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Thoughts and Suggestions on the Social Problem and Things in General (1888-1889)

Phillips Thompson

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With an Introduction by Pierre Berton

Introduction

MY GRANDFATHER, PHILLIPS THOMPSON, was one of the best-known journalists of his era. He could write just about anything. He wrote newspaper columns, books, magazine articles, skits, poems, and even songs. I'm sure if there'd been TV and radio he'd have appeared in those mediums. As it was, he was famous as a platform lecturer.

He worked for the *Mail and Empire*, the *Globe*, the *Toronto News*, John Ross Robertson's *Telegraph*, and many other newspapers. He was a leading light in the press galleries at Queen's Park and Ottawa. He was an editor as well as a writer; he founded a political weekly, the *National*, and was associate editor of the famous magazine *Grip*.

He reached the heights of success as a humorist writing, under the pseudonym of Jimuel Briggs, a police court column that caught the public fancy and made his name a by-word. In it he poked fun at both the law and its victims and sometimes barely escaped charges for contempt of court.

In 1881, the *Globe* sent him as its special correspondent to Ireland for two months to cover the land campaign of Charles Stewart Parnell. He left Canada Phillips Thompson, "Thoughts and Suggestions on The Social Problem and Things in General (1888-89)," *Labour/Le Travail* 35 (Spring 1995), pp. 237-72.

sceptical of the Irish in general and Parnell in particular, but he returned an utterly changed man. The plight of the Irish tenants touched him as nothing else had. He bitterly regretted his humorous columns and in his final dispatch to the *Globe* gives some hint of his sympathies:

... And so, in spite of blunders, and crimes, and defeats — in spite of the greed of the self-seeking and the ambitions of the demagogues — through bloodshed, and tears, and suffering, the cause of the people will prevail by slow degrees, and the accumulated and buttressed wrongs of centuries be overthrown.

His dispatches caused a sensation. The *Globe* reprinted them in an extra edition. He was tendered a public banquet and lionized in the press. Every club in the country seemed to want him as a speaker. For Thompson's dispatches had been models of good reporting: cold fact piled upon cold fact without exaggeration or passion. "He told a plain story," wrote the *Buffalo Courier*. "He allowed no word of rage to escape him, though it was clearly to be seen that underneath the man's calmness his blood was boiling."

As a result of his Irish experience Thompson became a radical and a socialist and for the rest of his life fought consistently for lost causes, for minorities, for voiceless people — fought without quarter, without funds, and without hope of winning. He was reviled, attacked, and hounded; but he kept on. He was suffered, tolerated, even indulged; and he kept on. In the end, he came to be respected.

It is hard to understand now why so much calumny was heaped on the head of this earnest and selfless man. So many of his causes seem mild enough to us today. Sunday streetcars was one thing he fought for; the Toronto Transit Commission was another. He was one of a small group who hired halls in a vain attempt to prevent a private syndicate from grabbing the city-owned street railway. Thirty years later, when the private franchise expired, the city once more took over and Thompson was vindicated. He supported the Hutterites and Doukhobors. He attacked censorship and bigotry. He fought for labour unions and was the first male Canadian journalist to argue in favour of women's suffrage.

A review of his book, *The Politics of Labor*, published at his expense in 1887, suggested how he ran against the current of his times:

One opinion held by Mr. Thompson is not in accord with the common view. He holds that want does not arise from dissipation and intemperance, as many reformers maintain. On the contrary he argues that intemperance is largely the result of the want, misery and general wretchedness of mankind.

He wrote many letters to the press and the politicians and he got angry letters back, such as this one from the Postmaster General dealing with the banning from the mails of a radical publication, *The Appeal to Reason*.

I have your letter of 26th instant couched in much the same language as seems to distinguish the columns of *The Appeal to Reason*, with the aims and views of which you appear to sympathize. Anyone who can feel or express approval of the measures it appears to advocate seems to me a man any good citizen ought to shun. The intemperate language in which you have chosen to express yourself in your letter is, I think, a sufficient reason for my declining to discuss the subject further with you.

Such answers did not ruffle Phillips Thompson, nor did his several defeats at the polls on Socialist, Reform, and Labour tickets. In the end, the newspapers began to refer to him as the Grand Old Man of Journalism. Young reporters were sent out to interview him on his birthday. His photo, showing a thin-faced, white-bearded figure, began to appear in the press alongside feature stories about a man who, in his eighties, still wrote every day of his life. That is how I, a child, remember him — writing or dictating to his youngest daughter, Maude, or, on a Sunday evening, singing labour songs to the family and friends: *The Red Flag*; or *Drill, Ye Tarriers, Drill*.

For he could not stop writing. He was almost blind with cataracts on both eyes but still he wrote — articles, essays, poems, speeches, tracts, pamphlets, letters, verse. When he could no longer see to write he dictated to one of his daughters. On that day in May 1933, when the stroke that killed him came, he was still writing.

In the newspapers he had once served, the obituaries were generous, as they usually are for old newsmen. The best epitaph appeared in the *Star*:

The late Mr. Phillips Thompson was in his day a clear-sighted and just-minded journalist. He was one of the gentlest of men, but utterly incapable of pretending to agree in a matter of opinion with you or with the King of England if he did not so agree. There was a mild but firm force in him. One wonders how many of the newspapermen of today owe something to the example of this always soft-spoken and sincere man who, at the age of ninety, goes forth to his burial at Oakville. He spoke for the inarticulate, he was on the side of lost causes, he could show you that minorities, although outnumbered, were usually right.

He was really something, my grandfather, a difficult example to live up to, a very hard act to follow.¹

Pierre Berton

¹For further material on Thompson, see Jay Atherton's "Introduction," to Thompson's *The Politics of Labor* (Toronto 1975, 1887); Ramsay Cook, *The Regenerators: Social Criticism in Late Victorian English Canada* (Toronto 1985), which cites this manuscript but misdates it as 1880, see 261, n. 19; Gregory S. Kealey and Bryan D. Palmer, *Dreaming of What Might Be: The Knights of Labor in Ontario* (Cambridge 1982), *passim*; and R.G. Hann, "Brain-workers and the Knights of Labor: E.D. Sheppard, Phillips Thompson, and the *Toronto News*, 1883-1887," in Gregory S. Kealey and Peter Warrigan, eds., *Essays in Canadian Working Class History* (Toronto, 1976), 35-57, 199-202.

Editorial Note

We have tried to keep this published version as faithful to the handwritten original as possible.² In order to do so we have used the following conventions:

[]	=	supplied reading
[...]	=	characters missing, indeterminable
< >	=	unsure reading
...	=	characters present or partially formed, but indeterminable; the number of dots is the approximate number of missing characters

We have maintained the author's use of "=" for "-." Thompson's punctuation in this notebook was erratic at best and this version includes liberal interpretations of what his undifferentiated marks meant on the basis of length of mark and sense of sentence. For ease of reading, additional punctuation has been supplied where necessary. A dash between paragraphs indicates a break in the original manuscript where Thompson generally used a "squiggle." Information in the notes directs the reader to corrections and emendations made by Thompson as he wrote, showing the process of his composition.

DLC and GSK

²The original manuscript is in T. Phillips Thompson Papers, MG 29 D71, National Archives of Canada. Our thanks to David Enns for drawing it to our attention and to Pierre Berton for permission to publish it here.

Thoughts and Suggestions on The Social Problem and Things in General.

Oxton -/88-Phillips Thompson

"Meek young men grow up in libraries believing it their duty to accept the views which Cicero, which Locke, which Bacon have given, forgetful that Cicero, Locke and Bacon were only young men in libraries when they wrote these books." *Emerson.*

"Young men of the fairest promise who begin life upon our shores, inflated by the mountain winds, shined upon by all the stars of God, find the earth below not in unison with these, but are hindered from action by the disgust which the principles on which business is managed inspire, and turn drudges or die of disgust — some of them suicides. What is the remedy? They did not yet see, and thousands of young men as hopeful now crowding to the barriers for the career do not yet see, that if the single man plant himself indomitably on his instincts and there abide the huge world will come round to him."

"Hitch your wagon to a star"

Respecting the bearings of heredity¹ on the Social problem — Opponents of Socialism often urge natural inequalities between man & man as a justification of social inequalities. No Evolutionist can consistently deny the doctrine of heredity. "Blood will tell." But the ancestral qualities which have made men founders of great families, or enabled them to leave large estates have often been bad qualities. Men succeed in life as much by their vices as their virtues. Fraud, meanness, & subserviency² have made³ many wealthy & titled,⁴ where men of⁵ good principles have⁶ died in poverty. The presumption of superior hereditary qualities is not in favor of the upper classes.

¹ 'ar' obscured to correct from "hereditary"

² "are" crossed out

³ "<" crossed out

⁴ "who" crossed out

⁵ "liberal &" crossed out

⁶ 'suc' crossed out

—

Again under the modern commercial system it requires neither talent, skill, nor industry simply to remain in possession of hereditary wealth. Even granting that such wealth was in the first place obtained by superior intellectual abilities and without resorting to base or dishonorable means,⁷ its hereditary possessor, perhaps removed by several generations from the founder of the family, is more likely to inherit incapacity & shiftlessness than the talents of the original accumulator.⁸ The disuse of the wealth—creating faculties through several generations naturally creates a type entirely different from that of the successful money-getter, whose qualities, good or bad — probably a mixture of both — are referred to as justifying the position of his descendants. It is not socialists but their opponents who ignore⁹ or mis-state the doctrine of heredity.

