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Exposure of Socialism



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# EXPOSURE OF SOCIALISM

THREE ADDRESSES  
AND A DEBATE. *d d*

By

MAX HIRSCH,

==== Author of ====

Democracy versus Socialism,

&c.



PRICE, THREEPENCE.



.. AN . . .

EXPOSURE OF SOCIALISM

Three Addresses on Socialism

BY

MAX HIRSCH

Author of "Democracy v. Socialism," etc.

AND

A DEBATE ON SOCIALISM

BETWEEN

MR. MAX HIRSCH

AND

MR. H. SCOTT BENNETT, M.L.A.,

Acting as Representative of the Social Democratic Party of Victoria.

PRICE—THREEPENCE



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## PREFACE.

The Address and Debate here reproduced took place in the Athenæum Hall, Melbourne, on four successive Mondays, between the 26th of July and the 15th of August, 1904. They are now published in response to a widespread demand, and I have to thank several public spirited and anonymous citizens, who have generously furnished a guarantee fund for their publication. The debate arose through a challenge, issued at the termination of the first lecture, by the Social Democratic Party of Victoria, which selected Mr. H. Scott Bennett, M.L.A., as its champion. The report of the debate has been examined by representatives appointed by the two debaters, and certified to by them as being a correct and verbatim report.

My thanks are also due to the eminent gentleman who kindly consented to take the chair, and especially to my friend Mr. W. H. Renwick, to whose organising ability, employed on this as on many previous occasions on my behalf with absolute unselfishness, the success of these lectures was largely due.

MAX HIRSCH.

September 5th, 1904.

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## ADDRESS I.

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### **The Organisation of the Socialised State.**

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The Honourable A. G. SWINBURNE, M.L.A., Minister for Water Supply, having, as Chairman, introduced Mr. Hirsch, the latter on rising was received with prolonged applause. Mr. Hirsch said : Mr. Swinburne, Ladies and Gentlemen:—

#### **Freedom—a Vanishing Ideal.**

The last twenty years have witnessed a vast change in the sentiments and ideals of a large section of the people of Australia. Twenty years ago the working classes of this country, nurtured in the spirit of British freedom, still believed, in spite of occasional lapses, that their class aspirations would be realised through an extension of freedom and a greater equality of rights and opportunities. Since then a gradual change, much accelerated by the accomplishment of Federation, has taken place. The reactionary teaching of Socialism has been adopted more and more; little by little a considerable part of the freedom for which your forefathers fought and bled and died has been dissipated under the influence of this teaching, and the large and well organised Labour Party is now prepared to sacrifice all the rest, to submit itself and all of us to the harrowing despotism of a socialised State. (Cheers.)

#### **Challenge to Tom Mann.**

The most prominent of the advocates of Socialism in our midst is Mr. Tom Mann. His energy, eloquence, and enthusiasm have converted thousands to his way of thinking, and his organising power has helped to endow his party with greater influence than their mere numbers would warrant. For Mr. Mann personally I have that high respect which is due to any man who fearlessly and ably advocates the faith that in him lies. His teaching I regard, and always have regarded, as dangerous to all that this community holds dear. (Cheers.) I also had been informed on several occasions that Mr. Mann's adherents taunted the opponents of Socialism with the assertion that Australia contained no man who would dare to debate

the subject with him. I therefore gave way to the request of my friends, and invited Mr. Mann to a series of debates. To my great regret and surprise Mr. Mann, under various pretexts, declined my invitation. I also offered the Social-Democratic Party to give to one of their representatives an opportunity to criticise my lecture to-night. This also was declined. I think I may, without offence, say a few words on this subject. To me it seems that any man who, on the public platform, advocates great political, economic, and social changes, is in honor bound to debate his proposals when challenged to do so by a competent opponent. For a mere lecture may appeal not to reason, but merely to prejudice or sentiment. All the difficulties may be slurred over, all the opposing arguments put out of sight without the majority of the audience detecting the trick. But in a public debate, if both debaters are competent men, this is not possible. More or less of the true value of the arguments used, more or less of the weakness of the proposals made, if they are weak, must come home to the audience. A man who believes in the truth of his teaching herefore, has no reason to avoid debate; the man who knows or suspects that there are flaws in his teaching has every reason to avoid debate. I do not know whether these considerations weighed with Mr. Mann when he refused to debate. It would be wrong of me to suggest that they did. But this is undeniable. Any man who publicly advocates a cause has the right to claim that the public believe in the honesty of the convictions which he proclaims unless the contrary can be proved. But if he refuses to subject his teaching to the only public test which can be applied, the test of public debate, he has no right to complain if this implied belief is weakened or refused. (Cheers.) However that may be, Mr. Mann having refused to debate, the question arose whether I should give expression to my views on Socialism in the much less interesting and convincing shape of a series of lectures. I hesitated for some time, fearing that the unavoidable dryness of the subject would prevent any large attendance. The importance of giving voice to the view that the success of Socialism would be the worst calamity which could overtake civilised humanity, coupled with the imminent danger that the Socialistic party may become dominant in the Commonwealth, induced me to disregard these misgivings, and this magnificent audience shows that I was right in doing so.

### **Socialism World-wide, Specious, Disastrous.**

Socialism is not a mere Australian movement. It is world wide in extent; in every civilised country it is attracting the attention and support of large sections of the people. Such a world-wide movement must have world-wide causes. Nor are these causes difficult to find. Everywhere the masses of the people are smarting under a sense of economic injustice; everywhere they see that the marvellous industrial progress of the last century has borne but inadequate fruit for the working masses; everywhere they experience that while untold millions accumulate in a few hands, the condition of the masses is but little improved. This injustice Socialism proposes to remedy, and it must be admitted—it would be foolish

to deny—that on the surface it would appear as if it could provide this remedy. I have, however, gained the conviction that this appearance is misleading, that far from securing to the masses of the people a greater share in the wealth which they help to produce, it would actually curtail the share which the vast majority of them now receive. Nor would this be the only evil. Man does not live by bread alone. There are higher boons than material wealth. Freedom, equality of rights, the purity and joys of family life—these are the highest fruits of the social state. For the partial attainment of these boons generation after generation of men have sacrificed wealth and life itself. Socialism must not only stop further progress in these directions, but will lead to the loss of the progress so far made, will wither the fruit of all the sacrifices which humanity has made in its long and weary upward struggle. I therefore oppose Socialism, not because I believe existing social arrangements to be just and good. On the contrary, for the last fifteen years of my life I have done all that my powers permit to show their injustice, and point out what I conceive to be the remedy. I oppose it because it offers a stone for bread; because the remedy which it offers is no remedy, but a poison which would corrode the whole life of the social body. (Loud applause.)

To prove this charge is the object of these lectures. To do so in one lecture is an impossible task. I have, therefore, been forced to divide the subject under three heads, and to devote a lecture to each. To-night, I intend to bring before you the avowed changes which Socialism proposes to effect in our industrial organisation, and some of the unavowed consequential changes which the adoption of these proposals must inevitably provoke. Next week I intend to bring before you a picture of the economic outcome of Socialism, showing that it must culminate in industrial retrogression and consequent universal poverty. In a third lecture I intend to deal with the political outcome of Socialism, showing that its inevitable result must be such a despotism on the part of its bureaucracy; such slavery for the rest of the people, as has not been approximated even in the worst days of Roman Cæsarism, and that this slavery must be accompanied by a loss of all the virtues which we as a nation value most highly.

### **Complexity of present Industrial Organisation.**

Before entering upon the industrial proposals of Socialism, permit me to show, however inadequately, the real nature of the existing industrial organisation which Socialism proposes to destroy. We live in a world in which no one can lead an independent life. Every one of us is dependent upon the help of all others for the satisfaction of his desires and the maintenance of his life. Every article which man can use is the result of a vast system of world-wide, voluntary, and unconscious co-operation. Take, for instance, this coat which I am wearing. In order to produce it, some men had to clear land and rear sheep; another group of men had to shear the sheep; another group had to clean the wool; still another group had to dye the yarn; yet another had to weave the yarn into cloth; and still another group had to fashion the cloth into a coat.

Simultaneously with these activities, another group of men had to collect horn, and another had to fashion these into buttons; another group had to plant and tend cotton bushes; still another had to collect the cotton; another had to spin the cotton into yarn; another had to weave the yarn into cloth; and still another had to dye the cloth in order that there should be lining for the coat. At the same time another group of men had to plant and tend mulberry trees; another had to rear silkworms, collect the cocoons and unravel them; another group had to spin the silk into thread; and still another had to dye the thread in order that the coat may be sewn together.

Antecedent to all the activities so far mentioned, other groups of men had each to mine ore, coal, and flux, in order that another group might smelt these materials into iron; while other groups, spread all over the earth and far too numerous to number, had to fashion the iron into all the many tools and machines which were required for the many different activities mentioned. Also antecedently, other groups of men had to cut down trees, and still others had to cut the trees into planks; others had to quarry slate and still others had to cut it into shape; still others had to dig clay, and still others had to bake the clay into bricks, in order that yet other groups of men might form these materials into factories, warehouses, and dwelling houses. Even this does not exhaust the process. In order that all these various materials, originating in different parts of the world, might be brought to the places where they could be most conveniently transformed, many different groups of men had to act as carters, sailors, and railway men. Antecedent again to their rendering these services, thousands of different groups had to perform the manifold processes which resulted in the production of carts, ships, and railways. Yet other groups of men, intervening at every stage of all these processes, had, as bankers, brokers, merchants, and storekeepers, to co-ordinate all these activities. And finally, in order that all these many thousand different groups of men could direct their energies each to his special task, thousands upon thousands of other groups, also spread over the whole earth, had to direct their energies to the production of the many different kinds of food and other things which the former wanted.

### **Marvels of Unconscious Co-operation.**

All over the earth millions upon millions of men are thus engaged in co-operating with each other. All of them are actuated by one motive only in this co-operation—each seeks to gain the best living he can for himself; seeks to satisfy the maximum of desires with the minimum of labour. But in carrying out this purely selfish purpose, each of them also subserves the unselfish purpose of making it easier for all others to satisfy their desires. (Loud applause.) All of them, moreover, are co-operating unconsciously, each having only his own purpose in view, and very few of them have any knowledge of the ultimate object towards the production of which their labour is directed. And further, this co-

operation, world-wide in extent, is also extensive in time. Forty, fifty, sixty years may have passed, since the first stroke of work was done, which resulted recently in the production of this coat.

### **The Socialistic Alternative.**

The industrial organisation now existing, and which Socialists term contemptuously "the capitalistic system of industry," thus presents a picture of world-wide, continuous, and unconscious co-operation almost too vast for the mind of man to grasp. Of all the marvellous contrivances which man has developed, none is so marvellous as this system of co-operation, upon the certainty, continuity, and completeness of which every one of us is dependent for the satisfaction of his desires; upon the permanency of which we all count with the same certainty as we do upon the rising and the setting of the sun. Moreover, this system which is carried on unconsciously and voluntarily, has been developed unconsciously. No Government, no parliament, no king has created it, though all of them have hampered its growth, and still hamper it. It has grown, is growing, and is daily becoming more highly evolved by the unconscious action of men seeking to satisfy their desires with the least exertion, and who in order to do this, had to comply with the natural laws which direct the actions of man in the social state. (Applause.) This voluntary and unconscious co-operation is the framework of our civilisation. Socialism condemns and intends to displace it with a system of compulsory co-operation, consciously directed by State authority. That which has grown up naturally in the course of untold centuries they wish to abolish in favour of an unknown, untried, and artificial system. For the natural pressure of necessity directing man's industrial activity, they want to substitute the pressure of organised force. Voluntary action they would supplant by compulsion. For the essential demands of Socialism—that upon which all Socialists are agreed, that which separates Socialism from every other political and economic school—is the acquisition by the State of all land, of all the means and opportunities of transportation, and of all the tools, machinery, buildings, and material of industry, and the conduct by the State through its officials of all and every industry. The State is to be the only owner of land and industrial capital; the only conductor of all industries; the only employer of labour; every adult, man and woman, is to be employed by the State in some industrial occupation. (Loud cheers.) The cheers which come from our Socialist friends show that I have described their proposals with absolute fairness. Yet it may be wise that I give some additional proof, so that there may be no subsequent dispute. I am going to read from a manifesto published by a "Joint Committee of Socialist Organisations of Great Britain," which merely repeats the central plank of the platform of all other Socialistic bodies:—"There is a growing feeling at the present time that, in view of the increasing number of Socialists in Great Britain, an effort should be made to show that, whatever differences may have arisen between them in the past, all who can fairly be called Socialists are agreed in the main principles of their thoughts and action. . . . On this

all Socialists agree. Our aim, one and all, is to obtain for the whole community, complete control of the means of transport, the means of manufacture, the mines and the land."

This complete revolution of the existing system of industrial co-operation is claimed as the necessary condition for the abolition of involuntary poverty, under the conception that competition is responsible for the misery of the masses of the people; that rent, interest, and profit are unjust deductions from the reward of individual labour, and that therefore the abolition of competition, of rent, of interest, and profit is the absolutely necessary condition for justice in the social relations of men. These industrial changes, the monopoly of all industry and exchange by the State, involves certain obvious consequential changes. When the State owns all the industrial capital, private loan capital also will have disappeared. Even if some men still owned capital, as may be the case in the early stages of Socialism, they could not lend it, because there would be no security on which it could be lent, and no interest would be allowed to be obtained for it. National debts are also incompatible with Socialism, as are all stocks, shares, and other negotiable documents. There can be no trading and no markets, and there would be neither necessity nor possibility for money. All transactions being with the State, each citizen would have a book, on the credit side of which would be entered the value of the services rendered by him, and on the debit side of which would appear the value of the articles which he had taken from the Government stores, and of other services rendered to him by the State.

#### Socialist Disputes as to Labour's Reward.

I have already said these are the conceptions and demands on which all Socialists agree. Now we come to a question on which there is some divergence of opinion among them. If the State owns all capital, conducts all industries, and employs all the labour, the State obviously and admittedly becomes the owner of all the wealth that will be produced. But as human beings cannot live without food, clothing and shelter, and want various other things as well, the State must distribute these things amongst the individuals; that is, the State must give some reward for labor. Socialists therefore propose that the State—after deducting the things necessary for the replacement and extension of national capital—shall distribute all the other wealth produced among the citizens. But as to the manner of doing this a difference of opinion exists. One and a comparatively small section, to which I find Mr. Tom Mann belongs, advocates that this reward be apportioned to each citizen in accordance with the value of the services rendered by him. The great majority, however, declares this to be impossible, and advocates equal reward in value, regardless of the value of services rendered, as the only plan feasible under Socialism. And they are quite right; for in the absence of competition and markets, such as Socialism aims at, it is impossible to ascertain either the relative value of services rendered, or the relative value of goods. Who, for instance, will say how many hours

of labour by a navy equal one hour of labour by a great landscape painter; or how many hours of labour done by a mechanic working on a bridge equal one hour of labour done by a great engineer in planning and designing the bridge? (Cheers.) Free and equal competition settles these questions with unerring certainty; in its absence, they cannot be settled even approximately, for there is no common standard of measurement. Likewise, the value of goods cannot be discovered in the absence of competition and markets. Who can say, in these circumstances, what is the value of wheat, when, as is the case, the same labour produces five times as much wheat from a more fertile than from a less fertile piece of land of equal area? (Cheers.) Who can discover the relative value of a pair of boots made from the best part of a skin, and that of another pair made from the worst parts of the same skin? Or who can discover the value of by-products which appear in many industries, and especially in nearly all chemical industries? Competition alone can discover these values. In the absence of competition, they cannot be discovered; can only be determined arbitrarily by the dictates of officials. (Cheers.) If then Socialism were to adopt unequal rewards, these officials would have to arbitrarily settle the value of the services rendered by each worker, as well as the value of every kind and quality of goods; if equal reward is adopted, they would only have to perform the latter task. Fortunately this latter one is not so open to corruption as the former. But in determining the value of services, the road is open to every kind of favoritism, jobbery, terrorism and corruption. (Loud cheers.) For those reasons the majority of Socialists recognise that equality of reward in value, with absolute disregard of the value of services, is the only system possible to Socialism. In support, I will quote the following passage from the Fabian Essays:—

#### **Equal Reward Incompatible with Efficiency.**

“The impossibility of estimating the separate value of each man’s labour, with any really valid result; the friction which would arise, the jealousies which would be provoked, the inevitable discontent, favoritism and jobbery that would prevail—all these things will drive the Communal Council into the right path, equal remuneration of all workers.”

Socialism, which aims at the abolition of the natural law of competition, thus is compelled to disregard another natural law—the law that among adults the more efficient shall reap the reward of their efficiency; which, in human society, means that those who render greater services to their fellowmen, shall also receive a greater reward than those who render smaller service. This law, acting through competition, is the cause of the evolution of every form of life and of the evolution of human society from barbarism to civilisation. This natural law, Socialism would supplant by a condition, in which it would be as good to the individual to be inefficient and lazy, than to be efficient and industrious. Human beings can no more disregard natural social laws—without exposing themselves to punishment—than they can disregard the physical laws

of the universe. (Cheers.) If they create conditions in which efficiency is deprived of its due reward, where it will be as good to be inefficient as efficient, two results may be predicted with absolute certainty. The gradual growth towards greater social efficiency of all men will cease. In its place will come a gradual decline in social efficiency, until the efficiency of all has fallen to the level below which life cannot be maintained. (Loud applause.)

### **How Socialists would acquire Land and Capital.**

The question now arises, how does Socialism propose to obtain possession of all the land and the industries of the country. The early Socialists proposed to do so by revolution and sudden confiscation. But the absurdity of such schemes has long been recognised by Socialists, and they therefore rely upon the constitutional and gradual introduction, increment by increment, of their scheme. They also recognise that people can be far more easily induced to travel along the road which leads to Socialism, if the end of the journey is kept out of sight; moreover, we constantly witness various interests clamouring for Governmental performance of services which, with a little trouble and expense, these interests could perform, and as experience shows, could perform better, for themselves. (Cheers.) Yet every restriction placed on industry, every interference of the State with the conduct of industry, and every assumption by the State of unprivileged industrial functions, attunes the public mind to further interference, and the accumulation of such restrictions and interferences must gradually bring us to the nationalization of one or another unprivileged private industry. When this has once been started, the impetus will have been given which will rapidly lead to full Socialism. As a body, sliding down an inclined plane, gathers impetus as it proceeds, so Socialists hope, and hope with reason, that through restriction they may rapidly proceed to nationalization, and that then the rest will accomplish itself. (Cheers.)

### **Compensation or Confiscation**

The next question is, how do Socialists propose to pay for the land and all the industries of the country. Whenever Socialists begin to turn their projects into practice, the as yet not wholly corrupted public opinion will compel the offer of some sort of compensation to dispossessed persons, probably in the form of interest-bearing bonds. But they cannot continue to do this. For as the abolition of rent, interest, and profit is one of the main objects of Socialism, the socialised State can neither continue the payment of interest, nor the issue of interest-bearing bonds. Two definite proposals have been made. One, originating with one of the leaders of Socialism in the United States, Laurance Gronlund, proposes to issue non-interest bearing bonds to the value of material assets, goodwill, patents, and other like intangible assets being disregarded, and to make those bonds redeemable through the gradual withdrawal of goods from the State stores. This proposal obviously involves confiscation to a large extent. Another and more authoritative proposal, coming from the Fabian Society, is to tax rent, interest, and profits to a gradually increasing extent, and to use the revenue thus obtained for



the gradual purchase of industries. This proposal, however, also amounts to practical confiscation. For this taxation would gradually reduce the value of these assets, while at the same time their owners would themselves almost exclusively furnish the amount paid in compensation. Whatever plan, however, is adopted, that full compensation will be paid or that the State continues to pay interest on any bonds given in compensation, is absolutely impossible without frustrating the main objects of Socialism.

