

OBSERVATIONS REGARDING SOME ECONOMIC ASPECTS

OF THE

EISENACH SOCIAL EQUALITY PROGRAMME.

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In my previous contributions to the Royal Society of Tasmania dealing with many "Root Matters in Social and Economic Problems," I have elaborately dealt with questions touching the conditions affecting the production, accumulation, distribution, and consumption of wealth. These, together, occupy too large a field for even a passing review in a simple address, and therefore I have restricted my observations this evening to "Wealth and its Distribution," as at present in the United Kingdom and in the Common wealth of Australia.

Before dealing with this aspect of what is deemed to be a most important part in all socialistic programmes, it is absolutely essential that we should at the outset understand the true meaning of the terms in use. For example, even if we exclude (as we must do to reason correctly) the free or unmonopolised gifts of Nature—such as air, rain, and sunlight,—which form no element of "price" or "exchange value," there are still, at least, three different conceptions of the phrase, "The Wealth of a Country," the lack of a precise grasp, of which, is the rock upon which the extreme wing of the Socialists of the Eisenach, Gotha, and Halle type become wrecked in confusion and absurdity.

The Statistician's "Wealth" may mean either private (*i.e.* individual wealth), public or State wealth, or both; but in any case, it rarely embraces more than one-third of the real labor or monetary value of the total "Wealth in Exchange" of the exact Economist; and certainly

seldom more than 2 to 3 per cent. of the corresponding total *capital value* of the true wealth in exchange intended for actual consumption and enjoyment by either capitalist or wage-earner.

The so-called "Statistician's wealth," to which attention of Social Reformers of existing individualistic democratical organisations is invariably restricted excludes the primary source of all wealth in exchange (consumable wealth) *viz.*, the existing productive personal services of man (Karl Marx's labor unit), although the annual monetary effective value is fully three times as great. For example, in Tasmania the annual value of wealth produced and actually devoted to consumption and personal enjoyment or satisfaction is estimated at present to be equivalent in money to £7,796,000. This annual wealth, mainly the direct product of man's personal services and of his auxiliary machinery of production, must therefore have at least a bona fide capital value of, say, £155,920,000; whereas, at most, the fixed capital wealth, the Statistician's wealth, or the inanimate and other forms of the auxiliary tools and machinery of production, only amounts to about £40,000,000, or merely 25·65 per cent. (nearly a fourth) of the actual wealth available to capitalist and wage-earner alike for the purposes of consumption and enjoyment.

Similarly we have for the following countries a corresponding analysis of their wealth accordingly, as we refer the term to two very widely differing conceptions to which the same phrase or term is often loosely applied;—

THE WEALTH OF THE COUNTRY.

	AUXILIARY.		CONSUMABLE WEALTH.	
	Tools and Instruments of Production (Capitalist's or Fixed Wealth).		The Product of Current Labor, Skill and Auxiliary Tools of Production.	
	A	B	C	
	Capital Val. Mil. £.	Annual Val Mil. £.	Capital Val Mil. £.	Annual Val. Mil. £.
ABSOLUTE.				
United Kingdom	15,000	750	35,000	1,750
Commonwealth of Australia	912	45.6	3,706	185
Tasmania	40	2	155.9	7.8
CENTESIMAL.				
	Per Cent.	Per Cent.	Per Cent.	Per Cent.
United Kingdom	42.87	2.14	100	500
Commonwealth of Australia	24.60	1.28	100	500
Tasmania	25.65	1.28	100	500

WEALTH IN CONSUMPTION.

When the Socialist complains of the unequal distribution of wealth, such is the confusion arising from the various applications of the term, that he is often misled by references to facts which have, at best, only a partial relation to the subject to which his attention is particularly directed.

