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# **THE POLITICS OF CAPITALISM**

**BY**

**J. T. WALTON NEWBOLD, M.A.**

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# The Politics of Capitalism.



WHILST the capitalist system of production, as we understand it to-day, with its factory industry, its gigantic undertakings, its wonderful mechanism of manufacture, its infinite variations, its intricate connections and its ever-growing army of wage and salary earning workers, may be said to be the creation of the last century and a half, the private appropriation of land, the accumulation of commodities and their use of capital, the far-reaching exchange of the products of wage-workers, and the development of a considerable class of "free" labourers, had a much earlier origin, and had become the characteristic economy of this country at least two centuries before the Industrial Revolution. In studying the nature of British political-institutions, the origins of this country's traditional attitude towards Sea Power, in the matter of the Empire and of Ireland, the beginnings of the land problem and the establishment of those vested interests which impose a legal check upon all forward movements, it is imperative to look further back than the period of the great technical inventions and the rise of machine industry. There are, indeed, diplomatic papers in the keeping of the Foreign Office, dating to the 17th century, and affecting the Newfoundland Fisheries, which are not yet available to the student, and which are jealously guarded in the event of their being required in future international conversations. The main features of the Constitution were the product of 17th century class-struggles fiercely contested to obtain legal sanction and armed authority for certain forms of property of a revolutionary nature. The pillars of Society, the venerable families whose services to the State fill the chronicles of fawning historians, the ancestors of the Conservative leaders of to-day, the respectable lineages whose title-deeds are frequently the insubstantial assumptions of divine ordination, all those elements whom the upstart recruits of trade and

finance reinforce and honour for the repute and immemorial sanction that they bring to property were, themselves, the fortunate beneficiaries of political rebellion and social revolution. Their real estate, their official dignity, their clutch on the public purse, their ecclesiastical settlement, their governmental institutions, the ideological myths that they invented and promulgated as first principles of Justice, Right and Liberty, were all the gains of a successful assertion of class-domination, founded on force, and achieved by the most ruthless, corrupt and bloody expedients. The Marxian Socialist accuses the State, the governing class and their lick-spittle scholastic apologists at the judgment bar of history, and draws his mass of evidence from the records of their infamy or their hypocrisy.

When the Feudal system had collapsed during and after the Wars of the Roses, the Tudor Kings and their statesmen built up a powerful national government drawing its authority from the Crown and, in name only, depending on the sanction of the Lords and Commons "in Parliament assembled." Amongst the achievements of the Tudor monarchy was the detachment of the Church in England from the political Church Universal or Church of Rome, and its re-organisation as a department of State with the King as "Supreme Governor on Earth." Following upon this revolutionary act, the Crown confiscated the lands and properties of the great Religious Houses or Monasteries, retained a few of them for itself, but sold or granted by far the greater number to the gentry and nobility, who thus came to have a vested interest in the maintenance of the Established Church and the Royal Supremacy. Crown and landowners next proceeded, in more or less legal guise, to appropriate common lands, wastes and charities, and to consolidate their economic and political power. The landed class, if they could no longer wield feudal authority in manor and lordship, became the local administrators in the new national State system, presented the clergy to their livings, and invested "squire and parson" with the glamour of English Nationalism. In Scotland, the laird and the minister—at any rate, outside the Highlands—assumed an equivalent authority.

This economic basis of Anglo-Scottish patriotism drew the two "nations" together and, at the same time, caused both Anglican and Catholic landowners to unite in defence of "Land and Liberty."

## "THE GLORIOUS REVOLUTION."

The disposition of the Stuart kings to treat the Realm as an estate and to build up a centralised despotism, protected by a standing army and the Divine Right of Kings, soon encountered the violent hostility of the merchant and farmer classes. The former experienced and appreciated the fact that the King wanted ready money, ample credit and the Divine Right of taxing and borrowing to any amount. The yeoman farmers were by no means sure that an Absolute Monarch and a Court of favourites like Buckingham would not set to work and expropriate the small landowners in the interests of the nobility. They disliked the ceremonial, creed and government of the Established Church as it existed, and wished to make it reflect their interests and ideals. The King and the larger landowners finally came into collision with the merchants and small landowners, the Monarchy was overthrown and then the merchants and the farmer and shopkeeper elements wrangled through the Commonwealth and the Protectorate, the former relying on Parliament and the Scottish Presbyterian landowners, who shared the religious outlook of the London merchants, and the latter resting on the Army. This divided dictatorship of the middle-class failed, and the richer merchants and the landowners brought back the king. The landowners obtained from Charles II. the abolition of their feudal tenure and made their ownership of the soil, virtually, absolute. The landowners and Charles ruled England and Scotland together. When, in 1689, the King was again expelled for tampering with the Exchequer, Municipal Rights and the Landlords' Church, the merchants and the landlords brought in a German-Dutch prince, caused him to grant or sell the Crown lands for an old song, settled the land tax that they should pay, lent the Crown the millions to defend the new Constitution, made themselves the perpetual creditors of the people by means of the National Debt, set up the Bank of England, and so established on a firm foundation the financial oligarchy who, with the landed magnates, were to rule the country for the next century and a half. Such was the "Glorious Revolution." It was the coping stone, the culmination of the great struggle for Right, the Right of Property in Land and Credit. By a violent upheaval, following on civil war, rebellion and the execution of one sovereign, the propertied classes of this country obtained the Consti-



tution, the legal sanction and perpetuation of their continuous usurpations. The landed, financial and mercantile classes henceforth governed Britain through the Cabinet (their informal executive committee), the House of Lords, the House of Commons (packed with their paid men), an Army and a Navy controlled and officered by themselves, and a Judicature acting for their King . . . a king "made in Germany."