Socialists do not hesitate to justify either of these confiscatory proposals, nor the utter disregard of the value of services rendered in the reward of labour. They insist that human beings have no rights whatsoever which the State must respect. Permit me to again prove this remarkable attitude. Laurance Gronlund, in "Co-operative Commonwealth," writes:—"It is society, organised society, the State that gives us all the rights we have. As against the State, the organised society, even labour does not give us a particle of title to what our hands and brain produce." Likewise, Professor Robert Flint, in "Socialism," writes:—"Socialism denies to the individual any rights independent of Society, and assigns to Society authority to do whatever it deems for its own good, with the persons, the faculties, and possessions of individuals." The man who has no rights is a slave. These quotations prove to you that slavery is the essence of Socialism (cheers), and that its apostles have provided themselves with a moral theory which justifies any confiscation in which they may indulge. Freedom and justice they regard as mere empty words. The conception that every man is entitled to possess and enjoy all the fruits of his labour is to them an old-world delusion. Nor is this denial of all human rights accidental, in the sense that some Socialists may agree with it and others may disagree. On the contrary, it is the inevitable outcome of the industrial proposals with which all Socialists agree. For the admission of individual human rights would stamp these proposals as in the highest degree despotic and unjust. Morally, they cannot be defended except on the assumption that human rights do not exist; that what has been so regarded are mere privileges granted by the State for its own purposes, and which the State may therefore arbitrarily abolish. (Cheers.) This doctrine brings Socialism into conflict with itself. It starts with the assertion that existing economic conditions, based on the law of the State, are unjust, and that the object of Socialism is to abolish State-created injustice. It finishes by declaring that the State cannot commit injustice. For injustice consists of the infringement of rights; where there are no rights there can be no injustice. Thus Socialism is compelled to commit intellectual suicide. (Continued applause.)

### **Socialist Organisation and Bureaucracy.**

Permit me now to draw some further consequences which must inevitably arise from the adoption of the fundamental proposals of Socialism. If the State owns and manages all industries, the State must also create a managing organisation, and this organisation must

be directed by one supreme authority. For it is then no longer the free demand of individuals which, through competition, determines the kinds, qualities, and quantities of goods that shall be produced. Some official or officials in central authority must undertake this task. Otherwise this inevitable result would arise, that some kind and qualities of goods would be produced largely in excess of what is wanted, while some other kinds and qualities would be unproduced. The central authority, therefore, must make itself acquainted, not only with the amount of every kind and quality of goods likely to be wanted in a given year, but it must do so for many years in advance. For as I have already pointed out, the production of almost any article is a continuous process, extending over many years. Whether any man or company of men can successfully accomplish the tremendous task of providing many years in advance for all the manifold wants and desires, ever varying, of a whole nation, may well be doubted. Certainly, our experience of the industrial efficiency of Government officials does not lead to the belief that they can do it. (Cheers.) But in order that the officials of the Socialist State may have the slightest chance of accomplishing it, however badly and inefficiently, all industrial authority must be concentrated in one centre. Under this central authority there must be many authorities, each dealing with one of the main branches of industry; under each of them again must be the heads of every separate factory, mine, farm, and distribution warehouse, and under each of them must be sub-managers, foremen, and gangers. Thus, in addition to the bureaucracy now existing everywhere, there must be created another, far more numerous and carefully graduated bureaucracy, which directs the whole industrial affairs of the nation, as well as the daily tasks of the whole army of workers.

#### **Powers of Bureaucracy.**

Moreover, this bureaucracy must also determine the kind of labour which each person, man and woman, shall perform; must direct where this labour is to be performed by each of them, as well as the intensity with which each shall work. For obviously the determination of the quantity of each kind and of each quality of goods to be produced involves the power to shift labour from an occupation in which it has become excessive to one in which there is insufficient labour. This is again admitted by Socialists. August Bebel, the great leader of the Socialist party of Germany, in "Woman" says:—"If a superfluity of workers occurs in one branch and a deficiency in another, it will be the duty of the Executive to arrange matters and readjust the inequality." This necessary power to shift labour from one occupation to another, however, involves the further power to shift the labourers from place to place, to determine where they shall reside. For it will inevitably happen that the new occupation to which they are allotted can be carried on more conveniently, or can only be carried on, in another place than that where the worker resided so far. Nor is this all. Young men and women entering upon their industrial life cannot be allowed to choose the kind of occupation which they desire to follow. For, if they were allowed to do so, too many would go into some occupations and too few would go into

others. This tendency would be enormously aggravated by the inevitable equality of remuneration. The heavier and more disagreeable tasks, bringing no greater reward than the lighter and more agreeable ones, the latter would inevitably become overcrowded. Therefore, the young men and women entering upon the active tasks of life would not, and could not, be allowed to choose their own occupation. State officials would choose for them and determine the whole course of their life. The youth who aspires to become a mathematician might be put to boot-making; one who aspires to be an engineer might be put to raising cattle; and the girl who desires to become a teacher might be compelled to work in a jute factory. (Loud applause.) Natural aptitudes could not be considered even if they were known to those who determine the selection. But in most cases they cannot be known at the comparatively early age of the aspirants, for special aptitudes frequently, if not mostly, declare themselves later in life. Being unknown, at the time, to the workers themselves, they cannot be known to the officials, and therefore cannot be considered. (Cheers, and protests.) I may, perhaps, be permitted to draw your attention to the attitude of the Socialists who are present here. Whenever I have mentioned any Socialistic proposal, the fairness of my description has been testified to by their applause. Yet, whenever I have drawn the obviously inevitable consequences of these proposals, my demonstration has been greeted with howls of disapproval. Coming back now to my text, I have to point out that the intensity of the exertion of every person must also be determined by these officials, for as every one receives equal reward, all would necessarily be called upon to work with similar intensity, otherwise those who naturally would work more intensely than others would become dissatisfied, and would slacken their efforts. A dead level of inefficiency would thus be reached, all working at the stroke of the least efficient or most lazy. In order to avoid this, the officials must have power to punish the lazy, stupid, and inefficient, so as to stimulate their energies. What can these powers be? These men and women cannot be discharged; their remuneration cannot be lowered. Therefore, the only punishment possible is personal chastisement or imprisonment. The knout and the jail, therefore, threatens everyone who either is naturally slow or otherwise inefficient, or on whom these faults are fastened by the illwill of some official or officials. (Cheers.)

### **Discipline and Tyranny.**

Moreover, as in all bodies regulated by graduated authority, as for instance in every army, strict discipline must be observed in the industrial army of the Socialist State. This again is admitted. Mr. Sydney Webb, in a lecture quoted by Sir Henry Wrixon in "Socialism," stated:—"To suppose that the industrial affairs of a complicated industrial State can be run without strict subordination, without obedience to orders, and without definite allowance for maintenance, is to dream, not of Socialism, but of Anarchy." Socialists, therefore, are right when they speak of the industrial

organisation of Socialism as an army. There must prevail in it the same graduation, the same strict regulation, the same subordination, the same unquestioning obedience as in a militant army. The comparative freedom of our civil life must give way to the unfreedom prevailing in the ranks of the military, and with it must come an adjustment of character like that which military discipline produces. Unquestioning obedience and subordination will be regarded as the chief virtues, and manly independence of thought and action, assertion of rights, and resistance to unjust aggression will come to be regarded as the worst of vices. (Loud applause.)

### **The Professions—Press Monopoly.**

Before leaving this part of the subject, attention must be drawn to the fact that equality of distribution cannot stop at any arbitrary line, but must prevail as to all the members, at least all the regulated members, of the State. Lawyers, doctors, painters, sculptors, actors, singers, scientists, and authors can no more be allowed to earn an income independent of the State than architects, engineers, and surveyors, or exceptionally skilful mechanics. Moreover, all these classes of workers must be placed under the directive control of the bureaucracy the same as any other worker. Paid by the State, they must also work under the control of its officials, and these officials must determine the number to be employed in each of these professions, and therefore must choose those who shall employ themselves in each. Any man not so chosen could only work at these professions after he or she had accomplished the tasks set for them. Even then they could not be allowed to sell their books, paintings, or sculptures, nor could the doctors, singers, actors, and musicians claim any fee for their services. No book could be published except with the approval of some State authority, for the State, controlling all printing works, can, will, and must determine whether it shall be printed. Likewise, the production of newspapers and all other journalistic works would be a monopoly of the State, for newspaper proprietors could no more be allowed to control newspaper factories than any other capitalist some other factory. Clearly, therefore, only such newspapers would and could be printed which voiced the views of the official bureaucracy. Not only would all the wealth of the country be centred in the hands of the bureaucracy, not only would this bureaucracy have absolute control, hourly and daily throughout their lives, over every man and woman, but they would also have an absolute monopoly over the manufacture of public opinion. (Cheers.) No opinion could be expressed, no news could be published which they desired to suppress. The censorship now prevailing in Russia would be but child's play compared with that which the Socialist bureaucracy could and would exercise. (Loud applause.)

### **Destruction of Family Life.**

Many Socialist writers advocate the most repulsive changes in marital relations. Other Socialists reject these with scorn.

I again say that we are not concerned with these opinions, but are bound to inquire what may be the inevitable changes in the constitution of the family which the industrial organisation of Socialism must produce. For that such a far-reaching change in social relations must bring about changes in family relations will be denied only by unthinking men. All men and women are to work at some industrial task; men and women are to have equal rewards. These conditions must powerfully affect existing relations. Women, whose energy is expended in industrial work, cannot preserve the comfort or even decency of individual households as well. Even if they could manage the additional work, it would be done perfunctorily, their interests lying elsewhere. They could not depute details to domestic servants, for, as a result of equal reward, domestic service would no longer exist. Father and mother having each their industrial tasks to perform, would also be unable to rear their own children. Thus home ties would be diminished, and the maintenance of a separate home for each family made almost impossible. Men and women would all live in large lodginghouses run by the State; children would be handed over at as early a period as possible to the care of the State. To these causes, destructive of all that holds a family together, must be added the economic independence of women. Who can doubt that the ultimate results of these changes would be destructive of the monogynic family as we know it; that they would lead to the utmost licence in sexual relations and to a formation of character in the children, removed from all family influence, far different from that which all decent parents now aim at. However, this is a part of the subject with which I intend to deal more fully in a later lecture. Here it is sufficient to have shown that the results openly aimed at by the more extravagant Socialists, and denied with absolute honesty by others, are an inevitable result of the industrial proposals upon which all Socialists are agreed. (Loud applause.)

### Conclusion.

Permit me now to recapitulate the conclusions arrived at. Socialism would transfer to the State, without adequate compensation, all the land and capital of the country, and would establish an additional, numerous, and well-disciplined bureaucracy to manage all the industrial activities of the country, and to distribute some of its results to private citizens. All the men and the women of the country would be at the absolute command of this bureaucracy with regard to the place at which they are to reside, and the kind and quantity of work which they are to perform, and all would receive the same wages with absolute disregard of merit. Domestic service would be a thing of the past. Separate family homes would give way to common lodginghouses; children would be separated from parents at the earliest age, and the rock on which our civilisation is built, the monogynic marriage lasting throughout life, would gradually disappear. Even if the bureaucracy were to be absolutely honest, even if all its members were actuated solely by public and not by private interests, it still must constitute an all-embracing despotic power. Freedom, individuality and independence would be displaced by universal

slavery; variety of life would give way to a dull uniformity; all the sweetest and purest joys which life offers to men and women would be sacrificed, and as I shall endeavour to prove in my next lecture, all these sacrifices would be made in vain, the uniformity would be a uniformity in such poverty as is now experienced only by the poorest in the land. (Loud and continued applause.)



## ADDRESS II

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### **The Industrial Outcome of Socialism.**

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The chair was occupied by the Right Honourable G. H. Reid, M.P., who was greeted enthusiastically by the audience. Mr. Max Hirsch, who was received with prolonged applause, said : Mr. Reid, Ladies and Gentlemen :—

In the previous lecture I endeavoured to lay before you a picture of the industrial organisation which the adoption of the fundamental proposals of Socialism—proposals on which all Socialists are agreed—must inevitably bring about. The main features of this organisation we found to be the creation of a numerous, carefully graduated and strongly disciplined body of officials, culminating in one central all-directing agency for the management of all the industries of the country. This central agency, we found, must determine, years in advance, the various kinds of goods to be produced, the several qualities of each kind, as well as the quantities to be produced of each kind and quality. In order that the officials may have the slightest chance of performing this stupendous task, however inefficiently it may be done, they must have the additional power to control every man and woman in the country with regard to the occupations which they are to follow, the place where they are to reside, and the intensity with which they are to work. And further, we found that these officials would also have to determine the amount of wealth to be divided amongst the people, each adult receiving an equal share. To-night I shall endeavour to bring before you some of the economic and industrial consequences of this Socialist organisation.

#### **Factors in Labour's Productivity.**

The productivity of man's labour in the social state, affected as it is by his natural surroundings, such as fertility of soil, mineral treasures, and topographical features, is also affected, and to a still higher degree, by many social factors. Permit me to enumerate some of the more important of these. One consists of the degree of efficiency possessed

by the organising and managing agencies. Another consists of the degree of willingness, conscientiousness, and efficiency with which each individual worker performs his task. A third is to be found in the correspondence between the natural aptitude of each worker and the task allotted to him. A fourth consists of the quantity and efficiency of the industrial capital available. But there is another factor, perhaps as important as all these put together, namely, the knowledge of nature and the use of natural forces in industrial processes.

It is admitted that every worker to-day produces many times the amount of wealth which the most efficient workman, most intelligently directed, and with ample capital at his disposal, could produce a hundred years ago. The increase is so great that the lowest estimate I have seen places it at 15-fold, that is that every worker to-day produces on an average fifteen times the amount of wealth which his predecessors could produce in the same time a century ago. What has brought about this marvellous change—a change so great that, if it were not counteracted by other factors, it would have banished involuntary poverty from this world? There is no doubt as to the causes. This enormous increase in wealth-producing power is due to discoveries and inventions, and to their use in the industrial processes.

Seeing that all these factors affect the production of wealth, and, therefore, the amount of wealth which is available for the people; seeing also that each of them must be affected by social organisation, no serious man, and no serious nation, can ever think of adopting Socialism, without careful consideration of the effect which its industrial organisation must have upon these factors in the production of wealth. (Cheers.)

### **Discouragement to Invention and Discovery.**

Let us begin with the most important, inventions and discoveries. It is evident, nor do Socialists deny it, that under Socialism no special material reward can be hoped for by any inventor or discoverer, however much his invention or discovery might benefit mankind. But they argue that this absence of reward would not diminish useful inventions and discoveries; for the reason that men having a bent in this direction cannot help themselves, but must go on inventing and discovering. It may be true that here and there a man may be found whose nature is so constituted that he would continue the exercise of his inventive faculties without any possible prospect of reward. But this cannot possibly be true of the great majority of inventors. These are constituted like other men, and will not undertake the costly experiments which most inventions entail, or the sometimes dangerous and generally expensive researches which precede discoveries, unless attracted thereto by the possibility of a great reward. The absence of reward thus must enormously decrease invention, and, consequently, the industrial progress of the nation. (Cheers.)

This tendency would be strengthened from other directions.



As under Socialism every man and woman must work at his or her appointed task a certain number of hours each day, the opportunity for researches and experiments which result in inventions and discoveries would be largely curtailed for all. Moreover, as all are to receive equal reward, the reward of each could not be great, and none, therefore, would possess the means to make the costly researches or experiments which most inventions and discoveries entail. These two causes would obviously affect even the few exceptional persons who would not be prevented from the exercise of their inventive genius by the absence of all possibility of material reward.

If it is alleged that the State—that is, some of its officials—would select men and women to do the discovering and inventing of the nation, a serious reply is scarcely necessary. For even if the selection were made honestly, it would not be made efficiently, and, even if made efficiently, it could offer no approximately adequate substitute for the thousands and thousands of brains who now endeavour independently to find solutions for industrial problems. (Cheers.) While, for these reasons, inventions and discoveries would be rarely made under Socialism, other causes would arise tending to prevent the adoption of the few that might still be made.

The adoption of new inventions and discoveries generally entails the discarding of existing machinery and processes by employers, and a change in the accustomed method of working on the part of employees. Employers and employees are loth to do this. On employers it entails an immediate loss, and only the prospect of exceptional profit for a time or fear of losing competitive power induces them to adopt new inventions. The pressure of competition likewise overcomes the unwillingness of their employees to change their method of working.

### The Red Tape of Bureaucracy.

None of these motives actuate the officials of the State. They can suffer no personal loss from refusing new inventions, nor can they gain personal advantage from adopting new inventions and discoveries. (Cheers.) Moreover, and apart from the responsibility of discarding existing machinery, the adoption of new machinery and methods would also demand additional exertion on their part, and may expose them to unpopularity. There is, however, still another and greater obstacle. Inventions do not generally spring perfect from the brain of men. When any industrial difficulty invites the application of inventive genius many unsuccessful attempts at its solution precede the successful one. This certainty of many failures before a success can be registered stands in the way of progress to-day. Capitalists, knowing this uncertainty, can only be induced to try a new discovery or invention by hopes of great gain or pressure of competition. But no such motive will affect the officials of the State. For while they cannot obtain any material reward if the new process or machine is successful, they would certainly be blamed if it were unsuccessful. It would, therefore,

be far safer for them to do nothing than to run this risk. Hence the absence of all motives to experiment with new inventions is fortified by strong motives against doing so, and Socialist officials will therefore carefully abstain from making such experiments.

Even at the present time, when the example or competition of private enterprise stimulates the action of State officials, these causes retard their adoption of new inventions. Innumerable examples might be quoted of State departments refusing for years to use processes and appliances which privately conducted industries had proved to be advantageous.

### Startling Examples.

Let me give you a few examples. The discovery that lemon-juice was a preventative and cure for scurvy was made in 1593. From that day on it was frequently used in ships, and gradually maritime vessels began to carry it habitually. The British Admiralty did not adopt it till 1795, when the safety of the Channel fleet was endangered by scurvy, of which the sailors were dying like flies. That is, it took 200 years to move the Admiralty officials to take this step, and more deaths were caused by this official reluctance to go outside the beaten grooves than were caused by battles, wrecks, and all other casualties at sea put together.

Similarly, the British Admiralty stuck to paddles, and could not be induced to adopt screw-propellers for men-of-war, for fourteen years after their use had become general in the mercantile marine.

Again, the Admiralty left the plates of their ships unprotected by anti-corrosive paint for many years after its use had established itself on all other iron ships.

Again, it was not till the breakdown of many ships' engines, and years after it had been generally adopted, that the Admiralty consented to adopt Silver's governor for marine engines.

Similarly with the Post Office, of which Sir Charles Siemens, the great electrical engineer, used to complain that it was almost impossible to get it to adopt any improvement in telegraphy.

A Voice: Who is your authority?

