

## CHAPTER XI

### THE FUTURE

IN speculating about the future, it is important to remember our analysis of the events of the past. What happened was not so much the consequence of intention on the part of any few persons or groups as it was the resultant of a number of deep human desires working themselves out in various sets of circumstances. The immigrants were driven out of Europe, they came to find one sort of liberty and were forced to adopt another; several kinds of unions and social philosophies competed for their allegiance, and one type prevailed because it proved more valuable to them. The Protocol of Peace was adopted to eliminate the necessity of strikes; it had valuable results but did not operate as people expected at the time of its adoption. In spite of anyone's deliberate intention, unforeseen factors intervened to destroy it.

So it would be useless to attempt to predict what will happen on the basis of any plans which responsible leaders or influential groups may now have. The authors wish particularly to avoid the inference that in this chapter they are speaking for any of the unions or their officials, or are expounding

any existing intentions. It is possible of course to understand the conscious tendencies of the unions, to read in the preambles to their constitutions, and in the reports of their annual conventions, passages showing that they look forward to a time when labor will control production and the laborer will receive the full value of all he produces. But as an expression of intention, these passages will have little effect on what actually is to happen. Any validity they may have will lie rather in their accuracy in analyzing social tendencies which would exist if they had never been written, and so, by helping the workers to understand these tendencies, in adding to the morale and effectiveness of the unions.

As labor leaders have good cause to know, the ordinary reader of newspaper editorials greatly overestimates the power of the "agitator." People write and talk as if a man saying something were a sort of first cause, as if an orator could single-handed bring about a revolution. If one is thinking of small groups acting over short periods of time, there may be some truth in this attitude, but as the group in question becomes larger and the time lengthens out, the effectiveness of the agitator *per se* decreases to the vanishing point. There are many agitators saying different things; and the vast inarticulate masses, slow to move and acting practically in relation to their circumstances, pay little attention to any theory that does not in the long run find a basis in their experience. The agitator is powerless unless he becomes in fact the voice of the

crowd, unless he understands the deep currents of desire that run through it so that in him the people hear themselves speaking. Such an agitator is of course dangerous to any vested interests which the people may oppose, because he arouses their consciousness and fires their will; but he is not the cause of what they may do, and if he is silenced there are sure to be others to take his place.

For the purpose of our speculation, therefore, let us get rid at once of this superstition by assuming for the moment that the unions in the clothing industry have no conscious social philosophy, that in all eventualities they will act, not according to any pre-determined plan, but to safeguard the interests of the workers and their own continuity as organizations. This assumption is not far from the truth, since if the unions sacrificed the permanent interest of the members or the organization to follow a pre-conceived plan, they would not endure long or accomplish much.

In comparison with the conditions which existed before the unions became powerful, those which they have been able to bring about are highly satisfactory. In comparison with conditions which might be achieved, however, and those for which the workers long, the present status is by no means desirable. Although sweatshops and home work have been practically abolished, the old, overcrowded tenements still stand, and the congestion of the city increases the difficulty and discomfort of living day by day. Inhumanly packed transit lines constantly wear

down the nerves and physical resistance to disease. Money wages have been greatly increased, but real wages have risen but little. To say this is not to belittle the achievements of the unions in raising wages; prices, rising as a result of many causes, go up without any communal effort, but the power of the unions is necessary to see that wages even keep pace with them. Seasonal variations, with their resulting hardship, have not ceased, and the activities of the unions have succeeded in doing no more than mitigating their effect. The industry is still susceptible to the calamitous alternation of general prosperity and depression: the "prosperous" periods sending prices so high that they soon empty purses, and the depressions causing unemployment, misery, and a weakening of the workers' economic power.

Especially we must take into account the more spiritual factors; the sense of human dignity which makes the worker wish to share on even terms the benefits of the more fortunate members of the community, not only for himself but for his children, and the more specific desire not to be a tool or an underling in the shop for someone else who owns, profits, and directs, but to be the master of his own work, subject only to the needs of the community as a whole.

Nothing is more certain than that the emotional pressures resulting from existing dissatisfaction will not permit the unions now to rest on their oars, merely to retain their present relative advantages.