If he bases his conclusions on the "Statistician's Wealth," and especially so when restricted to the Statistician's Estimates—of the capital value of the private wealth of the country—he is sure to be misled; for the Statistician's figures do not embrace any element of wealth which, during the year, is utilised or devoted to the immediate consumption or satisfaction of man, nor for the immediate consumption of man's auxiliary

aids and instruments engaged in the work of reproduction.

They are confined strictly to those articles of wealth which are fixed or set apart from consumption as instruments for the production, transfer, modification, or protection of the current year's consumable goods and satisfactions for man himself; and also for the current year's supply of consumable goods, required as food, renewals, repairs, and shelter by man's instruments, whether animate—as horses, cattle, sheep—or inanimate—as in the coal, oil, and other materials required for the production of energy in his engines and machinery, engaged constantly in the production, transfer, or modification of the essential utilities of man's life—viz., food, transport, shelter, warmth, clothing comforts, luxuries, ease.

Moreover, the Statistician gives the capital value of these instruments; and therefore no just comparison between this personally non-consumable part of a nation's wealth can be made, until the several parts of the total wealth are stated in a corresponding measure of monetary or exchange value.

For if we capitalise the value of fixed instruments, we should also for comparison capitalise the annual production of wealth—also annually:—

- (1) Distributed and consumed; or (2) annually converted into fresh fixed auxiliary producing, transporting, modifying, or protecting instruments.

Thus, although the capital value of fixed instruments in the Australian Commonwealth is estimated at 912 millions, it only represents 24.60 per cent. of the corresponding capital value of its annual production of fresh wealth of consumption; for although the annual value of the latter only represents 185.34 millions, its capital value represents a sum £3706 millions, or 4.06 times the value of the Statistician's wealth of lands, houses, machines, and other fixed forms of the mere producing agencies.

Even while it is admitted that the element of national wealth contained in the fixed producing instruments (viz., 24.60 per cent.) may be confined to the ownership—not consumption—of a comparatively small number of the community, this circumstance does not afford the

slightest information as to the distribution of the fruits of the various producing agencies, among which man's current directing as well as current muscular services play a prominent part; and it must not be forgotten that the latter, together with the "anterior labor" and skill of man now currently stored or incorporated as de'ached claims in auxiliary producing instruments, constitute the main elements which give price or monetary value to the current wealth in exchange, produced, whether for consumption or for fixed uses of future production.

From such obvious considerations we are able to detect the common fallacy among Socialistic writers and others, who invariably measure the distribution of the wealth created purposely for human consumption and personal satisfaction among the wage-earning classes by the proportion which the ownership of fixed or monopolised capital-producing instruments, etc., show among the people generally.

The fallacy, however, is so thoroughly interwoven in the literature and sayings of the mass of the people that it is almost impossible to expose its absurdity; but when we consider that man lives by current or annual productions *per se*, and not upon fixed capital or their nominal values, whether annual or capital, and when, moreover, we discern that services currently rendered, whether by instrument, skilled mind or hand, constitute the base of what forms the purchasing power or claim over wealth being produced for consumption and personal satisfaction, it is only then we are able to perceive that the distribution of real wealth, so far as man's needs and satisfactions are concerned, is determined, not as fallaciously assumed by the proportion of ownership which each man holds of the statistician's wealth—*i.e.*, the fixed non-personally-consumable instruments, and which the owner no more consumes than the servants who control them—but strictly by the express measure which services of various degrees of exchange value have enabled each worker to constitute a claim upon the aggregate of all such services whose values are contained and incorporated in the current production of actual wealth.

It is not here contended that the time labor of each individual laborer or instru-

ment has the power to create equality of claim in correspondence with time effort; that is too obviously unequal; but it is contended that every such effort, usefully directed, constitutes a definite claim, and, therefore, the true distribution of wealth in the community—wealth in consumption being the major factor—can alone be accurately determined by the average annual earnings or claims upon wealth. The proportion of fixed wealth owned by individuals affords no clue to current distribution of total wealth. It can merely show how the 24·60 per cent. devoted to fixed instruments is distributed.