### **RULE, BRITANNIA—BRITANNIA, RULE THE WAVES.**

From the time when the members of the landed class settled down to develop their English estates, and certain commercial magnates began to defy with success the restrictions on freedom of trade and employment imposed by the Guilds in Corporate Towns, the manufacture of woollen cloth assumed a capitalist character and the rearing of sheep became a business proposition. Contemporaneously with this change in economic conditions came the discovery of America, the enormous increase in the amount of gold in circulation, and the opening up of lucrative trading, colonising and planting opportunities in India, the West Indies and elsewhere. The gentry of the West and the merchants of London embarked on the overseas traffic with the utmost enthusiasm, bringing to their commercial rivalries an intense religious fervour and patriotic sentiment. From the reign of Elizabeth onwards, there is overwhelming documentary evidence of the connection between the woollen and clothing industries and the voyages of adventure and speculation. "Political and commercial considerations," says the *Cambridge Modern History*, "were so closely mingled at the opening of the seventeenth century that it is difficult to distinguish the trading enterprise from the military ambition of the period." The Navy League to this day has no more popular saying than that of Sir Walter Raleigh, "Whosoever commands the sea commands the trade, and whosoever commands the trade of the world commands the riches of the world and consequently the world itself." That became, to all intents and purposes, the watchword of English statesmanship in all that concerned foreign relationships, and is of immeasurable importance in that, to the present time, it remains, must remain and ought to remain the guiding policy of all who would perpetuate capitalism in this country.

The Court, the nobility, the gentry and the commercial and shopkeeper classes all participated in short or long-date joint-stock trading or colonising projects to West Africa, Virginia, Russia, China and elsewhere. Out of these developed the great Chartered Companies, like the East India Company and the Hudson Bay Company, which used the political and military power of the British State to defend and to advance the interests of their immense monopolies, and exercised sovereign rights over vast territories in Asia and America, exploiting the natives and extending their traffic by the most shameless oppression and debauchery. They and their servants wielded a sinister and corrupt influence in domestic politics, and were the prime instigators of war with the governmental patrons of rival traders, whether Dutch, French or Spanish. Trading, privateering and war were almost indiscriminately the business of the 17th and 18th century sea-captains and shipowners. Slave-trading was a lucrative and honourable traffic indulged and shared in by the shipping, mercantile and landed classes. Many a respectable family in the neighbourhood of Liverpool, Lancaster, Bristol and Glasgow swelled its rent-rolls and gains of commerce with the profits of the negro-market and the indenture money of kidnapped English and Irish labourers. Their politics were directed towards enforcing the exclusive trading rights of British and Colonial shippers between the several parts of the British Dominions, protection and bounties for the native corn-growers, and measures calculated to make the West India Plantations, the Colonies and Ireland buyers of British manufactures and sources of supply of raw materials. The entire landed, mercantile and financial elements of this country utilised the political power which their property placed in their hands to promote what they deemed to be their economic and social interests, whether affecting the tenure of their land, the incidence of taxation, the increase of the public debt, the conduct of foreign trade or the confiscation of the properties of those who had no political standing and no social capacity for organised resistance.

## **IRELAND IN LABOUR'S HISTORY.**

Throughout the seventeenth and into the eighteenth century, these interests, not excepting the Cromwellian "fighters for freedom," robbed the Irish people of their tribal

lands, swept them into the wilds of Connemara, Donegal and Kerry, and made of the Emerald Isle a great domain of the English ruling class, of such hereditary exploiters and reactionaries as the Castlereaghs of Londonderry and the Lascelles of Lansdowne. From that time onwards, the Irish problem became the bane and increasing curse of British politics. When, in addition, the English manufacturing and mercantile interests used their political power to cripple and almost to destroy the woollen manufactures of Ireland, and the landed class insisted on the unfailing export of Irish corn to pay their rents regardless of the famine that stalked abroad, the Irish proletariat was driven to Lancashire, to Lanarkshire and to the slums of London and the mining areas to act as "blacklegs," and to spread racial and religious strife (a strife which the cotton-masters of Glasgow and the iron-masters of Monmouthshire deliberately fomented) amongst the working class. In Scotland, the landowners, having degraded the colliers into serfdom by Parliamentary enactment, set themselves to cultivate the linen industry and flax-growing by private and, then, by public subsidy, first in the Lowlands and then in the Highlands, which they "cleared" (i.e., stole) from 1745 onwards. "In the 18th century," says Marx, "the hunted-out Gaels were forbidden to emigrate from the country, with a view to driving them by force to Glasgow and other manufacturing towns."

