



Fabian Tract No. 233.

SOCIALISM:

Principles and Outlook.

BY

G. BERNARD SHAW.

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AND

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Socialism, reduced to its simplest legal and practical expression, means the complete discarding of the institution of private property by transforming it into public property and the division of the resultant public income equally and indiscriminately among the entire population. Thus it reverses the policy of Capitalism, which means establishing private or 'real' property to the utmost physically possible extent, and then leaving distribution of income to take care of itself. The change involves a complete moral *volte-face*. In Socialism, private property is anathema and equal distribution of income the first consideration. In Capitalism, private property is cardinal and distribution left to ensue from the play of free contract and selfish interest on that basis, no matter what anomalies it may present.

I.

Socialism never arises in the earlier phases of Capitalism, as, for instance, among the pioneers of civilisation in a country where there is plenty of land available for private appropriation by the last comer. The distribution which results under such circumstances presents no wider departures from a rough equality than those made morally plausible by their association with exceptional energy and ability at the one extreme, and with obvious defects of mind and character or accidental hard luck at the other. This phase, however, does not last long under modern conditions. All the more favourable sites are soon privately appropriated, and the later comers (provided by immigration or the natural growth of the population), finding no eligible land to appropriate, are obliged to live by hiring it at a rent from its owners, transforming the latter into a *rentier* class enjoying unearned incomes, which increase continually with the growth of the population until the landed class becomes a money-lending or capitalist class also, capital being the name given to spare money. The resource of hiring land and spare money is open to those only who are sufficiently educated to keep accounts and manage businesses, most of whom spring from the proprietary class as younger sons. The rest have to live by being hired as labourers and artisans at weekly or daily wages; so that a rough division of society into an upper or proprietary class, a middle or employing and managing class,

and a wage proletariat is produced. In this division the proprietary class is purely parasitic, consuming without producing. As the inexorable operation of the economic law of rent makes this class richer and richer as the population increases, its demand for domestic servants and for luxuries of all kinds creates parasitic enterprise and employment for the middle class and the proletariat, not only withdrawing masses of them from productive industry, but also fortifying itself politically by a great body of workers and employers who vote with the owners because they are as dependent on the owners' unearned incomes as the owners themselves.

Meanwhile, the competition of employers for custom, which leads to the production of a dozen articles to satisfy the demand for one, leads to disastrous crises of feverish over-production alternated with periods of bad trade ('booms' and 'slumps'), making continuous employment of the proletariat impossible. When wages fall to a point at which saving is also impossible, the unemployed have no means of subsistence except public relief during the slumps.

It is in this phase of capitalistic development, attained in Great Britain in the 19th century, that Socialism arises as a revolt against a distribution of wealth that has lost all its moral plausibility. Colossal wealth is associated with unproductiveness and sometimes with conspicuous worthlessness of character; and lifetimes of excessive toil beginning in early childhood leave the toiler so miserably poor that the only refuge left for old age is a general workhouse, purposely made repulsive to deter proletarians from resorting to it as long as they have strength enough left for the most poorly paid job in the labour market. The inequalities become monstrous: hard-working men get 4s. or 5s. a day (post-war rates) in full view of persons who get several thousands a day without any obligation to work at all, and even consider industrial work degrading. Such variations in income defy all attempts to relate them to variations in personal merit. Governments are forced to intervene and readjust distribution to some extent by confiscating larger and larger percentages of incomes derived from property (income tax, super-tax, and estate duties) and applying the proceeds to unemployment insurance and extensions of communal services, besides protecting the proletariat against the worst extremities of oppression by an elaborate factory code which takes the control of workshops and factories largely out of the hands of their proprietors, and makes it impossible for them to exact grossly excessive hours of labour from their employees, or to neglect their health, physical safety, and moral welfare with complete selfishness.

This confiscation of private property incomes for public purposes without any pretence of compensation, which is now proceeding on a scale inconceivable by Victorian ministers, has destroyed the integrity of private property and inheritance; and the success with which the confiscated capital has been applied to communal industries by the municipalities and the central Government, contrasted with the many failures and comparative costliness of capitalist industrial adventure, has shaken the superstition that private commercial management is always more effective and less corrupt than public management. In particular, the British attempt to depend on private industry for munitions during the World War of 1914-18 nearly led to defeat; and the substitution of national factories was so sensationally successful, and the post-war resumption of private enterprise, after a brief burst of illusory prosperity, was followed by so distressing a slump that the reversal of the relative efficiency prestige of Socialism and Capitalism was vigorously accelerated, leaving Capitalism unpopular and on the defensive, whilst confiscation of private capital for communal enterprise and nationalisation of the big industries grew steadily in popularity in and out of Parliament.