If the proportion be large it insures probably a claim to the extent of 4, 5, or 6 per cent. of his (+) capital upon real wealth, upon which the owner exists, and which may give a considerable purchasing power to the individual without any current personal exertion; but it must not be forgotten that the fixed capital of a manager may be almost nil, while his skilled directing services may enable him to create a yearly claim of £1000 value upon wealth produced for immediate human uses, while the fixed instrument of a helpless widow, owner (say) of £10,000 capital value, may only afford her a claim of half the amount (or £500) falling to the manager, whose fixed capital is reckoned as nil in the usual Statistician's estimates of the capital wealth of a country.

It will be seen, therefore, that what is termed "the enormous accumulations of wealth in our times," "the riches of capitalists," do not consist of fine houses, luxurious equipages, money, or grand parks, or, if so, it only forms a most insignificant portion of it. The great bulk of the nominal and real wealth of capitalists consists of land improvements, mines, railways, tramways, ships, canals, stores, warehouses, manufactories, machines, tools and instruments, etc.,

(+) The State in itself in the Commonwealth of Australia is already in the possession of its lands unalienated, its railways, telegraphs, roads, and public buildings; and therefore is now the largest owner of fixed capital wealth, and would, if extended, become the sole owner, if the more practicable programme of collectivists were possible.

themselves; and though rightly included in the aggregate fixed wealth of a country by statisticians, these do not in any sense enter into the personal consumption of the rich owner any more than they enter into the personal consumption of the workman engaged in connection with such forms of national wealth.

The mass of Socialist writers wish us to infer that the "toil" of the "masses," "the lower ten millions," alone "is the active factor that produces all wealth." Entertaining such a view, it is not remarkable that they should regard the riches of the "upper ten thousand" as a hoard mysteriously and wrongfully abstracted from the forces actively engaged in producing wealth.

If by the toil of the masses they mean that all the physical forces requisite to transport and transform natural materials to suit the needs of man, they are manifestly wrong; for (exclusive of the mere gratuitous forces of Nature, such as natural chemical changes, multiplication by the mysterious forces of life, sunlight and heat forces, gravitation, the rain, dew, and the fertile soils, and the animal, vegetable, and mineral products in their natural state and position) there are the active forces set in motion, not of the expenditure of muscular energy, but of mental and moral force, exerted by men of forethought, of skill, of invention, and of the provident who designedly saved from immediate personal consumption, and devoted such savings purposely to the construction of mechanical and other aids devised or discovered by skilled minds, whereby the forces of Nature, such as gravitation, chemistry, steam, water, wind, electricity, leverage, lower animals are so captured, tamed, and drilled, that they now exert a physical force in the production of man's wealth—whether in the way of transporting from place to place, or in transforming materials from the natural raw state to the highly finished—compared with which the brute or muscular force actually exerted by all the working men of the globe, forms the most insignificant fraction.

The brains of man can alone be credited with invention and discovery, not his muscular power. It is to the ac-

cumulations of savings from personal consumption by the laborers and others of former times that we are indebted for the necessary stores devoted to the construction of the powerful and ingenious mechanical and other labor-saving auxiliaries now engaged in aiding the current labor of man, and not, as falsely assumed, to the mere muscular energy and labor-time exerted and devoted by those who happen to be the laborers or workmen of the present hour.

Recent estimates of the measure of energy exerted each year in the production¹ distribution, and necessary modification of consumable wealth—the satisfactions of man, by capitalist's steam power machines alone—are approximately equivalent to the maximum energy of about 1500 million persons, of whom it is estimated that there are only 600 million breadwinners. We may be perfectly safe in assuming that the energy exerted by all classes of capitalists' auxiliary machines, including those already in the possession of the State as such, to be equal to the maximum energy of 1200 million breadwinners, *i.e.*, equal to twice the physical force of all living breadwinners of the globe. In the Commonwealth of Australia at present the number of breadwinners under £150 income per year number about 1,709,000 persons. These, for purposes of illustration, may be safely taken as the wage-earner group. The breadwinners £150 income per year and over, numbered 135,000; and this group, for rough purposes of comparison, may be taken to represent the capitalist group. Now, if the capitalists' energy machines engaged in the production of consumable wealth be taken to represent no more than twice all the available force of man, their equivalent in the Australian Commonwealth would be represented by about 3,418,000 breadwinners, thus:—