So, in England, in Scotland, and in Ireland the landed class, farming or leasing their estates for profit, robbed the peasantry of their clan properties, of their holdings, and of their commons by force or legal fraud, threw farm to farm, and drove the rural population to the towns and cities, exported them (if we are to credit Defoe) compulsorily to the West Indies, to North America, or else recruited them into the Army and the stinking hulks of the Navy to police their fellows and widen the bounds of their masters' "Liberty"—the liberty to exploit!

Hitherto, we have been concerned with the earlier phases of British capitalist politics, phases which, however remote they may appear to be and however alien to our present-day experience, nevertheless left us a heritage of difficulties and endowed us with institutions, traditions and vested interests which, to this day, reinforce with stubborn relentlessness and an appearance of hallowed endurance, the mushroom tyrannies of industrial capitalism. Now, we must come to

the nineteenth century, which witnessed not only the completion of what is known as the Industrial Revolution, *i.e.*, the conquest of production by the machine and the resulting subordination of the human agent to the accumulated creations of social labour, but, also, the political triumph of the owner of the machine. That victory, won after a prolonged struggle against the owners of land and the vested interests of the Old Colonial System, the Services, and the East India Company, brought about a striking change in the attitude of mind of the industrial capitalist class towards all those institutions and ideas which it had formerly assailed with such vehemence and indignation.

### **IN THE BEGINNING—LIBERALISM.**

Liberalism, which had been the political creed of the manufacturers during their rise to economic supremacy within the social system, began to evaporate as soon as that supremacy obtained for them the political and social status which they had abhorred as the privilege of the landed interests and their official representatives. The enthusiasm which they had displayed for breaking down all barriers of caste and all bulwarks of conservatism; their ardent championship of oppressed minorities and of backward races; their passion for freedom of conscience and of enquiry; their antagonism to the hereditary principle in government, to nomination and to patronage, whether in Church or State, all these began to wane as soon as their forms of wealth secured social recognition and they won political power for themselves.

It had early enough become apparent that the new employing class, however generous its sentiments and however eager its efforts to liberate the West Indian negroes, was not prepared willingly to grant freedom of combination in Trade Unions, to further the passing of the Factory Acts, to extend the Parliamentary Franchise to the workers, or, thereafter, to encourage direct Labour representation on public authorities. Exceptions, of course, there were, but the capitalist champions of Trade Unionism were extremely rare before the passing of the Second Reform Bill in 1868 gave to the members of the growing craft and trade unions the right of voting at Parliamentary elections. Again, the opposition to State interference and public enterprise which the middle class politicians professed did not long cause them

to run counter to capitalist requirements in such services as Police, Education, Public Health, Post Office, Telegraphs, etc. What opposition they raised, was directed more against wasteful expenditure and irresponsible (*i.e.*, upper class) control than against the continuous infringement of the principle of *laissez faire*. Their agitations against the Corn Laws, against Church Rates and Tithes, against Land Laws and Royalties, were not promoted so much by the belief that "God gave the land to the People" as by their conviction that there was no reason why they as capitalists should give a slice off their profits to anybody else. Tariffs on foodstuffs and raw materials; Navigation Laws, restricting the free import of goods at the lowest freightage; Protection, increasing rents and, hence, the price of land, all increased the cost of production and subtracted from the share of surplus-value which should have gone to the capitalists. Taxation for the maintenance of the Empire, the Army and the Navy, bit heavily into their net profits without appearing to give them in return anything of commensurate advantage. They could sell cotton, hardware and other manufactures just as well in foreign countries as in British possessions. The more sources of supply they were free to choose from, the cheaper could they produce and the more money could they make. It was not really sordid. It was merely common sense. Common sense from their point of view, of course, but not from the point of view of the cotton growers, cotton brokers, landowners, farmers, and the naval and military classes who continued to think after the manner of their fathers in the preceding period. To these, the triumph of the "Radicals" meant "the end of all things," that is—the end of all things fashioned by their most moral and constitutional forefathers to promote the interests and to express the ideology of their class.

### **HIS HOLINESS, FREE TRADE.**

The manufacturers, whether engaged in making articles of consumption or means of production, perpetuated the political ideals with which the landed and mercantile interests had, themselves, set out and which they had moderated on their accession to power during the 18th century. They brought these ideals once more into national prominence, in a more pronounced and, apparently, more sincere form, a form of ideas which had become *principles* during the generations when the farmers and small shopkeepers (the



ancestors of this class), found therein the natural expression of their interests and inclinations. They had come to politics with the ideals of their past, with their prejudices and their aspirations, resolved to mould the national life on their own pattern, and to reshape the economic policy of the State so as to promote the interests of their class, which naturally seemed to them synonymous with the interests of Humanity. They had desired freedom to utilise the new contrivances, by means of which it had become practicable to increase the very limited powers of manufacture; freedom of access to the land as the storehouse of minerals and the treasury of food, and freedom to exchange the products of industry. They desired equality of opportunity without let or interference from without. They wished to increase their wealth from the superfluity of others, and give of their surplus to supply the others' need. Such being their desire, their motto became, in varying notes of expression—"Liberté, Égalité, Fraternité." Peace appeared to them to be the great ideal. War was just a great disturbance of the world, holding up all their business, ignoring all their concerns, waged between those who would, in any case and whatever the issue, be sure to oppress them or burden them with taxes.

