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Our Social System

And how it affects those who Work for their Living.

David Andrew Andrade

1890

“I have said a hundred times, and I will repeat it till I die, that our old form of society is dying.” To many, these words of Chateaubriand may sound ridiculous, and merely the pessimistic wail of a false prophet; but others, who have carefully studied the world in which they live, and taken account of the violent internal struggles which are torturing the society of the present day, will know that the statement is any but a rash one, and that there are forces now at work in our midst which, if they succeed in developing their influence much more fully, will ere long wreck our civilization as they have wrecked so many grand civilisations in the past.

What is the nature of our civilization? What is the controlling force which is guiding our destinies, and regulating our actions towards our fellowmen? What is the nature of the system; is it operating for good or evil; could it be replaced by a better, or a worse, one; are its elements preservative or self-destructive? Is our social system a success, or is it a failure? These questions are to be considered in the following pages, and considered fairly and squarely.

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This is recognized to be a scientific age—an age of facts: let the facts then answer.

We pride ourselves on our system, which we call “civilized,” and compare it with those primitive forms of society which we call “barbarian.” We point at our grand works of art, our wondrous discoveries in science, our massive buildings, railways, telegraphs, tunnels, bridges, shipping, mining appliances, and machinery of all kinds; and then we drop a sympathetic tear on the poor heathen who haven’t these luxuries. Oh, the glories of civilization!

But when we begin to ask more about it, we see things in a slightly different light. The grand works of art are here, true enough; but we soon find out that those who have been most active in their production are rarely the ones who can afford to enjoy their beauty. Wonderful scientific discoveries are constantly being made, but the reward is to the speculating capitalist and not to the inventor. No sooner is a thing produced than it passes into the hands of others: the builders of ships cannot afford to travel in them; those who construct our railways cannot afford the luxury of steam locomotion; tramways are constructed, and they build fortunes for those who do not make them; builders do not inhabit the fine houses they build, but live in wretched tenements only fitted for the population of the farm yard; engineers and mechanics make machinery with which to drive themselves and their fellow-workers from remunerative employment; the miners bring up coal, which heats the boilers of capitalists, while their own hearths are fireless; they delve into the bowels of the earth for iron which they afterwards forge into guns and cannons for their own destruction; and they toil beneath the earth’s surface to bring up gold and silver, which they then convert into coin to hamper their exchanges with their fellow-laborers, and to make them poorer wherever it circulates. Notwithstanding all the giant strides which are constantly being made in all the branches of invention and industry, the worker’s condition only seems to get worse, and he finds himself at the mercy of those who work not

themselves but accumulate the wealth of others. Oh! The glories of civilization!

Civilization is the dwelling together in society; and a civilization is successful so far as it is associated with harmony. Civil warfare, political intrigue, and internal strife of all kinds, are its destruction. Mutual peace and individual prosperity mark its success. Which course are we now pursuing?

Surely, if ever a people were well ruled, we of the present day may claim to be so. Centuries ago, Aristotle is said to have perfected the art of government, and we have been improving on him ever since, until the individual has become almost forgotten and the State is supreme. Whether it be a theocracy, autocracy, limited monarchy, or republic, which keeps guard over our actions, we find in all alike the one common political basis—the division of the people into the rulers and the ruled. The government may differ in form, but they are alike in fact: whatever they may be called, presidents are virtually kings, plutocracies are intensified aristocracies, elections are conquests, and elective rule is not better than hereditary rule. Whatever the form of government, they are all marked by this general characteristic—they all rest upon APPROPRIATION and EXPLOITATION.