What escape is there? Let us first investigate what further concessions the unions may gain from the employers, and what the employers and the unions may accomplish through cooperation.

In the matter of wages, a practical limit will before long be reached. If prices continue to rise, wages may rise correspondingly, but real wages must remain almost stationary. The classical "iron law of wages" has been discredited, but there is a sound iron law: wages are limited by the productivity of industry. Given a maximum productivity, real wages can rise only by diverting a larger share of the earnings to the workers; but under the present economic régime this process cannot go beyond a certain point without driving the employers out of business by making it impossible for them to secure further capital. Rising wages in a given industry may be covered by rises in the prices of its products, but such a process cannot continue far above the general price level. This expedient cannot in any case succeed in raising real wages for long in a world where the labor in practically all industries is organized. It is probably true that the unions in the clothing industry will soon have been able to increase real wages almost to the point where any further gains in the form of concessions from the employers will prove illusory. This conclusion of course applies to all forms of bonuses and profit-sharing as well as to wages in the ordinary sense.

What can be done, then, to increase productivity? As far as productivity is dependent on labor, the

clothing unions have adopted a more constructive attitude towards it than most of the old craft unions. They have not seriously attempted to limit the labor supply. They have not interposed vigorous objection to the adoption of labor-saving machinery—in some cases, as in the introduction of electric power, they have actually insisted on more efficient methods. They have, it is true, opposed the old-fashioned kind of "speeding up," but it is an open question whether that did increase productivity in the long run. They have gradually substituted week work for piece prices, in order to bring about a standardization of wages, but they are ready to welcome any method of increasing production from which the workers will be guaranteed their full share of the benefits. It is probable that here as in other industries something can be done to increase the productivity of the labor force, but it will necessarily be accompanied by granting labor an increased share of control over the productive process, thus creating a heightened sense of pride and ownership in the job itself.

The shortening of weekly hours by the unions has been directed, not toward a net decrease in production but toward a more even distribution of production throughout the year. In so far as the unions have succeeded in forcing the shops to do their work in a shorter day during the busy seasons, and to operate for longer hours during the dull seasons, the limit on hours has actually increased production.

The chief limit to productivity arises, however, not from labor but from the characteristics of the

industry under the existing régime.<sup>1</sup> The excessive competition for public favor, creating such an immense variety of styles that they are burdensome to the public as they are to the industry; the reaction of these ephemeral styles in intensifying the seasonal fluctuations of business; the existence of many small and inefficient concerns which, while they do not make a profit and soon fail, lower the efficiency of the industry as a whole; the unnecessary duplication of selling organizations; the money wasted in competitive advertising—these and other enormous bills must be charged against the industry on the employers' side. Any expert in large-scale production and merchandizing can see at a glance that a great saving might be made by intelligent regulation, under one management, of such a chaotic industrial region. But capital has been unable so far to bring about any approach to concentration. In the men's clothing industry a few large establishments have grown up, but they are as far as ever from anything like control of the industry.

If no Sherman law or Clayton law were in the way, it is possible to imagine an alliance between the unions and the more powerful manufacturers to bring about something like unified management. Large combinations of capital and powerful labor unions have so many divergent interests, however, that it is difficult to imagine any such alliance working smoothly and effectively. Even if it did succeed, many of the possible reforms would not be made,

<sup>1</sup> Cf. Chapter I.

and we might be in as much danger of limitation of production as ever, as is shown by our experience of the great industrial corporations now in existence.