This change in public opinion had already deeply penetrated the middle class because of the change for the worse in the position of the ordinary employer. He, in the 19th century, was admittedly master of the industrial and, after the reform of 1832, of the political situation. He dealt directly and even domineeringly with the proprietary class, from which he hired his land and capital either directly or through agents who were his servants and not his masters. But the sums required to set on foot and develop modern industrial schemes grew until they were out of reach of the ordinary employers. The collection of money to be used as capital became a special business, conducted by professional promoters and financiers. These experts, though they had no direct contact with industry, became so indispensable to it that they are now virtually the masters of the ordinary routine employers. Meanwhile, the growth of joint stock enterprise was substituting the employee-manager for the employer, and thus converting the old independent middle class into a proletariat and pressing it politically to the left.

With every increase in the magnitude of the capital sums required for starting or extending large industrial concerns comes the need for an increase in the ability demanded by their management; and this the financiers cannot supply: indeed, they bleed industry of middle-class ability by attracting it into their own profession. Matters reach a point at which industrial management by the old-fashioned tradesman must be replaced by a professionally trained and educated bureaucracy; and as

Capitalism does not provide such a bureaucracy the industries tend to get into difficulties as they grow by combination (amalgamation), and thus outgrow the capacity of the managers who were able to handle them as separate units.

This difficulty is increased by the hereditary element in business. An employer may bequeath the control of an industry involving the subsistence of thousands of workers, and requiring from its chief either great natural ability and energy or considerable scientific and political culture, to his eldest son without being challenged to prove his son's qualifications, though if he proposes to make his second son a doctor or a naval officer he is peremptorily informed by the Government that only by undergoing an elaborate and prolonged training, and obtaining official certificates of qualification, can his son be permitted to assume such responsibilities. Under these circumstances, much of the management and control of industry gets divided between routine employers who do not really understand their own businesses, and financiers, who, having never entered a factory nor descended a mine shaft, do not understand any business except the business of collecting money to be used as capital and forcing it into industrial adventures at all hazards, the result being too often reckless and senseless over-capitalisation, leading to bankruptcies (disguised as reconstructions) which reveal the most astonishing technical ignorance and economic blindness on the part of men in high repute as directors of huge industrial combinations, who draw large fees as the remuneration of a mystical ability which exists only in the imagination of the shareholders.

II.

All this steadily saps the business prestige of Capitalism. The loss of popular faith in it has gone much farther than the gain of any widespread or intelligent faith in Socialism. Consequently, the end of the first third of the 20th century finds the political situation in Europe confused and threatening: all the political parties diagnosing dangerous social disease, and most of them proposing disastrous remedies. National governments, no matter what ancient party slogans they raise, find themselves controlled by financiers who follow the slot of gigantic international usuries without any public aims and without any technical qualifications except their familiarity with a rule-of-thumb city routine quite inapplicable to public affairs, because it deals exclusively with stock exchange and banking categories of capital and credit. These, though valid in the money market when conducting exchanges of future incomes for spare ready money by the small minority of persons who have these luxuries to deal in, would vanish under pressure of any

general political measure like—to take a perilously popular and plausible example—a levy on capital. Such a levy would produce a money market in which there were all sellers and no buyers, sending the Bank Rate up to infinity, breaking the banks, and bringing industry to a standstill by the transfer of all the cash available for wages to the national treasury. Unfortunately, the parliamentary proletarian parties understand this as little as their capitalist opponents. They clamour for taxation of capital; and the capitalists, instead of frankly admitting that capital as they reckon it is a phantom, and that the assumption that a person with an income of £5 a year represents to the State an immediately available asset of £100 ready money, though it may work well enough as between a handful of investors and spend-thrifts in a stockbroker's office, is pure fiction when applied to a whole nation, ignorantly defend their imaginary resources as if they really existed, and thus confirm the proletariat in its delusion instead of educating it.

The financiers have their own *ignis fatuus*, which is that they can double the capital of the country and thus give an immense stimulus to industrial development and production, by inflating the currency until prices rise to a point at which goods formally marked £50, are marked £100, a measure which does nothing but enable every debtor to cheat his creditor, and every insurance company and pension fund to reduce by half the provision for which it has been paid. The history of inflation in Europe since the World War of 1914-18, and the resultant impoverishment of pensioners and officials with small fixed incomes, forces the middle classes to realise the appalling consequences of abandoning finance and industry to the direction of unskilled, politically ignorant, unpatriotic 'practical business men.'