Relative Value of Physical Energy exerted by the various agencies engaged in the production of Consumable Wealth:—

A — Breadwinners under £150 ...	1,574,000 ...	Per Cent. 30·70
B—Capitalists and others over £150	135,000 ...	2·63
C—Capitalists' energy machines	3,418,000 ...	66·67

Total energy employed in the production of consumable wealth ... 5,127,000 ... 100·00

From this table we perceive that if we ignore the claims of intellect and ability, and restrict our attention to the mere physical forces devoted to the production of consumable and other forms of wealth, the wage-earner's contribution only amounts to 30·70 per cent. of the whole of the necessary energy required to produce that volume of consumable wealth which would yield each class and individual that standard of living and comfort to which they have been accustomed.

Now, if it can be shown the wage-earner group (under £150) receives a larger proportion of the consumable wealth in each year than the proportion of physical energy contributed by such in its production, it most effectually disposes of the sentimental complaint so frequently put forward by the Fabian school of writers, viz., "the lower ten millions, whose toil is the active factor that produces all wealth, not of the upper ten thousand, who in some mysterious way manage to get rich upon that toil."

This inaccurate statement can easily be refuted in a very simple manner by ascertaining what proportion of consumable wealth, per year, is appropriated or absorbed by the three principal agencies engaged in its production. The best and surest means to gauge what measure of reward comes to each separate group is to determine what proportion of the total annual income is appropriated by each group respectively.

This has been very closely determined by the writer so far as Australia is concerned, and is shown in the following table relating to distribution of the national income for the year 1903 :—

Share of National Income appropriated or absorbed by the various agencies employed in the Production of Consumable Wealth.

Producing Agencies.	Comparative value of physical and other energy exerted in the production of consumable wealth.		Approximate share of title to consumable wealth absorbed or appropriated by the various agencies engaged in its production.		Per unit of energy per working day.		Per cent to average unit. † Above. ‡ Below.	
	Energy Equivalent	Per cent.	Amount.	Per cent.	s. d.			
By breadwinners, under £150 per annum...	1,574,000	30·70	£ 124,662,000	67 26	5 3		+119·1	
£150 and over (capitalists' class.)	135,000	2·63	23,980,000	12·94	11 10		+391·4	
By capitalists' steam and other auxiliaries ...	3,418,000	66·67	36,700,000	19 80	0 9		*71·3	
Total ...	5,127,000	100	185,340,000	100	2 5			100

A careful study of this table shows that, so far from the capitalist class being enriched at the expense of the wage-earner, the very opposite is the truth; for instead of a reward being allotted in proportion to his share of physical energy contributed, it has been increased fully 100 per cent.; physical energy expended being only 30·70 per cent., while his share of rewards represents 67·26 per cent.

This improvement of his position is solely due to the fact that the more economic physical agent engaged in production only absorbs 19·80 per cent. of the consumable wealth, while its share of the necessary energy engaged in production amounts to 66·67 per cent., or two-thirds, at least, of all physical forces (human or other) engaged in the production of the year's necessary wants and satisfactions. It is true the private capitalist receives, relatively, a larger *individual share* of the capitalist's own machine production; but it is impossible for him to personally absorb more than about three times the amount of the average breadwinner. The higher the percentage of energy, contributed, usefully, by the capitalist's machines involves, of necessity, a corresponding greater bonus reward to the ordinary breadwinner, while the proportion going to the capitalist, as such, must by a like necessity, remain almost stationary in comparison.