For, in the current flood of advice to labor to increase production, the most important factor of all is usually overlooked. That is the tendency of capital to limit production, because it produces, not in relation to the existing need, but in relation to the demand for goods at prices such that the highest return on the investment can be secured. There has not been a time in the memory of men now living when the human need for goods of all sorts was greater than in the months immediately following the signing of the armistice between the Allies and Germany. Unemployment, too, was widespread; labor was clamoring for a chance to produce. Yet capital for months allowed its enterprises to lie idle or to run on part time. It had incurred certain obligations to the holders of shares, bonds, mortgages, and loans, and if it had to produce under conditions such that it could not satisfy those obligations, and satisfy them well, it could not produce at all. The uncertainty of prices and credit under the capitalist régime limited production. Unwillingness to buy materials at existing high prices with the possibility of having to sell the products on a falling market, unwillingness to borrow money at high rates when it might shortly be borrowed at lower rates, paralyzed the necessary industries of the country. In normal times also a similar process goes on. We

frequently hear of good foodstuffs being wantonly destroyed, of subterranean agreements to limit production, because more profit can be made at the high prices which will ensue if the supply remains a little short of the demand. Even where limitation is not the result of deliberate control, the factor of private profit causes a practical limitation, as in the clothing industry at present. Such limitation of production can be avoided only by an entire remodeling of the system of production and credit, by a control governed not by the primary interest of private profit, but by the real need for goods.

Under the existing system of money and credit, it is idle to expect advantage to the workers in any one industry from a great increase in the productivity of that industry alone, even if it were possible. If all the present clothing workers should in the same weekly hours produce twice the number of garments they now turn out, the purchasers could not afford to spend any more for clothes than they now allot for that purpose. What would happen, if business could stand the strain, would be simply that clothing prices would go down at least to a point where everybody could afford two garments for every one he now possesses. The real wages of the clothing workers would increase only to the extent of the extra clothing which would be available for their personal use. A similar increase in productivity would be necessary in all industries before they could double their real wages. But of course no such general increase can take place as long as

production is dependent on interest-bearing credit and profitable prices.

Let us analyze in the same way the pressure for alleviating seasonal unemployment. What can be done to assist those workers whose wages are reduced or cut off altogether during the dull seasons? There are, in the first place, the expedients already adopted by the unions—a reduction of maximum weekly hours coupled with a high rate for overtime above normal hours, and the stipulation of a minimum average weekly wage for the year. The result of both these expedients is to put financial pressure on the manufacturers, making it more expensive for them to do extra work in the busy seasons and to let their plants run at a low ebb during the slack seasons. Up to a certain point these measures are effective; in some cases the manufacturer can introduce staples which can be made in the dull seasons as well as in the busy ones. But the most profitable part of his business still remains the making of goods cut according to the latest styles, and subject to rush orders while the busy season is on. The increased expenses of making such goods, caused by the stipulations of the unions, is merely added to the price, and the resulting prices are not high enough to decrease materially the effective demand. Furthermore, the manufacturer in his effort to avoid overtime is as likely, instead of pushing back busy-season work into the dull season, and so taking the risk of having large stocks of an unsalable line, simply to employ extra people during the busy season as long

as there is any surplus in the labor supply. This way round his difficulty actually tends to increase seasonal unemployment, since it brings more people into the industry who cannot work in the dull seasons.

There is another method which remains to be tried—unemployment insurance. The manufacturers have a certain interest in keeping their labor force in the industry, and at a degree of health such that they will remain efficient workers. This interest is not sufficient to lead the manufacturers to keep a full force employed throughout the year, except in rare cases, but it might be sufficient to make them club together to pay unemployment benefits at a rate somewhat below the minimum wage. The attitude of the unions would have a large influence in the adoption of any such plan. Unions are justly suspicious of all "welfare work" initiated by the employer, since in most such schemes they detect a subtle intention to undermine the power of the union and bind the individual workman more closely to the individual employer. It is possible, however, that the unions and employers' associations might come to some agreement in this matter: they might decide that relief of those out of work through seasonal variation is a legitimate burden on the industry as a whole, and devise some machinery of joint administration which would protect the union.

While unemployment insurance would afford welcome relief to individual workers, it would not in the end solve the problem of seasonal variations. The

worker does not want a long period of idleness, mitigated by a pittance paid at public expense; he wants a job at which he can earn a good living. Unemployment benefits, furthermore, would not increase by a cent the real wages of the whole labor force; they would simply spread out thinner and more equally the amount available for wages. If the profit of capital had not already shrunk to a minimum this might be a means of diverting a larger share of the earnings to labor, but sooner or later the limit would be reached.