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"If hopes were dupes fears may be liars
It may be in you smoke concealed
Your comrades chase e'en now the fliers
And but for you possess the field"
Clough

In England one great drawback to labor reform — (higher wages & shorter hours) is foreign competition. The market is flooded with products of foreign cheap labor. German, French, Belgian manufactures crowding out English. The stock argument of capitalists against improving conditions of their laborers is that foreign working men work for longer hours & smaller pay than English men, & if latter are not content only alternative is¹⁰ to close down & let the foreigners supply the market. This is no doubt in the main true.

— Conclusions. (1) Absolute futility of "Free Trade" — as a means of improving laborers['] condition.

(2) Need of some measure of "Protection" — or it may be in some cases "Prohibition" — to¹¹ keep out goods made by cheap labor.

(3) Land & currency reform the great essentials.

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A possible Labor Tariff platform —

Free trade in necessities.

Protective Tariff on luxuries.

⁷"The" crossed out

⁸"Those p" crossed out.

⁹"the" crossed out

¹⁰"the" crossed out

¹¹'s' crossed out

Prohibition in specific cases where a particular line of goods the cheapness of which is due to underpaid labor comes in and deprives fairly paid labor of employment.

K. of L.¹² instructs its lecturers to avoid tariff question. Very well¹³ as a present means of avoiding party entanglements but the question "wont [sic] down" & sooner or later must be faced.

Labor Reformers must rise to a broader view of the question than has hitherto been taken — must realize that the problem is world-wide. No policy that is merely national will¹⁴ suffice. Supposing that a high standard of comfort¹⁵ for the mass of the population were secured in one country it could not possibly be maintained for long in the face of the foreign influx that would be attracted except by national isolation — & in this age national isolation is no longer possible. Condition of labor in U.S. & England would be far better than it is but for constant influx of labor from countries where scale of living is low. Were conditions still further improved the flow of immigration would be [.....]ed and influence of the vast mass of semi=pau-
perism would tend to level down to the old standard. Tariffs can exclude labor products but no civilized nation can exclude the laborer himself. All signs point to greatly increased movements of population. Increased facilities, breaking down of barriers, spread of knowledge, mobilize the labor forces of the world for advance in¹⁶ any direction where better opportunities offer.

Patriotism — an obstacle to Labor Reform. Coming man will be a thorough cosmopolitan. Just as partyism leads men to apologize for and justify abuses maintained¹⁷ by their party even against the interests of their class, so patriotism blinds Labor Reformers to the injustices & evils which prevail in their country, and leads them to uphold institutions they know to be rotten. Moreover it distracts attention & dissipates¹⁸ energy which ought to be devoted to practical work of bringing about reform. Upper classes, who have no patriotism apart from self interest,¹⁹ play upon the patriotism as they do on the partyism and religious

¹²Knights of Labor

¹³"just" crossed out

¹⁴<.> crossed out

¹⁵"to" crossed out

¹⁶corrected from "on"

¹⁷'f' crossed out

¹⁸"in directions" crossed out

¹⁹"use" crossed out

sentiment of the mass, to keep their attention absorbed²⁰ and prevent their uniting in their own interests.²¹ The bourgeois of modern "democracies" &²² limited monarchies are just as adept as the despots in utilizing the expedient of foreign wars — or rivalries — to divert attention from domestic matters. Their organs breathe hatred & distrust of foreigners, & foster the military spirit.

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Horace Greeley says that when well-to-do Englishman sings "God save the Queen" he means "God save me, my capital, my rents, my consols, my expectations." Such is modern plutocratic patriotism.

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No worker should join militia or volunteer force, which are liable at any time to be employed to shoot down striking²³ laborers or suppress free speech. Let the capitalists do their own fighting.

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"All roads lead to Rome." It is curious & instructive to²⁴ note how all the discussions of our time — political, economical, educational — no matter what lead up to the Social Problem. Labor Reform underlies all other reforms. Temperance, religious, educational reformers all find their attempts to doctor the symptoms futile so long as the root remains untouched.

English politics for years have turned upon one phase of the social question — the relations of the people and the land, the²⁵ mainspring of the Irish National movement being agrarian. The vexed question crops up at Science Congresses, church conferences, &c just as did the question of Slavery in the U.S. in the period of agitation before the war.

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From time to time there is a "wave" of excitement & interest among the comfortable classes in regard to condition of the poor. A few years ago, "the Bitter Cry of Outcast London"²⁶ created a sensation and gave rise to the mania for "slumming" among the wealthy. Their curiosity being soon satisfied it died out

²⁰ "in" crossed out

²¹ 'N' crossed out

²² two strokes, looks like start of 'm,' crossed out

²³ first 'i' inserted to correct

²⁴ < > crossed out

²⁵ 'ro' crossed out

²⁶ "was" crossed out

leaving no practical results. The Whitechapel murders, six²⁷ unfortunate women in succession by an unknown murderer seem to be producing a similar excitement & something like a revival among the wealthier half of the desire to know how the poorer half lives.²⁸ Impetus is given to discussion of Social problem — Newspaper & magazines flooded with contributions, dealing with pauperism, crime, life in the slums, propounding usual quack remedies, but the core of the problem not touched.

Nevertheless the excitement doubtless does some good in preparing the way for Socialism. Upper class are at all events roused from their apathy, and the more earnest & intelligent will be led to see the real cause of the evil. It always²⁹ needs³⁰ the shock of some great tragedy or outrage to convince the great stolid apathetic public that anything is wrong. It was only a succession of agrarian outrages that forced the Irish question on the attention of the English people. Had Irish tenantry remained quiet it is doubtful whether any amount of peaceable agitation would have brought Home Rule “within the range of practical politics.” Just so with Scotch crofters.³¹ While they were contented to emigrate or³² starve in silence the landowners had it all their own way. A few deer raids & other outrages drew the attention of the world to their case & politicians came to the conclusion that something must be done.

Herbert Spencer in his “Sociology” supplies “a long felt want” by the phrase “Internuncial system,”³³ by which is meant railways, telegraphs, telephones, &c — all means of transportation & communication. If this convenient term were generally adopted it would save many awkward³⁴ & unnecessary repetitions.

Half-baked Socialists often object to measures which they consider calculated to restrict individual freedom. They want to have all the benefits of Socialism without its drawbacks. There is a story of a Southern negro who when asked whether he preferred to work on shares,³⁵ or for wages replied, “Dey was bog good

²⁷“six” inserted interlinearly after “three or four” crossed out in main text

²⁸“T” crossed out

²⁹“always” inserted interlinearly

³⁰“ed” crossed out at start of new line. “needs” appears to have been corrected from “need=” ie, originally “needed”

³¹“It was” crossed out

³²“or” added marginally

³³ <> crossed out

³⁴ <rep> crossed out

³⁵ <> crossed out

but he would like if dey could be brung toggeder somehow." It cant [sic] be done.³⁶ Socialism, and "individual freedom," as the term is generally understood are altogether irreconcilable.

As Matthew Arnold pointed out in his essays on the Irish question the English mind is dominated by formulas — "The Engl³⁷ish are pedants." They have an assortment of pet phrases which do duty as arguments, such as "Free Trade," "right of private contract," "liberty of the subject," &c, and whenever a new idea is advanced they think it a complete answer to quote one of these stock formulas. The tenacity with which the English cling to the maxims which had their³⁸ origin³⁹ in the⁴⁰ industrial conditions now rapidly disappearing is one of the greatest obstacles to Socialism.

One notable instance of this tendency is the standing "argument" against an income tax — that it is "inquisitorial." So it is of course. But instead of being an objection, that is the best feature of it. The more inquisitorial any tax can be made the better, & this objection can only come either from a desire to shirk the payment of a fair tax, or from a wish to keep the public in ignorance of the amount of their income or possessions. This is of course not to be wondered at. Full publicity as to the receipts of the capitalistic class would be a most important factor in bringing about a social revolution.⁴¹ By concealing their business affairs they are able to deceive the public as to the proportion of wealth which falls to their share — which is systematically understa⁴²ted.

Labor Reformers ought to make a strong point of publicity in regard⁴³ not only to incomes, but⁴⁴ business transactions generally. Nothing has done more to advance the land nationalization movement than the publicity given in America to land transfers with details as to price. In England such matters are usually carefully concealed. The annual publication of incomes upon which taxes are paid would

³⁶'Sco' crossed out

³⁷'an' crossed out

³⁸"rise" crossed out

³⁹first 'i' inserted to correct

⁴⁰'st' crossed out

⁴¹"The" crossed out

⁴²'nd' crossed out

⁴³"to" crossed out

⁴⁴"the" crossed out

not⁴⁵ only prevent or lessen fraud but would open the eyes of the working classes as to the unequal distribution of wealth. Dividends of joint-stock companies ought to be given extensive⁴⁶ publicity. In fact every man's financial position — capital, income, expenditure ought to be known as widely as possible.

