

# Socialism Made Plain

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**T**HIS is a pamphlet for beginners. I want to write a short and simple statement of what Socialism means, for the benefit of those who may not have time or inclination to read long books upon the subject.

It may be that you have some hazy ideas about Socialism which have been derived from what the newspapers tell you about it.

But I must warn you that what the ordinary newspapers say about Socialism comes from a prejudiced and unfriendly quarter. All the widely circulated newspapers are owned by great capitalist syndicates, and their purpose is to defend what Socialists call the "capitalist system."

If you want the truth about Trade Unionism you would not take the opinion of an employer of labour, and if you want to know what Socialism is you must seek the information from Socialists.

If you are one of those people who think that it is part of the divine order of this world that there should be rich and poor, that poverty is an institution which has always existed and always will exist; if you believe that it is right that a few should enjoy all the privileges and that the many should suffer; if you believe that a few should govern and the many should obey, then Socialism will make no appeal to you.

Socialism is a scientific plan for the reorganisation of the industrial system and the social order. The aim of Socialism is to abolish poverty. By poverty Socialists do not mean merely the lack of the necessaries of a physical existence, but that poverty which deprives so many of the opportunity for the enjoyment of education, culture, refinement, and leisure.

Let us first of all deal with what we may call material poverty, that is, the insufficiency of food, clothing, housing and other necessaries for maintaining human beings in good health and decent comfort.

If you are a working man or a working woman you know better than I can tell you what a hard struggle you have to keep your home going and to provide food, clothing, shelter and other necessaries for yourself and your family. You have to live on wages, and wages depend upon employment. You are not able to employ yourself. You are dependent for the opportunity to earn wages upon being able to find a master who will give you work; and no master will employ you unless he can see his way to make a profit out of your labour.

You are liable to periods of unemployment, due not to your own unwillingness to work or to your inability to work, but because trade is slack and it is not profitable to employ you. As an individual workman you have no control over your conditions of employment. You have to do the work you can get, and you have to do it as you are told. If you are a member of a Trade Union you are able, in association with your fellow craftsmen, to make collective bargains with the employers, by which your wages and conditions of work are better than they would be if you were left as an individual at the mercy of free competition.

Poverty is not due to the niggardliness of nature nor to the ignorance of men to produce the necessaries of life. Nature is bountiful. She has provided land which labour can make fruitful, and the genius of mankind has developed knowledge and skill which are able to turn the wealth of nature into commodities to satisfy the reasonable needs of all.

You may have heard about the Industrial Revolution. The Industrial Revolution came about through the discovery of the use and application of steam power to production, and the invention of machinery driven by steam power. The results of this Revolution were to vastly increase the production of commodities.

Let me give you a few striking facts about this. One hundred and fifty cotton spinners can to-day, when working

upon modern machines, produce as much cotton yarn as all the cotton operatives of Lancashire were able to do 130 years ago.

A girl in a cotton mill can turn out calico enough in a year to clothe 1,200 persons. A sewing machine will do the work of from twelve to fifteen women. A boot-making machine enables a workman to sole from 300 to 600 pairs of shoes a day, while he could handle but five or six pairs by former methods.

A railway locomotive will pull as much as could 800 horses or 8,000 men. Four men, with the aid of machinery, can plant, raise, harvest, mill and carry to market. wheat enough to supply a thousand persons with bread for a year. To-day forty ploughs can be made in the same time one was formerly made. Machinery has lessened the time required to turn out a newspaper two hundred and sixteen times.

The increase of productivity is still going on, and in England, in the thirty-five years between 1850 and 1885, the productivity of machinery increased by 40 per cent., though in these years there was no great revolution in methods, nothing but gradual improvement in machinery.

Have you ever wondered how it is that though the same number of workpeople can produce five or ten times, or, in some cases, a hundred times more of necessary commodities than was formerly the case, the workmen are very little better off?

You may have heard of Robert Owen, who lived in the early years of the last century. He was the founder of the Co-operative movement, and it was the contemplation of the question I have just put to you which made him into a Socialist.

He was the owner of large cotton mills, and he relates that his thoughts were first turned to Socialism by seeing the condition of his two thousand workpeople. He saw they were producing as much wealth as it would have taken six hundred thousand men to have produced a century ago. He saw clearly that his workpeople benefited but little, if at all, from this vast increase in the wealth they produced. He came to the conclusion that the only solution of this

paradox of increasing wealth, and the poverty of those who produced it, was by instituting rational social arrangements, and by securing a fair distribution of wealth.

If the workers do not receive a corresponding share of the increased output of wealth, it is clear that the increase must go elsewhere. We have not to inquire very far before we discover where the increase goes.