Again we are forced back to the question of productive control. There is no solution of seasonal unemployment short of eliminating the dull seasons, and that cannot be accomplished under a competitive régime. It is possible to conceive a powerful combination of employers agreeing to a standardization of styles which would permit larger production in the dull season, but such a combination is most unlikely in most parts of the clothing industry without active discipline exercised by a strong union over individual manufacturers. There would always be a tendency for the aggressive manufacturer to violate his agreement and enlarge his business by adding new styles; and the only check on such a procedure would be a strike. Since effective discipline of this sort would create as much friction as it would remove, we come to the conclusion that a fundamental solution of the seasonal problem is highly improbable as long as the control of production remains with the manufacturer.

We have not touched at all upon other sources of dissatisfaction—those for instance arising from congestion in the great cities; inadequate housing and disease, high rents due to high land values, overcrowded traction lines, and so on. One can dream of model factories and settlements in the country; but the same forces that have caused the clothing manufacturers to cling to the city are likely to continue in operation. There is the large and fluid supply of labor; isolated factories are more at the mercy of their employees. And there is, too, the powerful factor of the attraction exercised by a city like New York upon the out-of-town buyer. Under competition the manufacturer, particularly the small one who attends to his own selling, cannot remain far from Broadway.

Even if there were no direct reasons for the unions to assume more control of the productive process, the vitality of organization itself would exert a tendency in that direction. Any great social organism develops a sort of inertia which keeps it moving in the direction in which it has been going. The people composing it have formed habits of associating in it; their wills and hopes are to large extent tied to it. They expect persistence from it, and put in power those able to satisfy that expectation. Mere momentum would cause the unions to move for a long time in the direction of greater control, even if they had no new motives for doing so. The converse is true of the manufacturers' associations. There is always latent the danger of a general en-

gagement, which is likely to be all the more severe and determined the larger and more powerful the respective associations become. The fear of aggression on the part of both is likely to lead to a flaring up in each of a desire to vanquish and perhaps exterminate the other. An analogy is furnished by international war. Ordinarily it is far more advantageous for nations to settle their differences and live at peace, but if a situation arises where two nations having opposite ideals and circumstances find themselves continually in conflict at a certain point in their relations, so that each lives in fear of an attack by the other, a large element in each will believe that the point at issue can reach a final settlement only by a complete victory of one country or the other, and war is always a possibility. It is worth noting that aggression is as likely to initiate with the manufacturers as with the unions.

If our analysis is correct, moreover, the momentum of the unions will be serving a real function. It is possible that the employers can find some way of raising real wages, decreasing unemployment, and relinquishing control in the shop, to such a degree that the workers will at length be satisfied and their pressure will cease. But the preceding analysis seems to show that the employers are powerless to grant concessions of any value beyond a certain point, that that point is not far off, and that the workers will by no means be satisfied when it is reached. In arriving at this conclusion we have taken no account of the more general burdens which

the present economic régime places upon the community, such as its diversion of credit and labor from the production of necessities for the many to the production of luxuries for the few, its waste in inefficient methods of distribution and in competitive armament and war, its restrictive control of land and natural resources, its oscillation between booms and depressions. One need not admit that capitalism is responsible for these evils in order to see that sooner or later the clothing workers are likely to demand that the control of the employer and the primary interest of private capital be eliminated from their industry. The pressure of their normal wants having led them to this decision, it will be fortified by their desire to be their own masters, by the momentum of their organizations, and by their conscious social philosophy.

If this demand becomes insistent, how will it be satisfied? Nothing is more unlikely than that the employers will voluntarily satisfy it, and even if they did graciously step aside, something else would have to take their place. There is no way out but for the unions themselves to assume the productive control, to develop into a syndicate or guild. But to say this is by no means to solve the problem. If the statement is to mean anything concrete, the process by which effective control may be achieved must be investigated more carefully.