Meanwhile, the mobility of capital leads to struggles for the possession of exploitable foreign territories ('places in the sun'), producing war on a scale which threatens not only civilisation but human existence; for the old field combats between bodies of soldiers, from which women were shielded, are now replaced by attacks from the air on the civil population, in which women and men are slaughtered indiscriminately, making replacement of the killed impossible. The emotional reaction after such wars takes the form of acute disillusion, which further accelerates the moral revolt against Capitalism without, unfortunately, producing any workable conception of an alternative. The proletarians are cynically sulky, no longer believing in the disinterestedness of those who appeal to them to make additional efforts and sacrifices to repair the waste of war. The moral mainspring of the private property system is broken; and it is the confiscations of unearned income, the extensions of

municipal and national communism, above all the new subsidies in aid of wages extorted from governments by threats of nationally disastrous lock-outs and strikes, which induce the proletariat to continue operating the capitalist system now that the old compulsion to work by imposing starvation as the alternative, fundamental in Capitalism, has had to be discarded in its primitive ruthlessness. The worker who refuses to work can now quarter himself on public relief (which means finally on confiscated property income) to an extent formerly impossible.

Democracy, or votes for everybody, does not produce constructive solutions of social problems; nor does compulsory schooling help much. Unbounded hopes were placed on each successive extension of the electoral franchise, culminating in the enfranchisement of women. These hopes have been disappointed, because the voters, male and female, being politically untrained and uneducated, have (a) no grasp of constructive measures; (b) loathe taxation as such; (c) dislike being governed at all; and (d) dread and resent any extension of official interference as an encroachment on their personal liberty. Compulsory schooling, far from enlightening them, inculcates the sacredness of private property, and stigmatises a distributive state as criminal and disastrous, thereby continually renewing the old prejudices against Socialism, and making impossible a national education dogmatically inculcating as first principles the iniquity of private property, the paramount social importance of equality of income, and the criminality of idleness.

Consequently, in spite of disillusion with Capitalism, and the growing menace of failing trade and falling currencies, our democratic parliamentary oppositions, faced with the fact that the only real remedy involves increased taxation, compulsory reorganisation or frank nationalisation of the bankrupt industries, and compulsory national service in civil as in military life for all classes, dare not confront their constituents with such proposals, knowing that on increased taxation alone they would lose their seats. To escape responsibility, they look to the suppression of parliamentary institutions by *coups d'etat* and dictatorship, as in Italy, Spain and Russia. This despair of parliamentary institutions is a striking novelty in the present century; but it has failed to awaken the democratic electorates to the fact that, having after a long struggle gained the power to govern, they have neither the knowledge nor the will to exercise it, and are, in fact, using their votes to keep government parochial when civilisation is bursting the dikes of nationality in all directions.

A more effective resistance to property arises from the organisation of the proletariat in trade unions to resist the effect

of the increase of population in cheapening labour and increasing its duration and severity. But Trade Unionism is itself a phase of Capitalism, inasmuch as it applies to labour as a commodity that principle of selling in the dearest market, and giving as little as possible for the price, which was formerly applied only to land, capital, and merchandise. Its method is that of a civil war between labour and capital in which the decisive battles are lock-outs and strikes, with intervals of minor adjustment by industrial diplomacy. Trade Unionism now maintains a Labour Party in the British Parliament. The most popular members and leaders are Socialist in theory; so that there is always a paper program of nationalisation of industries and of banking, taxation of unearned incomes to extinction, and other incidentals of a transition to Socialism; but the trade union driving force aims at nothing more than Capitalism with labour taking the lion's share, and energetically repudiates compulsory national service, which would deprive it of its power to strike. In this it is heartily seconded by the proprietary parties, which, though willing enough to make strikes illegal and proletarian labour compulsory, will not pay the price of surrendering their own power to idle. Compulsory national service is essential in Socialism, which is thus deadlocked equally by organised labour and by Capitalism.