So they thought, this new capitalist class, at the outset, and in the first stages of the Industrial Revolution. For quite sixty or seventy years, continuous improvements in technique—in the manufacture of textiles, in the application of power, in the raising of coal, in the fabrication of iron, in the construction of machinery, and in the improvement of the hitherto execrable means of communication, enabled the manufacturers to balance supply and demand, production and consumption. Capital never lacked, for any length of time, some outlet, some means of expression. It was a long time before "output" failed to find a market. British capitalists had the world market almost entirely to themselves. The gravest problems, in the first half of the 19th century, were how to obtain cheap and abundant raw material for the machines and cheap and abundant food for the "hands." Hence, the Anti-Corn Law League.

### **FROM COTTON TO COAL AND IRON.**

All through this first period the manufacture of textiles continued to be the most influential industry. Out of its needs for better means of obtaining raw material, fuel,

machinery, and marketing the product, came the canals and the railways. These latter, for the first time, brought the landowners into alliance with the industrial capitalists and united accumulated rents with accumulated profits in new forms of capital, such as railways, coal mines, and iron works. Hitherto, the older social class had had no direct share in industry. Even in woollen and linen manufactures its interest had been remote from the process of manufacture. The ideas of the landowners had no influence within Textile Capitalism. When cotton had taken the place of wool as the chief textile that form of capitalism had become completely divorced from the reactionary and conservative forces in the nation.

The railways, as such, attracted the landowners and, by their demand for iron and coal, as well as by the indirect stimulus they gave to this demand by increasing enormously the volume of trade, led owners of rich and extensive mineral properties to develop these for themselves or else to join with capitalists in forming joint stock enterprises to exploit them. The Duke of Devonshire in Furness, the Marquess of Bute in Glamorgan, the Marquess of Londonderry in Durham, the Earl of Dudley in Staffordshire, the Earl of Fitzwilliam in Yorkshire, and the Earl of Ellesmere in Lancashire, were conspicuous among their peers in the acumen which they showed in developing the mineral wealth of their lands, but they were not unique in this respect. The landowners were not all content to draw royalties and charge way leaves. Some of them chose to become industrial as well as agrarian capitalists.

At the same time that the landowners were becoming industrialists, the more prosperous industrialists were beginning to invest their enormous profits in mining royalties, iron works, coal and salt mines, and engineering, railway and harbour schemes. The Houldsworths, of Nottingham and Lancashire, became coal and iron magnates in Lanarkshire; the Peases, of Darlington, became coal masters in Durham and iron-stone owners in Cleveland, railway promoters at Stockton, and engineering capitalists at Newcastle; the Brights, of Rochdale, became great shareholders of the L. and N.W. Railway. Five great Manchester merchants capitalised Bolckow Vaughan and Co. Other Manchester magnates assisted the coal and iron masters of Sheffield, Ebbw Vale, Furness and South Yorkshire.

## THE WORKSHOP OF THE WORLD.

The new wealth of the manufacturers and the prosperous merchants and landowners found a ready use in financing the great railway companies and in capitalising the undertakings which sprung up to provide the rails, rolling stock, and general equipment which these new developments required. The increasing need for the best quality of machinery for durable rails, plates and other forms of ship and merchant iron, and for augmenting the output of the raw material, provoked an immense activity in mechanical invention, and technical improvement. Capital, which had, hitherto, flowed into textiles and the manufacture of other articles of consumption, now poured into the iron, steel, engineering, and chemical industries.

After the British railway systems had been virtually completed, and other forms of demand no longer sufficed fully to employ these enterprises, foreign countries offered an outlet for our engineering equipment as they had already done for our cotton goods. Moreover, the eminent desirability of carrying manufactures in greater volume, into new and undeveloped markets, led British capitalists to promote steamship, harbour and railway services in parts of the world which knew not the cultural delights of the Oldham mill hand and the Dowlais puddler. For thirty or forty years, the Coatbridge ironmasters, the Govan shipbuilders, the Birmingham railway contractors, the South Wales metal and chemical manufacturers, the Sheffield bridge-builders, and the Manchester toolmakers, experienced little more foreign competition than the Lancashire cotton shippers, the Paisley thread makers, and the Tyneside coal exporters. There were, as yet, no Germans and few Yankees, to challenge their commercial supremacy. The French, occasionally, slipped in and secured a valuable contract or obtained a large order for locomotives, ships, engines, or public works. But, speaking generally, the markets of the world, of Europe, and certainly of this country, remained a British domain. Throughout the first century after the Industrial Revolution, therefore, the British manufacturer had no occasion to summon the State to his assistance against the foreigner. His political and economic antagonisms were strictly domestic. His quarrels were with the landowners, who used their proprietors' monopoly and their political privileges to deprive him of profits and to trans-

form them into rent, or with the wage-workers, who desired a larger share of the product of their labour.