Wherever the fiction of political property has been allowed to become carried into practice, there slavery, in some form or other, is found to underlie the social structure. It may be a primitive form of chattel slavery, where the unfortunate toiler is bartered as so much merchandize by those who have deprived him of his natural heritage in the world's wealth; or it may have developed into a form of feudalism, where he becomes part of the soil he cultivates and is bought and sold along with it by the baron who owns him; or it may have still further developed into the modern system of landlordism, where the disinherited is free to work for the proprietor, upon the latter's terms, but with the only alternative of starvation if he refuses. It is ever the same in effect; those who have appropriated the world to which all are justly entitled, hold in slav-

ery the millions whom they have expropriated and live upon the results of their toil. Mulhall¹ estimates that in the countries of Europe, with the exception of some holding very small areas, only 6 in every 100 of the population own the land in many instances; 14 in one instance; 4 in every 100 in three cases; and in the United Kingdom, only 1 in every 200. In Australasia,² a similar monopoly of the land prevails. Out of a population of three million people, there are 167,000 landowners and 19,011 squatters in possession of the land, of which 64,100,000 acres are held freehold, and 539,040,000 acres are used as sheep runs, while the remaining 1,365,119,840 acres are held by the respective governments, who keep them for the most part in idleness. There is a situation for a newly-settled community to be placed in! Only 6% of the population owning land in Australasia; or 117 of the entire population possessing $\frac{1}{3}$ of the entire soil! Of course, from such a tree, we must expect unpleasant fruits. The many, who have not a share in this monopoly must reward those who have, in order to obtain access to the soil from which they must necessarily draw their subsistence. For the privilege of being permitted to work, they pay to those who have stolen their birthright a part of what they produce by their exertions, and it is called *rent*. Rent is the amount paid by the laborer to the usurper for the right to use the soil which he has appropriated. And the State holds guard behind him, and with all the machinery of law, police, and executive, compels him to render up the blackmail which the idle proprietor extorts from him.

Not only does the laborer find his efforts checked by the almost unsurmountable monopoly which the creation of property has put in his way but even when he has passed that barrier, when he has succeeded in satisfying the demands of the proprietor, by agreeing to work for the latter's profit, he instantly confronts a new obsta-

¹ Mulhall's *Dictionary of Statistics*, 1886, p. 267.

² These figures and a number that follow are taken from Hayter's *Victorian Year Book*, 1886-7.

That is the problem which awaits our immediate solution. We cannot avoid it: we must face it. We dare not ignore it, for the present system is destroying us. We, slaves as we are, have to emancipate ourselves. It can be done. It must be done. It shall be done. But how?

cle. He dare not exchange his product with the product of another, without first paying toll to privilege. There is only one medium of exchange which he is permitted to use, and that is scarce and difficult of acquirement, besides which he cannot borrow it without returning increase upon it as recompense for its use. But as this monopolized money—this gold—has no inherent power of increase, and he cannot return more of it than he has borrowed, he is compelled to give up more of the products of his labor to satisfy the demands of those who lend him the legalized means of exchange. He may not know that a little bit of paper issued between himself and those with whom he exchanges would answer all the requirements of the case equally well, if not better, but those who rule him know it also, and as it is their function to protect the interests of property, and as property is the right to exploit labor, by the creation of monopoly, so the ruler steps between them and enacts a bit of human insolence called a law, which legalizes the monopolized means of exchange and prohibits the recognition of a more just one, and thus enables the monopolizers of the currency to extort an increase for a loan of the money, which to the borrower is worse than useless, but which he is compelled to employ. This increase for the use of money is called *interest*, or more correctly, *usury*. Of course, those who own the money, can buy the land; and those who own the land can often borrow the money and pay the increase out of the proceeds of the laborer; while the poor laborer himself, exploited by landlord and usurer, remains the slave to both of them, and provides all the nourishment for them as well as himself. The monetary possessions of Australasia are calculated to be £19,000,000—£13,000,000 of which are in gold, £1,000,000 in silver, and £5,000,000 in paper. The total banking power is estimated at £85,000,000. For the “use” of this, the bankers of Australasia draw dividends averaging 12%; or, in other words, they fleece the public out of about £10,000,000 per annum. Not only are the usurers enabled to extort increase upon the gold they put into circulation (and gold is the only legal tender), but they are actually empow-