It is a historic fact, recurrent enough to be called an economic law, that Capitalism, which builds up great civilisations, also wrecks them if persisted in beyond a certain point. It is easy to demonstrate on paper that civilisation can be saved and immensely developed by, at the right moment, discarding Capitalism and changing the private property profiteering state into the common property distributive state. But though the moment for the change has come again and again it has never been effected because Capitalism has never produced the necessary enlightenment among the masses nor admitted to a controlling share in public affairs the order of intellect and character outside which Socialism, or indeed politics, as distinguished from mere party electioneering, is incomprehensible. Not until the two main tenets of Socialism—abolition of private property (which must not be confused with personal property), and equality of income—have taken hold of the people as religious dogmas, as to which no controversy is regarded as sane, will a stable Socialist state be possible. It should be observed, however, that of the two tenets, the need for equality of income is not the more difficult to demonstrate, because no other method of distribution is or ever has been possible. Omitting the few conspicuous instances in which actual earners of money make extraordinary fortunes by exceptional personal gifts or strokes of

luck, the existing differences of income among workers are not individual but corporate differences. Within the corporation no discrimination between individuals is possible; all common labourers, like all upper division civil servants, are equally paid. The argument for equalising the class incomes is that unequal distribution of purchasing power upsets the proper order of economic production, causing luxuries to be produced on an extravagant scale whilst the primitive vital needs of the people are left unsatisfied; that its effect on marriage, by limiting and corrupting sexual selection, is highly dysgenic; that it reduces religion, legislation, education, and the administration of justice to absurdity as between rich and poor; and that it creates an idolatry of riches and idleness which inverts all sane social morality.

Unfortunately, these are essentially public considerations. The private individual, with the odds overwhelmingly against him as a social climber, dreams even in the deepest poverty of some bequest or freak of fortune by which he may become a capitalist, and dreads that the little he has may be snatched from him by that terrible and unintelligible thing, State policy. Thus the private person's vote is the vote of Ananias and Sapphira; and democracy becomes a more effective bar to Socialism than the pliant and bewildered conservatism of the plutocracy. Under such conditions the future is unpredictable. Empires end in ruins: commonwealths have hitherto been beyond the civic capacity of mankind. But there is always the possibility that mankind will this time weather the cape on which all the old civilisations have been wrecked. It is this possibility that gives intense interest to the present historic moment and keeps the Socialist movement alive and militant.

FABIANISM.

By G. BERNARD SHAW.

The Fabian Society is the name chosen by a body of English Socialists, who, in the year 1884, came together at a series of private meetings in London, for the discussion of social problems in general, and in particular of the views of a Scottish-American thinker, Thomas Davidson, who was then visiting England, and endeavouring to rouse interest in the philosophy of Rosmini. The group formed around Davidson divided, after his return to America, into two sections, one of which survived for some years as the Fellowship of the New Life, and was lost sight of. The other, more matter-of-fact, militant, and political, established itself as the Fabian Society. All trace of Davidson's influence soon vanished; but the character of the Society was determined by its origin in a group of educated persons of the professional and higher official classes, including civil servants of the upper division, stockbrokers, journalists, and propertied bourgeoisie generally, all under the age of thirty, with their careers still before them.

At that date Socialism, after a period of disrepute and almost of oblivion following the sanguinary suppression of the Paris Commune of 1871, had revived with extraordinary force and rapidity. The keenest of the converts to land nationalisation made in 1882 by the lecturing campaign of Henry George, and by his book *Progress and Poverty*, were carried on by the impetus of their conversion to the study of Karl Marx and Proudhon, and the formation of Societies of Land Nationalisers, Social Democrats, and Anarchists, all aiming at the redemption of the wage-workers from poverty, and looking to that class for their recruits, who were enlisted by public harangues at subscriptions of a penny a week, the program being to continue the process until an overwhelming majority of the workers had joined, when the Society would reconstruct European society on Georgist, Marxist or Proudhonic lines.

Such Societies, hopeless and useless except for agitating and demonstrating against the unemployment and misery of the period of bad trade then prevailing, had no attraction for critical students of the great evangelists of the movement, especially for the politically experienced ones, much less for upper division civil servants with a practical knowledge of government and administration. The Fabian Society gave these students just what they wanted: a nucleus for a Society of their own class,

and a name which proclaimed a literate atmosphere and a sane and patient temperament. Also, as the name suggested nothing else, the Society offered them an unformed constitution out of which they could make what they pleased. For several years the Society had less than forty members, who met in one another's drawing rooms and administered an income from subscriptions of less than £40 a year. There was no fixed subscription: members gave what they could afford. There was no recruiting; and excitable or eccentric applicants for membership were discouraged and, if necessary, excluded. Members had to sign a declaration that they were Socialists, and that they accepted the Basis, a document stating the aim of the Society as 'the re-organisation of society by the emancipation of land and industrial capital from individual ownership, and the vesting of them in the community for the general benefit.' To this was added 'the transfer to the community, by constitutional methods, of all such industries as can be conducted socially,' and 'the establishment, as the governing consideration in the regulation of production, distribution, and service, of the common good instead of private profit.'