In the last quarter of the 19th century, however, a peaceful Europe and a vigorous America began to supply their own peoples, to manufacture not only articles of consumption, but also means of production, to erect tariffs against foreign imports, and to give bounties to their own manufacturers, to provide millions for education, and to nationalise their means of transit. Gigantic State munition programmes and such revolutionary technical improvements as the discovery of liquid fuel, of aniline dyes, of new explosives and chemicals, of electrical engineering, of the Siemens and Gilchrist Thomas methods of making steel, enabled German and American industrialists rapidly to overcome their initial handicap of scanty experience and inadequate capital. The force of these economic changes gradually exerted itself and effected a slow but subtle and continuous modification of the Liberal, Pacifist, and Humanitarian views of the British capitalist class.

## MISSIONARIES OF EMPIRE.

In Egypt, where the new tendencies first displayed themselves, the financiers of Britain and France were readily able to excite the traditional hostility of the Imperial, Military and Naval interests of their respective countries and to command official support. Britain's rule in India and the prestige of France as a Mediterranean Power were the questions which immediately loomed up on the international horizon. Britain occupied Egypt to protect the property of her subjects and to re-organise the finances of that badly-governed land. She had to undertake the pacification of the Soudan. She had to arrange for its future government and development. Every fresh missionary effort of capitalist civilisation sunk more and more British money in the Nile Valley in the form of railways, barrages, irrigation works, roads, factories, steamships, mines, cotton-fields, etc. All these demanded security, police, the assurance of regular dividends. Against its will and contrary to its noble aspirations, the British Administration was bound to Egypt by links of gold and chains of credit. Shareholders in finance corporations, railways, shipping companies, capitalists of every kind, came to have

a vital interest in the indefinite postponement of our statesmen's promise to evacuate Egypt.

The Egyptian affair was only the beginning of a new era of colonial expansion and imperial aggrandisement wherein the industrialised nations of the Continent participated. The impossibility of selling the colossal output, of which the continuously improved machinery of modern production was capable, upon the home markets of Britain, France, Germany, and other capitalist countries, drove the owners of surplus value to develop new fields of enterprise and fresh spheres of investment. The "awakening of China," also, found many early callers eager to supply the Celestial Empire with every requirement of civilisation from dram-shops to locomotives and machine-guns. Loans to the Government for administration, army, navy, and indemnities, capital for the construction of harbours, railways, and the development of mines and forests were offered to the Chinese in return for concessions, security of interest and official favour. The capitalists, behind all these earnestness of Western goodwill, looked to their respective Consuls, Ambassadors, Foreign Offices, armies and navies, for support and assistance in the competitive struggle with the capitalists of other countries. The great forerunners of the capitalist redeemer were the land surveyor, the railway engineer, and the mining prospector. These, together with their staffs and property, had to be protected against native prejudice and disorder. It was astonishing what a mighty difference the security of foreign investments made in the outlook of the erstwhile Liberals of Western Europe. A falling rate of interest and foreign competition completely altered the views of the manufacturers of this country in regard to Colonies, the Rights of Backward Peoples, and even Free Trade.

## STEEL AND STRIFE.

But the difficulty of disposing of the enormous increase in the output of steel, which took place between 1879 and 1903, was the most powerful factor in inducing the Liberal, Free Trade and Pacifist capitalists to abandon their century old traditions and humanitarian proclivities. Between 1878 and 1884 Germany became able to supply her own needs in pig-iron, and between 1882 and 1892 her production increased 46 per cent., while that of Britain declined 22 per cent. In



the same period German iron and steel exports rose 11 per cent. and British exports declined 37 per cent. Between 1880 and 1902, German pig-iron output rose from 2,729,000 tons to 8,403,000 tons and German steel output from 625,000 tons to 6,394,000 tons. In 1880, the U.S. produced 3,895,000 tons of pig-iron and, in 1903, nearly 20,000,000 tons, whilst the steel production of the latter year exceeded that of the rest of the world. In 1902, British pig-iron output was only 114,000 tons ahead of the German, whilst the steel production was 1,385,000 tons behind. In five years during the "nineties," the production of German basic steel increased 50 per cent., and in 1895 the Bessemer steel output of the Carnegie Works equalled that of the whole of Britain. In January, 1902, the "Iron and Coal Trades Review" spoke of "the German Iron Deluge of 1901," and in the early half of that year German pig-iron exports exceeded imports by 330,000 tons. In the same year, the United States Steel Corporation was formed, and in 1903 the Stahlwerks Verband, or German Steel "Ring." In the autumn of 1903, Joseph Chamberlain, of Birmingham, and the iron and steel interests of Sheffield and Glasgow launched "Tariff Reform." That was the climax of the growing British metallurgical revolt.