It cannot be too strongly asserted, therefore, that the greatly increased reward of the laborer of the present day in civilized countries is mainly due to the increasing command which during the last century man has obtained over the forces of Nature.

Steam, electricity, and the ever-increasing improvements in labor-saving machinery has multiplied the effective force of man's mere muscular power in the production, transport, and manufacture of necessities and satisfactions, three to four, and, in some cases, many hundred-fold. In proportion as these auxiliaries have increased as aids in the production of any one necessary service or commodity, the amount of physical human labor engaged has decreased individually, while the real reward of labor has on the average increased by about 50 per cent. Nothing can be more conclusive than that it is to

the consequent liberation of the proportion of labor, formerly necessary to produce the barest primary essentials of life, that we are indebted now for the vast category of new comforts and satisfaction, the attainment of which was utterly impossible to the mass of human beings, when the production of food alone—the great primary industry—absorbed nearly the whole of man's muscular efforts and his time.

EXISTING DISTRIBUTION OF SHARE OF PRODUCTS AND SERVICES REGARDED FROM THE DEMOCRATIC SOCIALIST POINT OF VIEW.

Having thus attempted to clear away some of the confusion so frequently introduced in discussions bearing upon wealth and its distribution under the existing democratic individualistic or wage system form of modern society, we come now to consider how far the distribution of consumable wealth (i.e., the annual aggregate of products and services) departs from the ideals of division or appropriation desired by the leaders of the communistic or collectivist form of socialism.

It is difficult to trace any clearly defined positive programme among the average persons who espouse the adoption of any of the forms of communist socialism, or collectivism, as it is now frequently termed. We may here dismiss from our view the more extremely visionary, or impossible, forms of communistic ideals, and restrict our attention to the first of the two most notable sections, viz., the "Eisenach" and "Gotha" programmes. The one, the "Eisenach" programme of 1869—according to the learned authority, Dr. Schaffle—demanded on the basis of national ownership of all the means of production that each workman should have secured to him "the full product of his labor" in the counter-value which accrues to him. This was the collectivism of an accurate apportionment of income and enjoyment according to work performed. But as early as 1875, in the "Gotha" programme, there came to the front the collectivism of apportionment according to need, on the basis of an equal and universal obligation to work, that is to say, pure collectivism: for this demand was literally formulated for "universal obligation to work, and the equal right of all to the satisfaction of

their reasonable needs!" Both of the ideals have been ably demonstrated by Dr. Schaffle to be Utopian, and impossible of achievement, as amongst other things they altogether fail to cover the circumstances requiring provision for the unity of the family with its sacred ties; the care of the young, the aged, the sick or crippled who are unable to work, and requiring also adequate provision for dealing with the idle, the dissolute and criminal, who have no desire to perform work of any social value.

UTOPIAN SCHEMES OF SOCIALISTS.

It is not a matter of surprise that the mass of struggling wage-earners should so readily sympathise with any vague Utopian scheme of the Socialist, which, however faulty, holds out some promise or plan for dealing more effectually with the difficulties which affect them most nearly, viz., security of employment; protection from over competition; shorter hours labor, with more adequate remuneration; redistribution of wealth; old age pensions, etc., etc.

But it is needless to point out that before redistribution on the basis of equality, of the aggregate of all forms of wealth in exchange, can be considered, it must be clear that this wealth consists of such forms as might effectually satisfy all the primary wants and comforts of human beings. That existing wealth in exchange, even if equally distributed, would fulfil this most desirable end, is a pure assumption.

