

THE SOCIAL UNREST



STUDIES IN LABOR AND
SOCIALIST MOVEMENTS

BY

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CHAPTER IV

THE SOCIAL QUESTION AND ITS ECONOMIC SIGNIFICANCE

ONE sees social questions innumerable, but what is meant by "the social question," as if a single issue dominated all others; as if society were afflicted with a single ailment? Statesmen and economists of first eminence can be quoted as speaking and writing upon "the question" as if so simple a term covered the facts. I have seen in a private library nearly one hundred different volumes and pamphlets with the title "The Social Question," or titles strictly synonymous, implying that some one all-inclusive issue had arisen to vex the present generation.

It is first to be noted that those who speak of "the social question" differ widely and often radically as to what the question is. There is a social question to the ultra-individualist, Auberon Herbert, but it has scarcely a single point in common with the social question of that man of ponderous learning, Dr. Schaeffle. Henry George had his question, but it differed fundamentally in two out of the three chief points from the question of Sidney Webb and John Burns. There is not one issue, nor the same issue, for the single taxer and for the socialist. It is an error well-nigh humorous to suppose that even socialists have anything like a single issue. Compare the Marx tradition with that of the English Fabians, or

with that of the able collectivist leaders of the Belgian Parliament. Both in theory and in practical remedies are differences not only of degree, but of kind. Even a little study of the social literature shows that in doctrine and in practice the writers are dealing with a great variety of conflicting issues. I have made from this literature, in the last fifteen years, a list of eighty-four "remedies" for the social question, *i.e.* remedies that were believed to be sovereign. The causes of our ills, in these writings, were fewer than the remedies, but the "root evils" were so many and so various, that to speak of *a* question or *the* question without explanation is open to confusion. Is it "over-production" or "under-consumption"? Is it "adherence to the gold standard" or is it the "silver craze"? Is it "monopolies" or "speculation" or "extravagance" or "over-saving"? Is it the "three rents" or the "private ownership of land"? These are a few of the most commonly assigned causes of our troubles that are most nearly akin. But who could create out of them a single issue? Especially if remedies are introduced, we face many questions, and not one question. If the followers of Henry George are right in holding that the present forms of private land ownership constitute the supreme evil, they are justified in insisting upon "*the* question" and upon "*the* remedy." The socialist who adds to the George evil the private control of the "means of production" raises new complications for which a simple formula is more difficult. If the socialist has become confessedly "opportunist," the simple formula, for theory and its application, is still more inadequate. Shall the term "social question," then, be

Stripped of its padding and accidents, it is a socialist propaganda.

During eight yearly visits through Western towns, covering a period of hard times and a period of exceptionally good times, I tried to gather evidence upon this question. There are two extreme conditions to be kept in mind. There are first, vast fertile areas on which the farmer is as prosperous and contented as any class with which it is fair to compare him. There are other wide areas, like parts of Kansas and Nebraska, in which capricious climate accounts chiefly for the chronic ills under which the farmers suffer. Between these extremes is found a very large class whose discontent is real and whose feeling, year by year, grows more socialistic. I tried in each community to find out the farmer whose opinion upon such subjects was thought to be of value. A fair summary of this testimony can be put into the experience of a prosperous farmer whose intelligence had general recognition in his city. I give this, as nearly word for word, as note-book memoranda permit. It is stated at length, because the illustration is believed to carry more truth than any mere analysis or general discussion.

"For seventeen years I lived on a farm out of town. For nine years I have lived in the city and rented my farm. I have got ahead a little, as three-fourths of the farmers I know have done, if they have worked hard and intelligently. If I had not read two books, Henry George, in the early eighties, and later Bellamy, I should have grubbed along and never thought anything was wrong. Those books set me thinking how the things we grow and make

are divided up. I have read ever since, and gone to a good many lectures; but what influenced me most was watching and finding out how a few men got very rich, and a large number amassed fortunes here in town, by owning and running the street cars. They were, many of them, high up in politics, and got the streets for nothing, and then from year to year bought up the most valuable pieces of land in the city, because they knew where they were going to put down the tracks. I was in a position to know how the fat contracts — building, paving, etc. — were put out so as to strengthen political control, which these men needed. I have seen a contractor grow wealthy in ten years, solely because he could manage politics in one section of the city. The corporation bought him in this way. No man can get on to the city council if those men do not want him there. The town has grown rapidly, and these men with their friends have got all the cream while we've got the skim milk. A man can't die on skim milk, but you don't like to see a few at a side table take all the cream. They tell us they have done big things for the city. I admit it is true, but we have all found out here how the clique got a great deal more out of it than they ought to get, and the rest of the town too little. At the start nobody knew what was being given away in parting with the franchises. The people are finding out their mistake, and they never will be quiet till they have got them again. Now, when I understood that problem in my town, I began to reason about the railroad and telegraph system in the whole country. If a few men could get the cream in this town, it was easy to see how the Goulds

Competent critics of socialism like Dr. Menger hold that this claim of labor to the total product is, not only the most fundamental principle in socialism, but the most revolutionary force of the present age. Even if true, so abstract a statement as the laborer's claim to the total product leaves our most important questions unanswered. What theoretic justification exists for this claim?

It is that as industry is now organized it gives back to the worker far less than his labor has produced. The reason of this is that an enormous unearned increment is perpetually abstracted in the form of interest, rent, and profits. Those who depend solely upon interest, rent, or profits from their machinery are, according to this view, living upon income that is earned by others. Henry George and his followers have popularized this view, so far as it concerns the rent of land. George held that rent derived from land was income that the owner did not earn. Rent, he said, arises from the growth of the community, not from anything the private owner does. Rent is wholly a social product, and should therefore go to its creator, the community. George was not a socialist, because he did not apply this theory of rent to interest and profits. These he would leave as private possessions. The socialist believes that not only rent, but interest and profits on goods made for the market are also a social product. Quite as much as rent they represent an unearned increment. They, too, are social rather than individual products, and should therefore pass to their owner — society.

But what theoretical defence can be offered for the social origin of wealth as distinct from the individual

origin? In what sense can it be said that the community helps the millionaire to create his fortune and possibly the larger portion of it? The answer of the collectivist is that an analysis of practically all the great fortunes will show that the possessors earned, by personal service, only a trifling part of their millions. Ground rents heap up the treasures of the New York Astors. The elder Vanderbilt lays the great railway into the West; but the social additions—lands, city terminals, and crowding population—enrich it with values far beyond any service that any one person can render. It may be oil, gold, copper, iron, coal, coupled with special transportation privileges cunningly secured through the politician; it may be a privilege like rebates wrung from a corporation like the railroad which is semi-public and social in character. The collectivist insists that every one of these dazzling incomes can be traced to an origin that is far more social than individual. To keep and to restore this social increment in all its forms is the aim of economic socialism.

The department stores also offer a good illustration. As in Chicago, Boston, and New York, these stores are geographically so related to the machinery of transportation that the multitude is deposited at their very doors. Of a great Chicago firm, I have heard it said, "It seems as if the trolley cars were made for that store." It and a dozen others are so grouped that every form of transportation is to their immediate gain. If more trains run, if they run more rapidly, if fares are lowered, the advantage goes automatically to these emporiums of trade. Every extra franchise that the city grants adds to