As we have seen in Chapter I, nothing is easier than to open a small establishment for the manufacture of ready-made clothing. Many an experi-

enced wage-earner has done so, and many of those who have done so have succeeded and are now themselves employers. There are cases on record of former union officials becoming manufacturers and being selected by their fellow-employers to negotiate with union committees. There is without question enough expert knowledge of production and enough managerial ability of the right sort in the unions so that they would be capable of operating clothing shops.

A method of gaining a hold on production that might present itself would therefore be for the union to set up a few shops of its own in competition with the established manufacturers, and from the profits to enlarge the field of control until enough collectively owned plants were in operation so that the union could dictate the management of the industry at large and in the end form a monopoly. Let us assume for the moment that for any such attempt the unions would receive as fair treatment as the private employer—that the selling concerns and the retailers would handle their goods, that the banks would give them credit, and the manufacturers of machinery and materials would deal with them on the usual terms. Still the unions would be in the most of the larger matters at the same disadvantage as the private employer. They could not make any radical changes in the productive régime until they had acquired complete control. Acquiring complete control would be a long and hazardous process. In the meantime they would have to oppose and deny



many of the normal demands of the workers in their own shops; it is not only conceivable but probable that before long the workers in the union-owned shops would be striking against their officials, and the attempt at gradual permeation would end in disaster. Our primary assumption, moreover, is itself an absurd one. Adherents of the present economic régime may boast of its opportunity for anyone who wishes to enter the competitive struggle for wealth and power, but even they cannot imagine that the banks and commercial organizations would refrain from boycotting a movement aimed at the ending of private enterprise in a great industry.

These objections do not of course operate so powerfully against a single clothing shop operated by the union, such as is now projected by the New York Cutter's local of the Amalgamated Clothing Workers, provided it is regarded as an experimental station rather than as the first step in a deliberate invasion of production. With a standardized product which could be sold to members of the union itself, the shop could easily be profitable enough to keep the workers well satisfied and still sell the garments considerably below the prevailing market price. At the same time valuable data about management, proper accounting, and the relation of labor cost to production cost could be accumulated.

The development of consumers' cooperation, cooperative banks, and direct exchange of products between farmers' associations and unions may lead to a sound growth of clothing manufacture by the

unions, yet it is easy to over-estimate the possibilities of such a movement. Clothing may be exchanged for raw produce or perhaps even for flour and manufactured foods, but when it comes to exchanging clothing for products of other lines of industry, the chances are not great, since it will be by no means as easy for unions engaged in trades having more substantial investment in property and plant to enter the productive field by permeation. The consumers' cooperative movement is indeed growing rapidly, but not rapidly enough to promise for many years a market for the bulk of ready-made clothing. At the best we may see the establishment of a number of union plants making certain standardized garments for farmers and cooperatives, whose main service in building an ultimate cooperative commonwealth will be the training of working-class technicians and the development of a body of knowledge useful in cooperative production.

Another possibility is that the unions might make an attempt to set up their control at a single stroke. Imagine a nation-wide strike in the industry, caused by natural and justifiable demands which the employers were incapable of granting, or a nation-wide lockout, arising perhaps out of a minor dispute, but maintained by the employers through a desire to destroy the unions. Suppose, in such an event, the unions should decide the time was ripe for them to produce for themselves. The essential investment in plant, material and power is far less than in most other industries, and it would

not be as necessary for the unions to acquire the property of the existing employers, as it would, for instance, if a similar plan should be adopted in the case of mines or railroads. Still, the project would be a gigantic one, impossible of execution in a short period. It would, moreover, require the assistance, or at least the absence of hostility, of those in control of credit, distribution, and the manufacture of machinery and material. The consequence is that such an undertaking would be hopeless unless the control of credit had already been taken from private capital, workers' control of production existed in the manufacture of machinery and textiles, and distribution were in the hands of a democratic state, a distributive guild, or consumers' co-operatives.

We must therefore admit that, while it is unlikely that the clothing workers will long consent to a continued control of private capital in their industry, it is just as unlikely that they could gain control for themselves without powerful assistance from outside. How could the ground be prepared for that assistance?