Mr. HIRSH: Herbert Spencer. I trust my friend will be satisfied with that. (Cheers.)

It needs no more examples. This tendency of State departments to remain in a groove is so distinct and universal that it has become proverbial. Yet this tendency must be infinitely greater under Socialism, owing to the total absence of the stimulating example of private industry, and owing to the absence of any motive on the part of others to overcome the inertia or hostility of officials.

### Stagnation and Retrogression.

As I have pointed out, the difficulties in the way of the adoption of any invention are very great, even under the existing competitive system. They generally are overcome by men who expect to share in the reward of the inventor, and inventors gladly

share their prospective reward with the man who gets their inventions adopted. When no such reward can be obtained, the motive to overcome the difficulties will be gone, and no such effort will be made.

Still another danger arises. Under Socialism the adoption of any new invention or process depends upon the will of officials; no pressure of competition can induce it. Suppose such officials have made an error—have adopted a new invention or process which is less useful than those that were discarded. If this is done under the existing competitive system—as it is frequently done—loss of competitive power and of trade quickly compels the abandonment of the failure. But under Socialism there is nothing but the conscientiousness of the officials to cause a failure to be abandoned, while their self-interest might easily cause them to refuse to do so.

Let me now recapitulate. We have seen that, through absence of reward, and through want of time and means to make experiments, the number of inventions and discoveries would be much diminished; that, as officials cannot personally benefit by the adoption of successful inventions, they would be reluctant to adopt any, partly because it would, for a time, increase their work; partly because they would have to risk reproof and loss of credit for possible failures; partly because they would have to overcome the reluctance of workmen, and partly because it is nobody's interest to persuade them to adopt new machinery and processes. In addition, we found that no guarantee exists under Socialism, as is the case now, that new machinery and processes are more useful than those discarded. Clearly, then, Socialism would put an end to the marvellous progress which, during the course of the last hundred years, has changed the face of the earth; which has endowed men with previously unimagined power; which has chained the forces of nature to man's triumphal car. We know now that the marvels which have been achieved are but an earnest of the marvels yet to come; we know that, proud as we may be of the achievements of the immediate past, we are but standing on the threshold of nature's treasure house. But that threshold will never be passed, the inner sanctuary of nature will never be entered, if Socialism is adopted, for the heavy hand of its officialdom will crush the budding powers of man, will put an end to further progress, will call a halt to the upward march which otherwise would lead men to uncover the most deeply-hidden secrets of nature, and to compel them to do his will. Instead of progress, we would have stagnation, soon to fall into inevitable retrogression. (Prolonged cheering.)

#### **All Inducement to Exertion Killed.**

Permit me now to deal with the next question—the efficiency of labour under Socialism. The only motive for industrial exertion is the desire to reap its fruits. If men could satisfy their material desires without industrial exertion, they would gladly abstain from them. They would equally abstain if all reward were withheld from them. The motive for industrial exertion, therefore, is

strongest when men receive the full reward of their labour. But if it is all the same to men whether they work hard and efficiently, or little and inefficiently, they will inevitably choose the latter course. This divorce between exertion and reward is the main reason for the universally recognised inefficiency of slave labour. The existing system, suffering from injustice in distribution, where the majority of men cannot hope to enjoy all the fruits of their labour, also largely reduces the efficiency of labour. But under Socialism—entailing equal reward for unequal service—this inefficiency of labour must grow to an appalling extent. All motive for exertion would cease to exist, for no exertion, mental or physical, could increase the reward of anyone. (Cheers.)

#### **Delusive hopes of Socialists.**

Socialists reply that equality of distribution by no means withdraws the motive for exertion, inasmuch as the amount which can be distributed depends upon the exertion of every individual, that the harder and more efficiently anyone works the greater will be the reward which he receives in common with all. This reply, while fully admitting the importance of self-interest as a motive for exertion, overlooks the fact that each individual can benefit himself but little by his own greater exertion when the reward of all is equal. Take, for instance, Australia. There are about 1,500,000 adults, and therefore, under Socialism, the results of any man's greater exertions would have to be divided equally among all of them. Every one of them could only obtain the one million five hundred thousandth part of his greater exertion. If a worker wanted to increase his own reward by 1d. a year, he would have to increase the product of his annual labour by 1,500,000 pennies—that is, by £6250. If he wanted an increase of 1d. a week, he would have to increase his annual output to the extent of £325,000; and if he wanted a penny more per day, he would have to produce more wealth to the tune of £1,875,000. Is it likely that these considerations will induce him to increase his exertions? (Laughter, and cheers.)

But it may be said that he knows that if all the others also increase their exertions in the same way, each will get all that his greater exertions produce. This is true, but scarcely effective. For no worker can know whether all the other workers labour as hard as he does. He cannot know it as to all the men in the same factory: still less can he know it with regard to the workers in all the other similar factories, and still less with regard to the workers in all the departments of national production. Therefore, every worker will disregard the possibility of obtaining a share in the produce of the greater exertions of others: the only thing he sees is that, all others sharing equally in the produce of his greater exertions, the advantage to him of so exerting himself will be unrecognisable. (Cheers.) Therefore, he will not do so, and the efficiency of labour will suffer an enormous decline.

#### **The Analogy of Slave Labour.**

The absence of any individual motive for exertion on the part of the regulated workers has three consequences. One is that the result of their labour will fall off both in quantity and quality.

The produce of all the industries of the State will be less, and that which is produced will be less serviceable. The second consists of waste of material. Careless work involves waste: and as all work would be careless under Socialism, the waste of material would be frightful. The third consequence is, that the number of regulative officials must be largely increased, for men who work unwillingly and inefficiently want far more supervision than those who work willingly and efficiently. Again, slave labour suggests itself as an example. This increase in the number of regulative officials reduces the average output of industry still more. Every one of them would add to the product, if, instead of supervising, he were actually producing.

### The Reign of Fear,

No doubt it will be replied that this increase in supervision would put an end to the tendency towards slack, careless, and inefficient labour. But this can only take place to a small extent. The contention presupposes that laziness and inefficiency will entail punishment. What punishment? Weak, slow, lazy, or otherwise inefficient workers cannot be allowed to starve! Are men and women to be starved because they are weak or unfit for the work expected of them? Clearly, this would be their fate if they were dismissed, for there would be no other employer. Can their reward be lessened because they are less efficient than others? This would also be impossible under Socialism, because no notice can be taken of degrees of efficiency—all rewards must be equal. The only punishment possible under Socialism therefore, is the knout or the gaol. Is it really believed that these will make labour efficient? Did they do so in the slave-gangs of the Southern States? Obviously, men cowering under the fear of such punishments cannot be, industrially, as efficient as free men, under no other stress than the natural pressure which links labour with life. Is fear as good a motive to industrial exertion as hope of reward; sullen resentment as good as cheerful anticipation; distaste as good as joy in one's work? If they are not, then the efficiency of the labour of the regulated masses must suffer an incalculable decline under Socialism. (Cheers.)

### Lessons of Present Day Officialdom.

At least equally serious must be the decline in the efficiency of the regulating officials, for here also efficiency does not bring any greater reward: among them also all material motive for exertion will have disappeared. Moreover, the efficiency of management must be reduced through other causes. Whenever an undertaking becomes so large that the man at the head cannot himself supervise the whole of it, strict regulations must take the place of personal initiative. Still more is this the case when an undertaking is so large as to require an extensive and graduated managerial organisation, for then each grade in the regulative machinery is more or less fettered: lower grades appeal to higher: these transmit the request to still higher. Much time and labour is wasted before a decision is arrived at, and, therefore, invariable practice takes the place of flexibility.

This graduation, limitation, and inflexibility is greatest where many separate and distinct departments are subject to one graduated managerial organisation, such as is the case with all State departments to-day. For here ultimate decisions rest with officials having no personal knowledge of the circumstances guiding the proposals of subordinates. Hence results the red-tape of all Government departments, such as has been lately so aptly described by the Public Service Commissioner of the Commonwealth:—

Dealing in his annual report with the question of civil service circumlocution, Mr. D. C. McLachlan quotes from Baron Stockmar's "Memoirs" the following with regard to the procedure in the English Royal Household: "If a pane of glass or the door of a cupboard in the kitchen needs mending the process is—(1) A requisition must be prepared and signed by the chief cook; (2) this must be countersigned by the clerk of the kitchen; (3) it is then taken to the Master of the Household; (4) it must next be authorised by the Lord Chamberlain's Office; (5) being thus authorised, it is laid before the clerk of the works under the office of woods and forests. So that it would take months before the pane of glass or cupboard could be mended." (Laughter and cheers.) Mr. McLachlan says further that it cannot be denied that the above is, *mutatis mutandis*, an unexaggerated description of what has been perpetrated in many of the public offices of these States.

Let me give you one more example.

We have learned lately that the contract post-offices no longer keep duty stamps for sale, and thus, the country population being unable to obtain them easily, serious inconvenience is caused. This state of affairs has arisen since the Postal department has been transferred to the Commonwealth. As the Victorian Government have no longer any guaranteed contract with the people who keep these post-offices, they insisted upon being paid in advance for all stamps. The contractors say that the commission is too small to enable them to lay out their capital, and thus there is a deadlock. Now, if a private person had experienced this difficulty, he would have ended it in an hour. He would have notified the contractors at once—"All right. Get two decent citizens to guarantee us against loss to the extent of, say, £10, and we will give you that amount of stamps on credit." But that was too simple a solution for a Government. So we have had a prolonged correspondence between the Victorian and the Commonwealth Governments: have had this mighty question debated for years; and, meanwhile, the country people have suffered every kind of inconvenience, and the end is not yet. (Cheers.)

Now, if this red-tape, this roundabout working, this waste exists, as it does exist, in every governmental service, surely it must receive an incalculable increase under Socialism. For not only would the stimulating example of private industry be lost, but, compared with the huge extent of the undertakings conducted by officialdom under Socialism, those so conducted at present are infinitesimal. The wheels within wheels, therefore, would be added to to an incalculable extent, and would gradually crush all efficiency out of the managing organisation.

### **Round Pegs in Square Holes.**

Moreover, both the regulated masses and the regulating bureaucracy will be exposed to yet another cause creating loss of efficiency. Labour is most efficiently performed when its character is in accord with the innate tendencies of the labourer. A youth may make an excellent teacher when he would be but a wretched cook: another's services might be far more valuable as a farmer than as an engraver; still another would make an excellent engineer when he would be but a sorry physician. Unfortunately, even to-day, the number of round pegs in square holes is very great. But many, perhaps the greatest number, either from the start or ultimately, find the holes for which they are best fitted.

Under Socialism, however, this would only occur here and there through accident or favouritism. Choice of occupation by aspirants being impossible, it is equally impossible for the regulative bureaucracy to discover the special aptitudes of the numerous aspirants for employment. Their various tasks must be allotted to them by rote, and they may be transferred from occupation to occupation, not as they desire, but as the necessities of the State or the caprice of officials may dictate. With possibly a few exceptions, therefore, all special aptitudes will be neglected, and those capable of doing exceptionally good work in one direction will be compelled to work at tasks in which they are less efficient. (Cheers.)

### **Subserviency, Flattery and Toadyism.**

Seriously as this cause must reduce the efficiency of the regulated masses, still more must it affect that of the regulators. For how will these be selected? By election from below, by the people? Will anyone contend that managerial efficiency, and not other qualities would determine the popularity of a candidate? Or is it by appointment from above by superior officials? Again I ask, would not subserviency, flattery, and toadyism be a surer way to preferment than managerial ability and merit? (Cheers.) Sooner or later however, as I shall prove in my next lecture, the bureaucracy would become an hereditary class, whose ranks would be closed to all outsiders. But whether this would be the case or not, this much is clear, that organising and managing aptitude would be rarely the special faculty of the members of the Socialist bureaucracy.

### **Curtailement of National Capital.**

I have to point to still another cause tending in the same direction. The efficiency of the national labour is largely determined by that of the available instruments of production and their amount. All these instruments, made by labour must, from time to time, be replaced by labour. Every year large numbers of workers must be set to produce materials which, after a lapse of years, may appear as tools or machines, which again, after a lapse of years, deliver goods which satisfy men's wants. This production of capital, ever increasing, and providing for wants of an ever later date, is a function which existing society performs unconsciously through pressure of competition. Under Socialism it

would have to be performed consciously. The regulative authority would have to determine each year how much of the national labour shall be exerted in directions which, after a lapse of years, may replace and extend the national industrial capital. The labour so employed is withdrawn from the production of goods which can be distributed in the near future, and directed towards the production of goods which can only be distributed in the distant future—that is, the reward of all labourers next year is largely reduced in order that its level may be maintained in some distant future year. No man, or body of men, can have the prescience and knowledge required to perform this stupendous task efficiently. But suppose they do possess this prescience, will they act up to it? The probability is all the other way. The majority of any people are shortsighted and improvident, unwilling to buy future ease with present abstinence. Still more is this the case when they themselves cannot obtain the fruits of abstinence. Those who are improvident—the majority—will desire the greatest possible dividend from the national labour, in order to enjoy it. Those who are abstinent will still desire the same, because, under Socialism, private property in consumption goods will continue. These, therefore, can be saved individually, while nothing else can be so saved. A proper replacement and extension of the national capital will, therefore, be universally unpopular, and this must lead to its insufficient replacement and extension.

This tendency will be increased through the inefficiency of labour, already pointed out, for the officials can for a time conceal the reduction in the amount of the national product by abstaining from the proper replacement or extension of the national capital. They would thus maintain their credit, while the loss might not be felt for years.

These two causes must combine to produce a tendency, not only to abstain from adding to the national capital, but to actually curtail the national capital, which course must ultimately lead to such a curtailment of the product of the national labour as is scarcely imaginable. (Cheers.)

#### **A Host of Evils.**

Many powerful causes must thus co-operate to reduce the efficiency of labour, and to decrease the products of labour under Socialism. They are:—Owing to the withdrawal of any reward for inventions and discoveries, and through want of time and means to engage in costly researches and experiments, these, the greatest factors in industrial progress, will diminish. Of those that will still be made, few, if any, will be adopted. If any are adopted, no certainty exists that they are not failures, or that such failures will be discarded.

While these causes will produce a discontinuance of the progressive increase in productive capacity which distinguishes modern industry, other causes will actually and enormously diminish productive capacity. They are:—The divorce between labour and its proportional reward; the substitution of fear for expectation of reward; the neglect of special aptitudes; the absence of manager-



ial ability among officials; the red-tape and boundless waste of effort inherent in all governmental departments, greatest where they are most numerous; and the insufficient replacement of industrial capital.

Of these causes, all co-operating to reduce the efficiency of the national labour and to diminish the output of the national industries, only a few affect the efficiency of State-conducted industries at the present time. The red-tape and waste of effort arising from graduated organisations exists; to some extent, also, the stimulus to effort is wanting which exists in private industries. But all the other evils are absent, and, nevertheless, the inefficiency of industry under the direction of Government officials has become a by-word and a reproach. Allow me here to give a few illustrations. To spare the feelings of my audience, I will take them from other countries than Victoria.

### **Government Muddling of the Present.**

Let us begin with New South Wales. At a place named Collarendebrey, the Government put down a bore, and got an ample supply of artesian water. The surrounding settlers then let a contract for cutting drains to make the water available, the price being £16 per mile. However, the sapient Government interfered took the matter out of the settlers' hand, and caused the drains to be cut by day labour, under the direction of officials of the Public Works department. The cost of cutting a mile of drain on this system came to £96, though the wages of the day labourers were no higher than the earnings of the contractor's men, who worked at piece-work rates. That is the stimulus of proportionate reward being absent, and the supervising officials having no direct interest in making the supervision efficient, the productive capacity of the labour employed fell off to just one-sixth of what it was before. The contractor's men produced exactly six times the amount of wealth that the men employed under official supervision did. (Cheers.)

My next example is taken from Western Australia. The Coolgardie Water Scheme has been carried out by day labour under official direction. As its cost was found to be enormous, a Royal Commission was appointed to investigate the cause. I shall quote a few sentences only from the report of this Commission:—

"The pipe trench and man-hole excavations have cost about 3s. per cubic yard on this work, instead of 1s. 6d., for which it could have been done under contract. How much of this excessive cost was due to weak supervision, and how much to Government stroke, this commission is unable to decide."

The concluding portion of section 4 (pipe laying and jointing) reads:

"It seems probable that the ultimate cost of this branch of the work will be about £100,000 more than the estimate, which appears to have been fair."

### **State Tobacco Monopoly in France.**

The most instructive example of the inefficiency of State-conducted industry, however, comes from France. I have lately made

a close study of the financial results of the State Tobacco Monopoly in the several countries where it exists, because the Watson Government proposes to institute the same here. I will lay before you the results, taken from official reports, of the monopoly in France, stating, however, that in the other countries, the monopoly of which I have been able to investigate, the results are even worse in several respects.

In France, the taxation imposed on tobacco, in its price, is five times the value of the tobacco. In Australia, the average taxation is between two and three times the value of tobacco. The ordinary quality of tobacco, that which is most largely consumed, is sold to retailers in France at 4s. 6d. per lb.; in Australia, Havelock and Yankee Doodle, the most largely consumed brands, are sold to retailers also at an average of 4s. 6d. per lb. In France, the cheapest tobacco is sold at 2s. 10d. a lb; in Australia at 2s. 6d. per lb., wholesale each.

As would appear from these facts, and is notorious, this French tobacco is of vile quality, while the quality of this Australian tobacco is excellent. Wages in the French State factories average 40 per cent. lower than wages in Australian tobacco factories, and the hours of labour are one-fourth longer in France. Moreover, no private manufacturer or dealer makes any profit on tobacco in France. Therefore, the profit of the French Monopoly should at least be two or three times as large as the revenue derived from tobacco duties by the Commonwealth. As a matter of fact, they are almost equal, being, per lb. of tobacco consumed, 3s. 1 $\frac{1}{2}$ d. in France, and 3s. 0 $\frac{1}{2}$ d. in Australia. These facts prove clearly that the inefficiency of State management wastes all the advantages arising from higher taxation, lower quality, lower wages, longer hours, and saving of private profit. The production of wealth in Australian tobacco factories is, therefore, between two and three times that of French tobacco factories. This enormous waste, moreover, takes place when the activity of the officials is stimulated by the example and teaching of the private tobacco industry of other countries and of other private industries in France herself. Clearly, the waste would be far greater if this stimulus were absent, and if, all the industries of the State being nationalised, all workers had become inefficient (Cheers.)

### **Equality in Poverty.**

How speedily any serious reduction in the production of wealth would bring about general poverty can be easily demonstrated. Take our own colony. I find in Coghlan, "Seven Colonies," that the whole production in the year 1902—that of our mines, farms, pastures, factories, forests, and fisheries—came to £29,987,000, which gives an average of £24 16s. 10d. for every inhabitant, men, women, and children. In order to make these figures quite clear, it must be said that a considerable amount of wealth produced is not included in these figures, but all such wealth is of a nature which cannot be distributed, is industrial capital. Such is the building, improvement, and repairs of railways and roads, sewerage and irrigation works, and others of like nature. On the other hand, the figures cited also embrace a good deal of industrial

capital, such as machinery, tools, locomotives, and similar things. If, then, we take the figures as they stand, we are rather overstating the wealth that can be distributed. Yet, even so, it amounts to only £24 16s. 10d. per head, or, for a family of five persons, to £124 a year, or, say, 47s. 6d per week. If, then, owing to the causes which I have described, the productivity of the national labour were to decline seriously, it is obvious that, though all shared equally, that though rent, interest, and profit were abolished, the share coming to every citizen would be materially less than that enjoyed now by the average artisan. There would then be equality, but equality in poverty. (Cheers.)