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The same principle applies with regard to salaries or wages. In an establishment where no⁴⁷ employee knows exactly what others are getting it is a great deal easier for the employer to keep some of them underpaid & the general standard low than if the amount of each man's receipts were known by the rest. A worker is often deterred from⁴⁸ insisting on higher pay by his ignorance as to how much the others are receiving. Manual laborers seldom make any secret of their arrangements with the employer. Each man's wages are usually known to all. But book-keepers, clerks, journalists &c, are as a rule reticent on the subject,⁴⁹ and jealously keep the amount of their incomes to themselves. This is only one of many ways in which brain-workers show themselves inferior in practical common sense⁵⁰ & *esprit de corps* to manual laborers.

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Chicago Street car employes [sic] strike won by the strikers — a great victory for organized Labor. Toronto *Globe* commenting thereon notes that the⁵¹ result was decided by public opinion⁵² which favored strikers. It points out that *the community* has an interest at stake apart from that of either party — “The community may properly establish a tribunal to whose decision the disputing parties shall be required to bow.” It argues that though it might be impracticable⁵³ to enforce legally the decision of a board of arbitrators, public opinion would range itself strongly against the party refusing to be bound by such decision⁵⁴ in an effective manner.

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But why should it be considered impracticable to enforce decisions of Arbitrators? It certainly could be enforced against a corporation. Also against any body

⁴⁵“of” crossed out

⁴⁶“ci” crossed out

⁴⁷ <> crossed out. maybe the beginning of an ‘m’

⁴⁸“ask” crossed out

⁴⁹“and” crossed out

⁵⁰corrected from “sence”

⁵¹ <> crossed out

⁵²corrected from “opinion” (over line break)

⁵³corrected from “impractiaable”

⁵⁴“and” crossed out

of striking workmen as a *union*, though not against individuals. For instance, supposing the union were given legal status & recognition, and that in case of strike or dispute a certain rate⁵⁵ of wages or scale of hours was fixed on by the arbitrators. That rate would be the⁵⁶ authorized union standard. Individuals might refuse to accept it, but others would be free to do so and to take their places without losing⁵⁷ their status or subjecting themselves to union penalties.

A barrister or a doctor for instance may put his fee as high as he pleases. He cannot be compelled to serve the public except on his own terms. But if anyone thinks the figure too high they are free to employ another who may be willing to take less. And so long as he does not reduce his terms below the standard fixed as the ordinary rate he retains his professional standing. Put the trade unions on a legal footing as⁵⁸ recognized bodies & the difficulty of⁵⁹ compulsory arbitration would disappear.

The great strikes of the past few years have done much to advance the idea of the regulation of industry by the State. It is now all⁶⁰ but universally admitted that the *community* have an interest in the settlement of labor disputes, that the affair can no longer be regarded as a question concerning only the employers & employed. It will be interesting to note the effect of the expansion of the "trust" system on⁶¹ the Labor disputes of the future. Henceforth strikes — like modern was bid fair to be on a large scale — embracing an increasing number directly & indirectly. Effect will naturally be to strengthen the demand for state interference & compulsory arbitration. The tendency to regard strikes as matters of public concern is one of the most notable indications⁶² of the transition stage of public opinion.

"Governmentalism" — a subject upon which *individualists* of the Herbert Spencer school find themselves strangely in accord with the philosophical anarchists. Those who decry government interference forget that governments themselves are but the products of Evolution — not imposed on the people but emanating

⁵⁵ corrected from "rates"

⁵⁶ "union" crossed out

⁵⁷ "that" crossed out

⁵⁸ "reg" crossed out

⁵⁹ "enforcing the" crossed out

⁶⁰ 'p' crossed out

⁶¹ "the" crossed out

⁶² corrected from "indictations"

from them. Governments in countries such as England, U.S., & France, based on extended suffrage, fairly represent the average intelligence, honesty & justice of the people. If they are tyrannical, unjust, influenced by class prejudice, &c, it is because the people "love to have it so." Even in that monstrous state crime, the hanging of the Chicago Anarchists, there is no room to doubt that gov't⁶³ very fairly represented public opinion as shown by election by overwhelming popular majority of Judge Gary over Capt Black, counsel for the Anarchists.⁶⁴ It sometimes happens that Governments are even more enlightened than public opinion, as in the case of the last Gladstone⁶⁵ ministry, & fall victims to popular prejudice & ignorance.

It may of course be said that the⁶⁶ public opinion which rules is plutocratic or upper class opinion, the other classes being systematically bribed, duped or terrorized into acquiescence with it. This in no wise affects the argument. The ignorance, cowardice, venality & snobbery which make the process possible are equally factors in the problem of human affairs which cannot suddenly be eliminated. They would not be got rid of either by the overthrow of government or by the sudden establishment of a Socialistic system. They⁶⁷ all go to make up public sentiment. The⁶⁸ stupidity and ignorance of the mass is shown in many other directions than government, especially by the trashy character of popular literature. While the Socialist & Labor Reform press exist under difficulties the working class support a great number of worthless publications. They also spend large sums in supporting pugilists, jockeys, base=ball players, & the whole tribe of "sports" in luxury, while men who have devoted their lives to Labor Reform often find it difficult to exist.

A few signs of the times — Government Bureaus — labor, agriculture, forestry, &c. These supply not only information but in many cases material, as in gov't⁶⁹ distribution of seeds.

— Boards of Health — free vaccination [sic] in cities

— Labor Legislation — laws fixing hours of labor in cases of women & children prohibiting truck stores, & regulating factories.

⁶³ abbreviation noted with underscoring in text, indicated here with '

⁶⁴ Reference is to the Haymarket bombing in Chicago. See Paul Avrich, *The Haymarket Tragedy* (Princeton 1984).

⁶⁵ 'a' crossed out

⁶⁶ inserted interlinearly

⁶⁷ 'g' crossed out

⁶⁸ <sp> crossed out

⁶⁹ abbreviation noted with underscoring, here with '

School system, and the demand (in England) for free education & a meal every day for children.

Irish & Crofter Land Acts — Crofter Act greatest step yet made towards land reform as it⁷⁰ recognizes principle that where unoccupied land is available holdings of crofters shall be increased. No such concession has been made to Irish.

Rings syndicates & trusts by which production & distribution are organized. The tendency of manufacturers & mine-owners to substitute co-operation (among themselves) for competition.

The phrase "unearned increment" usually confined to the increase in the value of land occasioned by the growth of population, is equally applicable to many of the accumulations of wealth by speculation and in commerce, manufacturing, &c, which are only possible by reason of existing social conditions — railroads, telegraphs, banks, and the whole mechanism of exchange & transportation. The same business qualifications which now secure enormous returns would in former times only have yielded a moderate⁷¹ subsistence. The creation of a large fortune by trade implies a flourishing, industrious,⁷² and orderly community and markets rendered easily accessible. The qualities of organization, industry, business skill, technical knowledge, &c, which enable their possessor to accumulate wealth in England or U.S. would be of little avail on a desert Island or in a barbarous, poor or sparsely settled country. Hence the larger share of great commercial accumulations belongs to the public.

Prohibition & legislation in restriction of the liquor traffic embodies the Socialistic idea of the rights & powers of government. The principle of prohibition, if admitted, would justify all that the Socialists have ever contended for in the matter of state control.

"Things are in the saddle & ride mankind" —Emerson—

The first Socialistic schemes in the United States were all in the direction of establishing isolated social communities such as the Fourierist experiments, Brook Farm, Oneida, &c. Modern socialism aims instead at changing the entire industrial system. This change is necessitated by industrial evolution and the modern commercial system under which different localities & classes of workers are so

⁷⁰.ad' 'reg' crossed out

⁷¹.subst' crossed out

⁷².inserted interlinearly

dependent on each other that isolation is no longer possible except under great disadvantages.

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The growth of great cities has completely altered the conditions of living. Many wants such as fresh air, pure water, sunlight and⁷³ space for recreation once within the reach of everyone without cost are now unattainable by the mass of city residents unless supplied by the community. Hence municipal communism in the supply of water, gas, parks & gardens, &c. The closer association makes men⁷⁴ more obviously dependent on each other, & facilitates rapid interchange & growth of ideas. The necessity of some things being supplied by the public furthers the Socialist idea. If water why not milk, bread & meat? If light, why not heat?

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Opponents of Socialism nearly always argue from condition of things prevailing a generation or more ago & ignore these⁷⁵ immense changes. The favorite illustrations of political economy are drawn from conditions of life & intercourse which no longer prevail. (John C<a>ding Williams['] plan<s> to make planks). In labor market of today "free contract" exists in name only. As was said in Irish land discussion the question was not one of contract but of *status*.