The intervening period had been marked by the Navy scares of 1884, 1889, 1894 and 1898; by the Naval Defence Act of 1889, which was "so framed," said Lord George Hamilton, "as to bring into world-wide prominence the incomparable power of this country and its enormous resources"; by the Egyptian, Spanish-American and South African Wars; by an enormous extension of European Colonial empires; by the construction of the Trans-Siberian Railway, and the schemes for the Cape to Cairo and Baghdad Railways, and by the initiation of the German Navy Laws as well as the rise of the Italian, Japanese, South American and United States Navies.

## **THE SOLIDARITY OF CAPITAL.**

The more intense became the struggle between the capitalist undertakings of the different countries to find new markets for their enormous potential output, and thereby maintain the level of those profits which would satisfy their owners and shareholders, the more rigorous were the economies which they found it necessary to practise.

Between 1885 and 1905, huge associations, syndicates, and amalgamations began to be formed in the textile, chemical, iron and steel, engineering, shipping, and other industries, until the small scale enterprise had to give place in every direction to the large business, combining great volumes of capital, many establishments, numerous branches and agencies under single management and control. These new and more powerful business organisations tended to bring together not only many firms, but also every process and every stage of production under a single head. They required much liquid capital, and offered excellent investments for all who had large sums of money to lend. Millions flowed, now here, now there, until the moneyed classes—industrial, commercial, financial, agrarian, professional, official—merged their surplus values into the vast flood of capital whose owners scarcely ever participate in its activities.

The big productive undertakings, either individually or in conjunction with their fellow giants, acquired sources and reserves of raw material in every available corner of the world. The competitive struggle compelled them to pursue the God of Cheapness, of cheap raw material and cheap labour, into every continent and over every sea. Particularly did the great iron and steel works find it necessary to safeguard their future existence and their present success by obtaining more extensive supplies of high-grade iron ore and other minerals. The American corporations interested themselves in Cuba, Mexico, and Chile, even sometimes purchasing iron from Spain, Morocco, and Sweden; the Germans and Austrians looked to Northern Morocco, the Balkans, South Russia, Sweden, and Asia Minor; the French prospected in Algeria, in Morocco, and in Syria; the Italians explored Dalmatia, Tripoli, and Cilicia, and the Japanese contracted with the Chinese for supplies from Hankow and Manchuria. The petroleum syndicates of the U.S.A. competed with the Japanese in China, and with Pearsons in Mexico; the British and German interests vied with each other in Mesopotamia, Russia, and the Far East. The cotton magnates of Europe were endeavouring to extend the area of cotton cultivation in their Governments' respective dependencies, and spheres of influence in Nigeria, Turkey, Northern Africa, and Turkestan. Lever's, on the Congo; the meat corporation in Argentina; the elevator and cold storage companies in Canada; South America, and Russia; the gold, copper and mineral syndicates in South

Africa, Mexico, Chile, China and Asia Minor ; all these and every other foreign investment and property have helped to shatter the individualism, the parochialism, and the " Little Englander " traditions of the British industrial and commercial capitalists. A similar widening of outlook and passion for Empire have possessed the capitalists of other countries as, one after the other, they have come to the point where they can no longer absorb new volumes of surplus value to transform it into sufficiently profitable investments.

## THE RADICAL ROUT.

Stage by stage, throughout the nineteenth century, the industrial capitalists conquered the legislative and administrative functions of the State, and subdued them to their will. By successive measures, now using one expedient of Government, and now another, they made national provision for elementary, secondary, technical, and university education . It was the capitalist city, borough and town councils that achieved the triumphs of municipal collectivism. When they had won political power, they lost any hesitation they formerly had in using public authority to reduce the blind anarchy of commercialism to some semblance of order.

No sooner had the new capitalist class swept away the more obnoxious barriers of caste and privilege, and found that the profits of manufacture and trade could buy the good things of this world as easily as the rents of land, the interest on national securities and the salaries of high officialdom, than it began to moderate its Radicalism. The growth of Trades Unionism, the extension of the franchise to the working class, murmurs of Socialism, and the beginnings of Labour Representation in Parliament helped to weaken the Liberalism of a great number of the capitalists. Disraeli's New Toryism, sympathetic to High Finance and imperialist in its foreign, colonial, and naval policies, threw the first span across the political gulf between Liberalism and Conservatism. Gladstone's Egyptian and Naval Armaments policies in the early "eighties" marked the first stage in the deterioration of the Liberal Party. His Irish programme resulted in the desertion of half his party, who found in this an excuse to break away from the Radicals. These secessionists built the second arch over which the capitalists could retreat in safety.