### The Dreary Raiment of Socialism.

Finally, another tendency must be described. Modern industry not only provides an infinite variety of kinds of goods, but also an infinite variety in each kind, of qualities, designs, and colours, and this variety is being constantly added to by invention and discovery. Not only is an infinity of existing and individually varying desires thus catered for, but new desires and wants are being constantly stimulated. As examples of the latter fact, I need only point to the recent invention of bicycles and motor cars. This possibility of satisfying the numerous desires of men, varying not only between individuals, but also varying from time to time as to the same individual, lends to life the colour and variety which are one of the chiefest causes of human happiness.

This colour and variety must disappear under Socialism. The upward tendency of man towards the conception and satisfaction of an ever greater number of wants will be converted into the downward tendency of an ever decreasing satisfaction of wants, and for these reasons:—

I have shown that, under Socialism, all production must be regulated by a central agency. This agency, one man or a board, must determine the different kinds and qualities of goods to be produced, and the quantities of each, for many years in advance. To do this with even an approximate degree of efficiency surpasses the wit of the ablest men who ever lived, as long as the existing variety of goods, qualities, designs and colours are maintained. Still less is it possible when these are constantly added to. But there is absolutely no guarantee that the directing agency will be composed of even exceptionally able men. On the contrary, every consideration leads to the conclusion that they will be selected for other reasons than great organising ability. The whole industrial system, therefore, would fall into inextricable confusion unless it were materially simplified. This simplification can only take place through an enormous reduction in the variety of goods to be produced. The variety of kinds, as well as the variety in qualities, forms, designs, and colours, in each kind must be largely sacrificed. (Cheers.)

This tendency must be largely added to by the decline in the efficiency of national labour. As labour becomes less productive, the production of goods required for comfort or ornamentation must

be curtailed, in order that a sufficiency of bald necessities may be obtained. With every further loss of efficiency, this process must be extended, till the national dividend, receivable by every citizen, will consist of a far smaller quantity and variety of goods and services than is now at the disposal of average artisans.

### **Monotony and Poverty.**

Monotonous uniformity, in addition to general poverty is, thus the inevitable result of Socialism, even if its bureaucracy remained honest and clean-handed. The average man and woman would not only find that desires, now easily satisfied, must go without satisfaction, but that even those desires, which would still find some satisfaction, would find it only partially. Equality of income would be realised, at least among the regulated masses of the people. But it would not be done by raising the means of enjoyment of all to a level above that enjoyed to-day by the great majority of the people. On the contrary, the means of all would be reduced to the level of that portion of the people whose condition now appeals most strongly for relief. Monotonous equality in unavoidable poverty will be the condition of the whole people in the socialised State. (Prolonged cheering.)

## ADDRESS III.

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### The Political and Ethical Outcome of Socialism.

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The Chair was occupied by the Rev. Dr. Bevan.

#### The Bishop of Tasmania on Socialism.

Mr. MAX HIRSCH, on rising to speak, was received with loud and prolonged applause.

He said: Mr. Chairman, Ladies and Gentlemen, before I enter upon my lecture, I would like to say a few words about a leaflet which has been distributed at the entrance of this hall, and which professes to explain what Socialism is. I am glad to say that I have been informed that the Socialist party of Victoria has had no hand in distributing this leaflet, but that this is the act of a private person. Now, this leaflet professes to be written by the Bishop of Tasmania—Dr. J. E. Mercer—but with all the greatest respect for the office which this gentleman holds, I have to say that it is a complete evasion of what Socialism is. Let me read it to you. "I take Socialism to be the name of a tendency rather than of any actual existing social or political movement." Now, three million people in Germany have voted for the social democratic party, and yet the Bishop of Tasmania says it is not a political movement. We have a Federal Parliament, nearly half of which is composed of socialists intending to bring in socialistic measures. Yet the Bishop of Tasmania says it is "neither a social nor a political movement." Then it goes on to say—"views as to production, capital, and so forth, will vary indefinitely, but certain essentials will remain." Yes, those will vary, but the essentials, capital and production, will remain, and until the right view of them is found, political measures based on the wrong view must do an indefinite amount of harm. (Cheers.) Then it says—"Socialism tends to remove all barriers which unnecessarily separate human beings from one another; to secure for every child an equal chance to make the most of itself and to live a truly human life; to distribute wealth in such ways as shall produce the greatest sum total of human good; to train character in such directions as shall make the strong rejoice to bear the burdens of

the weak." Now, is there any other "ism" in this world that does not claim the same as this? Does not anarchy claim it; does not single taxism claim it? does not free trade claim it; does not protection claim it? They all claim it. No one connected with any movement has ever yet had the courage to profess that he wanted to separate human beings more, that he wanted to prevent children from making the most of themselves. No organisation has had the courage to say that they wanted to distribute wealth in such a way as to do the greatest harm, or to influence character in such directions that the strong would lord it over the weak. Never yet has any human being professed any such thing. The means by which those things are to be attained is what marks the difference between the different schools of thought. They are all agreed as to the aim. It is the attaining of it which makes the difference, and you can only explain any "ism"—socialism or any other "ism"—by showing the way in which it intends to attain these objects. As the leaflet is absolutely silent as to the means which Socialism intends to employ for the attainment of these ends, I repeat with the highest respect for the office that Dr. Mercer holds, that this pamphlet completely evades the subject which he set out to explain. (Loud cheers.)

### The Vast Power of Socialist Officials.

In my last lecture, I tried to bring before you a picture of the economic and industrial consequences that must result from the adoption of the fundamental proposals of Socialism, those proposals on which all socialists are agreed. I showed that it must lead to industrial retrogression, that it must lead to an enormous reduction in the productivity of labour, and, therefore, to universal poverty. To-night, I shall endeavour to bring before you a picture of the political consequences which the adoption of these same proposals must bring about. We found that the absolutely indispensable condition for the State carrying on and managing the industries of the country, is the creation of a managing officialdom—a numerous, strongly organised, carefully graduated and strongly disciplined body of officials, culminating in one central all-directing agency. We, further, found that in order that this central agency may regulate industry and determine what kinds and what quantities and in what quantities goods shall be produced, it must also have the power to control every man and every woman in the country with regard to the occupation which they are to follow, with regard to the place where they are to reside, with regard to the intensity with which they are to work: and we further found that the same officials must also manage every printing establishment, and, therefore, must have the monopoly of the production of all books, all newspapers, all magazines, and other literature. Therefore Socialism, in order that it shall manage the whole of the industries of the country, must give to its officialdom a power which has never yet been possessed by any governing agency in this world; an unprecedented power of daily and hourly interference with every detail of the life of the whole population. Not the Czar of Russia, not

the Sultan of Turkey, not Imperial Cæsar in the hey-day of his might, ever had such a power over the subject peoples as will thus be given to the officials of the Socialised State. (Loud cheers.) If that power were carried out with absolute honesty, if the Socialist officials were actuated by nothing else but the greatest care for the public interest, and never looked after their own interests; if there were never any organised attempt to exceed the powers which have been given to them—those powers nevertheless which Socialism must give, would constitute the utmost despotism on the part of the officials and corresponding slavery on the part of the whole community. But is it to be expected that such a power as this will be carried out honestly? That is the next question which I ask you to consider. I ask you to consider what will the officials of Socialism do with the tremendous power which the people will have handed over to them.

### **Tyranny Inevitable.**

Like all groups of men, those constituting governmental agencies—the officials of the State—desire to extend the functions, the power, and the privileges of the agency to which they belong. While that is true of all classes of men, it is specially true, and to a very much larger extent, of Government officials, because carrying out duties and performing functions which differ widely from the functions performed by the rest of the people, there inevitably arises among them a spirit of caste. Therefore, while all groups of men place their own special interests above and before the general interest, that is specially true of the officials of the State. At the same time their close organization, their graduated regulation, the fact that they are commanded from one centre, enables them to pursue their interests with persistency, and to easily overcome the sporadic resistance of the rest of the people, divided as they are by many apparently conflicting interests. The whole course of history, therefore, shows that governmental bodies constantly aim at extending their power, escaping control, and transforming derivative authority into absolute authority. (Cheers.) You can see it in the rise of petty elective chiefs of Teutonic tribes to absolute and hereditary kingship; you can see it in the rise of humble deacons and presbyters into princes of the church, and popes; you can see it to-day in the absolute power which has been acquired by the party machinery in the United States. (Cheers.) For while the people of the United States still enjoy all the forms of control over their several Governments, while popular election is still the only road to all political and many administrative offices, nevertheless is it a notorious fact that the people have lost all control. It has been transferred to the party machinery—the officers of the party, its bureaucracy, created for the purpose of making popular control effective. The party's officials, directed by some "boss," nominate the whole of the candidates for office, and to the people there is but left the inefficient, the inglorious, and frequently distasteful task of ratifying the nomination of either the one or the other of the two rival "bosses." The machinery that has been created to attain one

object has attained another and a contrary object. The servants of the people have become the masters of the people. (Hear, hear.)

### Example of Co-operative Societies and Trade Unions.

Now this same tendency for officials to escape control and to wield a power that cannot be resisted by the people may also be studied in other than official directions. It has manifested itself already in the co-operative societies of Great Britain, culminating in the wholesale societies of England and Scotland. Let me place before you what a careful observer, the late Henry Demarest Lloyd, had to say on that subject in his very interesting book called "Labour Co-partnership." First let me state that Mr. Lloyd cannot be objected to by Socialists, for he was an ardent Socialist himself. Nevertheless, speaking of the organisation of these wholesale societies, he says—"The co-operative stores of each district hold meetings periodically to decide questions of business and policy. In those district meetings the wholesale directors are represented by two of their own number, and with their wider experience and central prestige they find it an easy matter usually to control the local delegates. Nominally, the wholesale is under the control of the delegates chosen by the people who hold shares in it, and for whose convenience it was constituted; but practically, popular control is gradually becoming a mere name. The central government has become so large that its own public cannot deal with it." Now let me bring you another proof. Let me bring before you the difficulties which the trades unions experience to control and limit the growing power of their officials. The evidence which I shall bring before you is taken from "Industrial Democracy," by Mr. and Mrs. Sydney Webb, surely witnesses that cannot be objected to by Socialists. (Hear, hear.) Mr. and Mrs. Sydney Webb have made the greatest and most interesting study of the history of trades unionism. They are unwilling witnesses to what they here state, for they are leading Socialists themselves. Excuse the length of the quotation; it is so important that I cannot curtail it. Dealing with the evolution of trade union organisation, they say:—"It was assumed that everything should be submitted to 'the voices' of the whole body . . . . As the union developed from an angry crowd . . . . into an insurance company of national extent . . . . the need for administrative authority more and more forced itself on the minds of the members. . . . The growing mass of business and the difficulty and complication of the questions dealt with involved the growth of an official class marked off by capacity, training, and habits of life. Failure to specialise executive functions quickly brought extinction. On the other hand, this very specialisation undermined the popular control. . . . The yearly expedients of rotation of office, the mass meeting, and the referendum proved in practice utterly inadequate as a means of recovering genuine popular control. At each particular crisis the individual member found himself overmatched by the official machinery which he had created. At this stage irresponsible bureaucracy seemed the inevitable outcome. The democracy found



yet another expedient which in some favorite unions has gone far to solve the problem. The specialisation of the executive in a permanent expert civil service, was balanced by the specialisation of the Legislature, by the establishment of a supreme responsible assembly, undertaking the work of direction and control. . . . We have seen how difficult it is for a community of manual workers to obtain such an assembly, and how large a part is inevitably played in it by the ever growing number of salaried officers. . . . How far such a development will tend to increase bureaucracy; how far, on the other hand, it will increase the real authority of the people over the representative assembly; and of the representative assembly over the permanent civil service. . . . All these are questions which make the future interesting."

A Voice.—What has that got to do with Socialism?

### The State and Trades Unions Contrasted.

Mr. MAX HIRSCH.—I thought that question would come. I thought there would be one man at least in this audience who could not see that if the trades unions cannot control their officials, that then Socialism would find it utterly impossible to control them. (Loud cheers.) Now this quotation shows you first of all that trades unionism finds it impossible to control the growing power of its officials. Consequently, they try an elective assembly as a means for that end. In some favored unions, this has had some success, but even in these unions it carries within its own bosom the seed of decay, for the number of officials who are elected to the controlling assembly becomes larger and larger. Mr. and Mrs. Webb themselves doubt whether an elective assembly can control the bureaucracy of a Socialised State; but when you come to enquire into it—when you come to compare the officials of unionism with the bureaucracy of the socialised state, you must see that there is not a shadow of a hope that it can be controlled by an elective assembly.

A union is a voluntary body, which men can join or not join as they please, and they can leave the union without making a very great sacrifice. At an rate that is true in all those countries where they have not yet adopted compulsory arbitration. (Cheers). If then a minority of the members of the union become dissatisfied with the conduct of the affairs of the union, there is nothing to prevent them leaving the union and setting up another union; and if a majority of the union become dissatisfied, they can discharge the whole of their officials and appoint new ones.

This fate will all the more certainly overtake the officials of the union if they are arrogant or tyrannical, because, compared with the members of the union, there are very few of them, and they can have but few relations and interested friends among the members of the union; because there is no general organisation embracing the whole of the officials of unions, and because the union having little patronage, they have very little power of bribery and intimidation over the members of the union. Now in all these respects the socialised state and the bureaucracy of the socialised state contrast absolutely with the unions and the officials

of the unions. The State is not a voluntary body. Men cannot leave the State and set up another State when they become dissatisfied. Therefore, the dissatisfied minority can do nothing, and even a dissatisfied majority could not escape tyranny and oppression by the officials, because those officials are numerous; they have numerous friends among the regulated masses; they have unequalled power of interference, of bribery and intimidation, and there are several other reasons. Now let me expand this a little.

### **Factors in Bureaucratic Power.**

A regulative agency grows at the expense of the regulated masses. Every unit transferred from the people to any class of officials increases the power of aggression of the officials and reduces the resisting power of the people. But this transfer of power is very much greater than the number of the transferred units would indicate, for it is a transfer from an unorganised mass to a carefully organised class, and it includes the relatives and friends of the new officials, most of whom now transfer their sympathy and support from the masses of the people to the official class.

This official class, exceedingly numerous, closely organised, carefully graduated, centrally commanded, supported by a still larger number of relatives and friends among the regulative masses, holds within its hand the whole of the land, the whole of the capital and all the wealth that has been produced in the country. With the one hand, therefore, they exercise unrivalled power of bribery; with the other they exercise unrivalled power of intimidation. For these officials, as I have already pointed out, also must have power to determine the occupation which any man or woman shall follow, to transfer them from one place to another, and to decide whether they work with sufficient energy and efficiency. What, then, is to prevent the officials separating from his wife any man who has become dissatisfied and has given expression to his dissatisfaction: to separate brother and sister—(Laughter at the back of the hall). It may be very ludicrous until it happens to my friends. (Cheers.) What is to prevent the officials from separating father from daughter, sweetheart from sweetheart, under the pretence that the condition of production requires it? How is any man who has been so treated to show that he has been treated unjustly. How can a man who has been sent from an easy occupation to a harder occupation, who has been sent from a pleasant place to an unpleasant place—because perhaps he has excited the anger of the officials—how is he to prove that it was done unjustly, when the officials alone can judge what the changes of industry require? Clearly, then, if gratitude for favors received and to come do not silence every expression of dissatisfaction, fear of vengeance may well do so. (Cheers.)

### **An Official Press and Post Office.**

But the power of the officials does not stop even there. As I have already pointed out, Socialism can no more permit a capitalist to carry on and profit by the

publication of newspapers, than it can allow a capitalist to carry on and profit by the manufacture of boots. Therefore, the officials have a monopoly of the production of books, of newspapers, of magazines and all other publications. How then can their acts be criticised by anybody? (Loud cheers.) How can their misdeeds be made known outside of the immediate circle of those that have witnessed them? The officials are the only ones who can publish news and express opinions, and therefore no news can be published and no opinion expressed from one end of the country to the other, except that which is approved of by the officials. (Cheers.) Therefore, it is utterly impossible to organise resistance to any act of the officials: to any excess of power of which they are guilty, or to any acts of despotism which they may commit. If it is suggested that, in the absence of a free press, public opinion can be stimulated and resistance can be organised through the post office, and through personal agitation, the power of the officials again stands in the way. For of necessity there must be officials in every workshop, and every factory, every mine, every farm, and every warehouse. Therefore nobody can express dissatisfaction with officials; still less can anybody begin to agitate, without the officials at once becoming aware of it. What, then, is to prevent them harrassing him by all the power of officialdom. What is to prevent them from opening the letters addressed to him, as they pass through the post office, just as the Russian Government do to-day with the letters of every suspected person?

A Voice: They do that now.

### **Agitation Impossible.**

Mr. MAX HIRSCH: And you want to make it worse! Why do you not try to make it better? (Cheers.) As to personal agitation, when the officials have the power to fix every man and woman in a place, or to shift them as they please, as soon as any man begins to agitate, the officials will send him into some desert where he is unknown.

A Voice: As they do now.

Mr. MAX HIRSCH: Why do you not try to make things better, instead of worse. (Cheers.) Clearly, then, under Socialism agitation is impossible by personal effort. Agitation is impossible through the post office; and still more is agitation impossible through the press. Therefore there absolutely exists no means under Socialism by which public resistance to official aggression can be organised. (Loud cheers.) If, then, as we witness to-day in continental countries, a comparatively small body of officials, having little power of interference, of bribery and of intimidation, nevertheless exercise enormous influence over the people whose servants they profess to be; is it not obvious that the enormous body of officials in the socialised state, having unrivalled power of interference, of bribery and of intimidation, holding also in their hands the whole of the newspaper press and whatever armed force there may be, would constitute a power absolutely irresistible to a widely scattered people,

having no settled policy, no accustomed habit of working together, and absolutely no means of communicating with each other. (Loud cheers.)

### **Parliamentary Control a Dream.**

To control such a power as this by an elective assembly clearly is an idle dream. Even Mr. and Mrs. Webb see that, as the number of officials in the Legislative Assembly of the trades union is constantly becoming greater, the control over the officials by these legislative assemblies must become farcical. But what is to prevent the officials of the socialised State entering the Legislative Assemblies of the socialised State, or to send there men who are devoted to their interests. Clearly nobody can be elected but those whom the official classes favor, because nobody could become known to the people except those whom the official classes favored. My friends have seen something of the power of the "Age" to conceal information from the people of this country; or, if you like, the power of the "Argus"; only the "Argus" does not exercise it so much. Your leaders have complained of it, and yet the "Age" is one of many newspapers which compete with others. Now in Socialism there would be no competition, and the whole press would be in the hands of the officials. Therefore only such men could become known to the people and get into the Legislative Assembly who are favored by the officials. The Legislative Assembly, therefore, instead of being a controlling power over the officials, would simply be the keystone in the arch of official absolutism. It would complete the work of giving absolute power to the officials themselves. (Cheers.)