It has already been shown that a great part of the existing nominal wealth in exchange largely appropriated by the private capitalists—consists of the mere *tools and instruments* of production, and that the real wealth, appropriated as consumable wealth or primary satisfactions, is already more widely and evenly distributed than is generally supposed. Even under the most thorough Socialistic scheme this form of wealth would be far less generally distributed than at present; for, according to such a scheme, it would be wholly reserved in the hands of the Executive Government. It is utterly misleading to reckon upon the existing wealth of capitalists instruments of production as a source of raising the quota of the real consumable and primary satisfactions. The only distribution possible in this respect would be the

empty idea of part ownership. It is the increase to necessary current productions *designed for actual consumption*—material satisfactions—which alone can raise the average standard of primary satisfactions, and so dispose of material want, or poverty and distress. The question therefore arises:—Suppose that such a scheme were practicable, would the producing energies of men be greater and more effective than under the Scheme of Competition, Liberty, Right of Inheritance, Property Right, or Individualism, as it is called? To be more effective in one essential it must utterly fail in the other. The workers must be trained and allocated to specific occupations in strict conformity to the amount and nature of the labor actually required to produce the primary satisfactions and comforts desired. Training for every specific occupation requires considerable time; but for the occupations of skill a large amount of time must be consumed in acquiring the necessary training, irrespective of questions with regard to the unequal distribution of capacity.

Now on the basis of equality it may be easy to divide products; that, according to actual needs is simple enough, involving no insuperable difficulty. But what about the allocation to different employments? How can the easy, the refined, and the skilled occupations be allocated on any scheme of equality? The majority must, as heretofore, sweat at the hard and dirty forms of labor. But what power, or what plan can be devised which will enable any elective executive to doom once and for ever the majority of learners and workers to the hard and irksome occupations, and to fix the minority in the refined, the easy, and skilled services?

Suppose it were for a time instituted how long would the unfortunate majority be content to submit to their lot before an irresistible cry for *re-distribution of occupations* arose; and if it arose, where is the force stronger than the majority of freemen to prevent the breakdown of the social organisation necessary to produce the supply of primary satisfactions according to individual needs? What compensation can be given to the masses toiling in the more wearisome occupations? Extra allowance of satisfactions cannot be thought of,

for that would destroy the coveted ideal of equality in the distribution of satisfactions according to needs. Shorter hours cannot be allowed without trenching upon equality of leisure.

The unequal distribution of natural capacity, and the time necessary to acquire knowledge of more than one technical branch of skilled employment, make it impossible to share in turn for a time all possible forms of labor. In short, the practical difficulty standing in the way of equality in the allocation of employments appear to be insuperable, and would most certainly, if there were no other objection, destroy any social organisation on a large scale which had been courageous enough to attempt it. Reference to simple communities—as in America—following agricultural pursuits mainly, and not of themselves fulfilling for themselves the whole round of human wants, are utterly misleading. Such small communities are composed of a peculiar select class, who voluntarily bind themselves to a more or less ascetic life, and all such partial attempts tend to perish from lack of internal vitality. With a large mixed body of men embracing all occupations and endowed with ordinary passions and desires, the results would be chaotic and disastrous in the extreme.

One effect, terrible to contemplate, would seem to be inevitable, viz., that the indiscriminate distribution of products among all men would tend to destroy the major source of savings at present so largely devoted to the creation and maintenance of the powerful and costly auxiliary aids to human labor, which would be jealously regarded as a grievous tax burden. The slight individual gain per head in material satisfactions at the outset would only be of a very temporary character, for it would soon be lost by the new impulse given to the improvident to rapidly increase their numbers.

HOW THE CONSUMABLE WEALTH OF PRODUCTION IS DISTRIBUTED IN THE UNITED KINGDOM AND IN THE COMMONWEALTH OF AUSTRALIA BY THE INDIVIDUALISTIC AND ONLY PRACTICAL METHOD OF DEMOCRATIC SOCIALISM.

The difficult problem connected with all ideals as to the realisation of the best form of social organisation, whether individualistic or communistic, should not be examined without a clear idea of what

is and what promises to be conserved of that which we hold most dearly under the democratic system of practical Socialism under which we now exist.