There is, of course, the traditional plan put forward by revolutionary syndicalists—that of a general strike of all labor with the aim of assuming simultaneous control in all industries. This plan, however, could never be adopted by hard-headed union officials, except in desperation. The hardships and dislocation of sudden revolution are too certain, and its ultimate success too problematical,

for it ever to form a part of the calculations of any but theoreticians with no responsibilities in the daily struggle of the trade unions. To say this is not to say that such an event is impossible. A severe crisis might bring such suffering and dissatisfaction to the people that anything would seem better than their misery, and they might in such a case force drastic action. The same is true of a coup d'état through force of arms. But we must regard the possibility of violent revolution much as we regard the possibility of an earthquake or a volcanic eruption. It may come; indeed it is sure to come if there is no other escape for vast natural forces; but we cannot bring it about by the power of will, and to attempt to do so would be madness as long as all other methods of giving vent to social pressures remain untried.

Gradual permeation is impossible for one industry considered by itself, but it may be possible, if methodically undertaken, one by one, for industries as a whole. If it is to be achieved, it must begin with the basic industries. Suppose a political party, controlled by labor and its sympathisers, powerful enough to be the deciding voice in the state. Suppose, then, that the basic industries, one after another, come under a new control in the form of a partnership between the democratic state and the workers in the several industries. The gaining of such control would probably be the work of political and economic action combined. It might begin with the railways. The state, governed by a labor

party, would vote to acquire the railroad property by some such moderate expedient as that proposed by the railway unions. Against the opposition with which capital would attempt to render such legislation ineffective the economic power of the unions would be a safeguard.

With this corner-stone safely laid, the public ownership of the mines and their operation by the miners might follow. The more radical farmers, allied with the employees in packing houses and other food industries, would insure public, democratic control of the food supply. Then would come the iron and steel plants, and the subsidiary metal products. The distributive system, at least in vital points, would be in the hands of consumers' co-operative societies, which even now are growing rapidly, and which would grow still more rapidly the moment labor attained the power and self-consciousness to bring about these fundamental changes. Once the railways, mines, food products, machinery plants, and textile mills were controlled by labor or by a partnership between labor and a democratic state, the clothing workers could set up their own control without much difficulty. Whether the state would buy the existing plants or furnish credit to start new ones would be a minor question to be determined by expediency when the time arrived. It is probable that a combination of the two methods would prove advisable. New model factories might be erected in better locations, while the best of the old machinery might be bought from

the manufacturers. If the manufacturers refused to sell, they would have no other market, and the certainty that the state could furnish new machinery might bring them to terms.

The matter of credit is a highly complicated one and deserves special consideration. Our short sketch of the method of establishing workers' control can be at best merely suggestive of a difficult process concerning which no one can predict with any certainty. Adequate treatment of the credit problem alone would require a large volume, but a few hints concerning it can be thrown out. The borrowing power of the state under the capitalist régime seems at times indefinitely extensible, but there is nevertheless a limit somewhere, and our government is probably near that limit at the present moment. How would it be possible, then, to raise the money necessary for the vast purchases which, under the plan just outlined, it would be necessary to make? Would the people devote their savings and the business men their surplus capital and the banks their credit to the purchase of bonds issued for the purpose of buying out private owners and abolishing the profit system?

It is just possible that, seeing the ruin of the old system ahead of them and fearing a crash in which they would lose all, the owners of surplus capital would choose this comfortable way out of their difficulty, even at some loss. With a labor government in power and labor unrest prevalent everywhere, the prosperity of private enterprise might be

so uncertain that capital would seek large issues of government bonds as the safest haven in the storm. But it is more probable that the credit of the government itself would be injured by the uncertain prospect, and people would prefer to run their chances with the old system or hoard their money instead of entrusting it to the government. Doubts of the most serious nature would be drilled into their minds. Where would the government get the money to pay the interest on its bonds, once its taxing power on private enterprise had vanished? Would the efficiency of the new régime be such that any surplus from the railroads or the industries would be available for interest? The ruling bankers would see that if they could prevent the government from getting credit, the whole project would fail, and a decisive victory might be won for the old order. To be sure, such a victory might provoke a resort to force; but when it comes to force, the powers that be always feel at home. They might even prefer to have the unrest take this form, thinking that they could crush it the more easily.