### **Irresponsible Power Always Abused.**

Socialism, therefore, possesses no means whatever by which it can control the Frankenstein which it calls into being. Again, therefore, I ask you, What will the officials of Socialism do with this enormous power? Can any man who has got his five senses together doubt that they would use this power to the advantage and interest of their class. They are men, like other men; actuated by the same motives as other men, have the same vices and virtues as other men; and therefore like other men they will be largely selfish and unjust. Never yet in the history of this world has great power been entrusted to a number of men, but that that power was exercised, not benevolently, but for the benefit of those who exercised it. No man or body of men was or ever will be fit to exercise absolute power. (Cheers.) Therefore the members of the socialistic bureaucracy must use their power as men with even less power have used it in the past, for their own advantage. They hold in their hands the whole of the wealth of the country. They will sooner or later appropriate more and more of that wealth for their own use. The "equality of distribution," the "equal reward of labour," will remain as regards the regulated masses, the subject people; but in ways open or concealed the officials will inevitably secure for themselves an ever greater share

in that wealth. The officials will live in Roman luxury, marked off in startling ways from the correspondingly increased poverty of the rest of the people.

Nor will any social reconstruction extinguish the love of their children in man. You can make a picture for yourselves of an ideal man whom you will see standing at the top of Socialism, but when he gets there he will not be an ideal—he will be an ordinary man, probably on horseback with a sword in his hand! I say, men are human, and, whatever change you make in society, will desire to leave their children in as good or a better position than they have occupied themselves. (Cheers.) Therefore, the officials of Socialism will inevitably try to prevent their children falling into the ranks of the regulated masses, and will endeavour to get their children to be officials as well. At first, no doubt, it will be done in devious, concealed ways, but ultimately it must become an hereditary succession. Inevitably the officialdom of the socialised State will become a hereditary caste with a despot at the top, who will also be either hereditary or elected exclusively by the members of the official class. Then they will lord it over the subject people, reduced to a degrading equality in poverty and deprived of every vestige of economic and political independence. (Cheers.)

### **Corruption as well as Caste.**

But apart from these organised aggressions, there inevitably will come unorganised aggressions dictated by the selfishness, dishonesty and the evil passions of individual officials, and which will be sheltered by all the power of the official organisation. In addition to the spirit of caste, there must come even more powerful motives as the inevitable corruption makes way. At the present time when a man in a factory has incurred the ill-will of manager or foreman, or if a woman is persecuted by the unwelcome attentions of one of them, they can leave the factory and go into another, and thus get rid of the consequences. No such evasion is possible under Socialism. They have to work in the place which is assigned to them, and they cannot leave it without official permission. (Cheers.) Therefore the life and liberty of every man and the honor of every woman is at the mercy of the officials; you have a tyranny such as never yet existed in the world. Now let me show you that even to-day in the United States, where the number of officials is comparatively small, and where they exercise a very small power, compared with the power which would be exercised by the officials of the socialised State, the officials, nevertheless, ride rough-shod over the people. From the mass of evidence at my disposal, I will only bring before you two facts, one a misdeed by the police of Chicago (and I have a whole lot of them), and which is equalled in every city in the United States; and the other referring to the miners' strike now proceeding in Colorado. The police of Chicago is a democratic body. The mayor is elected by adult suffrage; he appoints the chief of police as well as every other officer in the force, and has the right to dismiss any one of them. Therefore, the mayor living under the control of the electors

and controlling the police, the police are practically controlled by the electors. Now let me show you what this democratically controlled body of officials is capable of. I am quoting from a pamphlet issued by the late Governor Altgeld, of Illinois, in which the City of Chicago is situated, and Governor Altgeld was one of the finest democrats who ever lived.

A Voice: Was he a single taxer?

### Official Brutality in America.

Mr. MAX HIRSCH: No; that was the one blot on his character. (Loud laughter.) "There was a strike on the West Division Street Railway, and some of the police, under the leadership of Capt. John Bonfield, indulged in a brutality never equalled before. Even small merchants standing on their own doorsteps, and having no interest in the strike, were clubbed, then hustled into patrol waggons and thrown into prison on no charge, and not even booked. A petition signed by about one thousand leading citizens in and near West Madison Street, was sent to the mayor and the City Council, praying for the dismissal of Bonfield from the force; but on account of his political influence, he was retained." That is what happens in the United States to-day. The police, the servants of the people, lord it over the people; they kill the people when they please, club them and send them into prison whenever they please, provided they are poor and powerless. Let me give you another example. You all know that there is a mining strike of unexampled brutality going on in Colorado to-day. Last year the people of Colorado, by a referendum, determined on an amendment of their constitution in favor of an eight hours' day. The amendment ordered the Legislature to pass an eight hours' bill in the first session of the new Legislature. The Legislature, bribed through the "bosses" by the combined mine owners of Colorado, failed to pass that bill, and when the miners applied to the Governor of the State to call a new session for the special purpose of passing it, the Governor refused. Then the miners went on strike for an eight hours' day. The Governor telegraphed to the Sheriff of the County whether he should send troops, and the Sheriff wired back: "No, no necessity; no violence. I hold the people fully." Nevertheless, the Governor sent the militia of the State, and quartered them in the places where the strike prevailed, and I am now going to show you that it was this lawless act and the subsequent lawless acts of the militia which have brought about the brutality of that strike of which I have already spoken. I will read an extract from the "Milwaukee Daily News," dated 7th June, 1904, this year: "A state of anarchy exists. Outrage invites outrage. For the condition that exists in Colorado, the responsibility cannot be charged entirely to the mine owners or to the union miners. Both have tried to gain their ends by coercion, intimidation and outrage; but the existing condition of affairs may be traced as much as to any one source to the course that has been pursued by Governor Peabody and the State authorities. Instead of using the power of the State to preserve order and maintain justice, the Governor and the other authorities have been partisans

of the mine owners." Let me show you what the militia did. The "Public," of Chicago, June 18th, 1904, contains the following statement:—"They have suspended the civil law, have driven officials out of office, and put mine owners' tools in their place; they have censored the newspaper, and even destroyed its plant; they have gutted co-operative stores and destroyed the goods they contained. They have arrested men in shoals, and then deported them from the State by scores, for nothing but refusing to join the mine owners' union. They have even closed a competing mine where there had been neither strike nor disorder, and have forbidden the owner to re-open it with any other men than such as hold orders from the combined mine owners permitting them to work."

A Voice: That is why we want Socialism to avoid that.

Mr. MAX HIRSCH: Just so. Because a small body of officials with limited powers exercises it illegally, unjustly and brutally, you want a large body of officials, with increased power, in order that they may be guilty of still more brutal and illegal conduct. (Loud and continued applause.)

### **The Danger glimpsed by Sydney Webb.**

It is not the fault of a particular official. It is the fault of the constitution of officialdom. It is the acquisition of such power that corrupts men; and you will never find any man who will remain uncorrupted when he does possess such power. (Loud cheers.) Some prominent Socialists show, at least occasionally, that they have a glimpse of this danger themselves. Let me again quote to you from Mr. and Mrs. Sydney Webb's "Industrial Democracy": "Though it may be presumed that the community, as a whole, would not deliberately oppress any section of its members, experience of all administrations on a large scale indicates how difficult it always must be, in any complicated organism, for an isolated individual sufferer to obtain redress against the malice, caprice, or simple heedlessness of his official superior. Even a whole class or grade of workers would find it practically impossible, without forming some sort of association of its own, to bring its special needs to the notice of public opinion, and to press them effectively on the Parliament of the nation. . . . In short, it is essential that each section of producers should be, at least, so well organised that it can compel public opinion to listen to its claims, and so strongly combined that it can, if need be, as a last resort against bureaucratic stupidity or official oppression, enforce its demands by a concerted abstention from work." Here, then, you have the admission by leading Socialists of the danger of oppression and injustice from the socialistic bureaucracy. You have this confession of it, and yet they blind their eyes to it and enter into it without ever considering it. And the suggestion that men under Socialism can strike against official oppression shows in a startling way the blindness of Socialists to the concomitant changes that must be brought about by the establishment of Socialism. For how are men to strike against the overwhelming power of the officials. The officials hold in their own hands the bread, the meat and the vegetables, the coffee and the tea, and every other kind

of food. All these things are in Government warehouses. They hold all the fuel and all the light, and everything else that a man, woman or child may want, again in State warehouses. Therefore, if men were to go on strike against socialistic officials, even if these officials did not use any direct punishments, all they need do is to issue an order that goods are not to be issued to the strikers or to their wives or children, and either the strike would be at an end within a week, or the death of all the strikers and of all their families would have ended the troubles of the officials. (Cheers and laughter.)

### State Nurseries and Socialist Characters.

Now I have brought before you arguments to show that the powers which Socialism must confer upon its officials if honestly used, nevertheless in themselves constitute despotism on the one hand and slavery on the other; and I have also brought before you arguments to show that these powers must inevitably be used dishonestly, must be used for the benefit of the officials themselves; that these officials will inevitably grow into a hereditary caste, lordling it over the whole of the people. But these tendencies, arising from the industrial organisation will be largely supported by the formation of character Socialism must bring about amongst the people. I have pointed out before that when every man and every woman is obliged to work a certain number of hours every day in industrial employment, they cannot rear their children themselves. The children must be separated from their parents at a comparatively early age, and they must be reared in State nurseries and boarding schools. From earliest infancy, therefore, children will be exposed to influences far different from those that would have surrounded them and shaped their character in their parental home. For the training through love and sympathy, there would be substituted the training through fear. The elastic bounds to the character of each child would give way to fixed rules to which all children must accommodate themselves. Breach of these rules would bring about punishment, but no expression of love or sympathy would provoke and meet repentance. The dawning intelligence of childhood prompting to constant questionings in the endeavor to understand, would be repressed and confined to fixed and uniform lessons. At the very time, therefore, when the emotional nature is being formed, when the intelligence of the future men and women is most easily impressed, when, as a consequence, the foundation of character is being laid, influences are at work that must seriously deteriorate character. Absolute non-questioning obedience; abject fear of authority; selfishness, dishonesty and cowardice must be the attributes of men and women whose childhood has been passed in such conditions. (Loud cheers.)

This form of character will be further developed by what happens in the future life of these people; for in a community where every action of life is controlled and regulated by officials, where every man and woman from earliest childhood



has been compelled to act in obedience to the orders of officials, the consciousness must be lost that men can shape their own lives from their own actions. All idea of independence must be lost. Under Socialism the regulated masses of the people never have been allowed and never can be allowed to do anything except what some official has ordered, and these officials themselves are subject to strict regulations which cannot be altered or suspended except by an appeal to higher officials; and if the matter is at all important, then an appeal must be brought to still higher and still higher officials. Men who all their lives have thus been accustomed to act in accordance with official dictation must lose all idea that independent action is possible, and must come to rely absolutely and with the fullest unquestioning confidence upon the orders of all officials. Independence, enterprise, self-reliance are thus lost to the whole people. The only sentiment that will be followed will be the most slavish obedience to and reliance upon orders of the officials. (Cheers.)

### **Apotheosis of the State.**

This tendency will be still further strengthened by the total loss of the perception of impersonal causation in social affairs. The rise of mankind from barbarism to civilisation has not been brought about by the conscious compulsory action of the State. On the contrary, it has been a process of unconscious evolution akin to the evolution which has produced all forms of life. The mastery over nature acquired by man, the differentiation of labor resulting in an ever increasing number of social structures, each constantly becoming more definite; the growth in knowledge and morality, which is the main distinction between lower and higher forms of human society; all these have arisen independent of the State, though it has constantly hampered their growth. Even in the peculiar sphere of the State, the sphere of law-making, conscious evolution vastly predominates, for most laws, and all the good laws, have been enacted for the purpose of giving sanction to customs which previously had arisen independently among the people themselves. The recognition of self-regulation in social processes which as yet is very incomplete, as the very demand for Socialism shows, is, therefore, of the utmost importance for the well-being of mankind. When, however, all social affairs and all social processes are regulated and controlled by officials, then the very idea that they can be otherwise regulated must disappear. Hence will arise a still further belief in and dependence upon the omnipotence of the State, and therefore the total loss of the perception that social ameliorations can be brought about otherwise than by the compulsory orders of the State and its officials. (Cheers.)

### **The Death of Freedom and Triumph of Grovel.**

With this loss of independence, and loss of self-reliance, there must come further losses. The perception of personal rights in man, of equality of rights in man, the sense of justice, the love of freedom and independence—all these have arisen from the relation of contract between men. In this relation of contract, every man

knows that if he renders a service to any one he is entitled in return to a service of equal value, and if he receives a service then he knows that he ought to render in return a service of equal value. The hourly and daily recurrences of these exchanges under agreement, and the consequent settlements, give rise to a constant maintenance of self-rights and a sympathetic recognition of other people's rights, and from these ultimately arises the notion of equality of rights amongst the contracting parties. Thus the state of contract gives rise to the recognition of equality of rights, of justice, of freedom and of independence. But under Socialism all this must be lost; for Socialism does away with all contracts, substitutes status for contract, and, therefore, must do away with the sentiments which have arisen from the relation of contract. With the cessation of contract must come the loss of the perception of the equal rights of the contracting parties; with the loss of the perception of equal rights there must come the loss of the perception of all rights. Above all there will be lost the feeling that all undue exercise of power and injustice must be resisted even by others than those against whom these acts are directed; that they must be resisted by every man who loves freedom and independence. (Loud cheers.) With this loss of the feeling that aggression must be resisted, aggressions will become multiplied, and the more they multiply, the more will the sense of justice become over-clouded; the more will resistance to oppression decline; the more will the community lose the perception that official acts may be wrong, and absolute obedience to official commands will become the only rule of life. (Cheers.)

This tendency will be still further supported by the substitution of compulsory co-operation for voluntary co-operation, by the substitution of the universal "you shall" for the now existing "I will." For under Socialism it is no longer impersonal necessity that compels men to labour, but personal authority. The will of officials determines for all persons the hours of labour, the nature of their labour, the place where their labour is to be carried on, and no man amongst the regulated workers can possibly tell the reason why those orders are given. Whether they arise from necessity or caprice; whether they are dictated by benevolence or malevolence—they must be obeyed all the same. Therefore, again you have the loss of all independence, the loss of all that makes men men, and ultimately every order of the officials will be regarded as law, every one of their acts will be regarded as sacred. Resistance to official acts, however unjust, will then be branded as disloyalty, and the only cardinal virtue will be absolute slavish obedience to official commands.

### Return to the vices of Slavery.

With this loss of recognition of personal rights and of the sense of justice, of love of freedom and independence, there must come hand in hand the loss of honesty and truthfulness. "To speak the truth and fear not" are co-related sentiments. Truthfulness arises from self-respect; as self-respect arises from the maintenance of personal rights. When as is the case under Socialism, those rights are denied and lost sight

of; where every man and every woman is constantly, from their earliest childhood, under the command of a power which regulates and controls every one of their actions; where compulsory labour is substituted for voluntary labour; where fear of punishment is the only incentive to exertion; where honesty and truthfulness must also disappear. For deceit and lying will be the only weapons of defence under Socialism as under every other form of slavery, and as these have become the traits of every subject population, of every enslaved people, so must they become the prominent traits of the people sunk in the slavery of Socialism. (Loud cheers.)

Socialism, endowing its bureaucracy with an overwhelming power, will thus ultimately extinguish every desire among the people to resist that power. Slavery will then have become the natural condition of the people of the socialised State, just as it has become the natural condition of several Oriental peoples, because of its congruity with the social sentiments which have been developed amongst them. The ultimate outcome of Socialism is, therefore, deplorable in every direction. Industrially, it means retrogression, enormous loss of productive power, and poverty for the whole of the people. Politically, it means absolute despotism on the one hand, and absolute slavery for the great majority of the people on the other. Socially, it means the loss of the monogynic family, sexual licence as bad as during the declining days of Rome, and the loss of all the highest and purest joys that men and women are capable of. Ethically, it means the loss of all the virtues that a thousand years of the struggle for freedom have developed amongst the nations of the world (cheers), and a return to the vices which distinguish slavery everywhere.

#### **Will we undo the Work of Runnymede.**

Ladies and gentlemen, I recognise that the freedom which we enjoy to-day is as yet incomplete. It must be incomplete because our natures, not being as yet fully adapted to the higher social state, we are not yet worthy of complete freedom. But the measure of freedom which we have attained is the result of a struggle which our ancestors have fought for over a thousand years. Of all the nations in the world, the British people have been most stubborn and most successful in this long drawn battle for freedom. (Loud cheers.) Is there a man of British blood, speaking the tongue which has carried the message of freedom over four continents, who, looking back upon this glorious struggle, does not feel his heart beat with enthusiasm at the thought that he also is of the line of men who knew how to die for freedom! On the glorious field of Runnymede the flame was lit that no tyrant could since extinguish. It steadily burnt on through the dark times of the Tudors; flamed higher and higher under the tyrant breath of the Stuarts, till it utterly consumed them. From that day to this its brightness has grown steadily, "freedom broadening down from precedent to precedent"; illuminating and brightening the way for the people of Great Britain, America, and Australia, serving as a beacon to the other and less fortunate nations of the world. (Loud cheers.) Wherever in modern times a nation has overthrown its tyrants, wherever by more peaceful means it has

gradually extended its freedom, the inspiration has always come from that little island in the Northern seas, its freedom has been the star by which they steered. (Loud cheers.) Dare you then extinguish that flame? Will you prefer slavery to the limited freedom which the long martyrdom of your forefathers has won for you? Will you declare yourselves unworthy sons of that long line of heroes? (Loud cheers.) I have shown that Socialism cannot improve the economic condition of the masses of the people. (Loud cheers.) I have shown that it cannot increase the amount of wealth which will come to the poor and lowly of this world. But even if it could improve their condition, I say the price to be paid for it is too great if it involves, as I have shown it involves under Socialism, the loss of all freedom and the loss of the advance in morality which has come to us through growing freedom. I have fought for years, and I shall go on fighting, for this elementary justice—that wealth shall belong to him who makes it (cheers); that every worker by brain or hand shall obtain for his own use all the wealth that his labour contributes to the common stock. (Loud cheers.) But I look to the attainment of that instalment of justice not through further restrictions of our incomplete freedom, but through the extension of freedom; not through the further extension of governmental interference, but through the restriction of that interference. Not capital, but privilege is the enemy of labour. (Cheers.) All the special privileges that have been granted by the Legislature, the special privileges that you are constantly helping to create, they are the enemies of the many whom special privileges cannot reach. Abolish special privileges! Give to all equal access to the inexhaustible storehouse of Nature, and wealth will distribute itself in exact accordance with justice without any interference by government officials. (Cheers.) Equal rights and equal opportunities, through greater freedom, these are the ideals that I would place before our people instead of the will o' the wisp of Socialistic despotism. (Loud and continued applause.)

## DEBATE.

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## Would Socialism reduce the Wealth received by the Majority of the People ?

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DEBATERS :

MR. MAX HIRSCH (affirmative)

MR. H. SCOTT-BENNETT, M.L.A. (negative).

The Honourable A. G. SWINBURNE, M.L.A. (Minister for Water Supply), occupied the chair.