"The phrases men are accustomed to repeat incessantly end by becoming convictions and ossify the organs of intelligence" —*Goethe* —

Secularism — A great deal of enthusiasm money & labor is wasted in propagating anti=theological views which would have much more far=reaching and beneficial results — even from the Secularist point of view — if expended in the endeavor to forward social evolution. The great majority of the people who call themselves Christians and support by their means & influence the ecclesiastical [sic] machine do⁷⁶ not act under any strong personal conviction of the truth of the Christian religion. The prevalent motives which sustain Christianity⁷⁷ are the force of custom, wish to be regarded as "respectable", dread of social ostracism, and pecuniary interest. Comparatively few are influenced either by the fear of hell or the hope of Heaven. The wish to stand well with their neighbors is a much more powerful incentive. It is not only Christianity that is upheld long after its usefulness is gone by these conservative influences — the same motives, the same social pressure &⁷⁸ cohesion of tradition, habit, and personal interest keeps together

⁷³'recre' crossed out

⁷⁴'ob' crossed out

⁷⁵inserted interlinearly

⁷⁶inserted interlinearly over "are" crossed out

⁷⁷corrected from "Christianty" with insertion of a minim

⁷⁸'cl' 'cl' crossed out

moribund political parties, social organizations, &c. The number of men who are guided in such matters by purely logical considerations is very few. Only a small proportion are capable of thinking for themselves and many of those who are, are nevertheless quite willing to accept established institutions although they see them to be absurd & illogical rather than put themselves to the trouble of opposing them and⁷⁹ incur the odium and loss⁸⁰ to which innovators are always liable.

It follows that the great majority of those to whom the Secularists & anti=theologians address themselves are not open to conviction, that even supposing them to be intellectually convinced as to the absurdity & falsehood of the Christian superstition it would make no sort of difference in their practice. In fact multitudes of them are already infidels at heart. The churches are full of men who when they speak their beliefs in private proclaim their own disbelief in the essential features of the system. Nevertheless they continue to give it their support. Obviously there is no use in appealing to the reason of such men inasmuch as in spite of an⁸¹ intellectual conviction they are swayed by⁸² more powerful considerations than a love of truth. The church and its teachings are so inextricably interwoven with the existing social system that it is often morally impossible for those who have lost faith in its doctrines to openly repudiate them. If the competitive system were overthrown the chains of custom would be immensely weakened, and the social & pecuniary motives which now act so powerfully in buttressing up the ecclesiastical system would cease to exist. In a regenerated society on the industrial basis men would not be forced to remain outwardly Christians for fear of losing employment customs or patronage. Labor Reform in short lies at the root of this as of most other reforms.

There is no doubt that modern common school education results in turning out an increasing number of young men and women, the sons & daughters many of them of mechanics & laborers, who having secured an ordinary education are unwilling to live by manual labor. They want to be "gentlemen and ladies" — to live by some genteel if poorly paid occupation where they will not have to soil their hands or their clothing. This tendency has been for many years⁸³ so obvious that criticism of the public schools on the ground that they are making working class dissatisfied with their position has become⁸⁴ commonplace. One proposed remedy

⁷⁹ <> crossed out

⁸⁰ "always" crossed out

⁸¹ <> crossed out

⁸² <.> crossed out

⁸³ <S> crossed out

⁸⁴ 'a' crossed out

is industrial education. The tendency just now is to advocate the teaching of⁸⁵ the rudiments of carpentry, blacksmithing, &c, in schools. Anyone who supposes that any such superficial scheme as this is likely to stem the current now setting in from the farm & workshop towards the office & counting-room is greatly mistaken. The real cause of the movement is that young people with even a smattering of education can easily see that there are prizes within reach of those who engage in a commercial or professional career such as the workingman cannot hope to obtain. They see moreover that even if they do not succeed in rising to positions of wealth or importance there is a greater degree of social consideration extended to the clerk or book-keeper, even though he be struggling along on a miserable pittance, than to the mechanic or laborer. The man who is able to wear a black coat & keep his hands clean, who can assume enough of the appearance of a gentleman to pass in a crowd, occupies a far better social position than his father the carpenter or ploughman. The female clerk or saleswoman has better chances of marriage than the factory girl or servant.⁸⁶ So long as this is the case it is folly to expect that "industrial education" or any scheme of the sort will⁸⁷ materially alter the situation. The simple fact that manual labor is a despised caste is quite sufficient both to account for and to justify the intense desire of every young man & woman who can read & write to join the great army of non=producers. When in addition to this it is borne in mind that labor is systematically exploited for the benefit of the non=productive class and that every one who enters commercial or professional life has at least a chance, though it may be a remote one of attaining a position where he can share the spoils, the preference of the rising generation for light & easy⁸⁸ head work appears not only natural but from the competitive point of view sensible. There is no remedy, and there ought not to be any remedy, short of — (1) raising the laborer in the social scale so that a worker receives as much consideration as a genteel idler, & (2) securing to him all he earns by another system of distribution. If this were done, the workshop & the farm would prove more attractive than the drudgery of office routine & the long hours of the shop.

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Those Tory obstructionists who opposed popular education on the ground that it would make the working classes dissatisfied with their condition were infinitely wiser & more far=sighted than the stupid middle=class Liberals who fancied that they could⁸⁹ teach the poor and put the ballot in their hands & still have them remain contented with the existing order of things. From the stand=point of the privileged class the education & enfranchisement of the mass is about the most suicidal measure

⁸⁵, 'car' crossed out

⁸⁶, 'T' crossed out

⁸⁷, 'al' crossed out

⁸⁸, "work" crossed out

⁸⁹, 'giv' crossed out

possible. It is almost inconceivable how the ruling classes should have been foolish enough to suppose that men could be entrusted with the power conferred by education & the ballot and yet continue the willing slaves of the minority.

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Recollections of Mr. Gladstones [sic] speech at the great National Liberal Federation at Bingley Hall, Birmingham Nov 7 /88. — First opportunity I ever had of hearing the Grand Old Man. Immense Building — apparently designed for exhibitions or some similar purpose. Large open space in center capable of containing many thousands⁹⁰ standing to which general public⁹¹ admitted. Seats raised amphitheatre fashion round sides occupied by⁹² delegates & reserved at various prices some paying as high as 2 guineas. Wonderful outburst of enthusiasm on entrance of Mrs. Gladstone & when Gladstone rose to speak. Equally wonderful silence when he began, almost entire freedom from ordinary interruption & noises attendant on the gathering of so large a crowd — estimated at 20,000 — probably nearer 17,000. Gladstone spoke for over an hour and a half,⁹³ confining himself altogether to the Irish question. Though at a considerable distance I had no difficulty in hearing the greater portion of his speech. He dealt largely with the outrages perpetrated by the gov't⁹⁴ under the Coercion Act, his speech being largely a recital of facts. It was remarkably clear, lucid and logical,⁹⁵ towards the close his voice was hardly so distinctly heard but his peroration;⁹⁶ for which he had evidently been reserving his strength was a grand & effective piece of delivery, quite free from any indications of age or weakness.

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Considered as an orator, Gladstone is hardly the equal of Wendell Phillips if the Bingley Hall speech is a fair criterion. Perhaps it is not dealing as it did so largely with statements of fact. Gladstone is the more logical & argumentative — Phillips was more brilliant. Gladstone convinces by a chain of sustained reasoning, but he did not dis[play]. Phillips' power of electrifying an audience by a single phrase⁹⁷ or sentence. He is not a phrase-maker. He does not light up the situation by a sudden flash of⁹⁸ rhetoric. But the effect which his clear, forcible,⁹⁹ &

⁹⁰'wher' "to" crossed out

⁹¹'ad' crossed out

⁹²"occupied by" inserted interlinearly above "to which" crossed out

⁹³"on" 'alth' crossed out

⁹⁴abbreviation noted with underscoring, here with '

⁹⁵'n' crossed out

⁹⁶'fro' crossed out

⁹⁷"of" crossed out

⁹⁸'re' crossed out

⁹⁹'pres' crossed out

straightforward presentation of the case had upon the audience¹⁰⁰ was sufficient proof of his power as a speaker. The cheering at the close continued for fully ten minutes.

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Campaign songs were a prominent feature of the affair. The singing was led by a choir & the songs were caught up & sung again & again by the audience during the interval before the speaking began.

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Kropotkin

About the end of August or the beginning of September /88, being in London I visited Prince Kropotkin at Harrow=~~on~~=~~the~~=Hill, some 12 miles from the city — a very delightful quiet neighborhood. Kropotkin¹⁰¹ lives in seclusion, and does not see interviewers or people who call out of curiosity.¹⁰² On enquiring at house to which I was directed, was met by a foreigner whom I took to be Kropotkin. He assured me I was mistaken but I persisted and told him the circumstances of my acquaintance with K. by correspondence when he at¹⁰³ length consented to show me where he lived. It was a small house near by with a pretty garden. Kropotkin received me cordially after a hearty laugh over my mistake. He is short, & stoops slightly being prematurely aged by his sufferings. His forehead reminded me something of Henry George, full and well=~~de~~veloped. He suffers from chest complaint. In conversation he is remarkably frank, cheerful & unreserved. Our talk ran a good deal on Canada & America. Kropotkin expressed a wish to visit America & thought it quite possible that he might do so. We touched on Anarchism & he expressed himself very strongly against the French system of centralization or bureaucracy, instancing his own case when in prison in France.¹⁰⁴ He suffered greatly from unsanitary arrangements and in order to effect the slightest change in the details, it was necessary to refer to headquarters at Paris & have an official make (I think) several visits, causing long delay. The house, though itself pleasant & sufficiently roomy for the small family, showed indications of poverty, the rooms being sparsely & poorly furnished. Kropotkin's room, however, was well supplied with books & ¹⁰⁵pamphlets & writing table covered with mss. He told me that he did nearly all the¹⁰⁶ editorial work for French Anarchist paper *La Revolte* in

¹⁰⁰“is” crossed out

¹⁰¹“le” crossed out

¹⁰²“Had I” crossed out

¹⁰³“leg” crossed out

¹⁰⁴“Some th” crossed out

¹⁰⁵“pl” crossed out

¹⁰⁶“w” crossed out

addition to writing for English magazines, &c. Insisted on my stopping to supper & introduced me to his wife, much younger apparently than himself, very friendly & agreeable & curious about Canada. She has strong Slavonic cast of features & was studying medicine at Geneva when K. was thrown into prison & she left¹⁰⁷ her studies to be near him.