Along the road of attempting to float popular bond issues, with certain partial exceptions which we shall mention later, lies danger and defeat. But let us consider for the moment what the government would really have in mind. It would not be borrowing money to make tanks and explosives and aeroplanes—destructive objects which produce nothing and in turn demand more money for their upkeep and accessories. It would not even be borrowing to

construct buildings, roads or parks—useful things which, nevertheless, do not as a rule bring in any income. It would simply be acquiring title to productive enterprises. What more natural than that it should hand over to the present owners of these enterprises its note for their value, and pay the interest out of future profits? As long as surplus earnings existed, no resort to taxation for this purpose would be necessary. The procedure would not involve any addition to the public debt, as that debt is ordinarily understood.

Of course, the present owners might and probably would object to the sale, and would have to be coerced by the superior power of the majority. They would raise legal obstructions of every sort. But in the end, if the political power of labor were secure and its economic power were well directed, they could be defeated, even if revision of the Constitution were necessary. However difficult the path of the government might be, peaceable and orderly changes would be possible, provided the minority did not resort to arms.

We assume, of course, that the new management would be efficient, and would produce a surplus value. The task of demonstrating it we must leave to others, but if the case of the clothing industry is any indication, the assumption is not a hazardous one. The necessity of paying interest on the debt would be a burden, but it would not be so great a burden as the successive additions to capitalization which occur under private ownership. Further-

more, the government would recover a large part of the interest by income and inheritance taxes. The bonds would be simply an expedient for socializing industry with the least hardship to those who benefit from the present régime.

The attempt of the government to secure the credit so that it could acquire property without expropriation would be most difficult at first, and would decrease with every successive step. By the time it had acquired the railways and mines, the superior efficiency of the new management would have provided a surplus. Before it reached the end of the cycle, government credit would be practically self-contained. Indeed, credit would assume its fundamental form of advances of labor and materials in expectation of future return in kind. Even now consumers' cooperatives often grant credit, without interest, to striking unions whose members are also members of the cooperative. This means merely that they advance goods to their members without immediate payment. There are also cooperative banks in existence, and more may easily arise, which could be expected to invest largely in government or labor enterprises. Eventually, the guilds of workers in railroads, mines, metal establishments and so on could, either directly or through the state, contribute the surplus of their labor to the task of founding new guilds, in the knowledge that they, as consumers, would benefit in the end. And when the entire process was completed, interest-bearing credit in the ordinary sense would exist no

longer. The task of the government—or of the guilds—would simply be to direct surplus production in the channels where public welfare demanded it. Production at last could be adjusted to need rather than to profit.

Speculation on the methods of the new industrial revolution is really beyond the province of this book; we have indulged in it merely to indicate the broad lines which the future interest of the clothing unions and the consuming public is likely to take. For the workers, the inference is that every democratic and broadening characteristic of their movement is again justified. All exclusive and narrow tendencies, all inner friction inherited from the old conception of unionism, will prove an increased source of weakness as time goes on. Not only must the unions be well knit within themselves, and ready to share all the benefits equally among their members, but unity must be sought in the whole labor movement, unity both economic and political. It is probably unnecessary to stress the need of economic solidarity, since it is such a well-established principle already, but political solidarity is no less essential. There does not seem to be any way to bring about effective workers' control of industry without political control of the state. This is true even if a catastrophic revolution should occur, but it is doubly true in an attempt to bring about a revolution without disorder.

It is also obvious that the change will come the more easily the better the workers fit themselves

are likely to misinterpret what is almost sure to happen. The time will come—indeed in some fields it is here already—when labor will demand more remuneration and control than the employer is able to grant. If the public takes the position that labor's demands can be justified only by their reasonableness from the employer's point of view, it will decide that these demands are unjust and will take the part of capital against labor. But such a position will not make the demands unjust from labor's point of view, for they will be based not so much on the power of the employer to grant them as on the necessities of a decent standard of life and a full measure of human dignity. The fact that the demands are refused will not prevent their being repeated with increasing insistence. And the turmoil of the industrial conflict, so costly and inconvenient to the public, will merely be intensified.