THE CHAIRMAN, on rising to speak, was received with applause. He said:—Ladies and Gentlemen,—I am very pleased indeed to take the chair to-night, and to see such a large attendance of ladies and gentlemen who take an interest in so important a subject. (Hear, hear.) I am glad to think that so many are here who really want to learn something about Socialism, and to hear what is to be said by the debaters on each side. Now, the subject to be debated is—"Would Socialism reduce the wealth received by the majority of the people?" Affirmative, Mr. Max Hirsch; negative, Mr. Scott Bennett, M.L.A. It has been agreed that in case of any statement of fact being challenged, and which cannot be proved at once, it shall be referred to a committee of three, one of whom shall be appointed by each of the debaters, and the two so appointed shall select a third member of the committee. I think that is fair. (Hear, hear.) Now, ladies and gentlemen, I want to make an appeal to you to try to be patient. (Hear, hear.) I dare say there are partisans on each side here to-night: but, with earnestness, I would ask you to suppress yourselves as much as possible. (Hear, hear.) Remember that every interjection and applause to either party really means taking time from the debate. If there is any serious interjection or applause, I may feel it necessary at such times to add extra time to the speaker: but I would appeal to you to keep your spirits, as it were, in abeyance till the speaker has finished. Each speaker will be allowed twenty minutes to start with. Then each will have fifteen minutes to reply. Then there will be a third reply, Mr. Max Hirsch being allowed ten minutes and Mr. Scott Bennett fifteen minutes. Then, on the

fourth reply, Mr. Max Hirsch will be allowed ten minutes and Mr. Scott Bennett fifteen minutes. Finally, Mr. Hirsch, who opened the debate, will have five minutes to reply. The whole thing has been well thought out, and I trust you will forbear, and give every speaker a help, as it were, by not interjecting or applauding too much. I have great pleasure in calling upon Mr. Max Hirsch.

MR. MAX HIRSCH, on rising to open the debate, was received with loud cheers. He said:—Mr. Chairman, Ladies and Gentlemen.—In order to prove my case I shall first place before you certain propositions, and then make deductions from those propositions. The propositions are that Socialism professes to abolish all poverty by transferring to the State the ownership and the management of the land, and all the industries of the country: that in order to carry on this management the State must create a numerous, carefully regulated, and strongly disciplined body of officials, through whose hands the management is carried on. These officials must determine the kinds, the qualities, and the quantities of the goods that are to be produced: and in order that they should carry out this tremendous task, they must also have power to shift persons who would be superfluous in one industry into other industries—i.e., they must have control over the men and the women of the country with regard to the occupations which they are to follow. And, further, as all the wealth produced will be in the hands of the State, the State must distribute some of all that wealth among the people: and the only possible plan on which that wealth can be distributed under Socialism is equal value to all, regardless of the value of the services which each renders. These are the propositions. From them I shall make certain deductions, viz., that this organisation and distribution must enormously reduce the production of wealth, and, therefore, the wealth which can be divided amongst the people. It is obvious that if all are to receive equal reward, no man can receive any material reward for any invention and any discovery that he makes. The only motive, the most powerful motive, which induces men to undertake the costly experiments and researches which precede inventions and discoveries is withdrawn, and, therefore, there must be an enormous reduction in the inventions and discoveries that will be made, and in the marvellous progress on the threshold of which we stand to-day. This absence of motive will be supported by other causes. When all have to work a certain time every day industrially, they will have very little time for experiments and researches: and when all receive equal rewards, the reward of each cannot be much more than he requires for his living: and, therefore, all will be without the wealth necessary to make these experiments and researches that precede inventions. These three causes, therefore, must enormously reduce the progress of inventions and discoveries which now prevails. But even if some inventions still should be made, they would scarcely be adopted, because the officials of the State have no interest in adopting inventions. They cannot benefit themselves by adopting them, and they cannot injure themselves by refusing to adopt them: therefore, there is no motive, such as now induces capitalists to adopt inventions. On the other hand, there

are several powerful motives which would stand in the way of the officials of the State adopting any invention. It would increase the work of the officials, at least for a time; it might make the officials unpopular with the workmen, who would have to change their method of working; and, above everything else, there is the chance of non-success. Inventions and discoveries do not spring perfect out of the human brain. Whenever an industrial difficulty invites the application of inventive genius, many unsuccessful attempts at solution precede the successful one. Why should a Socialist official, knowing this, and knowing that nobody can tell whether an invention will be successful or not until it is tried, risk losing his credit, and being blamed for adopting an invention which probably will be unsuccessful? Clearly, as he has no self-interest in the invention, it is wisest for him, in his own interests, to do nothing, and "sit still." Therefore, under Socialism, not only would inventions scarcely be made, but the few that would be made could scarcely be adopted. (Cheers.) I come now to the second deduction. The efficiency of labour depends upon the consciousness in the mind of the labourer that he will receive the fruits of his labour. Even to-day, the efficiency of labour is largely reduced because the mass of the people can never hope to get all the fruits of their labour. But under Socialism, when all receive equal reward, nobody can benefit himself by working hard, by working carefully, by preparing himself so as to be able to work efficiently. Therefore, as it will be just as good for a man to be inefficient as efficient, to be lazy as industrious, all men will work lazily, unwillingly, and carelessly, and the efficiency of the whole of the workers will gradually go down and down to the level of the least efficient. This means not only a smaller production in quantity, but also that the quality of the goods will be much less serviceable. (Cheers.) It also means that there will be an enormous waste of material, for when men work inefficiently they work wastefully; and it also means that there must be an enormous increase in supervision, because, just as it is in the case of a slave gang, so, under the socialised system, the supervision must be enormously increased; and as every man who stands by to see that the others do their work is taken from the ranks of the workers, production is thereby still further diminished. This same absence of motive to exertion also applies to the official class. They also can reap no material benefit from being efficient, or working effectively; and they also will not do it. But a much greater cause than this comes in. We see to-day, in every Government department the "red tape," waste of labour, waste of effort, and lack of efficiency. The reason is, that wherever several departments or several factories, or several mines, are combined under one management, individual initiative and flexibility are lost, and absolute regulation must take their place. (Cheers.) No lower official can order anything without appealing to higher and still higher officials, and, therefore, it is always red tape, waste of time and labour. If that is the case to-day, how much more must it be the case under Socialism, when the industries which the officials will have to supervise are one hundred times larger

than those which our officials supervise now, and when, at the same time, there is lost the example and the competition of privately conducted industries, which now stimulate the officials of the State! (Cheers.) But, in addition to that, there is still another cause. Under Socialism, the natural aptitudes of men must be neglected. Nobody will be able to choose his or her own occupation. The officials must appoint everyone to the occupation which they have to follow. These officials cannot possibly discover the aptitudes of the thousands upon thousands of men and women who every year enter upon their industrial life, and, therefore, they must be allotted to their tasks by rote. In this way the aptitude and efficiency of workers, so much neglected to-day must be utterly neglected under Socialism. The same is the case with the officials. Whether they are elected by the people, or whether they are appointed by higher officials, clearly this selection will be determined by different qualities than managerial and organising ability. Therefore, the aptitude of the officials in the management and organisation of work will also be neglected, the result being that the productivity of labour will be enormously reduced, because men that would render excellent services in one direction will be set to do work where their services are less valuable. Still another cause comes in, perhaps even more important than any of these, and that is the neglect of replacing the industrial capital of the country. The efficiency of labour depends upon the quantity and the efficiency of the industrial capital at its disposal. Every year thousands upon thousands of men must be set to work to produce material which, after a lapse of years, shall appear as machines, railways and other things, in order that again, after a further lapse of years, these may produce goods for the consumption of the people. This production of capital, constantly increasing, is now carried on unconsciously under the pressure of competition; but in the socialised state, where there is no competition, this has to be done by the supervising agency of the State. Some agency will have to determine how many workers shall employ themselves in producing material which, after a lapse of years, will appear as industrial capital, replacing that which will then be worn out. These men must be withdrawn from the production of goods which can be distributed in the immediate future, in order that they may produce goods which can only be distributed in the far distant future: that is, the national dividend in the near future is reduced in order that the level of the dividend may be maintained in future years. This course will be opposed by the whole people. Those among them who are careful and provident will want to have the largest possible dividend, because they want to save part of it, for goods for consumption can be saved under Socialism, and it is the only thing that can be saved individually. Those of them that are improvident, on the other hand, will want the largest possible dividend in order that they may enjoy the goods and consume them. Therefore, the whole people will be opposed to reducing the dividend now in order that sufficient industrial capital may be available in the future. But this tendency will be strengthened by the reduction



in the productivity of labour arising from the other causes which I have pointed out, for this reduction in the produce can be concealed by the officials if they withdraw men from the production of industrial capital and set them to produce goods which can be distributed next year. They, therefore, will save themselves from any blame. They will conceal the disease which is attacking the body politic, and the disease will only declare itself years afterwards. From all these causes, then, I maintain that, under Socialism, the productivity of labour will be enormously reduced, far less wealth will be produced, and, therefore, far less wealth will be available for distribution among the people. Now, in order to give you one example of how serious that is, I will take the tobacco industry in France, under State monopoly. In France the taxation of tobacco is five times the original value; in Australia it is  $2\frac{1}{2}$  times the original value. In France, the quality of the tobacco is far inferior to the tobacco in Australia. The price of tobacco in France, the ordinary qualities, is the same as in Australia, and the lowest quality costs 2s. 10d., whereas in Australia it only costs 2s. 6d.—both to the retailers. Then the wages in French tobacco factories are 40 per cent. lower than the wages paid in Australian factories; the hours of work are 25 per cent. longer in the French factories, and no manufacturer or merchant can make any private profit out of the tobacco trade. Clearly, then, if the efficiency of management were the same, the revenue which France derives from its tobacco would be at least twice, and perhaps three times, as large per head of the population, and per lb. of tobacco consumed, than it is in Australia; but, as a matter of fact, it is no larger. The revenue per head of the population is 6s.  $8\frac{1}{2}$ d. in France and 7s.  $0\frac{1}{2}$ d. in Australia; and the revenue per lb. of tobacco is 3s.  $1\frac{3}{4}$ d. in France and 3s.  $0\frac{1}{4}$ d. in Australia. Clearly, then, the enormous advantages I have pointed out—higher taxation, lower quality, lower wages, longer hours of labour, no private profit—all those have been absorbed by the inefficiency of the production in the French State-managed factories. (Cheers.) The production of wealth has been reduced by more than one half, and even if this reduction were to become no greater when all the industries of the State are under State management, even then the wealth that would go to the majority of the people would be far less than that which is received by them to-day. (Loud cheers.) Permit me to prove this to you. In Victoria, the average wealth produced is a little over £24 per head of the population to-day—that is, 47s. 6d. per family of five persons per week. This is all the wealth that can be distributed in Victoria to-day if it is distributed equally. If, then, in Victoria, under Socialism, the production of wealth were to fall off by one half, less than it has fallen off in the State-managed tobacco industry of France, there would only be available for weekly distribution 23s. 9d. per family of five persons throughout the country—that is, far less than the average which is now received by the majority of the people. Therefore, I maintain that, if these facts and these arguments are not refuted, I have proved that, under Socialism, the wealth receivable by the majority of the people will be enormously reduced. (Loud cheers.)

MR. SCOTT BENNETT, M.L.A., on rising to reply, was received with loud applause. He said:—Mr. Chairman, Ladies and Gentlemen,—I, in the first place, desire to express my sincere gratification at the very large audience that is assembled here to-night. To me, as a social democrat, it is indisputable proof that, notwithstanding the slanders and misrepresentations of our opponents, we are constantly growing in numbers. (Cheers.) People are beginning to recognise that the fight in the future is not merely a wrangle over fiscal issues, is not merely a wrangle over compulsory arbitration, or what not, but is a question whether those who produce the world's wealth shall receive the wealth that they produce, a question of whether a few exploiters, a few parasites of society, shall take unto themselves that which the workers of the world alone produce. (Cheers.) Mr. Hirsch, my friendly opponent to-night, in opening the debate, has told you that Socialism, in order to abolish poverty, must take into the State a large body of officials. What does Mr. Hirsch mean by the "State," and what does Mr. Hirsch mean by "a large body of officials?" Do you think that Socialists desire a capitalistic State, such as exists in every country of the world at the present time, to take over the whole means of production, and distribution, and exchange? Not at all. Do you think that the Socialists desire a body of officials, who grace with their presence the capitalistic Governments of the time, to superintend such production and distribution? Not at all. The State, under the slave-owning period, was what? Why, simply a glorified slave owner. The State, under the Feudal period, was simply the representative of the Baronage. The State to-day, under the capitalistic system, is simply a glorified capitalist! We do not want the State to take over the means of production, distribution, and exchange; but we want the workers—the producers of the world, either mental or manual—to have sufficient intelligence, and to have sufficient sense, to drive the capitalist class, not only from the means of production, distribution, and exchange, but also from the reins of Government, in order that an organised democracy may operate the means of production, distribution, and exchange. (Cheers.) There is a world of difference between the organised despotism of to-day and the organised democracy of to-morrow. That large body of officials that my opponent speaks of, who are to superintend the means of production, distribution, and exchange, those are the people who are to play the part of tyrants in the place of your exploiting capitalists of to-day. But there is in history one fact to which I would draw my individualistic opponent's attention, and that is the Paris Commune of 1871. We are not engaged to-night in debating on the Paris Commune of 1871—that is perfectly true. I draw your attention to the Paris Commune of 1871 for this reason, that the working class, in spite of the adverse circumstances, had an opportunity of showing whether they were in favour of officialism or not. They showed in that Commune of 1871—what? They showed that officialism was to be banished, that the working class—the producers, the mental and manual workers of the world—were to have full sway. That is a fact in history. It is not a fact invented by an anti-Socialist lecturer to

endeavour to stem the tide of Socialism, and allow the capitalistic class to continue their exploitation. (Cheers.) But we are told that Socialism, or social democracy, lays down as a positive principle that there shall be equal remuneration for all when the means of production, distribution, and exchange are owned and controlled by the whole people. I should be very much obliged to my opponent if he would tell me to-night where he got that information from. I thought that Communism said that each should be given to according to his needs: but I thought that Socialism said that each should be given to according to his deeds—which is a very different thing. To argue from such premises as those—that equal remuneration would destroy all incentive to production—is obviously fallacious, seeing that the Socialist movement of to-day has never contended that all should receive equal remuneration. We have always contended that the workers should receive the full product of their toil—that is perfectly true: but it is also true that all workers cannot produce the same amount, either of wealth or what not, and when my opponent says that the Socialistic Society must pay to the members constituting it the same remuneration, he is only putting up the same bogie that the daily press puts up from day to day. (Cheers.) We had a little merriment over the matter of inventions. We were told that, since Socialism was to create such a large number of officials, there would be no possibility of any invention ever receiving anything like fair play under Socialism. By the way, it reminds me our opponent, although he opened the debate, did not define what Socialism was. Did he? I shall do what my opponent should have done for me. I will give you a definition of Socialism. I say that Socialism means the full ownership and control by the community—not by the State, as you understand the State to-day—of the whole means of production, distribution, and exchange. Now, under Socialism, my opponent says, there would be no inventions, or, if there were inventions, the officials would find it to their own interests to suppress them—or otherwise throw back the production of wealth. Well, well! How does your inventor get on under the capitalist system of to-day—how has any inventor got on under the capitalist system of to-day? Take the best of your inventors, from the inventor of the sewing machine up to or down to any invention you like. They all died in poverty. (Cries of No, no.) Do you mean to say that, under Socialism, when the people are organised in a democratic manner, the inventors of new machines or what not would not receive a higher remuneration than that which is accorded to them under the capitalistic system? When the people who were all workers, mentally or manually, recollect that every invention meant either a higher rate of remuneration, or a shortening of the hours that they toil, would it not be to the interests of such a community to see that the inventors were well remunerated—would it not be to their interests to see that the inventor did receive the full remuneration for his toil? (Hear, hear.) My friend will argue, I presume, as he has thrown out the suggestion to-night, that it is the desire for material gain that makes the inventor invent. I deny that in toto. It is not the desire for

material gain that causes your inventor to invent, but it is an imperial necessity of his own being. (Cries of No.) You cannot find in gain the stimulus or the incentive to either work or invention. Did Darwin, when he formed the theory of the origin of the species, work for mere material gain? On the contrary, it was the plaudits of the community that remunerated him more than anything else. (Cheers.) Under Socialism—under that democratic control of industry already referred to—we are told that men may just as well be lazy as industrious. Why should they be just as lazy as industrious under Socialism any more than under individualism? If they are industrious to-day, what does it mean? They will be thrown out of employment, because the more the workers work, the more they produce, and, therefore, they add to that state of unwork that exists under your capitalistic system. There comes a crisis—a glut in the market—and the workers are thrown out of work. There are more boots in the factory than can be sold for profit, more bread than can be bought by the people, more than can be sold under your present capitalistic system. But where there is production for use, such as the Socialists postulate—where there is production for use and not for profit—then industry, not laziness, will count in the society of the future. Then my opponent says that nobody can choose their own occupation under Socialism. Nobody can choose their own occupation to-day. (Cheers.) If there are too many workers in the boot industry, you must go elsewhere for a living. If there are too many workers in a bakery, you must go elsewhere for a living. If there are too many navvies, they must find some other means of employment. Seeing that this state of things ever exists under the present capitalistic system that my opponent is here to uphold, what use is it arguing against Socialism because a similar evil will exist? It is perfectly true, no doubt, that there might possibly be too many workers in a particular field of industry, and, in that case, they would have to go into some other industry which is not quite so full. But you cannot use that as an argument against the future state of society, seeing that it exists in the present state of society that my opponent upholds. My opponent's argument that, under Socialism, there would be a vast amount of difficulty in replacing the capital necessary for further production under Socialism. Why, there would be no capital under Socialism. What is capital? Means of production used for the creation of profit. Under Socialism, capital would be what it was under primitive Communism—simply means of production. And what difficulty would there be in replacing the means of production under Socialism? What are the means of production? They are—the land, the machinery which is used upon the land. Under Socialism, machinery could be just as well produced as under any other system. Land is eternal, or, rather, the atoms of which it is constituted are eternal. How is machinery produced under capitalism? Why, by the associated workers of the world, and the workers of the world could just as well produce that machinery under Socialism as they could produce it under a system by which they are exploited to the extent of receiving one-third of that which they

produce. And so it goes on, until we reach at last that peculiar stage in our friend's argument in which he referred you to a tobacco monopoly owned by the French Government. He painted many doleful pictures of the results of such ownership by—what he omitted to mention—a capitalistic Government. I do not know that I need to assure you—I do not need to assure the Socialists in this audience at all events—that our ideal is not, as I have said before, State ownership under capitalistic control, but it is democracy applied to industry, even as we are supposed to apply the principles of democracy to politics to-day. To suppose that a tobacco monopoly, owned and controlled by the whole community, could not produce far better than the instance given by my opponent to-night, is to imagine a very vain thing indeed. But I take my friend on his own premises, notwithstanding the result attributed by him to the instance mentioned of the French tobacco monopoly. How comes it that, even under capitalistic control to-day, the workers under private industry are anxious to enter the Civil Service? How is it that the workers under capitalistic control rush into Government employment? It is because they know that, notwithstanding the fact that the Government, being capitalistic in all countries, exploits them even as under the capitalistic system, yet they have a better opportunity of redressing their grievances under State control than they have under individualistic control. (Cheers.) And if it be true that, under State capitalism, the workers have an opportunity of so redressing their grievances, is it not obvious that, under a state of Socialism, where democracy is applied as fully to industry as it is applied to politics, the workers would not fear slavery, but would recognise that, in that social democracy, they had opened the doors to never-ending freedom? (Cheers.)