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When at Ambleside, Nov 15 -88- attended & spoke at meeting of Womens [sic] Liberal Association, the first public meeting of kind ever held in that neighborhood. It was a remarkably good meeting considering small size of the place (pop. 1500) and the prejudice against Woman's Rights. Principal speaker was Miss Macdonnell, an official of the central association. Subject — "Our Duty to Ireland." A rather slight woman about 30, with nothing of the platform style about her, but cool & self=possessed. Great difficulty in persuading local members of association to go on platform — as to speaking none of them would think of it. Finally¹⁰⁸ three or four were coaxed by lecturer to go. Crowd orderly, respectful & fairly enthusiastic.

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Harriet Martineau's Autobiography Vol II deals at some length with her visit to U.S. and the storm of prejudice & passion stirred up in Boston & elsewhere by her making an anti=slavery speech. Most noteworthy feature of this¹⁰⁹ episode is the extreme moral cowardice of the literary & educated class. So far as commercial men & politicians are concerned it is only to be expected that they will ignore principle & be guided by self-interest. Literary men claim to have¹¹⁰ adopted a higher standard, but in this as in well-nigh every other popular crisis the so-called "cultured" classes¹¹¹ showed themselves pusillanimous & traitorous. Speaking of the mobbing of W.L. Garrison in Boston, Miss Martineau writes —

"Lawyers on that occasion defended a breach of the laws, ladies were sure that the gentlemen of Boston would do nothing improper, merchants thought the abolitionists were served quite right — they were so troublesome to established routine; the clergy thought the subject so 'low' that people of taste should not be compelled to hear anything about it, & even Judge Story when I asked him whether their [sic] was not a public prosecutor who might prosecute for the assault on Garrison, if the abolitionists did not, replied that he had given his advice (which had been formally asked) against any notice whatever being taken of the outrage

107. "his" crossed out

108 <> crossed out

109. 'epos' crossed out

110. 'al' crossed out

111. "have" crossed out

— the feeling being so strong against the discussion of slavery and the rioters being so respectable in the city” x x x—

“The other eminent¹¹² scholars and thinkers of the country revealed themselves no less clearly — the literary men of Boston and Cambridge sneering at the controversy as “low” and disagreeable, and troubling to their repose, and Edward Everett, the man of letters *par excellence*, burning incense to the South, and insulting the abolitionists while they were few and weak, endeavoring to propitiate them as they grew strong.”

This was written in reference to the situation in 1836, before the rise of Lowell & Whittier. A few noble exceptions however only exhibit the cowardice & venality of the great majority in a darker light. The case presents a striking parallel with that of the judicial lynching of the Chicago Anarchists in 1887, approved not merely by the slavish journalists of the union, but by the literary class who are in a more independent position. The same subservient¹¹³ truckling to popular ignorance & passion and the selfish interests of the bourgeois characterized the Canadian press & *literati* in connection with Riel’s execution. The inflated conceit of “culture”¹¹⁴ and the mob of scribblers who opine out their brains at the bidding of party hacks & purse=proud capitalists and glorify their mission as a high & noble one is far more disgusting than the open cynicism which regards¹¹⁵ writing is[sic] simply a trade, and is¹¹⁶ ready to supply to order any article require[sic]. This is at least honest, & devoid of cant.

“I am aware that many object to the severity of my language, but is there not cause for severity? I will be as harsh as truth and as uncompromising as justice. I am in earnest — I will not equivocate — I will not excuse — I will not retreat a single inch — *and I will be heard!*”

W.L. Garrison 1832

Before any effectual social¹¹⁷ renovation can take place, men must efface the abuse which has grown up out of the transition from the feudal to the more modern state: the abuse of land being held as absolute property, whereas in feudal times land was in a manner held in trust, inasmuch as every land=holder was charged with the subsistence of all who lived within his bounds. The old practice of man

¹¹²“thinkers &” crossed out

¹¹³final additional <l> crossed out

¹¹⁴“and the” crossed out

¹¹⁵“recognizes that the” crossed out

¹¹⁶inserted interlinearly above “are” crossed out

¹¹⁷inserted interlinearly

holding man as property is nearly exploded among civilized nations, and the analogous barbarism of man holding the surface of the globe as property cannot long survive. The idea of this being a barbarism is now fairly formed, admitted and established among some of the best minds of the time, and the result is, as in all such cases, ultimately secure.

Harriet Martineau's Autobiography 1855

One of the weak points in the English character is the well-known tendency to settle¹¹⁸ every vexed question by compromise, as illustrated by the national proverb "Half a loaf is better than no bread." Popular movements result in half-measures, palliatives, temporary concessions, and even the most ardent promoters are apt to profess themselves entirely satisfied with these pitiful & trifling amelioratives which postpone the main issue perhaps for a generation longer. The discouraging feature of this system of procuring reforms by instalment[sic] &¹¹⁹ trusting to the "thin end of the wedge," is that in this age abuses grow & multiply¹²⁰ so rapidly that the slow progress of reform is entirely unable to overtake them. While an amelioration in one direction produces some slight improvement, there¹²¹ is absolute¹²² retrogression¹²³ in other respects. Changes in the shifting of population, in demand and supply, in the markets, trade, production & distribution, take place rapidly while reformatory legislation moves but slowly. While legislators are haggling & temporizing the causes of distress, suffering & demoralization among the poor are intensifying[sic] by geometrical progression.

A large proportion of the misconception & failure to meet abuses by adequate measures results from inability to realize how quickly the world moves. For instance, the majority of these¹²⁴ English people who seriously endeavor to deal with the problem of social destitution advocate emigration on a large scale. They do not realize how completely the conditions of life & work in America and "the Colonies" have changed¹²⁵ during the last quarter of a century, until they approximate very closely to European conditions. Their ideal Canada is still that of Mrs.

¹¹⁸ crossed out

¹¹⁹ 'tre' crossed out

¹²⁰ <. > crossed out

¹²¹ corrected from "their"

¹²² 'reg' crossed out

¹²³ 'as' crossed out

¹²⁴ corrected from "the"

¹²⁵ 'qu' crossed out

Moodie, "Roughing¹²⁶ it in the Bush." They entirely ignore the process of social & industrial evolution that has been steadily going forward consequent upon the inflow of population, the introduction of machinery on a large scale, and the enormous decline in the price of agricultural produce. The times are gone by when a¹²⁷ man with a few dollars could go into the bush with his axe & a yoke of oxen and chop his way to independence & prosperity in a few years. Farming now requires capital, and the town laborer in "the colonies" is subject to precisely the same disabilities as the proletariat in old countries. It is the same as regards technical education, co-operation, peasant proprietorship and other quack remedies. The arguments once valid in their favor have been set aside in¹²⁸ the march of events.¹²⁹

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People support their Free Trade theories by arguments drawn from the anti-corn law agitation, which are utterly inapplicable to present conditions. Anyone not blinded by self-interest can now see the folly and cruelty of taxing the people[sic] bread to encourage wheat-growing in a country of an available acreage so limited that by no possibility could it produce sufficient to feed all the inhabitants (at least so long as much of the the [sic] land was held for other purposes). Such a case presents no sort of parallel to the question of taxing manufactures, the production of which is capable of indefinite expansion, to preserve the home market. Yet the admitted folly & wickedness of this particular form of Protection is gravely urged as an argument against not¹³⁰ merely other forms of tariff protection but against the general principle of government interference.¹³¹ "Free Trade" has become a shibboleth which is employed to do duty against government ownership¹³² of railroads, free schools, factory legislation, &c. Because in the days of Cobden men saw the crime & the absurdity of taxing the people's bread, *therefore* it is gravely argued government has no right to regulate the hours of labor or control the currency!