ered to take interest upon their paper issue, which is not money at all, but only a promise to pay money—a printed acknowledgment of a debt! J. Sandlant³ gives some very instructive particulars on this point; “A banker is allowed by the State for a merely nominal consideration to issue two of paper to one of bullion he may or is supposed to possess. On this principle, the six different private banks in New Zealand, holding two millions of bullion, could issue four millions of paper money... Now these four millions of paper note issue become interest-bearing bonds to these banks directly they are issued... Since then, by the act of issue, they become interest-bearing bonds, let us see how they react upon society. When £5% is charged, a depression will occur about every ten or twelve years, that is when worked in conjunction with profits arising from discount on bills of recommendation, varying in the rate of time with the charge made for discount. The Bank of England returns for 1847, 1857, and 1866, convincingly prove the truth of this statement. These depressions were by the unthinking attributed to the scarcity of money, but were not; in reality depressions are the offspring of interest and the reversionary powers of interest. So then the two millions of bullion held by the six different Colonial Banks, by the addition of four millions of paper note issue which the possession of this two millions of bullion empowers them to employ, would, if fully used at 5%, give them a capital of eight million in a little over fourteen years, and that without any of the coin lying in the coffers of these banks; and this result is obtained without taking into consideration or account the profits arising from the discount on bills which could much more than pay the expense of management.” That is the way the financiers amass their unearned fortunes wherever the monopoly of money exists. They succeed in demanding every year an ever-extending increase on the gold they lend out, and the promises to pay the gold which they have not; and this, in spite of the fact that the world’s gold sup-

³ *State Banks*, by J. Sandlant Gisborne (N.Z.) 1886.

ucts of labor. It is useless to preach thrift to those who have nothing to save, or to hope for universal prosperity when the enrichment of the few is caused by the plunder of the many. Again is it foolish to imagine that a general patronage of savings banks, building societies, sharebroking institutions, and the like, will ever tend to ameliorate social wrongs; for their gains always implies someone else’s loss. Speculations in investments in stocks, shares, railway, mining and other companies, are all speculations on the possible future of losses of labor. Dividends do not create themselves—they are all filched from labor. If the laborers ceased to be plundered, there will be no dividends. These “remedies” are no remedies at all.

The present system cannot hold for ever. Every day sees its power waning. It is the self-interest of everyone who hopes for the dawn of a brighter day to assist in dispelling the darkness which overhands and threatens to engulf us, and to work together to substitute in its place a system that shall be more just, more merciful, more equitable, more harmonious. The slavery of the workers by the politically-created and politically-fostered monopoly of property, and the robbery of the laborers by rent, interest, profit, and taxation, must be abolished—abolished peacefully, expeditiously, and permanently. And to do so, we must start from where we now stand, and despite all the disadvantages which surround us, and with all the ignorance, all the bigotry, all the intolerance, and all the debasement and cowardice which characterize the down-trodden millions, we must side by side make our way along the path which so many have found slippery, until we reach the long-cherished goal of Labor’s Emancipation.

But how can we do it? How can we get from the present unjust, destructive system, into one in which justice and happiness shall be the distinguishing characteristics? How shall we fight out of the present blood-thirsty system without the shedding of blood and without the disastrous reaction which has marked the bloody rebellions of the past? How shall we walk from bondage into liberty?

and oppress those over whom they exert authority; and not only does it corrupt those who rule it, but its evil effects extend to those whom they govern, for every extension of governmental function assists in decreasing and dwarfing the energies and self-reliance of the people themselves and making them more helpless, cowardly, and servile than before. Our social system, by its politically-fostered monopolies, is continually driving men to poverty, intemperance, and debauchery, and driving women to prostitution or the slavery of unhappy marriage; its exploitations render the parents so poor, and their struggles for existence so keen and uncertain, that they have neither the wealth, time, inclination nor ability, to properly clothe, feed, educate, and make moral their children, but allow them to grow up a criminal and vicious generation, and one too well qualified to perpetuate the present evils.

No political machinery can destroy the evils which the political machinery has brought into being; for it is the nature of ruling institutions to conserve the bad, to support and extend conventional and reactionary opinion, and to check all progressive thought in religion, sociology and philosophy. Laws are made to be obeyed—not to be repealed for the public good. They are essentially conservative of privilege. All law is made to protect property and proprietors alone. There is no law for the poor. Legal victory is a luxury which it requires money to purchase. If you have no money, you cannot go to law; or if you manage to, you may safely reckon on coming out on the wrong side of the ledger. The justice of a thing has little to do with a legal decision—that decision has previously been inscribed on the Statute Books on the basis of property and its right of exploitation. Plutocracy rules the world.