The capitalists of Sheffield, Birmingham, Glasgow, and

Newcastle adjusted their politics to the changing conditions of the steel market. Liberal Unionism formed a rallying point for these erstwhile Radicals. It became an imperialist wing of the politically organised capitalists. It acted like a magnet to the wealthy Liberals who remained with their Party, but feared the evil associations of the Newcastle Programmes. In 1894, Gladstone failed to carry his Party against the demands of the naval extremists and the iron and steel magnates, and resigned office. Rosebery and his supporters captured Official Liberalism for Finance, Imperialism and Armaments. After the death of Campbell-Bannerman, Liberalism ceased to be recognisable, except in the minor offices of the Government, and among the private members of the Party. It became more and more obviously a political mask for scheming financial sharks who sought concessions, contracts, monopolies, and titles from the demagogues and wire pullers whom they subsidised. Its leaders put forward sham Land Reforms and "revolutionary" Budgets, which kept up the appearance of a conflict between two classes—landowners and capitalists—whose economic "entente" was becoming more firmly cemented year by year. Meanwhile, at home as well as abroad, the Executive functioned to advance the interests of the capitalist class whose servant it had become. The Foreign Office worked in secret on behalf of the oil syndicates operating in Mexico, Persia and Morocco; of Messrs. Vickers when that cosmopolitan munition firm became, so unsavourily, mixed up in a bribery scandal with a Japanese admiral in 1913; of the mining companies prospecting in North Africa and in Asia Minor; and of the banking group which negotiated the loan to China. Naturally, diplomacy of this kind was conducted in secrecy. Business "deals" are not brought off in full sight of competitors. **Diplomacy, under capitalist class rule, cannot transcend the morality of the class and the system whose dirty work it is designed to facilitate.** The more acute the competitive struggle, the more unscrupulous and secretive must capitalist class methods become, whether private or public.

### **CAPITALISM TRIUMPHANT.**

So, also, with the methods of other Government Departments under capitalist control. They must and do discharge the functions for which they are maintained. The Colonial

Office furthers capitalist projects in the Colonies. The Home Office defends them at home. When the Railwaymen struck against their masters, their masters, through the Home Office, set the Army in motion. When the Leith Dockers struck, their masters, through the Scottish Office, secured the services of the Navy. When the Dublin Tramwaymen struck, their masters, through Dublin Castle, broke their heads with Constabulary batons. When the trade unionists financed a newspaper, their masters soon found a way of forbidding them to do so. It was all so easy, because the capitalist class had "rushed" the Administration, the Judicature and the Legislature. It was so much easier, in fact, because the capitalists and the landowners were inextricably intermingled. They finished their class struggle, to all intents and purposes, in the middle of the nineteenth century, and have been coming together ever since.

A new nobility has been steadily created from the ranks of the industrial and financial capitalists. In the "sixties," the Guests of Dowlais became Wimbornes and, later, the Wilsons (shipowners) became Nunburnholmes, the Mills (bankers) became Hillingdons, the Lawsons (newspaper proprietors) became Burnhams, the Tennants (chemical manufacturers) became Glenconners, and some two hundred more have left the ranks of the common people to "dilute" the House of Lords. Tories and Liberals have fused in Society, in marriage, on boards of directors, in the bureaucracy, until there are even Peases and Peckovers in the Peerage. Until recently Lord Wimborne was Viceroy of Ireland, the Northcliffes, Cowdrays, St. Davids and Rhonddas ascend from baronies to viscounties, Isaacs has risen to be an earl, whilst the venerable house of Rutland is allied with the ancient soap-boilers of St. Rollox.\* Capitalism is supreme in the councils of State. Never was there a Government so patently capitalist in composition, in ideas, and in methods as the Imperial War Cabinet and its subsidiary bureaucracy. Every day, the origins of the War, its conduct, and its avowed aims, stamp it more clearly as capitalist.

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\*It was the grandfather of the present Marquis of Granby who exclaimed:—

"Let Laws and Learning, Wealth and Commerce die,  
But leave us still our old Nobility"



## CAPITALISM UNIVERSAL.

In Germany and Austria the forms of Government, whilst they remain largely pre-capitalist, have been subdued to the service of a vigorous capitalism, which permeates the economic and political systems of the Central Powers and dominates their whole national life. The Western Allies, now including the United States, are pre-eminently capitalist in economic and social life and in their political systems. America and France each embody the idea of Capitalism in its natural political equivalent, a Republic.

Capitalism is now triumphant, both in industry and politics, not only here but also throughout Europe. The Russian Revolution completes its chain of political triumphs. It has been the continuously percolating streams of Western capital which have created the proletariat of the towns and, particularly, of Petrograd, who, together with the New Army, have overthrown the Old Régime. • Russia has not advanced to that stage of economic evolution which permits of the establishment of Socialism, but the bourgeois and, now, the proletariat have cleared the way for future development by the overthrow of Czarism.

This world-wide supremacy of Capitalism, in the economic sphere, denotes the existence of an enormously productive industrialism, which, from every capitalist country, is throwing vast quantities of commodities upon the markets, and must continue to do so, in ever increasing volume, if the rate of interest is to be maintained. At the beginning of the new century, the Governments began to reflect the alarm of their dominant class lest the channels of investment should become choked and the outlet for commodities closed. This feeling not only made the capitalists turn towards such expedients as Tariff Reform and preach to the workers the necessity of discipline and a sweet spirit of reasonableness, but caused the Governments to draw together into groups, to apportion spheres of influence, to prepare more gigantic armaments for the open warfare which they dimly perceived would come when the alarm of one or other set of capitalists made it set a swifter pace in the competitive scramble. The Governments conspired and their masters intrigued, robbed, and corrupted all whom they could exploit, friend or foe.