You have read in your newspapers of the ostentatious displays of wealth at race meetings and society functions. You see in your picture papers photographs of fashionable ladies dressed in hats and costumes costing hundreds of pounds. You saw pages of newspaper reports of the last motor show, and you would read that orders for motor-cars amounting to an aggregate value of four million pounds were placed to one English firm by its agents.

You read also of prices which are being paid at the London sales for curios, furs, and silver ornaments. At a recent sale a pair of silver-gilt vases were sold for the sum of £3,400. At the same sale four candlesticks made as much as £1,559.

Last year 328 persons died leaving estates valued at from £100,000 to over £3,000,000. A recent Government Report stated that there were 280 millionaires known to the Commissioners of Inland Revenue, whose total wealth amounted to £590,000,000, these persons having increased their wealth in five years by £200,000,000.

These facts will give you some idea into whose hands the increased production of wealth goes. The many have to work hard and long to live in poverty, while the few live in idleness and roll in luxury. That is the problem which Socialism can solve.

You have a right at this point to ask me whether the rich people have a legal and moral right to their wealth. I will try to answer that question.

They may have a legal right because that class has had the power to make laws, and has taken good care to legalise the method by which they can appropriate the bulk of the wealth of the country.

But there is no such thing as a permanent legal right. Man-made laws can be altered by man, and when the commonsense of the people asserts itself they will change laws which have been made in the interests of the few, and will make laws which will secure the greatest good of the greatest number.

There can be no moral right to the ownership of wealth which is not produced by the labour of the individual who enjoys it. The legal right by which a few people are able to appropriate eighty per cent. of the wealth of the country is a legal right which is intolerable in a democratic community, and a legal right which ought to be superseded by the moral claim of the whole community to the enjoyment of the wealth which the common labour of the community creates.

Let us now look into the question how the few become rich and why the many are poor.

Let us first take the case of the landowner. No man made the land, and no landowner can show title deeds from the Creator conferring the ownership of the land upon him. There may be something to be said for individual land ownership in a thinly populated country where there is land enough to supply the needs of every individual who wants land. But in a highly developed society like ours the monopoly of the land by a few excludes the majority from the free use and enjoyment of it.

Every member of the community has an equal need of land. He needs land on which to live, and if he is not himself a worker on the land he must derive the food by which he lives and the raw material on which he works from the land. The landowner, having the monopoly of a commodity universally needed, is able to exact rent from those who do not own land, but who require to use it.

The rent which the landowner can get for the use of land is determined by two things: first, the relative situation and quality of the land, and second, the competition of the landless for the use of the land.

You will notice that neither of these factors determining rent is created by individual effort. The varying fertility

of the land is the endowment of nature, and the competition for the use of land is a social factor. If you are an observant person you will have noticed that the value of land rises as the population of an area increases, and as the amount of wealth in the hands of the community increases.

For example, you have seen in your own lifetime villages grow into towns and small towns expand into large cities. Land which at one time had only an agricultural value of say £100 an acre is required for urban sites through the growth of the population, and its value rises to £1,000 or £2,000 an acre through no effort of the landowner, nor through any capital he has expended upon its development.

I think you will agree that it is monstrous that individuals should be allowed to appropriate these increases of value which have not been created by them. You might note that when land has increased, say, ten times in value that the increased value means that the landowner is appropriating so much of the general wealth of the community, and it need not be pointed out to you that the share the landowner thus appropriates leaves so much less for division amongst the rest of the community.

We have now established the first of the two reasons why the few are rich and the many are poor.

You may agree that all that has been said about the iniquity of private land ownership is true, but you may hold the view that the profits which the capitalist takes stand in a different category, and are the just returns for his energy, enterprise and management. Let us see if this is the case.

You will agree with me that no living capitalist is entitled to the unearned increment which has come from machine invention and the wonderful increase in productive power. Just as the value of land is a value created by the whole community, so increased production of wealth due to modern methods is a community value.

Moreover, the modern capitalist is seldom the active manager of the business in which his capital is employed. You will have noticed in the newspapers during the last few months pages of advertisements appealing for capital for new companies, or for additions to capital of established

companies. Many of these companies have tens of thousands of shareholders, who have simply subscribed the capital and take the profits.

Businesses are managed by salaried officials. The old justification for the capitalist that he was the man whose brains and enterprise organised industry and found employment for labour is no longer sound. The modern capitalist is much in the same position as the landowner. The landowner is a sleeping receiver of rents, and the capitalist is a sleeping receiver of dividends.

Socialists do not denounce the capitalist as an individual. We are quite ready to admit that he has fulfilled a necessary function in the evolution of industry. But he is no longer discharging his old function of organiser and manager of industry.