The existing evils of society are too gigantic to toy with. It is useless to appeal to an extension of suffrage, when the suffrage can offer nothing more than a choice of masters elected to carry on a system of destruction. It is equally useless to pin your hopes on fine-spun theories of the taxation of land-values, when those values exist only in the imagination and all taxes are paid in the prod-

ply is diminishing each year, and is totally useless to measure the increasing commerce between the nations. And the workers never cease toiling to satisfy the insatiable demands of usury, and to pay the interest upon the millions they are supposed to owe. Of course, the whole of this is paid for by the laborers out of their own products. Not even do the capitalists pay any portion of it, for they are only speculators interposing between the usurer and the laborer and joining in the plunder of the latter. All the interest which the capitalist is called upon to pay for the money loaned, he first takes from those he employs or from those laborers who purchase the product of his employees. Labor not only pays all rents, but it pays all usury as well. Thus is the laborer bled. Monopoly first checks production, and usury follows to check consumption.

It is labor alone which supplies all human wants. It has produced in the past all the capital it now employs, and it is producing all the capital which will be employed in the future. Capital is ephemeral; but labor is always creative. The total estimated wealth of Australasia, in 1882, was £590,000,000; and income was £133,000,000, or nearly 1/4 of the capital. In other words, the workers produced in one year a quarter of the wealth that was around them. So that had it been possible for production to cease, and for everything to be consumable, in 4 years, not a shred would have been left to show that capital, or product, had ever existed. It is the laborer alone who carries on civilization, satisfied all human wants, and keeps the race alive.

And what about the capitalist—the good, kind, benevolent employer, to whom the expropriated and exploited laborer goes hat in hand, cringing for the privilege of being permitted to work? What is his place in our social system? It is to extort another huge slice out of the worker, by buying his services as much beneath their true value as he can possibly procure them, and selling them as much above their worth as the circumstances will permit him to extort. The more extensive his trade, the greater will be his power over his employees. The wealth he has accumulated from his la-

borers gives him the power to regulate commerce. He can make trade dull or brisk as he desires. He has so much wealth stored by him that he can rest on his oars when he wants to do so, living on the reserves. This the laborer cannot do, for his earnings have nearly all gone to others, and he only retains for himself enough to sustain him for the day. If the capitalist wants to swell his profits, he can form a ring with other capitalists and raise the prices charged to consumers, or he can combine with them to make a corner on the market by buying up an article of necessity and charging an unusually exorbitant price for it. If the laborer wants to better his condition under the existing conditions he cannot do it. His wages—that is a small fraction of his product which is returned to him by his so-called employer—are kept down to the lowest level on which he can subsist, and he is worse off than a chattel slave. As John Adams said, when drawing up the Constitution of the United States of America, “What matters whether you give the food and clothes to the slave direct, or whether you just give him enough in wages to purchase the same?” The laborer need not hope for a reasonable wage. The capitalist has but to dismiss some of his hands, or fill their places with labor-saving machinery which other laborers have invented and constructed, and those thrown out of employment will immediately underbid those employed in order to be reinstated. If the latter do not accede to a reduction of wage, he will be dismissed to make room for the one who offers his services cheaper. If the workers form a union, and strike for higher wages, they cannot hold out as long as the capitalists to whom they have given up nearly the whole of their product, but surrender as soon as their idleness reduces them to poverty. Under the present system, where the wage-receiver works for a profit-taker, he can never retain his independence, or retain the fruits of his labor. If he is paid £1 for his work, and the product thereof is sold for £5, he is unable to re-purchase it, but must be content with a fifth part.