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Traditional opinions and arguments which have long¹³³ ceased to have any validity or intrinsic value because the conditions have completely changed form the stock objections to Socialism. Competition and monopoly are fast crushing out

126. "in" crossed out

127. 'fe' crossed out

128. inserted interlinearly above "by" crossed out

129. "But" crossed out

130. 'merle' crossed out

131. "The " crossed out

132. corrected from "ownerships"

133. <s> crossed out

individualism and while men like Herbert Spencer are fulminating against Socialism because it destroys individualism, the latter is already disappearing under their eyes¹³⁴ owing to the action of trusts, rings, and monopolies. It is merely a truism to point out how one by one the avenues for men rising from the ranks as independent capitalists are closing up. A generation ago the man who rose in the world did so by creating a business¹³⁵ for himself. Now as a rule it is as the servant, agent or employee of a corporation. Then it demanded entirely different qualities,¹³⁶ such as energy, prudence, thrift &c. Now subserviency & unscrupulousness are important aids.¹³⁷ As to the mass it is obvious that there is just as much — or as little — individualism left in the case case [sic] of an employee of the Government as in that of the wage=worker¹³⁸ for a great mercantile or railroad corporation. Each is a mere machine, while¹³⁹ in former case the civil servant has the advantage of certain employment, (in England) more liberal treatment & provision for his old age.

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Report to Board of Trade on state of the Nail Trade (Nov/88) showing wretched condition of operatives in consequence of inability of hand labor to compete with machinery. Operations mostly carried on in small workshops in adjoining cottages. Women earn 5s 5d per week. Man & wife 14s. Weeks[sic] work 70 hours. This survival of individualism shows that even the Semi-Socialism of large establishments with¹⁴⁰ all its evils of monopoly & unjust distribution offers greater advantages to worker than such degree of "individualism" as is possible under existing system.

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"Money is a medium of exchange" — Its¹⁴¹ principal use to a very large class is not as a medium of exchange nor¹⁴² yet as a tool of production but as a means of extorting from those who labor¹⁴³ a large share of the proceeds without giving their own labor in return. Reduce the question to its simplest terms — A., B., C., & D. are on an Island. A. is a fisherman, B. a farmer, C. a hunter, D. a¹⁴⁴ smith. At

¹³⁴"from a" crossed out

¹³⁵"from" crossed out

¹³⁶"Now" crossed out

¹³⁷"It is" crossed out

¹³⁸corrected from "worked"

¹³⁹"the" crossed out

¹⁴⁰"in" crossed out

¹⁴¹"is" crossed out

¹⁴²corrected from "not"

¹⁴³"the" crossed out

¹⁴⁴"maker of tools" crossed out

first they barter, but this plan has its disadvantages. A. may wish to dispose of his fish and B. may have corn to spare, but neither may want what the other has to exchange. Consequently a monetary system is devised. A storm, let us suppose, has cast up on the shore a number of rare shells. These are polished & it is agreed that they shall be legal tender. By this means, whenever any of the Islanders has a superfluity of produce he can exchange with the first who wants it without the delay or trouble of finding some one who has something to barter which he wants in return. The shells he knows will enable him to buy what he wants at any time. So long as there are enough shells for the demands of trade and no one is able to get all or nearly all of them into his possession everything is satisfactory. But if after a time one of the number, let us say D, by superior cunning¹⁴⁵ or by the misfortunes of the rest manages to get all or the great majority of the shells in his possession,¹⁴⁶ he has manifestly an advantage over his fellows. A. may have plenty of fish to sell, but B. & C. cannot buy for want of money, i.e., shells, & D. can corner the market. At this stage it probably occurs to D. that instead of working he can live by the investment of his capital. He says to A., B. & the rest — "You have no shells. I will lend you some. You may borrow each of you 10 shells on condition that in a month you return me 11, or their equivalent in the¹⁴⁷ produce of labor." The shells continue to be "a medium of exchange" or "a tool of trade" as between¹⁴⁸ A., B., & C. But *as between D. & the rest* they are nothing of the kind, simply a means of extorting something for nothing.

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But the process does not stop here. The population of the Island increases, the number of "shells" if not stationary is not increased in proportion to the number of exchanges to be effected, the business to be done. Whereupon D., the owner of the most of the shells, calls a meeting & proposes that in order to counteract the stringency of the money market he intends issuing shell certificates — notes promising to pay so many shells on demand. "I have," he says, "100 shells,¹⁴⁹ and the people owe me fully as many more. I will therefore issue 200 of these shell certificates. As I am worth 200 shells, they will be fully as good for all purposes of trade as the shells themselves." So the tightness of the money market is relieved and¹⁵⁰ D. draws usury on 200 more shells.

145. man' crossed out

146. "He" crossed out

147. inserted marginally

148. "a" crossed out

149. "I will issue 1" crossed out

150. "the" crossed out

¹⁵¹But still the currency is inadequate. Other devices have to be resorted to, all entailing the payment of usury by the producing classes & decreasing the quantity of goods which the worker gets in exchange for his labor. E. wishes to go into business to start a general store, the community having grown so that it is inconvenient for each producer to dispose of his own goods. He wants at least 100 shells for stock — he has only 20. He goes to B. the farmer & buys a quantity of produce amounting to 50 shells. “I can only give you 10 down, but you must give me credit for the balance.” “All right,” says B., “give me your note for 45 at three months.” “Why¹⁵² 45, I only owe you 40?” — “Why, the extra 5 is for *interest* of course.” So said, so done. E. marks the goods in his store accordingly. B. takes¹⁵³ E.’s note to D. What does he get for it? 40 shells — not the actual shells, not even the shell certificates, but a line in D.’s books putting 40 shells to his credit and a¹⁵⁴ bank book corresponding. B. from time to time signs cheques for various amounts, some of which are paid by shell certificates, but most of them by simply entering so much to the credit of the depositor.

As further development takes place, the credit system and the creation of fictitious capital drawing interest which is not fictitious becomes more fully established.¹⁵⁵ Business is divided between wholesale & retail. E. becomes a wholesale merchant buying from farmers, manufacturers, &c. on credit, giving notes to be discounted by D. and selling to retail dealers also on credit. Other banks are started, cheques largely take the place of shells & certificates, which have now become merely the “small change” of trade, and the bankers draw enormous interest on capital which has no existence. For instance, B.,¹⁵⁶ who has an account at D.’s bank, gives F.¹⁵⁷ a cheque for 20 shells. F. pays it in to G.’s bank. C., who has bought goods amounting to the same amount from E., gives him an order on H. for the money which he pays away to D. in part payment of a promisory note. No money, i.e., shells or certificates, actually passes — the two are set off against the other. The great¹⁵⁸ volume of business is transacted by notes, cheques & bills of exchange, and entries in the banker¹⁵⁹ books. But the usury goes on all the same.

¹⁵¹“Again” crossed out

¹⁵²“42” crossed out

¹⁵³“his” crossed out

¹⁵⁴‘p’ crossed out

¹⁵⁵“Banks” crossed out

¹⁵⁶: inserted interlinearly above “D.” crossed out

¹⁵⁷“who” crossed out

¹⁵⁸‘bu’ crossed out

¹⁵⁹perhaps “bankers,” end obscured

In course of time it happened that the people of a neighboring island, having heard of the fame of the banking system and the development of "capital" in the first mentioned Island, and feeling the want of an addition to their currency, concluded that it would be desirable to negotiate a loan from the "Great Shell Bank" of D. & Co. Accordingly they sent over several representatives, who after an interview with D.¹⁶⁰ arranged to borrow 1000 shells for 20 years,¹⁶¹ at interest of 5%. The preliminaries being completed & the bonds duly signed, D. handed the plenipotentiaries a neat little slip of blue paper with his signature & that of his cashier attached in a very illegible scrawl.

"What's this?" asked one of the borrowers.

"That — why that is your 1000 shells[.]"

"But we thought that you would give the actual shells."

"What an absurd notion! Why you dont[sic] understand the very first principles of modern finance. Of course I could give you the shells if you insisted on it. But it would be very foolish of you to do so. Shells are heavy and inconvenient to carry, whereas you can put¹⁶² this little slip of paper into your pocket=book. Then you might get shipwrecked on your return voyage & lose all your shells, whereas¹⁶³ should you lose this draft I will send¹⁶⁴ you a duplicate of it. It will serve every purpose."

"But," said one of the deputation still unconvinced, "I dont[sic] see what good this slip of paper will be to us.¹⁶⁵ We came here to borrow shells."

"Well don't you understand this transfers 1000 shells to your credit? The draft is merely a method of saving the trouble & inconvenience of transporting the actual shells. You can issue currency on the basis of this loan, which will be just as valid as the shells themselves."

"But whats[sic] the matter with our issuing additional currency without having to pay you 5% a year for a slip of paper?"

"My dear sir, you are utterly ignorant of the very rudiments of political economy, or you would know that all currency¹⁶⁶ to be of any value must be based on shells. Any other kind is certain to depreciate, and if you had a depreciated currency we would not trade with you, which would be a great calamity, for we now take large quantities of your produce."

"Of course we can pay you back the same way — with a slip of paper."

"Certainly — so long as your currency is based upon shells."

So the delegates departed joyfully.

¹⁶⁰, a' crossed out

¹⁶¹ "for" crossed out

¹⁶² corrected from "ut"

¹⁶³ <y> crossed out

¹⁶⁴ inserted interlinearly above "give" crossed out

¹⁶⁵ <"> 'W' crossed out

¹⁶⁶ "of" crossed out

Half a year afterwards when the banking & shell currency system had been fully established on Island No 2, one of the leading exporters¹⁶⁷ sent a lot of fish & potatoes to "E."¹⁶⁸ for which he had to receive 30 shells. E. gave him a cheque¹⁶⁹ for the amount on D.'s bank. When it was presented, D. pays [sic] him 5 shells & an order on the bank in Island 2 for the balance, being just the amount of interest due¹⁷⁰ D.¹⁷¹ on the loan. And so on as long as the loan ran, interest¹⁷² being really paid by produce, though nominally in shells.