## THE CRUSADERS OF COMMODITIES.

War came—a War for Liberty for the Rights of Small Nationalities, for Fatherland, for the Freedom of the Seas, for the Destruction of Militarism, for all the catch phrases and illuminated sky signs with which these high-souled hucksters have pushed their wares. It is a War for Liberty—the liberty to exploit, unhindered by the other fellow's dastardly competition. It is a War to free the small nations and subject peoples from alien domination, from economic servitude to the financial interests of the other vampire, and to emancipate them by the aid of the moneylenders of Justice and Civilisation. It is a War to make the East green with the glory of Lebanon, to plant anew the Garden of Eden; to unlock the treasuries of Ophir; to fill the highways of the nations with the tumult and the whistling and the tooting of the freight train, the motor lorry, and the steamship; to festoon the wildernesses with telegraph, telephone, and electric-power cables; to erect mine-heads and oil shafts, mills and furnaces, hotels, and grain elevators to the Lord God of Profit, whose temple they have vowed to build of beaten gold that he may make his everlasting abiding place amongst his chosen people.

Such is the vision which has been revealed to the Crusaders of Commodities. The Mark, the Dollar, or the Sovereign—in that sign will they conquer. They will reinforce their victories—partial or complete—by waging an Economic War. Of course, they will! They have been doing it all along. The only difference that the proposals of the Paris Conference will make, if adopted, will be to bring the services of the capitalist States to the assistance of their respective private capitalists. What do the capitalists maintain the State for, if not to make use of it when they require it?

The Paris Proposals and the recommendations of Lord Balfour of Burleigh's Committee are a natural sequence of class rule and of the development of Capitalism. The private and anarchic War of Commodities becomes an official Economic War as soon as the capitalist class has exhausted all the other expedients to which it can resort, without running the risk of going into bankruptcy or committing suicide. Of course, these proposals, like the War, like the "spies, suborned agents, ambassadors whose business it is to cheat and *finesse*" of the diplomatic system, like armaments and all the other branches of their "sales department," will do

no more than postpone the day of settlement. Already, whether consciously or not, we cannot say, the capitalists are preparing to avoid bankruptcy by going into voluntary liquidation to the State and are appointing the Official Receiver in advance. These undischarged bankrupts (they will be in no hurry to get *their* discharge papers) will gladly see their official selves running the business of the Empire, of the Allies, or of the World.

## THE CLIMAX OF THE CLASS STRUGGLE.

The war-time experiments at the Ministry of Munitions and in the private management of National Factories, with Shipping Controllers, Labour Ministries, and all the new offices of the bureaucracy, will be improved on until we have "Socialism" without the Socialists, the "Capitalists" without Capitalism, and, probably, the Golden "International" instead of the Red International. "Militarism," and all the accompanying measures, we can take it as assured, will remain with us so long as Capitalism endures. To gird at these things and to fight them as if they were evils in themselves is no work for Socialists. The political revolution accomplished by the Compulsion Laws, the Munitions Acts, the War Governments, and the economic transformations caused by "the Engineers' War," and revealed on every hand in the last eighteen months, call for a renewal of uncompromising and revolutionary Socialist propaganda, aiming at nothing less than the conquest of industrial and political power by the working class.

There is no doubt that Capitalism is preparing the domain of its activities for the social order which will take over its inheritance of an organised and highly-productive industrial system. But, if the portents of to-day mean anything, this transformation will only be achieved after a long continued and ever more intense class-struggle extending through what are likely to be some of the stormiest years in human history. It is our business, it is our duty, it is our privilege, it is our joy, to prepare the working class for the great historic effort which shall culminate in the Social Revolution. It is coming, and the winds of evening and the red glow of this bloody sunset write anew, across the heavens, the watchword of Marx—justified and wondrous prophet of all this pageant that wends before us,

"Workers of all lands, Unite! You have nothing to lose but your chains, you have a World to win!"

# British Socialist Party

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## CONSTITUTION.

**Object.**—The object of the Party is the same as that of the Social-Democratic Parties in other countries, viz., the socialisation of the means of production and distribution.

**Methods.**—The Education of the People in the principles of Socialism.

The closest possible co-operation with trade union organisations and the advocacy of industrial unity of all workers as essential to bring about the socialisation of the means of production.

The establishment of a militant Socialist Party in Parliament and on Local Bodies, completely independent of all parties which support the capitalist system.

**Immediate Action.**—The British Socialist Party will vigorously advocate and support all measures and activities that in the opinion of the Party will strengthen the workers in their fight against the capitalist interests.

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The B. S. P. has branches in all the principal industrial centres.

For particulars of membership write to:—

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