The Society soon asserted its critical independence of Socialist dogma, and affirmed its constitutional and practical character. A nominally separate body, called the Hampstead Historic Society from its place of meeting, but really a Committee of the leaders of the Fabian Society, conducted a critical examination of Marx, and rejected his theory of value. This was followed by a less thorough examination of Proudhon's famous thesis that property is theft, mainly because this work had been for some reason adopted as a sort of gospel of Anarchism in opposition to Marx's *Das Kapital*, 'the Bible of German Social Democracy.' These critical exercises were then discarded; and a course of original and independent study entered upon, with the result that in 1889 the Society published *Fabian Essays*, which, first issued as a six shilling volume, was so successful that a cheaper edition was hastily prepared, and gained a large circulation which has continued steadily up to the present moment. In these distinctively English essays there is no trace of Marx or Proudhon or the earlier revolutionary veterans of 1848. The economics, consisting of Ricardo's law of rent, and Jevons's law of value, are quite orthodox. It is shown that the entry of the State into productive industry, far from being an untried, dangerous, and economically unsound innovation, is a fact already accomplished and in successful operation to an extent hitherto unnoticed. The notion of a sudden change from Capitalism to Socialism by the physical force of an insurrection is ridiculed and dismissed as 'catastrophic Socialism';

and the transition from Capitalism to Socialism is dealt with as part of the course of ordinary constitutional evolution. Heterodoxy in religion is omitted as entirely irrelevant. Socialism, in short, is presented as the creed of a constitutional political party pursuing its aims precisely as any other constitutional political party does, and involving no sacrifice whatever of current respectability and morality on the part of its adherents. This, at a time when Socialists were still very generally regarded as outlaws, and when the majority of Socialists were themselves so saturated with revolutionary romance that they protested vehemently against every attempt to open their ranks to the conventionally behaved bourgeoisie and the clergy, was a step in advance which soon became imperceptible through its general acceptance.

In the meantime the Fabians had been the first to grasp the opportunity offered to practical Socialism by the possibilities of municipal enterprise; and when the Local Government Act of 1888 was passed, and the London County Council established, they circulated leaflets suggesting questions to County Councilors in which, without any mention of Socialism, candidates were invited to pledge themselves to reforms involving various forms of direct municipal enterprise without the intervention of private commercial contractors, and to clear themselves of all suspicion of being opposed to 'moral minimum' wages or the abolition of sweating. The candidates for the new bodies, having no platform and no traditional policy to fall back on, snatched at the program thus adroitly suggested; and the policy of the supply of public needs by municipal trading, and the safeguarding of the interests of the workman by fair wages clauses, suddenly took shape in London as Progressivism. It was vigorously denounced and ridiculed as 'gas and water Socialism' by the other Socialist bodies; but it was extraordinarily successful at the polls, and retained its hold on London until the turn of the century, when the reaction towards official Liberalism which followed the South African War, and the rally of the Free Churches against the subsidisation of the Church of England elementary schools by the Education Act of 1902, enabled the old parliamentary Liberals to oust the Fabian Progressives and replace them by Liberal partisans, with the unexpected result that the Progressive Party in the Council, in ceasing to be Fabian, also ceased to be popular.

The success with which the Fabians imposed a program on the London County Council encouraged them to try their hands on the House of Commons. The method they adopted was that of Permeation, a word which they made current in Socialist and Labour politics as indicating Fabian tactics. Unlike the other

Societies, which held aloof from and excluded from their ranks members of all ordinary political bodies, the Fabians not only placed no restriction on their members as to their activity in other quarters, but actually urged them to join every other body to which they could obtain admission, in order to permeate these bodies with Socialist ideas, and persuade them to advocate Socialist measures. They had observed that, no matter which political party was in power at the moment, the Opposition was sure to be critical, impatient and clamorous for reform. On this ground the Liberals, then in opposition, were first selected for permeation. Their local associations suddenly received several active and intelligent recruits; and the National Liberal Federation presently found itself committed to a series of resolutions of an unprecedented character, which were adopted at the annual conference of that body at Newcastle in 1891, and were thenceforth known as the Newcastle Program.