It cannot be intensified indefinitely, however, without an explosion. Such a catastrophe, incalculable as its results are, is the last thing desired by those who take the old-fashioned view of the labor movement. Yet the only escape from it seems to be the development of some way of satisfying the just demands of labor after the present industrial régime becomes incapable of doing so. This is the function of the labor movement itself, considered in the light of the new unionism. The associations of labor characterized by the new unionism, with its aspiration towards industrial control, its constructive attitude towards production, its democracy and

idealism, are the only social organisms now powerful, out of which a beneficent new order might flow. The truly far-sighted policy is to encourage them and to strengthen their hands.

A logical ground upon which a member of the public might out of self-interest oppose the more self-conscious wing of the labor movement is the chance that a crisis may be precipitated in which the forces of labor will be decisively defeated and scattered and a final victory won for capitalism. A study of the history of the labor movement makes this chance seem slight indeed. Labor is used to defeat, and thrives on it. It has been defeated many times in what at the moment looked like a decisive way, but it has always arisen from its own ashes. Even if a final defeat were possible, the industrial serfdom which would result is a thing which no liberal-minded man should wish to contemplate.

It is ordinarily assumed that "conservative" unions, because they have no conscious social philosophy, are a bulwark against violence, while the "radical" unions are dangerous disturbers of the peace. Something very like the contrary, however, is the fact. The conservative unions make as many demands for material improvement as the radical ones, and they are no more likely to stop when the limit of the employer is reached. They therefore actually do as much, if not more, to intensify the industrial conflict and hasten the day of reckoning. On the other hand, their absence of constructive policy will tend to make that day of reckoning a

blind plunge into chaos rather than a reasoned attempt to find a civilized way out of the difficulty. Here, as elsewhere, obscurantism is no protection against upheaval.

If labor cannot be either decisively defeated or satisfied under the present régime, the only way out of the existing turmoil is a radical change in the system of production and distribution. Why should any member of the public, whose livelihood is dependent on his daily work, hesitate to welcome such a change? It promises a closer unity between man as producer and man as consumer, through the assumption by both of the function of the private profit maker, who, by his intervention, causes enormous wastes and maladjustments. It would tend to make effective the mutual interest of producer and consumer in high productivity of necessities, in production regulated according to public need. It would not be a dividing up of existing wealth by plunder of rich men, at which the anti-socialist scoffs, but the installation of new and better social machinery for increasing the total sum of wealth and for distributing it more rationally. And, even more important than its material benefits, it would release immense potential forces of democracy, goodwill and culture now imprisoned by the bitter limitations of an unnecessarily competitive world.

For an attempt to regulate this change we have both the motive of fear and the motive of hope. The dissolution of the present economic system, brought

nearer by relentless social forces, will not wait. The crisis may come either in the clumsy and dangerous way of a violent explosion, or in the orderly way of a planned reconstruction carried out at the behest of an enlightened majority. In a sense we are spectators of a race between the approach of the crisis and the effort of intelligence to prepare for it. At present the majority is not enlightened, and we are far from the ability to carry through an orderly and radical reconstruction. If the power of intelligence is to be increased, it is necessary for the public to renounce all superstitious repression, to hear and consider all proposals for change, however unfamiliar they may be, to give active support to political measures by which basic change may be introduced. As long as men are put in prison for expressing their opinions, or journals are suppressed, or force is used in any way to stifle thought and discussion, we are robbing ourselves of collective power to act intelligently.

Strong and justified as the motive of fear is, however, the motive of courage is stronger. For a long time apologists for the existing order have been ridiculing proposals for change by scoffing at Utopian perfection and saying that no new plan would "work." Such arguments are rapidly failing to arouse timidity. Not many people after a moment's reflection can believe either that the present system "works" or that it is necessary to conceive a heaven on earth in order to imagine a more efficient one. Many of us are in a mood to

take a risk of something worse in the hope of something better. Experiment and discovery, in spite of all doubts and dangers, remain a habit of the human race.