American workers will rest on ownership and nothing else, for they as bond holders will be performing no useful function whatever. And yet the interest on bonds can only be paid out of the wealth created by the workers. Never

were class lines so clearly drawn. Ours is the party of the workers, and if we stand together we shall win.

If you want to become a member of the party and do not know where to find the nearest Local, write to National Secretary Socialist Party, 803 West Madison street, Chicago.

A book which explains clearly the complex problems with which the Socialist Party has to deal in shaping its tactics is **The Militant Proletariat**, by Austin Lewis.

## VI.—A WORKING CLASS PUBLISHING HOUSE.

Charles H. Kerr & Company, a publishing house established in 1886 and incorporated in 1893, took up the publication of Socialist literature in the year 1899. There were then but a few thousand organized Socialists in the United States, and those few were split into contending factions. The literature of European Socialism was for the most part not to be had in the English language at all, and the little that was in sight was either badly printed or high priced. This publishing house took up the task of placing the literature of International Socialism within the reach of the English-speaking world, but the question was how to raise the necessary capital.

This problem was solved by our co-operative plan, on which we are still operating. Our charter, under the State of Illinois, authorizes us to issue 5,000 shares of stock at \$10.00 each. Up to this time 4,217 of these shares have been issued, leaving 783 still to be subscribed. Over 3,000 of the shares have been taken by as many different Socialist Locals or individuals, holding one share each. Some of them sent the

\$10.00 all at once, others in monthly payments of \$1.00 each.

They had a double reason for sending this money. One is that without it most of the Socialist books which we now sell at low prices would never have been published at all, or else would have been published by capitalist houses for profit and at very much higher prices. By subscribing this money, they not only made it possible to buy the books for themselves, but put the books within the reach of others, thus helping on the work of Socialist propaganda and education.

Their other reason was a personal one. While we pay no dividends to our stockholders, we supply them with our books, postage or expressage prepaid by us, at a discount of forty per cent from regular retail prices. On this basis, if a stockholder has occasion to buy even \$2.00 worth of books a year, the saving amounts to much more than ordinary interest on his \$10.00. But he has the privilege of buying our books in unlimited quantities at these discounts, either for himself or to sell again.

The first stockholders took chances. When they sent their money we were just beginning to publish Socialist books. They had only our promise to use the money for that purpose. We were carrying a heavy load of debt, and at any time from 1899 to 1909 our creditors could have closed us up if they had desired. And the list of books from which a new stockholder could select was very short. Most of them took all we had and ordered each new book as it came out.

Things are different now. We now have by far the largest stock of Socialist books to be found anywhere in the English-speaking world. Each new stockholder at once gets

the full benefit of the capital subscribed long ago by 3,000 others, so that he can supply himself with the best Socialist books at far lower prices than can be obtained in any other way. The cost of book paper and of electrotyping has doubled since the war began, but we have not raised our list prices except on two or three titles, and while we have been obliged to cut off all extra discounts formerly offered on books in large quantities, we are still allowing stockholders the same discounts.

If YOU are in sympathy with the work we are trying to do, we want you to become a stockholder. If convenient, send \$10.00 and a fully-paid stock certificate will be sent you by return mail. But if you cannot spare so much at one time, you can pay for the share in ten monthly installments of \$1.00 each, and you can buy the books published by us at 40 per cent discount while making your monthly payments. If you prefer to pay in this way, fill out the blank on another page.



If you wish more copies of "What Socialism Is," either to give away, or to sell at 5c each, for the benefit of your Socialist Local, we will send them by mail or express, prepaid, for a cent and a half each, no matter how small or how large the order. This is less than the cost to us, and we are only able to supply them at this low figure because of the chance that some who read the booklet will become co-operators in the work of our publishing house.

## STOCK SUBSCRIPTION BLANK

---

Charles H. Kerr & Company,  
341 East Ohio Street, Chicago.

Comrades:

Enclosed find \$1.00 as first payment on one share of stock in your publishing house, par value \$10.00. I agree to pay the balance in nine monthly instalments of \$1.00 each. It is agreed that while making the payments I shall have the privilege of buying books at the same discounts allowed paid-up stockholders, and that when the full sum of \$10.00 has been paid, I am to receive a certificate, fully-paid and non-assessable.

Name .....

Address .....

Post Office.....

State .....

## SOCIALIST BOOKS FOR BEGINNERS

The following books are recommended in the preceding pages to those who wish more information regarding the principles of Socialism. Prices include postage:

Communist Manifesto, Marx and Engels.....	\$ 0.10
Socialism, Utopian and Scientific, Engels...	.15
Essays on the Materialistic Conception of History, Labriola.....	1.00
Puritanism, Clarence Meily.....	.50
Shop Talks on Economics, Mary Marcy.....	.10
Marxian Economics, Untermann.....	1.00
Theoretical System of Karl Marx, Boudin..	1.00
Wage Labor and Capital, Marx.....	.10
Value, Price and Profit, Marx.....	.15
The Class Struggle, Kautsky.....	.25
Industrial Socialism, Haywood and Bohn...	.10
Socialism Made Easy, James Connolly.....	.10
The Social Revolution, Kautsky.....	.50
News from Nowhere, William Morris.....	1.00
The Militant Proletariat, Austin Lewis.....	.50
Capital, Karl Marx, three volumes.....	6.00
Total .....	\$12.55

If you pay \$1.00 on a share of stock, filling out the blank on page 31, you can buy the above named books for \$7.53. Catalog of our other books mailed on request. Address

**CHARLES H. KERR & COMPANY**  
(Co-Operative)  
341 East Ohio Street, Chicago