The general election of 1892, which the Liberal leaders wished to fight on the issue of Home Rule for Ireland, justified the bold assertion of the Fabians that the English working-class, worse off in many respects than the Irish, 'did not care a dump' for Home Rule, and that the election must be fought on social reform. The Liberal candidates, after their first taste of the temper of the electorate, hastily distributed Fabian pamphlets, made Fabian speeches, and won by a hair's-breadth. But their leaders, to whom the Fabian Society was hardly known, and the new departure repugnant and indeed unintelligible, dropped the Newcastle Program when they took office. The result was that two years later the Fabian Society, in a manifesto entitled 'To Your Tents, O Israel,' which appeared in the *Fortnightly Review*, delivered a slashing attack on the Liberal Government, making effective use of its technical political knowledge to discount the Government's plea that the slaughtering of its measures by the House of Lords and the slenderness of its majority in the House of Commons made any progressive legislation impossible. The Fabians produced a long list of administrative reforms promised in the Newcastle Program, which needed only the stroke of a minister's pen. No effective reply was forthcoming. The Liberal leaders sulked disdainfully; and Lord Rosebery only remarked that he had said all along that the Newcastle Program was a mistake, like all programs. The Government quite underestimated the force of the blow, and in 1895 went into opposition for ten years.

This stroke made an end of the direct political influence of the Fabians. Thenceforth they were intensely disliked and distrusted by the official section of the Liberal Party, all the more as the Fabians made no secret of the fact that they had foreseen

what would happen, and that the attack on the Liberal Party was part of their original plan, which was now developed by the republication of the manifesto by way of preamble to a pamphlet entitled *A Plan of Campaign for Labour*, which laid down the lines for the formation of an independent Labour Party in Parliament.

But the long habit of regarding the Liberal Party as the party of progress and the necessary instrument of every political advance made the Fabian attack on it almost as bewildering and scandalous to the working-classes as to the official Liberals. The older Socialist Societies, still unreconciled to the new Fabian tactics, encouraged the inference that those who attacked the Liberals, except from the extreme revolutionary point of view, must do so in the interests of the Tories, probably under the influence of bribes. The plan of campaign for Labour was not taken up; and the Fabian Society could only mark time until their temporary disrepute was aggravated by the outbreak of the war in South Africa. It was assumed on all hands that the Liberal Opposition, the working-classes, and the Socialists must oppose the war as a war of Capitalism, and support the Boers as its victims. The Fabian Society, in a pamphlet entitled *Fabianism and the Empire*, unexpectedly took the opposite view, and, for reasons that were as little to the taste of the Government as of the 'pro-Boers,' gave up the theocracy of President Kruger as obsolete and impossible, and declared for a consolidated British South Africa on the lines on which the final settlement was actually achieved. The Society, already suspected of Toryism, now stood convicted of Jingoism; and the limit of suspicion and discredit with the Liberal-Labour section was reached when the war was followed by a Conservative Education Bill, which threw the support of the Church schools on the rates. This roused all the old Nonconformist hatred of the Church which had been sown by the intolerance and class bias of generations of country parsons and squires, and which found expression in the Passive Resistance movement. But the Fabians again took the unexpected line of demanding public money for the Church schools on the ground that half the children in the country had no other schools to go to, and that only by financing the schools could the State impose on them the inspection and regulation needed to put an end to their abuses.

The breach of the assumed but wholly imaginary alliance between Liberalism and Fabianism was now apparent to all parties; but in the meantime the proposal for an independent Labour Party in Parliament had been vigorously pushed by a new body, the Independent Labour Party, led by Keir Hardie and Mr. Ramsay Macdonald. As its propaganda spread, detach-

ment from the Liberal Party became a qualification for the confidence of the workers instead of a bar to it; and the co-operation of the Fabians was welcomed when the Labour Representation Committee was founded in 1900. The Fabian Society was granted representation on the Committee; and when, after the sensational Liberal and Labour victory at the general election of 1906, the Labour Party became an accomplished parliamentary fact, the Fabian Society was affiliated to it, and allowed to retain its representation on the Committee.

By that time the relative situation of the Society had altered considerably. During the twenty-two years of its existence Socialism had become Fabianised throughout Europe. Edward Bernstein, exiled by Bismarck in the 'eighties for his Socialism, had taken refuge in London; and, at the strenuous early debates of the Fabians, had heard the old doctrinaire Marxism torn to pieces, and a constitutional parliamentary and municipal Socialist program elaborated. Returning to Germany, he had divided the Social-Democratic Party by heading a Fabian revolt against the old leaders, which became known as Revisionism. Vandervelde in Belgium, Jaurès in France, and Turati in Italy had become leaders of parliamentary Socialist parties which had everything in common with the once distinctive features of Fabianism, and nothing in common with the veterans of 1848-71 whom the Fabians had superseded. In Australasia Labour parties had actually achieved parliamentary majorities, forming governments, and carrying into law many projects suggested and inspired by Fabian Essays and the long series of Fabian tracts which had supplemented them. Constitutionally, the Fabians were no longer pioneers: the ground they had broken was now occupied by the whole European centre of the Socialist movement.