600,000,000), alone own wealth amounting to £145,000,000 (many authorities say much more); and the world's coinage is said to be £1,190,000,000, and its total money, £1,946,000,000. If such is the case, it follows that 1/30,000,000 of the world's population own wealth equal in value to 1/8 of its coinage, or 1/14 of its money. However that may be, these facts are certain: the world's wealth is concentrating in fewer hands; millionaires and paupers are both on the increase; trade is increasingly dull, and employment becoming more scarce; employers are sending the workers adrift to starve; insolvencies are increasing, and the big capitalists are swallowing up the little ones; the Governments of the world are at the beck of its plutocrats; life is getting intolerable to the many and precarious to the few; homes are unhappy and woman and man alike wretched; discontent is everywhere, and even the most comfortable are beginning to ask whether life is worth living, and whether slavery, dependence, marriage, and the other institutions of our civilization are not failures after all.

That the present social system has failed must be apparent to all who have studied it. It has rendered the many subservient to the few; it has checked the best human endeavours, and facilitated every method of exploitation; it disinherits the great mass, and foreordains their lifelong misery before they are even born; it makes one man dependent upon another's caprice, instead of making him dependent on his own energies; it is a premium to idleness, and an incentive to plunder; it is responsible for the bad morals of the many, who are the creatures of the vile surroundings in which it has placed them; it unites the sexes when the requirements of nature would set them apart, and keeps them apart when the healthiest impulses of their nature would have them together; it creates jealousies, hatreds, and mutual injustice. All our political institutions are destructive and reactionary; the opportunity to control the actions of one's fellow, which lies at the base of every governmental system, tends surely and certainly to make those in power self-seeking, dishonest, and tyrannical, and ever ready to dominate

loans to pay them with; and these, of course, bear interest and grow eternally,—while the bankers live in idleness and affluence on the products which they filch from labor in the name of interest.

The worker's indebtedness to the idler is getting worse and worse as time goes on. England's experience in the last half-century shows what will be the certain fate of the civilized world if some remarkable change does not take place in the nature of our social system. There the worker's lot has steadily got worse. Between 1837 and 1887, the population of the United Kingdom increased 42%, and had other things remain relatively equal they would have shown a like increase. But such was not the case. While the increase in population during the half-century⁷ was but 42%, the revenue had increased 73%; or in other words, the worker's burden of taxation had become 31% harder to bear. And yet the country as a whole had become proportionally 82% wealthier. But it need not be wondered at that the laborer's condition did not advance, considering that the trade, resting as it did on profit-plundering, had grown to be 430% more extensive (still allowing for the increased trade due to increased population); and the banking transactions, which all the time were plundering the laborers, had made an advance of 530% in excess of the advance of population! Everything in the way of labor's exploitation had advanced with prodigious strides. But the lot of the laborer had become worse. The worker's earnings, since 1840, had only increased 25%, while the rents alone had increased 150%. Add to that the losses enumerated above, and then say whether such "national progress" is progress on the part of the producer or of the thief.

What the world's money may amount to, and how it is distributed, can never be accurately known; but it is a certainty that it is steadily becoming concentrated into fewer hands. It has been estimated that twenty millionaires (out of a population of nearly

⁷ See Mulhall's *Fifty Years' National Progress*.

The census of the United States of America, for 1880,⁴ shows that the daily average product of each wage-worker in manufacturing industry was valued at \$10, while the daily average wage he received was but \$1.15. That is not one-eighth of his earnings. And that is the very home of industrialism. It is probably a shade better elsewhere, but only a shade. The available statistics do not show the Australian laborer's position in this dismal picture; but it may be safely concluded that his condition is not much better than that of his American comrade, for his is a profitable field for commercial speculation; and, of course, where the speculator's profits are large, the laborer's losses must be large in the exact proportion. The annual commerce of Australasia is £90,000,000; the gross earnings of labor in 1882, were £133,000,000. Let us try to make an approximate estimate of how those earnings are spent. The laborers paid in that year for taxation, £15,000,000;⁵ the rent they paid to the land monopolists, estimated at say 10% on the value of estates, amounted to £19,000,000; the interest they paid to financiers for hampering their exchanges was £10,000,000; and business profits, calculated at 75%⁶ on the merchantable commodities, were £67,000,000. This will leave the remuneration to the laborers at £22,000,000, or about 1/6 of their product, which is probably a fair estimate. The following will accordingly represent, as nearly as possible, a statement of

How the Australasian Laborers Spend Annual Earnings.