Phenomenal[sic] growth of land nationalization ideas in England. One indication of this was afforded by Henry George's Lecture in Liverpool Nov. 30 -/88 under auspices of Financial Reform Association — an old-established, thoroughly respectable organization on Free Trade lines.

Chairman's speech was an admission that George & F.R. Association were "working on converging lines." George had remarkably enthusiastic reception. His lecture principally devoted to presenting land nationalization as the logical conclusion of the Free Trade movement. The press treat George's lecture¹⁷³ and the attitude of the Financial Reform Association as a significant event.

Art Congress held in Liverpool week commencing Nov 3 -/88. Heard address of Wm Morris on Nov 3. before "applied art" section. Strongly Socialistic of course. His contention was that handicraftsman could not be — as he ought to be — an artist until society was reorganized.¹⁷⁴ He pointed out that whereas formerly artizans made such things as were required by their neighbors and would be adapted to their own needs, now they manufactured for distant markets. Both producer & consumer were the slaves of the market, the workman was simply a machine tender, with no pleasure in his work. Cheapness¹⁷⁵ was the great end in view under competitive system. The mass of workingmen could not if they would procure good, artistically made articles for lack of means; the wealthy were compelled by supposed requirements of their position to buy many superfluous articles which

¹⁶⁷'ha' "who had" crossed out

¹⁶⁸"had to receive" crossed out

¹⁶⁹'fro' crossed out

¹⁷⁰"B" crossed out

¹⁷¹"for" crossed out

¹⁷²a double line appearing interlinearly beneath these two words seems to indicate that the paragraph originally ended with "ran"

¹⁷³"as a" crossed out

¹⁷⁴second 'r' inserted

¹⁷⁵'wer' crossed out

were wasted rather than used.¹⁷⁶ There were three alternatives — (1) To keep up pretence of artistic workmanship without reality. (2) To honestly abandon the pretence & say that art had nothing to do with manufactures. Or (3) to reconstruct the industrial system. Lecture¹⁷⁷ seemed to be approved by all present.

The esthetic or artistic movement appears to dovetail into Socialism. Arts & Crafts exhibition in London as well as general tone of art Congress render it evident that socialism is receiving strong impetus from later developments of esthetic spirit. The revolt against the Philistinism of commerce as viewed purely from the artistic standpoint, the antagonism excited by the coarseness and sordidness of the *bourgeois*, is rapidly taking the broader ground of opposition to the present¹⁷⁸ conditions of industry. The exponents of artistic culture are beginning to see that all their preaching is vain so long as the competitive system makes it impossible for the mass of men to think or care for anything else than the daily struggle for bread. What¹⁷⁹ began as a purely esthetic movement,¹⁸⁰ appealing to the individual intellect & conscience, is broadening into a crusade against the despotism of competition=monopoly¹⁸¹ for the overthrow of debasing conditions which while they exist negative[sic] all attempts to raise a higher standard of life & culture among the mass. It is no use urging a machine=tender to have the handicraftsman's pleasure in his work, or pointing out to the overworked, underfed factory slave the superiority of mental culture & artistic pleasure to the allurements of the groggery. Henceforth the artistic sentiment bids¹⁸² fair to range itself among the progressive forces.

Socialists & Land Reformers

There are indications of a growing feeling of antagonism among Socialists to Land Nationalization as advocated by Henry George. Partly¹⁸³ this is no doubt due to Georges[sic] mistaken & cowardly course in regard to the Chicago Anarchists, but it has deeper grounds. There is an irreconcilable difference between the "Free Trade" idea,¹⁸⁴ which George emphasizes as though it were necessarily a portion of the Land Nationalization program, and the basic principles of Socialism. George gives prominence to the familiar Free Trade platitude that the State has "no right"

¹⁷⁶.3' crossed out

¹⁷⁷"was" crossed out

¹⁷⁸. inserted interlinearly

¹⁷⁹ corrected from "That"

¹⁸⁰.w' crossed out

¹⁸¹"which" crossed out

¹⁸².1' 'des' crossed out

¹⁸³"an" crossed out

¹⁸⁴ corrected from "ideas"

to interfere with trade. He believes in competition without limit or restriction and advocates land nationalism as a means of giving fuller & freer competition than now exists.¹⁸⁵ He is a staunch upholder of¹⁸⁶ the right of free contract. The Socialists therefore are right in classing him with the *bourgeois* reformers who oppose landlordism in the interest of the shop-keeping & capitalistic classes. But it does not follow that¹⁸⁷ his work ought to be opposed or belittled¹⁸⁸ on that account. Land nationalization, if accomplished, will be an important step towards the realization of the Socialist program.¹⁸⁹ It is evident that by presenting it as a sort of¹⁹⁰ corollary of Free Trade Henry George is getting the ear of a very large class of Englishman, who could not otherwise be induced to regard it favorably. He has the tact to make use of the accepted and popular shibboleths of the orthodox economists and to introduce the most revolutionary doctrines under color of pushing the tenets of Adam Smith, Cobden, Bright and the other little tin gods to their logical conclusion. And so he is doing good work in clearing the ground for Socialism. His reactionary teachings as to the limitation of the powers & duties of government will do little harm especially when coupled with the practical recommendation to vastly increase the powers & responsibilities of the State by making it the universal landlord. The true policy of the Socialists if they cannot help should be at least not to hinder. But without in the least abandoning their more comprehensive platform they might very well assist George in his crusade against landlordism. It will certainly be no more difficult than it is now to deal with capitalism and the competitive system after land monopoly is destroyed.

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Jevons on Money — This is an admirable exposition of the process by which *credit=capital* has been substituted for cash in modern commercial transactions. It is written of course from the capitalistic standpoint but nevertheless the author — unwittingly no doubt — exposes the injustice of the system of financial jugglery by which the capitalists draw usury, not upon “money” as is generally supposed but on a vast and¹⁹¹ perpetually increasing amount of purely fictitious capital.

“No sooner have a people fully experienced the usefulness of a good system of money, than they begin to discover that they *can dispense with it* as a medium of exchange, and return to a method of traffic closely resembling barter. With barter they begin and with barter they end”.

185. “His” “The Socialists therefore are right in classing him as” crossed out

186. corrected from “in”

187. “he” crossed out

188. “of” crossed out

189. “it” crossed out

190. ‘col’ crossed out

191. ‘pet’ crossed out

The ¹⁹² terms ¹⁹³ on which Bank of England issues notes are thus explained.

"For each additional five pound note which is put forth out of the issue department, gold to the weight of 616.37 grains must be deposited in that department. The whole amount of gold, however, retained in the vaults is less by £15,000,000 than the outstanding notes, this constant difference being covered by documentary securities and by a sum of about eleven millions which the bank lends to the government without interest. Under this arrangement we secure all the advantages of the simple deposit system while *the community* gains the interest, amounting to about £445,000, of which the government receives £188,000 per annum."

It might seem to some people that it was the bank rather than "the community" which gained the interest. In fact ¹⁹⁴ the author admits this a ¹⁹⁵ little further on.

"The greater part of the value of every additional note kept in circulation is a gratuitous addition to the loanable capital of the bank and bears interest as long as it can be kept afloat."

The author proceeds to describe the cheque & clearing system by which claims of one bank against another are offset[sic], just as in the management of a simple bank the claims of one customer against another are balanced without any money passing, except in small amounts.

"It will now be sufficiently apparent that so long as trade is ¹⁹⁶ reciprocal the cheque & clearing system can arrange all exchanges without the use of coin. The values of goods are estimated & expressed in terms of gold, which acts as the common denominator of value, but metallic money ceases to be the medium of exchange. The banking organization effects what I have heard Mr. W. Langton describe as a *restoration of barter*."

Foreign banking trade tends to centralize in London which has become the money=market of the world, and international traffic is also regulated by the principle of offsetting ¹⁹⁷ claims without much exchange of specie.

"Almost all large exchanges are now effected by a complicated and perfected system of barter. In the London Clearing House, transactions to the amount of at least £6,000,000,000 a year are thus effected without the use of any cash at all, and as I have before explained, this amount gives no adequate idea of the exchanges arranged by cheques because so many transactions are really cleared in provincial banks, between branches, agents or correspondents of the same bank &c."

¹⁹² "issue of" crossed out

¹⁹³ 'un' crossed out

¹⁹⁴ double line interlinearly under end of "fact" seems to indicate that the paragraph originally ended with "interest."

¹⁹⁵ 'f' crossed out

¹⁹⁶ 're' crossed out

¹⁹⁷ 'cle' crossed out

Owing to this system, the currency has failed to keep pace with the expansion of trade.