There are no exact figures of the proportion of wealth which is taken by the landlords in rents and the capitalists in dividends, but it would be a moderate estimate to say that these two classes take between them one-half of the annual national wealth production.

If one-half of the annual income of the nation is taken by those who own the land and capital, and these constitute only about one-fifth of the population, it will be quite clear to you why the remaining four-fifths are relatively very poor.

I hope I have now made it clear to you why the few are rich and the many are poor. It is because the land and the industrial capital of the country is owned and controlled by a comparatively small number of people, and by virtue of this ownership they are able to exact an enormous share of the wealth produced, and at the same time impose conditions of life and labour upon those who are without land and capital.

We will now proceed to show how Socialism will deal with this problem. Socialism means that instead of the land and industrial capital of the country being owned by a few individuals, the land shall be the common property of the whole community, and in like manner the industrial capital shall be owned and controlled by the whole community.

Socialism means that instead of production being in the hands of competing capitalists who carry on business with a

desire to make profit, production shall be the business of the whole community, organised for that purpose, and the whole community shall co-operate together to provide the commodities which are needed in common, and to supply the services which are necessary for individual and social needs.

I can well understand that this will seem to you to be a big proposition. I dare say many difficulties in carrying through such a great plan occur to you. Socialists do not think it will be an easy or a simple thing to establish the Socialist Commonwealth.

But when you have thought long and seriously about the possibility of Socialism many of your difficulties and objections will disappear.

There may be a few impulsive and thoughtless people who call themselves Socialists who think that it is possible "to overthrow the capitalist system" by an armed revolution. But these ideas find no support among the great body of British Socialists, nor in the British Labour Party and the Trade Unions, which will be the political and industrial organisations through which the change to Socialism will, in the main, be brought about.

Let us first of all consider the socialisation of the land. This problem presents fewer difficulties than the transfer of the factories and business and financial concerns to public ownership.

There are many simple ways by which the land can be socialised. I use the word "socialisation" in preference to "nationalisation," because "socialisation" means much more than "nationalisation." Socialists not merely want the land and the great industrial concerns to be owned by the nation, but they want them to be socialised, that is, used by the people for the benefit of the people.

There are many people who are not Socialists who are in favour of the nationalisation of the land. There is no doubt that if the land were socialised, even though industry still remained under capitalist ownership and control, very great benefits would accrue to the community.

But the socialisation of the land would not solve the problem of poverty, nor would it give that freedom to labour which is the ulterior purpose of socialisation.

There are, as I have said, many ways by which the land could be socialised. That great scientist, Dr. Alfred Russell Wallace, who was both a Land Nationaliser and a Socialist, wrote a book on Land Nationalisation, in which he propounded two or three alternative plans for nationalising the land.

He admitted the principle of compensation to the landowners, not as a moral right, but on the grounds of expediency. The present landowners could be given land bonds equal to the present value of the land. The State would then appropriate the economic rent of the land and all future increment of land values. From this income a fund could be created which would, in the course of about a generation, pay off all these bonds.

Another plan is that the present landowners should enjoy their rights during their own lifetime, and on their death the land should revert to the State without compensation. Both these plans might be worked simultaneously.

There are no insuperable difficulties in the way of the public acquisition of great concerns like the mines, railways, shipping, banking and insurance. In most of the countries of Europe the railways are State owned and State managed. In France, Belgium and Germany they have a wonderful system of waterways which are also owned and controlled by the State.

The nationalisation of the coal mines was admitted to be a practical business proposition by the majority of the members of the recent Royal Commission on Mines.

It is becoming increasingly easy to socialise the great commercial and financial concerns owing to the concentration of capital in the hands of Trusts and Combines. Many of the principal trades of the country are now great monopolies.

Five big banks have now practically absorbed all the banking concerns in England and Wales. The iron and steel trades, the chemical industry, soap, tobacco, wall-paper, salt, cement, glass, copper, cocoa, margarine, thread, machines, whisky, oil, linoleum, building materials, and indeed practically every great industry, are effectively

controlled in respect of output and prices by Associations, Combinations and Trusts, and in many of these trades there is one unit of capital monopolising the whole trade.

Socialists call these movements towards Trusts and Combines "the evolution of capitalism," and this development has made it not only easier for the public to step in and own and control industrial businesses, but has also made it very essential that this should be done to prevent the public from being fleeced and tyrannised by these soul-less capitalist business Combinations.

If you have read so far it will no doubt have occurred to you that after all there does not appear to be anything very new or novel in the Socialist proposal. That is so.