Also, the Fabian leaders were no longer young men. Their personal ability had brought them work which inevitably competed heavily with the Society for their time and energy, and along with it a personal celebrity which made Permeation no longer possible for them as an unnoticed process. Sir Sydney Olivier (Lord Olivier), secretary to the Society for some years in its early days, distinguished himself in the colonial service; and finally, as Governor of Jamaica, could no longer take a direct personal part in the councils of the Society. Mr. Bernard Shaw, achieving success as a playwright, first in America and Germany and later on in England, substituted the theatre for the platform of the Fabian Society, and the prefaces to his published plays for Fabian pamphlets, as his chief means of propaganda. Mr. Sidney Webb, on his marriage with Miss Beatrice Potter, whose genius for economic and industrial investigation had already declared itself, devoted himself to the monumental series

of investigations into the history and structure of industrial democracy which are associated with his name and that of his wife, and to the foundation and development of the London School of Economics. Mrs. Annie Besant, whose extraordinary gift of oratory for some years placed any public meeting in London at the mercy of the Fabian Society, passed through Socialism to Theosophy, and from London to India. Mr. Graham Wallas, another of the Fabian essayists, became absorbed in the administration of public education, in professorial lecturing, and in sociological authorship. The late Hubert Bland found a new platform as a popular journalist. William Clarke, another very able essayist and journalist, died at a comparatively early age. The late Frank Podmore, whose studies of Owenite Socialism and its American derivatives are well known, was detached from the Society by his interest in psychical research. Mr. Edward R. Pease, who was a stockbroker when the Society was formed, became a working cabinet-maker for some years before rejoining the executive of the Society as its Secretary, thereby acquiring direct personal experience of artisan life, an adventure parallel to that of Mrs. Sidney Webb, who worked in disguise in the sweaters' dens of East London to investigate the conditions of the tailoring trade there. Mr. Pease subsequently wrote a history of the Society.

The names of these makers of the Fabian Society are important, because their subsequent careers explain how it produced an effect on the Socialist movement, and on political thought generally, out of all proportion to its numbers and apparent resources.

Largely by choosing its name happily, it attracted a handful of persons of more than average ability, with exceptional gifts of literary and oratorical expression. This concentration of talent was effected at a time when its possessors, being young and unknown, could enter unnoticed into the bodies in which they carried on their missionary work, and send their communications to the Press in the disguise of ordinary professional journalists. The work done by them during the first ten years of the Fabian Society's existence was prodigious in quantity, and has been far-reaching in its effect; but the Press of that period, pre-occupied with the Home Rule Controversy and the party routine of the House of Commons, contains no record of it. One of their number has said: 'In the strength of my youth I delivered harangues, lasting from an hour to four hours, with long discussions afterwards, during a period of twelve years, at the average rate of three every fortnight, to large audiences; and nobody took the smallest notice of them. Now I cannot make the most trivial remark without finding it misquoted in half-a-dozen papers.'

In 1903 the Society made a brilliant recruit in Mr. H. G. Wells, who called attention to the impossibility of developing Municipal Socialism within the limits imposed by our obsolete municipal boundaries. Later on Mr. Wells tried to use the Fabian Society as an instrument for the social reconstruction he had sketched in his *Anticipations*. His project was received with enthusiasm by the whole Society; but the internal reforms he proposed included the superannuation of the older leaders, whose practice in debate, and dexterity in the handling of meetings and committees, made the task of adapting his proposals to their practical criticisms too tedious and irksome for his patience. The members recoiled from so violent a break with the traditions of the Society; and Mr. Wells withdrew quietly after their refusal.

In 1907 'the equal citizenship of men and women,' always advocated by the Society, was added explicitly to its written Basis.

In 1909 the effective permeation of the Royal Commission on the Poor Law by Mrs. Sidney Webb resulted in the issue by that body of a notable Minority Report, which gained so much support outside the ranks of professed Socialists that Mrs. Webb was obliged to form a nominally new Society to push its proposals. It contains the Fabian solution of the unemployed question, and the Fabian proposals for the abolition of the Poor Law, and the redistribution and reorganisation of its functions.