MR. MAX HIRSCH was applauded as he rose to reply. He said:—Mr. Chairman, Ladies, and Gentlemen,—I am grateful to my opponent that, in the very beautiful language which he has used, he should have done me the honour to occasionally endeavour to reply to my arguments. But the reply in some respects has appeared to me to be somewhat peculiar. He stated at length that it was not the State which was to conduct the industries under Socialism. Then, afterwards, he said it was to be the community—every man in the community. Is everyone to take a hand in the management, or are representatives to be appointed to do the managing for them? (Cheers.) Are they to have representatives to do the legislating for them, or are they to legislate every one of them for himself? How, then, can he deny that it is the State who is to own the industries, however democratic that State may be? It is clearly the State, and the State would manage the industries through officials, or whatever other name my friend may be pleased to apply to them. (Cheers.) Then he tells us that there is not to be equal remuneration, and he says he would like to know where I got the knowledge from that, under Socialism, there was to be equal remuneration. I will

give my friend the source of my information. Mr. W. D. P. Bliss, in his "Handbook of Socialism," says:—

"All successful production to-day, mental and manual alike, is the result of social processes so intricate that it is impossible to measure the share in the production taken by any one man."

He says that it is impossible to remunerate men according to their merits. Sir Henry Wrixon says— (Loud laughter and uproar.) When you have finished I will go on. Sir Henry Wrixon says that, in an interview with Mr. Sydney Webb—(loud cheers)—that gentleman told him these words, and Mr. Sydney Webb has never denied them—

"Such an arrangement (the nationalisation of rent and interest) would, however, leave untouched the third monopoly, the largest of them all, the monopoly of business ability. The more recent Socialists, therefore, strike at this monopoly also by allotting to every worker an equal wage, whatever the nature of the work."

Professor Ely, a great student of Socialism, though not himself a Socialist, says:—

"The fourth idea of distributive justice, and that which now seems to prevail generally among Socialists, is equality of income—not a mechanical equality but equality in value."

The Fabian Essays on Socialism also say:—

"The impossibility of estimating the separate value of each man's labour with any really valid result, the friction which would arise, the jealousies which would be provoked, the inevitable discontent, favouritism, and jobbery that would prevail—all these things will drive the Communal Council into the right path, equal remuneration of all workers."

These are a few of the authorities for which my friend asked, and the existence of which he denied. But it does not want any authorities. You only have to apply your common sense and you will see it. Under Socialism, there is no competition. How can you estimate the value of any man's services, or the value of any goods, when there is no competition? Let us try it. Begin with wheat. Your Socialist officials may take the cost of all the wheat produced in the country, produced on land of varying fertility, some only giving five bushels, and others up to thirty bushels per acre. They take the average price of all the wheat, and say—"That is the value of the wheat." They can do that provided they know the wages paid to everyone, but if they do not know the wages paid to everyone they cannot even get at the cost of the wheat. Therefore, not having either the value of wheat, or knowing the value of the services of every man, because they are unaware of the remuneration of the workers, how are they to get at the value of any man's work? They can only adduce it from the value of what he produces, and yet they do not know the value of what is produced. Therefore, they cannot get at the value of any man's work. Then, where is the measure by which they could tell how many hours' labour of a navvy is equal to one hour's labour by a great artist. How are they to tell how many

hours' labour of a mechanic are equal to one hour's labour of a man who designs and superintends the building of a great bridge? Clearly, those are impossibilities. Then look at the jealousy that would be engendered by trying to allot to each the full result of his labour. Every man thinks he is as good as any other man. The officials having in their hands the well-being of every man can give to one man a large award and another man a small reward, because some officials, or some persons whatever name you call them by, must determine the value of a man's work, and he cannot be allowed to do it himself. The more intelligent Socialists have long since seen these impossibilities, and they are all, therefore, agreed that, under Socialism, it is absolutely impossible to reward men otherwise than equally. Therefore, all the arguments which I have based on that fact are proved to be true, and have, in fact, not been contested. (Cheers.) Now, my opponent said that inventors did not look for any material reward, but, from the necessity of their being, they must go on spending the little wealth which they will have in researches and experiments, in order to make inventions. Well, that may be true of a man here and there: but I am absolutely certain, and you know that it is true, that it does not hold good to the vast majority of inventors. (Cheers.) My opponent had nothing to say about the want of means on the part of men who wanted to invent and undertake experiments when all men got an equal reward. Then he said—What about to-day? Even to-day all inventors die poor." I will mention the names of a few millionaires among them—Bessemer, Edison, Lord Kelvin, Dunlop: and there are others. These millionaires, at any rate, have not died in the poorhouse. (Loud cheers.)

A Voice—They are not dead yet.

MR. MAX HIRSCH—My friend is quite right as to two of them, and they are not likely to die in the poorhouse, unless my friend is as great a prophet in regard to the fate of inventors as he is with regard to what will happen when a democracy, instead of a capitalistic State, takes things in hand. (Cheers.) Then my friend told us—What did it matter that, under Socialism, nobody was allowed to choose his own occupation, seeing that nobody was allowed to do so to-day? Now, I contest that argument that nobody is allowed to choose his occupation to-day. I say that a very large portion of the population does choose its occupation to-day. (Hear, hear.) I further say that it is a very different thing when you have to change your occupation on account of impersonal necessity, than when you have to change because you are ordered to do so by some official. (Cheers.) Impersonal necessity knows no favour: but the official does know favour, whether he is a democratic official or any other. (Cheers.) Then we had that old quibble that, under Socialism, there is no industrial capital, only means of production. Well, I do not care, and I do not like to waste time over the question, whether machines, and railways, and ships, and such things, shall be called industrial capital, or means of production, so long as we mean the same thing. Now these things, by whatever name you call them, I should would not be restored properly, because the whole people

would object to it from their own self-interest. And my opponent never entered into the argument, but he used beautiful language, and said—That is impossible. Well, I am delighted to find that he thinks it is impossible. But we are not here to find out what I or my friend think impossible, but we are here to prove what is possible or impossible. There was not an argument, but simply beautiful language expressive of my friend's opinion. I ask my friend to disprove the arguments which I have used, and then he might convince this audience: but mere expression of opinion cannot bring conviction to an unprejudiced mind. (Hear, hear.) My friend says the workers rush into Government employment to-day, and, therefore, it cannot be bad for them. No. If the Government tax the rest of the people in order to create good positions for the Government employees, naturally the people rush into Government employment. (Cheers.) But, when the whole of the people have to be paid by the Government, or by the State, and when they are to be paid equally, you will not then be able to pay one man well by paying other men less well. All have to be paid equally, and, therefore, if the wealth produced by the people be reduced, then the reward of all of them will fall, and it is not in the power of the Government to give them more, because more does not exist. You cannot cut eight quarters out of one cake. Not even a democratic, socialistic Government can do it. Finally, I want to say one word of protest. My friend said that I was here to defend the existing system. I am not. (Cheers.) I condemn the existing system, and there is not a man or a woman in this hall who does not know it. (Loud cheers.) Invariably that unjust trick is employed. The Socialists always assume that things cannot be improved, and that injustice always must prevail unless Socialism is adopted. That may be some people's opinion, and their opinion might be that my remedy and the remedy that my friends would apply would be ineffective: but that does not make us defenders of the existing system. We say that the existing system is unjust, but Socialism is more unjust, and would bear more heavily upon the mass of the people than even the existing system. (Loud cheers.)

MR. SCOTT BENNETT, on rising to speak, was greeted with loud applause. He said:—Mr. Chairman, Ladies, and Gentlemen—In order to prove that Socialism postulated equal remuneration for all, our friend quoted the Rev. Mr. Bliss, Sir Henry Wrixon—(cries of No, no)—well, Sydney Webb. (Cheers.) I beg my opponent's pardon. I did not wish to mislead. My case is sufficiently strong without misrepresentation. I should have said—Mr. Sydney Webb, who was interviewed by Sir Henry Wrixon. He is reported to have said that he, in conjunction with Professor Elv. of America, had stated, in language more or less certain, that Socialism did postulate equal remuneration for all. Very well. The Rev. Henry Bliss is not a Socialist. (Hear, hear.) I ask my friend to name any authority in the Socialist movement who proclaims the Rev. Henry Bliss to be a Socialist. Mr. Sydney Webb a Socialist! The Lord preserve us from our friends. Mr. Sydney



Webb is a Fabian, and I defy my opponent to prove that the revolutionary socialistic party have ever recognised Sydney Webb as a Socialist at all. Ely was never a Socialist. I do not think he is even a Fabian. Why did not my friend quote Karl Marx or Frederick Engles—why not some authority upon Socialism—in order to demonstrate the truth of the argument that he put forward? Then he says there is to be great difficulty as regards remuneration under Socialism, if you have not equality of remuneration. We Socialists are not going to postulate how the people under Socialism are going to be paid. We do not require to do so. If Mr. Max Hirsch was living in the Feudal era, and one of the supporters of Feudalism were to ask him how the workers were to be remunerated under Capitalism, he would have been at a loss for an answer. We Socialists are not putting up a system of society that is to be put upon the people as a man puts on a new suit of clothes. We say that Socialism will evolve from Capitalism, even as Capitalism evolved from Feudalism; and it is not required of us that we should state definitely how each man should be rewarded. But we do know this, that, under Socialism, there will not be a landlord taking from the people that which he does not earn; we know that under Socialism there will not be a capitalist taking from the workers that which is created by the workers throughout the world. We do know these things; and we know that since labour-power will no longer be sold as a commodity under Socialism, as it is under Capitalism, their lives will not be poorer economically, but brighter; and morally, too, they will be better under Socialism, for there will be freedom and happiness for every man, woman and child. We heard a good deal of talk again about the officials. It is the "officials" that are troubling the anti-Socialists. Well, I tell you—it is the capitalists that are troubling the workers to-day. I would far sooner work under an official, such as the imagination of my opponent has conjured up, than I would work under a capitalist, because an official can be sent about his business at the will of the people, but the capitalist owning the means of production, distribution or exchange, and exercising his power over the people who do not own these means, they must necessarily be at his mercy, and, in order to live, must either sell themselves to him as a commodity, or to some other member of the capitalist class. I would rather work under my opponent's imagined tyranny to-day than I would under your blessed capitalistic system that your stock-brokers, your land-boomers, your paid hirelings of the capitalistic class attempt to uphold in the face of economic evolution, and in the face of the whole destiny of the human race. But there are more troubles yet in front of the anti-Socialists. As a matter of fact, it is not a question of officialism, nor a question of the tyranny of the socialised State, that is really troubling them to-day. This is the trouble that anti-Socialists feel:—That, under Socialism, they will not have an opportunity of living upon that which is produced by those who toil. They do not trouble about the tyranny of Socialism! Go to the workers in any large factory to-day and talk to them about the tyranny of Socialism and their blessed

liberty and freedom! They would say to you, "Yes, liberty to serve; freedom to be out of work; that is the freedom and the liberty that we enjoy to-day!" Do you mean to say that, when society is organised upon a democratic basis, their lives will not be happier—their remuneration will not be greater—than it is to-day, when a capitalist, and his sleeping partner—the landlord—takes from him that which the workers themselves produce. What are the wages paid to the working class! Simply a particle of the wealth produced by them. (A Voice: Why don't you reply to the arguments?) That is a gentleman who is extremely interested in the capitalistic system, who wants to throw me off the trail. That nobody is allowed to choose his own occupation to-day is my reply against the argument of my opponent when he pretends to you that there will be despotism in that matter under Socialism. Listen to my friend's reply. "But," says he, "there is a great difference between the inability to obtain employment and to obtain the occupation you desire, by reason of having to be directed to a certain occupation under officials." Under officials! Oh, indeed! Well, that is something new—to a Socialist at all events. (Mr. Max Hirsch: Hear, hear.) The officials under Socialism would have to deal with these things as they are now dealt with, here and elsewhere. If one industry is full, the workers will have to go to another industry, I presume; and seeing that the education under Socialism will fit men for varied employment; seeing that the education of Socialism will be different to the education of to-day, it is perfectly obvious that the pretended tyranny of my friend under the direction of officials will be very different to that—shall I say fiendish—competition which drives the worker where he would rather not go. (Cheers) Yes, my friends, Government officials—even capitalistic Government officials—are preferable to the system that exists to-day, and throws men out of work. Why? The capitalist class have proved their own incompetency to manage the means of production, distribution, and exchange. Year after year the same crises occur; year after year, thanks to the introduction of machinery, the workers are thrown out of employment. But where, under Socialism, the community owns these machines—where a bureau of men are appointed to take care of the statistics regulating the production of goods—there would not be that unemployment, there would not be that throwing men out of work that exists to-day under your present "cannibalistic" competition system. The well-dressed people of the audience laugh at the term I use—"cannibalistic" system—but it is true; and any wage-earner will tell you so. My opponent, when drawing to the conclusion of his argument, said, "I am not here to defend the present system." No; he is not here to defend the present system—he is here to shift the burden of taxation from the shoulders of the capitalist on to the landlord class by his advocacy of the single tax. But I am here to say that mere questions of taxation are of small importance to the working classes. The workers do not pay the taxes—the taxes are paid out of the surplus values wrung from the workers by the capitalistic class; and, therefore, I do not defend the present

system. No, I go further. Not only do I not defend the system of shifting the burden of taxation, but I do not, and I never have defended the capitalistic system before a capitalistic audience; and, if I were a land taxer, I would never defend the remission of a land tax before an audience of farmers. We have heard much about inventors, and my opponent says that they would suffer under Socialism. Does my friend also argue that the whole paraphernalia of art should be taken into the question? Has he seen Kautsky on Socialism; has he seen any work which emanated from the Socialistic school of thought? The organised production, under Socialism, would not interfere with the artist in the realms of art. If, under Socialism, the artist found himself bound, as our friend would have it, to a Socialistic system what is to prevent the artist—a painter, or whatever you like in the arts—from producing art under the direction of free societies or free associations? There is no objection to that. We ask, certainly, for the socialisation of the means of production, distribution, and exchange. That is true; but the artist may produce for a free society such things as exist at the present day for people who desire that sort of thing. The tyranny of the "State" would never enter into that, and we Socialists have never argued so. The anti-Socialists recognise that an ever-increasing number of the workers are becoming tired of mere fiscal reforms, tired of mere cries of taxation, tired of mere politics; and they want a system of society that shall give the direction and control of their welfare and material conditions of life into their own hands. In order to defeat that, anti-Socialists raise the cry of "tyranny," and that the arts will be suppressed. I tell you that, until the material conditions of life are placed upon a sound basis, you will never have a fruitful condition of art—you will never have a people able to be charmed with the sonata of a Beethoven—you will never have a people charmed with the pictures of the great artists. When the conditions of life are placed on a sound basis, when the exploiters are driven away, and when the community says that those principles of democracy that have proved so successful in its political life shall operate in its industrial life—then you shall have, not only freedom for the artist, but freedom for every man and woman who produced in the industrial world. (Cheers.)

Mr. MAX HIRSCH, on again rising to reply, was loudly cheered. He said:—Mr. Chairman, Ladies, and Gentlemen,—May I read to you again the subject under discussion to-night because I am sure you must have forgotten it. (Cheers.) The subject is—"Would Socialism reduce the wealth received by the majority of the people?" We have had a most beautiful exordium on art. I never mentioned art. My friend goes back to a lecture which I gave in this hall, but it has no relation to anything I have said to-night. That had nothing whatever to do with the production of wealth. I declare that to be true, but it is not under discussion to-night. Nor is the single tax under discussion to-night. (Cheers.) My friend, first of all, said that I defended the present system, and then he admits afterwards that I did not—that I am a single-taxer; but he claims to be justified in maintaining the

first statement, because he does not believe in the single tax. I might just as well call him a defender of the present system, because I do not believe in Socialism. (Cheers.) My friend says—"Will Mr. Hirsch bring any evidence to show that the Fabian Society has ever been accepted as a Socialist body by other Socialist bodies?" Yes; I will bring the evidence. The Fabian Society, the Social Democratic League, and several other Socialist bodies of Great Britain came together in a joint committee of Socialist associations for the purpose of publishing the united programme of the Socialists. I need not read the programme, but it was a joint programme, issued by all the Socialistic associations of Great Britain, the Fabian Society included. And, therefore, the Socialists of Great Britain considered the Fabians Socialists, just as the Fabians considered themselves, Socialists\* (Hear, hear.) Then our friend told us, "We Socialists do not consider now how the people will be paid; Socialism will evolve." Yes, undoubtedly it will evolve. But we would like to know in what direction it will evolve. Now, consider a man who claims all the beauties for Socialism that my friend does, and yet who admits that he has never considered how the workers will be paid under Socialism—the very foundation on which the whole system rests, the foundation on which any benefit rests that could come to the people. He says, "We have not considered that!" Then my friend, intoxicated by the beauty of his language, is ready to jump into the dark, and take the whole of the people with him, regardless of whether the spot into which he leaps is at the bottom of a deep precipice, or is a shallow pan where he can glide into. They have not considered it! How can any man who takes himself seriously, and who looks seriously upon his responsibility, defend a system like Socialism, when he has to admit that he has not yet considered how the people will be paid under Socialism? (Cheers.) Then my friend went into a long exordium as to the tyranny which I have attributed to Socialist officials. To-night I have not said one word of their tyranny. I have taken the organisation which Socialism must create; then I have deduced from that the power which must be given to that organisation; and then I have shown what is the result of the power of that organisation, even if it is absolutely legitimately exercised. I have not said anything about tyranny. I might have said a lot about it, but that was not under discussion to-night. To-night, the subject under discussion is the amount of wealth that is to be distributed, and I would again remind my opponent of it. Then he repeated again that the socialised State was not going to be directed by officials; but he admitted that there would be a bureau, which would gather the statistics. Now, remember that a bureau is not a wheel, nor is it a machine. A bureau is a department where officials are congregated for the purpose of doing certain things. So that, while denying officialdom, he admits the officialdom in admitting that there will be a bureau of officials, who will determine, through statistical processes, how much wealth there is to be distributed. Certainly; but they can pile up statistics upon statistics, and there will be no more wealth to be distributed than the workers

\*For quotation see page 9.

have produced. And if, as I have maintained, and I have endeavoured to prove, under Socialism, the amount of wealth that will be produced is enormously reduced, then this bureau of officials, with all its statistics, cannot give a penny more to the workers than that reduced amount of wealth—the amount of wealth which I have shown in France to be reduced by one-half in the State factories, and which, under the Socialist system, must be reduced very much more. For it does not matter whether you chase away every one of the present officials, and put in their place men whom you may call “workers,” because the men will work under exactly the same conditions as they do now. But to-day efficiency under Government departments is reduced to the very lowest. It is not the fault of the men—it is the fault of the system. Wherever, as I have said, a large number of departments of industries are managed by one organisation, there cannot be personal initiative. There must be strict rules and regulations, which everybody must obey, otherwise there is chaos: and, therefore, whether you call it “bureau,” or whether you call it “officials,” there will be under State management, “red-tape” and waste of effort; and the larger the number of industries the State is to manage, the greater the extent over which the State management is spread, the greater must be the “red-tape,” the more wheels must there be within wheels, the lower must be the efficiency of the State management. Therefore, the amount of wealth produced in France in the State factories to-day is far larger than what can possibly be produced under any management which Socialism can evolve. There will be inefficiency, there will be waste, there will be absence of any motive for exertion, there will be the difficulty that the whole of the people is opposed to restoring to its full extent the industrial capital. For all these reasons, which have not been contested yet, I maintain that the wealth divisible amongst the people will be enormously reduced under Socialism, and the whole people will be exposed to poverty. (Cheers.)