The principle of public ownership is already well established in practice. I have already pointed out that in most of the Continental countries railways and waterways are owned and operated by the State. Everywhere the Post Office is a public monopoly. In the United Kingdom the State owns and operates the telegraphs and telephones. It conducts an insurance and banking business through the Post Office. It has its own engineering works, its shipbuilding yards and clothing factories. During the war it has carried on immense industrial operations.

Municipalities are very large traders. They own and operate tramways, gas and electricity undertakings; and many local authorities do a large amount of building and other constructive work by the direct employment of labour.

These facts prove that the principle of public ownership and management is a practical proposition. Every kind of work which is now performed for the public service by the State or the municipality was formerly left entirely in the hands of private enterprise. It was because private enterprise failed to supply the public with a cheap and efficient service that it was superseded by public ownership and control.

You will observe that two conclusions follow from this practical experience: first, that public ownership and control—that is, Socialism—is a practical thing; and second, that in so far as it has been adopted up to the

present it has been done because of the failure or incapacity of private enterprise.

You have no doubt read a great deal in the capitalist Press during and since the war about the incapacity and expensiveness of bureaucratic State control. We must judge the relative quality of public and private ownership and control, not by the experience of the abnormal conditions of war-time, but by the normal conditions of pre-war experience.

I would like to warn you that the State control of which we have had so much during the war is not Socialism. But notwithstanding that fact, there is a lesson to be learnt from the war-time experience of State control.

State control during the war may have been wasteful and incompetent in many respects, but that is because State-controlled industries like the mines, ships, railways and the food supplies, have been managed by business men who have brought the incompetent and wasteful methods of commercialism into the management of State enterprises.

The business men who have controlled trade and industry during and since the war were men who had at the same time great financial interests in capitalist concerns, and they were naturally not anxious to make a success of State enterprise.

Notwithstanding the shortcomings and incompetence of State control during the war, the fact remains that it saved the country from financial and commercial disaster. The whole financial fabric of the country would have collapsed in the early weeks of the war if the State had not come to the assistance of the banking system.

May be you are an admirer of Mr. Lloyd George, and if so you will accept his testimony where my arguments would carry little weight. May I therefore remind you that, speaking in the House of Commons on August 18, 1919, he said:

“ National factories were set up which checked the prices, and a shell for which the War Office, at the time the Ministry was formed, was paying 22s. 6d., was

reduced to 12s., and when you had 85,000 of shells that saved £35,000,000. When we took the Lewis guns in hand they cost £165, and we reduced them to £35. There was a saving of £14,000,000 there, and through the costing system and the checking of the national factories we set up, before the end of the war there was a saving of £440,000,000."

No doubt the fact has occurred to you that it would be an impossible task for Parliament and Central Government Departments to work such a huge undertaking as the management of agriculture, mining, shipping, banking, insurance, railways, factories, and the distributive trades.

I quite agree that it would be impossible, and if it were attempted it would result in the establishment of an undemocratic, bureaucratic administration.

Socialists do not propose that the control of industry shall be centralised in a Government Department. The scheme put forward by the miners for the control of that industry shows how to combine public ownership and democratic management. There would be joint control by representatives of the State and the workers and consumers, through national and district committees, determined by the nature and extent of the businesses which had to be managed.

Socialists are quite alive to the danger of bureaucratic control, and they would insist upon such arrangements as were best calculated to give the utmost control by the workers and consumers.

Everybody now accepts democracy in politics. Political democracy is accepted because it is recognised that every adult citizen is entitled to have a voice in determining the laws under which he has to live.

It is surely just as important that the workers in an industry should have the right to determine the conditions under which they will work, and it is equally just and necessary that the community should determine the form and conditions of its economic life and industrial and social organisation. In other words, just as political democracy means the organisation of political power for political pur-

poses, so Socialism means the organisation of the community for the control of everything which affects the life of the community in common.

I know full well that this very brief explanation of what Socialism means will leave many questions you would like to put unanswered. It may be that it has raised in your mind more problems than it has solved. Socialism is a big subject, the biggest the human race has ever been called upon to consider.

If I have succeeded in enlisting your interest in this all-important question to the extent that you would like to know more about it, I would advise you to read some of the books you will find advertised on the cover of this pamphlet, and also the further pamphlets of this series which it is intended to publish, and which will deal more specifically with particular aspects of Socialism.

I am sure there are plenty of people who do not call themselves Socialists who are as anxious as any Socialist to remove poverty from the land and to help in establishing a more just social system.

Socialists believe that Socialism offers the only way by which that better social order can be established. We believe that Socialism will not only abolish undeserved poverty and bring the means for a healthy and cultured life within the reach of all, but that it will be a real blessing to those who seem to profit and succeed under the present immoral and unjust economic conditions, giving to them a greater satisfaction in seeing all their fellows happy and comfortable than the mere possession of riches can afford them.

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