By this time Parliament was attempting to solve in its own way the social problems which the earlier Fabian propaganda had forced into English public consciousness and into colonial legislation. The Society consequently found itself occupied in severe criticism of the Government's methods, notably in the case of the Insurance Act of 1912, in framing which the Chancellor of the Exchequer ignored the investigations and proposals of the Fabians and their school, and went to Germany for his model, reproducing all the inconveniences and mistakes of the German experiment, and provoking a vehement agitation which threatened to wreck his party at the general election. The old Fabian plan of prompting the politicians was useless now that Ministers were taking up Socialism in a crude form, and going to work upon it with a determination to owe nothing to the Fabians, who had become impatient of the want of skill and knowledge shown by the party politicians, and somewhat dictatorial in their solutions of the problems affecting the standard of life of the working classes. The old wire-pulling had therefore to be dropped and replaced by public prompting; and this involved control of a weekly review of high political and literary quality, capable of doing for collec-

tivism what *The Spectator* and *The Nation* were doing for Unionism and the higher Liberalism. The Fabian leaders accordingly founded *The New Statesman* in 1913. The supplements on social questions, which were the distinctive feature of this weekly review, were really a development of the Fabian tracts. There was no formal official connection between *The New Statesman* and the Fabian Society; but as the staff and directorate were predominantly Fabian, *The New Statesman* was really a creation of the Society, and was its public mouthpiece until, in the course of time, it inevitably developed a journalistic individuality of its own. The Society's official organ, *Fabian News*, is a monthly sheet which has existed since 1891, and has no circulation outside the Society.

The war of 1914-18 affected the Society favourably by compelling the Government to supersede private commercial enterprise in several directions by direct State control, and to save the banks by guaranteeing the foreign exchanges; steps which could not have been proposed and accepted, virtually without protest, but for the extent to which the Fabian Society had educated the public and the official classes to resort confidently to State action in spite of the traditions of the Manchester school. The unprecedented taxation and super-taxation of property for the support of the war was also in line with the Society's propaganda. The war, however, revealed the political futility of international Socialism, and the helpless nullity and ignorance of British Socialism and Labour in the sphere of foreign policy. The Fabian Society, therefore, turned its attention for the first time to the subject of what it called super-national law and political organisation, and produced, through the International Agreements Committee of its Research Department, plans for a supernational legislature and tribunal which were published as supplements to *The New Statesman*. In the meantime it identified itself, by a series of six public meetings held in London, Mr. Bernard Shaw being spokesman, with his propaganda of equality of income as the economic goal of Socialism, but without committing itself to this article of faith.

A general survey of the Society's activities after the detachment of Labour from Capitalist Liberalism in Parliament, and its establishment there as an independent party, with an independent national political organisation, shows the Fabians as gradually disentangling themselves from the wire-pulling and tactical intrigue forced upon them in the last decade of the 19th century by the necessity of working through hostile parties in Parliament, and outwitting them, and by the fact that at that time they alone, among the organised Socialists, knew enough of the arts of government under our system to be qualified for

the work. This disentanglement was motived by the desire to get back to the true function of the Society in the investigation of social conditions, and the study and practical solution of the problems raised by them. The Society's centre of gravity became its Research Department, in which some of the older leaders, who had withdrawn more or less from the general management of the Society, for a moment resumed their activity side by side with the younger generation. For a few years this body worked with feverish energy as the intelligence department of the Labour Party during the great railway and coal-mining strikes which followed the war; but the sympathy of some of its most energetic young members with the Russian Bolsheviks produced a split which ended in their defection, and in the formation of a new Research Department by the Labour Party, which virtually absorbed and superseded the Fabian Department. The general election of 1922, at which Mr. Sidney Webb entered Parliament as a member of a greatly reinforced Labour Opposition, marked the final transfer of the political activities of the Fabian Society to the front benches of Labour in Parliament.

The Society, nevertheless, maintains its existence as a relatively small and select body of constitutional Socialists, informing and prompting other bodies and public opinion, and acting through them whenever possible. Many of its numerous tracts have become obsolete through the passing of their proposals into law; but some of the earliest are still in active circulation. Local Fabian societies have been formed in the provinces. Of these the oldest and most important is the Liverpool Fabian Society. Fabian Societies with a continually changing membership, existed for many years at the Universities; but most of these became University Labour Clubs after the war. The number of persons distinguished in the literary and political world who have at one time or another been members of the Fabian Society is considerable; and though some of them may now regard the experience as a sowing of their political wild oats, the share taken by the Fabians in the education of the generation which followed that to which their leaders belonged has left its mark on political history, and will probably continue to influence it more or less until the Collectivist reaction against the Manchester School is consummated or exhausted.

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
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