MR. SCOTT BENNETT, in reply, said:—Mr. Chairman, Ladies, and Gentlemen.—My friendly opponent said that he would remind you of the subject under discussion. I think it was very necessary, seeing that he has forgotten to prove the proposition that he set out to prove to-night. The proposition was that, under Socialism, the amount of wealth received by the majority of the population would decrease. I do not know how many people in this audience will go away satisfied that, under Socialism, the wealth received by the producers of the world will be less than it is to-day. Those who are acquainted with the present industrial state of affairs will think it rather surprising that any intelligent man would set himself to prove that, under Socialism, there would be a decrease of wealth, especially when you remember that throughout the world to-day the producers, on an average, only receive a subsistence wage: and if you reduce that by very much, I am afraid there will not be much left. I do not think our friend would deny that. (Mr. Max Hirsch—Hear, hear.—Laughter.) He is trying to prove that, under Socialism, you will receive less than you can possibly live upon. Now, to prove that Fabianism is identical with the

modern Socialistic movement, my friend quoted the fact that the Fabians, the Social Democrats, and, I presume, the Independent Labour Party met in conference together. So be it. But those societies may have so assembled in conference in order to consider how the liquor traffic could be managed under Socialistic control. Surely my friend would not maintain that these people were all Socialists, simply because they met at such a conference. I thought I had in my pocket to-night, but I have not, a copy of "Justice," the official organ of the Social Democratic Organisation; and if you read the criticisms in it upon the Fabian Society, your hair would stand upon end. And yet our friend says that the Fabians are Socialists. I say again that all the fundamental authorities upon modern Socialism have said over and over again, that the Fabians are composed of the sentimental "bourgeois," who want to catch on to the coat-tails of the Socialist movement: but there are no Socialists in existence who would say that Fabianism constitutes a part of the modern Socialist movement. My friend complains that I have not met his arguments. What is the use of bandying words about that? Is not that a matter for the audience to decide? He says I have not even studied how the workers under Socialism will be paid. Oh! Have not I, indeed? I said that, under Socialism, the whole means of production, distribution, and exchange would be owned by an organised democracy. I also said that, under the present system, the worker was sold as a mere commodity, that he gave up more than half the value of what he produced: and I said that I did not care what he made of "officialism," so called, the worker would receive far more, not only material wealth, but far more happiness, even of a spiritual kind, under Socialism. If that is not meeting the question as to the amount of remuneration receivable, I should like to know what is. My friend said I was ready to jump into the dark. Well, my friend will jump into the dark to-night when he blows out the candle, for that matter—(laughter)—and I am ready to jump. I am ready to jump into an industrial darkness in this sense, not because it is darkness, but because the authorities that my friend has not quoted to-night have thrown sufficient light upon the path of industrial evolution to show me that the best state of human society is to be secured by social democracy, and not by the system of exploitation. (Cheers.) I do not jump into the dark because a mere sentiment urges me to do so, but I take that leap with forethought, because I know, as I said before, that, just as we have evolution in biology, so we have evolution in industry. The formation of your trusts and your combines shows that it is a question in the future of whether we are to have a combination of the few or a combination of the many. Because the whole facts of industrial life point towards Socialism, I take the jump, not into—what my friend calls—the "darkness," but into what I call the light which is revealed to us by modern science. (Cheers.) Of course, we have had so much about officialism that if I were to follow my friend in detail I should require to refer to it again and again. How was it, by the way, that he did not refer to the fact that, notwithstanding there were adverse circumstances at work, yet the workers at the Paris Commune did not show any particular preference for officialism? He is aware, as

well as I am, that there the officials received a salary no higher than the amount of remuneration paid to the artisans. Democracy was applied as far as they could apply it under the circumstances to their industrial life. All those things were ignored, but I make no complaint that my friend ignored my arguments, although he takes up much of his time in crying and protesting that I have ignored all he has had to say against modern Socialism. I notice that he says, although I have not answered his arguments to-night. I have answered the lectures which he delivered recently from this platform. Now I have not knowingly done so; but I do say this, that there has not been the same extravagance of speech used by our anti-Socialist friend when a Socialist is prepared to face him on the public platform. (Cheers.) After all, what is there to be said by those who would oppose Socialism? At the present time I can well understand the objections of the ladies and gentlemen here in the front rows to compulsory arbitration and factory legislation, and what not, because it interferes, not only with their profits, but also, to a certain extent, with their individual liberty; but because your "Argus" and "Age" call that Socialism, you should not be misled by that. You should not be misled by names. We Socialists do not pay much attention to State interference under present conditions, save as we recognise that it is a stepping stone to the socialisation of those things which we desire. We also desire to see the railways owned by a capitalistic State. Why? Because we recognise the railways could be socialised far more easily than they could be socialised under individualistic control. We also recognise that the objections the anti-Socialist lecturers call forth against the Socialist movement of to-day, to a large extent, are founded upon this fact—that it is exceedingly hard for human imagination to throw itself, as it were, into a future state of society. We are bound, as it were, by the present: we are bound by that which we recognise to be operating under our own eyes at the present time; but I beg of you to remember this fact, that under the Socialistic system of the future, tyranny, and interference with individual liberty will be altogether lacking; and, in the words of a writer that even I believe, in the days gone by, my friend would respect—I refer to Henry George—Government would become changed in its character, and would become the administration of a great co-operative society, and would merely be the agency through which the common property of the people was administered for the benefit of the people. That is the ideal of modern Socialism—not a large portion of a large population depending for their bread and butter upon a minority of the population, but the people happy and free, because they have in their own control the whole means of existence, a people no longer fearing a tyrant above them, because they know that the officials which would be appointed under that system of the future could be revoked at their own will. An official appointed for a definite purpose and for a definite work, and if he failed in the accomplishment of his work, if he failed in the opinion of the workers, then the power of the people who placed him there can relegate him to the place from which he came. In the days of

old, the capitalists overthrew the Feudal class, and we see the same economic forces at work to-day, bringing about a change from Capitalism to Socialism. We appeal, therefore, to all the producers in every nation of the world to aid us with their strength in order that we may overthrow the present system that oppresses us at the present time. It is not, as I have said again and again, a mere fancy ideal that we impose upon you, but it is a scientific interpretation of those forces which are at work in society to-day—a recognition that if we are to be saved from that despotism that oppresses us to-day, men must not only strive for political freedom, but they must recognise that, as long as the question of bread and butter is in the hands of a class to which they are subject, then they are slaves, though they be the so-called free men of the American Republic. The free men of the American Republic gives me the opportunity of referring to an excellent illustration of the Socialistic position to-day. There you see in America a people blessed to the highest extent with political freedom, and yet they are slaves—crushed under officialism. Why? Because the economic power, the dominating power, is in the hands of a plutocracy. Although they have achieved political liberty, they have failed to recognise that the very question of their existence is bound up with a handful of capitalists. When the American people shall have recognised that the hour has come for them to strike, not only for political freedom, but for economic freedom, too, then, not only in America, but in every quarter of the habitable globe, you will find a people free, politically and economically—a people who will make progress, not by crushing down the weaker, not by being a giant among dwarfs, but by reason of being a socialised people, by being giants among giants, by having a share of the control, not only of the affairs of the community, and who will be able to say—“Economic forces shall no longer drive us hither and thither, but human intelligence shall bring to bear upon our mundane affairs that which we desire for a happy and contented life.” (Loud cheers.)

MR. MAX HIRSCH.—Mr. Chairman, Ladies, and Gentlemen.—Again I regret to say that I have to point out that all that beautiful language—(laughter)—with regard to the magnificent freedom and harmony and beauty under Socialism rests upon the faith that is in my friend, and that not one argument—not one reason—was brought forward to show how this beautiful state of things could come about, and why it should not be the opposite. (Hear, hear.) But let me take the arguments, such as have been used, in detail again. Our friend read a passage from Henry George to show how beautiful things would be under Socialism. He led you to believe that Henry George was describing Socialism, Henry George was describing the opposite. Henry George was describing what the single-tax would do for the world—(cheers)—because it would do away with the official interference with freedom; because it would restrict Government interference, instead of indefinitely increasing it. (Cheers.) My friend asked me, in his last speech but one, if I could show that the Fabian Society had ever been recognised by Socialists as a Socialist body. I showed



that the other Socialist bodies met the Fabian Society in order to publish a joint Socialist manifesto. My friend's answer is that they might have met on the question of the liquor traffic. They met with regard to the question of Socialism! They met in order to tell the world what Socialism is, and, therefore, the Fabians were recognised as a Socialist body. The very thing he asked for I gave him, and now he tries to twist out of it. I also understood my friend to deny that he said that Socialists had not considered the way in which the workers would be rewarded under Socialism. He used those words, not as an accidental sentence, but as part of a whole argument, to show you cannot foretell the direction of evolution. Then, when I point out that he is simply going blindfold, and that he has no right to lead other men in a direction, the end of which he has not studied, he also denies that he said that. I am very sorry that my friend has such a short memory. He pointed to the French Commune as showing how Socialism would reward the people. Then he told us the officials did not get a penny more than the ordinary workers. Why, that is equal reward—the very thing which he denies. (Loud cheers.) Having spoken for half an hour against equal reward being a principle of Socialism, having given considerable time to the declaration that the Paris Commune was a Socialistic body, and an example of Socialism, he now admits that this selected example of Socialism did not pay the officials, from the highest to the lowest, any more than they paid to the ordinary workers—that they all got an equal reward. (Cheers.) Then he pits Socialism against the monopolist. He tells you that in America, where the people have the freest democracy, they are, nevertheless, tyrannised over by their officials. That is perfectly true. Yet the number of officials in the United States is as nothing compared with the number of officials which the State must employ under Socialism, in order to manage all its industries. (A Voice—How do you know?) How can anybody help knowing it. If the State has all the iron works, and if the State has all the boot factories, must it not have managers and foremen? (A Voice—Cannot the Socialists do it?) Yes, but the State will do it. My friend says that a small body of officials, under the democratic conditions prevailing in the United States, can, nevertheless, tyrannise over the people. If you indefinitely increase the number of officials, he practically tells you, then they cannot tyrannise over the people, because the wealth will be no longer in their hands, but in the hands of the people. Will it? Who gathers the wealth? I admit the people will make it, as they make it now. But who will gather it? Surely, the officials of the State, just as the capitalists do now. Clearly, if the managers of industry cannot allow everybody to grab the wealth they want, they must collect it in some way for distribution, and, therefore, it must be in their hands, just as it is in the hands of the capitalists to-day; and when the officials have the wealth in their hands and all the industries in their hands, which they manage, then my friend says they will have no power over the people. On the contrary, I say that their power will be irresistible. (Loud cheers.) Then he tells us the producer now gets only

one-third of what he produces, and that, therefore, Socialism would give him all that he produces in equal shares, thus improving his condition. Now, let us examine that statement for a moment in the light of the statistics of Victoria. In Mr. Coghlan's "Australia and New Zealand" (1902-3, p. 323), he deals with the incomes of Victoria. Now, there are 24,557 people in Victoria who have an income over £200. They have between them an income of £15,852,000—or 30 per cent. of the whole. That is, 10 per cent. of the people get 30 per cent. of the incomes. Now, supposing every one of those people who have a larger income than £200 are the capitalists who brutalise the people, who are cannibals, and eat the people—(laughter)—still, even under Socialism, they will be permitted to live. Supposing, then, their income is reduced to an average of £200, then you can increase the income of all the rest of the people by 19 per cent. My friend said that, if the capitalists' income went to the people, they would get—once he said two-thirds more, and another time he said twice as much. He said the people only got one-third of what they produced and at another time he said they got nearly one-half. I showed you that, in Victoria at any rate, if the whole of the excess wealth which now goes to the capitalists of more than £200 income per year was divided amongst the people, there would be only 19 per cent. increase in the wealth which they would get. I have shown you that, in France, the wealth produced in the State factories is reduced by one-half, so that that 19 per cent. does not amount to much when you look at the other side as well. (Cheers.)

MR. SCOTT BENNETT, in his final reply, said:—Mr. Chairman, Ladies, and Gentlemen.—My opponent has told you that when I gave a short quotation from Henry George on "Progress and Poverty," I was endeavouring to lead you to believe that he was speaking upon Socialism, rather than the Single-tax. Nothing of the sort. I merely desired you to understand that Henry George, looking into the future, spoke of the functions the Government would assume under the new regime, and I told you then, plainly and candidly, that we Socialists have the same ideal in common with Henry George as to the functions the Government would assume. I did not say that the social democrats met the Fabians on the question of the liquor traffic. My argument was that the mere fact of a body of men meeting in conference did not necessarily designate that body a Socialistic one. The reason that the Fabians met the Socialists in conference was because they had some sympathy with the Socialistic movement, and they were quite willing to confer together in connection with the drawing up of a programme. Yet my opponent is so hard pressed to prove the proposition that he has not yet proved—that Socialism will reduce the wealth coming to the majority of the people—that he has to resort to a misrepresentation such as that. Look at the Paris Commune. That was my argument against the statement made by my opponent that the future state of society would be one of dominating officialism. He said that I contradicted myself because I cited the fact that the officials under that Commune received the same remuneration as the workers, and that

that proved I was, after all, in favour of equal remuneration under Socialism. I did not say the workers received the same remuneration, did I? All that I said was this—that the officials received no higher salary than that which was paid to the mental and manual workers, which was a very different thing to the interpretation placed upon it by my opponent. My friend says that the officials in America are nothing compared to the officials that would be appointed under Socialism. The strongest opponent to officialism is the Socialistic Party itself. It wages war against officialism. When all are officials, there will be no officials, will there? The official that my friend speaks of will be only an official in the sense that the man who is producing will be an official, in that he is producing wealth for the community. The man who is given by the democracy the power to supervise that production will only be an official, too; so that the statement is not so paradoxical as it may seem. When all are officials all will be officials. Once more I have to draw your attention to the fact that my opponent has relied upon figures to attempt to prove that the remuneration under Socialism will be less than the amount of remuneration received by the workers to-day. Here I would remind my friends who are so much given to hilarity that the burden of proof does not rest upon the shoulders of the wicked Socialist—it rests upon the shoulders of the anti-Socialist who upholds the exploiting system; and I have not even to prove that you will receive more under Socialism, although, goodness knows, that would be easy enough, but my friend has to prove that you will receive less than the wages of subsistence that you receive to-day. He has not attempted to prove that. (Cries of Yes, yes, he has.) Of course, these gentlemen from the Stock Exchange will say anything. I say he has not proved that, under Socialism, you will receive less than the wages that are handed out to you by the parasites of society to-day: he has not proved that, when the working classes are vested with the reins of power you will receive less than you receive to-day—he has not attempted to prove it. But I will do what my opponent is supposed to do. I will show you how, under a socialised administration, it is possible to increase the amount of wealth received to-day. I am taking Coghlan, for 1901—a friend of my opponent's. Now, the amount of production in the Commonwealth for 1901 averaged, per person engaged, £117 9s. 7d. But you are labouring under an erroneous assumption if you suppose the socialised society of the future is going to allow production, distribution, and exchange to proceed under the present haphazard system of to-day. There are people engaged in production in the Commonwealth of Australia to-day who are doing no useful work at all. There is your host of advertisers; there is the host of people who live upon the Stock Exchange; there is the host of people who live in doing this, that, and the other—parasites, in short. I am not speaking offensively of any individual or individuals; they are as much the creatures of the system under which we live as you and I and the workers are—but they are parasites, nevertheless. A socialised administration, desirous of

producing wealth for use and not for profit, would bring the thousands of people which are employed in useful occupations to-day into the factories, into those varied positions of production which would enable society to produce infinitely more than it produces to-day. Do you know that it costs the vendor of a well-known patent medicine something like £100,000 to advertise his wares? That is simply because society produces to sell for profit. Do you know that advertising—in short, all these parasitical occupations, cause an immense amount of waste from day to day. All that would be saved under a system of society that produced for use and not for profit. The tailor who produces clothes to-day does not produce them for use—he produces them for profit, to sell upon the market. (A Voice—It is to live.) But he would live far happier under Socialism, where he was not producing for profit, but for use, for the simple reason that the man who produces tweed to-day often produces it in too great a quantity. The result is that there is a glut in the market, such as occurs from time to time. So that we Socialists contend, in short, that, when your landlord class, your capitalistic class, and your parasitical class, set to useful work, there will not be less wealth for the people, but there will be greater wealth. There will be a greater opportunity to enjoy that which nature has provided for us. There will not be master and slave, but there will be free men working for the enjoyment of the common life. (Loud cheers.)

MR. MAX HIRSCH, on rising to deliver his final reply, was loudly applauded. He said:—Mr. Chairman, Ladies, and Gentlemen,—Whether my opponent was justified in saying that I had not attempted to prove that, under Socialism, the wealth of the majority of the people would be reduced, is a question I can leave safely in your hands. If he had merely said I had failed to prove it, I would have said nothing about it; but when he says I have not attempted to prove it, then it simply shows that he himself is incapable of following a simple argument. (Loud cheers.) That same incapacity shows itself in the statement that, when the officials of the Commune got the same wage as the manual and the mental workers—those are his words—there was no equality of remuneration!

MR. SCOTT BENNETT—I rise to a point of order. I do not wish to interrupt my friend, but I did not say what my opponent says I said.

MR. MAX HIRSCH—I was careful to take a note of it at the time—mental and manual workers. (Cheers.) That is the second time my opponent has denied something which he did say.

MR. SCOTT BENNETT—I will refer it to the committee.\*

MR. MAX HIRSCH—My friend said that the proof is not on the shoulders of the Socialists. No. Do you know why? Because they have not the courage to prove it. (Interruptions.) Now, let me prove this. My opponent made it a condition of this debate that I should affirm, not that he should affirm, and I had to accept that. His representative told my representative and me that only if I affirmed would this debate take place. He had not the courage to come and prove that that which he advocates would be

\*No request for the constitution of a Committee has been received

beneficial. He wanted me to prove that it was otherwise, and I have done it. (A Voice—Yes, you have; and loud cheers.) He now tells you that every producer in Victoria produces £117 9s. 7d.; but do not forget that the bulk of these producers have families at home—that it is the whole people that is concerned—and they only produce that small amount of wealth, less than 45s. per week. My friend says—“Look at the waste, the stock-brokers, and the advertisers.” Now let us admit that there is waste in many directions to-day. How can a gentleman, who admits that he has not considered how the wealth will be divided, say that there will be no waste under Socialism in other directions? (Cheers.) He speaks of the enormous waste of advertising. It is not all waste. You buy your newspapers here for a penny, and in England and America for a half-penny, for the simple reason that so much money is spent in advertising. It is part of the cost of production of the newspaper, and as far as it goes in that direction it is not waste. Now, I have given argument after argument showing that from the organisation of Socialism there must arise certain conditions which enormously reduce the wealth of the people. Therefore, I claim that I have proved my case. (Prolonged applause).

A vote of thanks to the Chairman for presiding, proposed by Mr. Max Hirsch, and seconded by Mr. Scott Bennett, was carried unanimously.







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