Taxes - £15,000,000

Rent @ 10% on estates' value (£190,000,000) - 19000000

Interest @ over 12% - 10000000

⁴ Quoted in Parson's *Anarchism: its Philosophy and Scientific Basis*, p. 17.

⁵ This is Mulhall's computation. Hayter makes it nearly £22,000,000.

⁶ Whether this estimate is an accurate one, the merchants and speculators themselves will know best; however, without more accurate data, it is safe, I think, to say that a paying business usually "turns over" its stock in three to four months, and brings in an average of something like 25%. I have heard a successful tradesman assert that his stock doubled itself in twelve months, and I know that his calculation could not have been far out of the truth.

Profits @ 75% on merchantable commodities - 67000000
Remuneration to labor - 22000000

Total earnings of Labor - £133,000,000

Henry Thoreau has splendidly shown by his own experience how prolific are the rewards of labor, and in what ease, comfort, and luxury, the worker may live where his fellow does not prey upon him. Living as he did in the woods, almost isolated from his fellows, deprived of the advantages which contact with them and their products would bring him, and at the mercy of wild creatures who constantly destroyed his crops, he enjoyed a life such as not one in a thousand of the city laborers has any taste of, and was never troubled with the demon of Want. "For more than five years," he wrote, "I maintained myself thus solely by the labor of my hands; and I found that by working about six weeks in a year I could meet all the expenses of living." If this solitary individual could produce so much with so little labor living under conditions of relative freedom, how much more could these poor city wage-slaves produce by their united efforts, assisted by the wonderful industrial appliances of civilised life, were they also free to produce their own necessities without having to bear the yoke of legalized robbery?

But have we not a government to protect us? some will ask. Yes: and you have seen how it protects you from the aggressions of others, by making you subservient to the landlord and the usurer from whom you are unable to extricate yourselves. But, alas, that is not all. Government not only fails to protect you against the ravages of others, but it does not protect you against the ravages of itself. It taxes you at every turn; and dearly do you have to pay for its services—always paying more than its worth for what you need, or else paying for what you do not need. And the whole taxation is paid by the laborer, as we have already seen, out of his own products. No one else pays any taxes. If a merchant pays a tax, he charges it to his customer, who may be a laborer, or who, if he is not, will charge it to the laborer he employs. Government grants

you "protection," does it? Yes, it erects a custom-house barrier at your boundaries to *protect* the local capitalist, who employs you, from the competition of the capitalist afar off, as it would tend to reduce the price which the local capitalist charges for the goods you re-purchase of him. The tariff your Government collects is charged for the buyer, *plus* the usual profits, and labor again pays the whole bill. Perhaps you may boast of the glorious "free trade" which your Government bestows upon you. Poor deluded creatures! how do you expect to trade freely, when you own nothing to trade with, when the land on which you work belongs to others, when the tools and machinery you employ are theirs, your exchanges are hampered by a monopolized money system, you are bled by interest, and capitalistic monopolists form rings to defeat and rob you and eternally extort profit out of your labors? Free trade, indeed? No: there is no Government which affords Protection to labor, or allows it facilities to enjoy Free Trade; they all exist to enforce the very reverse of these things, by fostering Monopoly and Exploitation. The Australasian Governments tax an annual revenue of £15,000,000 from the working people of these colonies, and expend £20,000,000 in the same time, leaving the laborers a deficit of £5,000,000 to be met with loans payable with interest. The expenditure in 53 years (1830-82) was £420,000,000, and the revenue collected only £315,000,000, leaving labor indebted for the sum of £105,000,000, owing for nothing at all. All public debts are fictitious obligations which are owed by labor to idleness. The National Debt of Australasia in 1882, was £97,000,000,—equal to £34 per inhabitant owing to the usurers for no services rendered. It was also equal to 16% of the total wealth of the colonies, and paid interest at the rate of 4 7/10 % or 3 1/2% of the total income. All these so-called "debts," and all the loans we receive from the usurers, may be demanded in gold when the time comes for their repayment; but of course the demand could never be met: the National Debt alone is more than seven times the amount of gold we possess. So the only way these bogus debts can be met is by borrowing fresh