"If as is very commonly done we take the foreign trade as a test of the general advance of industry, we find the total declared real value of British and Irish produce exported from the United Kingdom was in 1846 about 58 millions sterling. In 1866 it amounted to 189 millions or¹⁹⁸ more than 3 times as much. In the meantime the banks note circulation had remained almost unchanged & such alteration as there was consisted in a decrease." Jevons goes on to say that he considers the output of coal a better test. In 1854 this amounted to 65 million tons — note currency 38 millions. In '66, coal output had increased to 101 1/2 million tons — note currency was 38 1/2 millions. In 1874 coal had increased to 127 millions — currency only to nealy [sic] 44 millions.

"It is quite evident therefore that the tendency is to carry on a greater & greater¹⁹⁹ trade upon an amount of bank currency which does not grow in anything like the same proportions. The competition of many great banks leads them to transact the largest possible business with the smallest reserves which they can venture to retain. Some of these banks pay dividends of from 20 to 25 per cent which can only be possible by using large deposits in a very fearless manner.

Mr. R.H. Inglis Palgrave in his important "Notes on Banking" has given the results of an inquiry into this subject and states the amount of coin and Bank of England notes held by the bankers of the United Kingdom as not exceeding 4 or 5 per cent of their liabilities, or from 1/25 to 1/20th part. Mr. J.B. Moxon of Stockport & Manchester has²⁰⁰ subsequently made an elaborate enquiry into the same point and finds that the cash reserve does not exceed about 7 per cent of the deposits & notes payable on demand. — Thus the whole fabric of our vast commerce is found to depend upon the improbability that the merchants & other customers of the bank will ever want, simultaneously and suddenly, so much as one=twentieth part of the gold money they have a right to receive on demand at any moment during banking hours.

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Variations in the Value of Gold — "Between 1789 and 1809 it (gold) fell in the ratio of 100 to 54, or by 46 per cent x x From 1809 to 1849 it rose again in the extraordinary ratio of 100 to 245, or by 145 per cent, rendering gov't²⁰¹ annuities and all fixed payments extending over this period almost two and a half times as valuable as they were in 1809. Since 1849 the value of gold has again fallen to the extent of at least 20 per cent, and a careful study of the fluctuations of prices as shown either in the Annual Reviews of Trade of the *Economist* newspaper or in

¹⁹⁶ "about" crossed out

¹⁹⁹ <.> crossed out

²⁰⁰ <see>crossed out

²⁰¹ abbreviation indicated with underscoring, here with '

the paper referred to above shows that fluctuations of from 10 to 25 per cent occur in every credit²⁰² cycle.”

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Jevons admits the possibility of²⁰³ transacting business in a currency of inconvertible (fiat) paper money —

“Habit is almost as powerful in supporting the use of representative money as of real metallic coins. Persons who have been accustomed to pay away certain pieces of paper without loss will continue to regard them as good currency until some rude shock is given to their confidence. This may go so far as that a dirty bit of paper, containing a promise to pay a sovereign, will be actually preferred to the beautiful gold coin which it promises. The currency of Scotland is a standing proof of this assertion and the same may be said of Norway where until 1874 no gold at all was in circulation and notes for one, five, or ten dollars formed the principal part of the currency.”

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“There is plenty of evidence to prove that an inconvertible paper money, if carefully limited in quantity, can retain its full value. Such was the case with the Bank of England notes for several years after the suspension of specie payments in 1797, and such is the case with the present notes of the Bank of France.”

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Gold and silver being merely the small change of modern commerce, infinitesimal in volume to the mass of notes, cheques, bills, &c, which form the real medium of exchange, it follows that the people are paying usury upon a fictitious capital, that is on a capital created by the banking & exchange system based not on gold but on credit. All the usually accepted justifications of usury as a return for something lent therefore fall to the ground.

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It is curious how most of the writers and speakers on the currency²⁰⁴ ignore the gradual change by which credit=capital has been substituted for cash. The great volume of discussion proceeds on both sides as the assumption that capital means gold or currency on a gold basis, whereas the supposed gold basis is practically a fiction.

202. 'cyle' 'cl' crossed out

203. "floating" crossed out

204. "on the currency" inserted interlinearly above "against usury" crossed out

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Possibly the prevalence of the credit=capital system explains why cooperative production has been a failure. The leading principle of cooperation is cash dealings. But with the growth of credit=capitalism, cash has become less plentiful, and any one undertaking to buy & sell for money finds a difficulty in extending custom amongst those habituated to the giving & taking of credit. Moreover, were the cash principle introduced to any considerable extent, the money in circulation would be insufficient.

The remedy for the evils of usury & profit, which are really the same thing, is not so apparent as the remedy for²⁰⁵ landlordism. It is sufficiently evident, however, that no usury law or other device of that kind would even appreciably mitigate the evil so long as the system of credit=capital remained.²⁰⁶ What should be aimed at is first — the substitution of ready=money dealings for credit. This of course would necessitate enormous increase of the volume of currency. The retention of the gold basis would be impossible.

It is only by practice of giving credit that it has been possible to gradually substitute *credit=capital* for money.

²⁰⁷The ideal social community is one in which groups of actual producers of useful & necessary articles exchange their products as directly as may be, with least possible delay, friction or employment of middlemen, so that each receives largest possible return for his labor, and no one is able to live either idle, or by doing unnecessary or hurtful labor. The present system is the reverse of all this, as it multiplies useless middlemen & exchangers — idlers and ornamental personages of all sorts — who secure a much larger share of production than the workers. It is the great, & while this state of affairs continues, the natural & justifiable ambition of the most intelligent & capable workers to escape poorly paid drudgery & join their ranks. For this credit=capitalism is largely responsible.

Such middlemen, exchangers, &c, as are absolutely necessary should be the servants of productive Labor, being paid fairly according to the value of their work — as in case of productive co=operation. As it is they are the masters, paid²⁰⁸ without the least regard to the value of their services to the community but allowed to get what they can in the way of *profit* or usury. That this results badly to a very

²⁰⁵“the ab” crossed out

²⁰⁶“The” crossed out

²⁰⁷“to” crossed out

²⁰⁸“not” crossed out

large proportion of them who become bankrupt or lose their capital in no way²⁰⁹ justifies the system.

Henry George and the Land Reformers entirely ignore or lose sight of the importance of the currency question in their devotion to the single tax. But even if *rent* were abolished, the mass of the people would still be enslaved by capital. In many cases the reform would simply enable the usurer, the commercial exploiter, escape his share of taxation and perhaps to rob his employees of what they might save from the landlord. Land reform, though excellent as a beginning, as a finality [sic] would be incomplete, partial & delusive. Like Free Trade in England, an essentially middle class reform, in which the proletariat indeed might incidentally share, but which would not solve the problem of unequal distribution.

Jan 3, 1889. The lecture of Henry George under the auspices of the Financial Reform Association has resulted in a lively newspaper controversy. Several members of the Association have protested against their giving countenance to George's campaign. Discussion is taking a wide range. From the turn which the argument has taken it is very evident that the original doctrines propounded by Henry George are only accepted by the English middle-class "tax reformers" in a very diluted form. In place of "land nationalization" pure & simple what they aim at is simply to transfer the burden of taxation from income, &c., to land. Obviously this scheme, though possibly a stepping²¹⁰ stone towards complete nationalization, would not *of itself* benefit the working classes to any considerable extent. But it is altogether a mistake to speak of the George propaganda in its present shape as one of land nationalization. It may lead up to it, but on the other hand it is quite like to remain,²¹¹ like the Free Trade movement, a mere middle-class reform. However, anything which tends to provoke discussion & stir up thought on the subject ought to be welcomed.

Jan 18. Attended meeting of Labor Electoral Association. Address by A. Smith, interpreter at International Congress, giving some interesting details as to progress of the political Labor movement in France. In Paris the workingmen have elected 9 out of about 80 members of municipal Council & control votes of about 14 others. Consequence is that system of sweating in connection with municipal contracts is entirely abolished, and a tariff of wages is embodied in all contracts &

²⁰⁹"justifies" crossed out and re-written; the original looks more like "jistifies" as a minim is missing

²¹⁰ "gr" crossed out

²¹¹ "as" crossed out

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hours fixed at 9 per day.²¹² Furthermore, the city is building a Labor Exchange at a cost of £120,000, in which the Labor Unions will have their offices. Lecturer stated in reply to questions that general condition of working class in France was far in advance of that of English laborers. Though wages were lower & hours in general longer, they had more of refinements & enjoyments of life.

Emigration meeting in Liverpool Town Hall on ²¹³ 21st (L. Self-Help Emigration Society). Principal feature was address by Lord Derby. It was very noteworthy that he and subsequent speakers recognized fully the feeling growing up in the colonies against emigration, and had a great deal to say as to the need of careful selection & ²¹⁴ against sending out unsuitable emigrants. There was noticable[sic] undercurrent of feeling against emigration against emigration [sic] & in favor of settling the surplus pop. of English cities upon the land at home. Samuel Smith, M.P., drew the line between emigration & colonization & favored state colonization, sending out parties of emigrants thoroughly equipped to settle on the ²¹⁵ land.

²¹²“& hours ... day” inserted interlinearly

²¹³“22” crossed out

²¹⁴“the” crossed out

²¹⁵‘le’ crossed out