It would be impossible to deal with this most important consideration adequately within the limits possible in a brief address of this nature, but if it be possible to show that the actual fruits of production are—notwithstanding the large monopoly of the auxiliary instruments of production in the hands of private capitalists—now more widely and evenly distributed than is generally supposed, I shall have done something to aid those who have not always the time to study closely the great socialistic tendency of the present day.

I begin this aspect of the question with the following assertions:—

(1) That no matter what may be the monopoly of the *Fixed Instruments of Production*, whether in the hands of private capitalists, or, as in some cases—State railways, roads, and a large proportion of the lands—under the control of the State, the reward absorbed by capitalist and pure wage-earner alike cannot by any means exceed the actual effectual yield of commodities and services of any one year.

(2) That if the whole of the fixed machinery of production were now transferred to the State it is doubtful if the yield of products in the aggregate for distribution, whether of commodities or service, would be increased; for the reason that the control and efficient maintenance of the necessary instruments of production would be wholly excluded from individual consumption, and the cost of the creation of new instruments, and maintaining the existing machinery, would have to be taxed or abstracted from the gross yield of the year.

(3) That if we desire to avail ourselves of the advantages hitherto gained by society as a whole from intelligent, directing, and inventive skill, from special aptitude, from special technical training, and other rarely distributed qualities engaged in various forms of production, we must, as at present, be prepared to bestow, from the general fund of products and services, some measure of special inducement to continue these advantageous efforts on behalf of society as a whole.

If we fail to do so there will certainly be introduced a tendency to lower the quality and effectiveness of all human effort engaged in the necessary work of production, and, in time, would result in a lower average level of production than is now enjoyed by the average of the lowest level of the existing social organisation.

With these general observations in view let us examine, as closely as we are able, the actual measure of production available for distribution in the Australian Commonwealth in the year 1903, and the mode and measure in which it has been distributed among the various classes of breadwinners—rich and poor, capitalist and wage-earner:

For the Commonwealth of Australia for the year 1903 there were actually engaged in the work of production and other requisite social services of a personal kind:—

(1) Auxiliary fixed instruments, etc., having economically an effective capital value of £912 millions and an annual values of £45 60 millions.

(2) Skilled industrial chiefs: technically trained professional men, artisans, etc., and common labor, embracing 1,709,000 breadwinners, representing the total population, whose capital value in the work of production is estimated at £3706 millions, with an annual productive value of £185·84 millions.

Raw labor, minus directing mind and trained technical skill, may be considered as on a plane with the useful effective force of the myriad physical forces incorporated at the present day in the various auxiliary instruments the fruit of many inventive minds, so far as they are concerned as effective agents towards the necessary aggregate of production. But it must be borne in mind that those important auxiliary instruments, alone, at least contribute fully two-thirds of all mere physical force or energy towards the necessary production and services of society. When, on the basis of average labor time energy, on the Karl Marx theory of distribution, it is asked: Does the average human instrument of physical labor receive anything like his fair share of the year's production of commodities and services? the reply according to statistics of distribution is hat not only does the actual laborer of

the year, as such, receive his fair reward for his proportion of *physical effort* expended in the work of production, but owing to the natural limitations to powers of consumption of both capitalists and the auxiliary instruments owned by them, the reward of labor, as a whole, in proportion to *mere physical effort* expended, is enhanced by more than 100 per cent.

It is manifest, notwithstanding these considerations, that the total productions and services of the the Australian Commonwealth in the year 1903, representing in money £158,340,000, have not been equally distributed. Upon the whole the aggregate of £185,340,000 represents a sum of 6s 11d per breadwinner, and was approximately appropriated as follows:—

DISTRIBUTION OF CONSUMABLE WEALTH.
THE PRODUCTS OF THE YEAR 1903 IN
AUSTRALIA.

(TOTAL PRODUCTS AND SERVICES
£185,340,000. PER BREADWINNER PER
WORKING DAY, 6s 11d.)

INCOMES OR WEALTH.		ABSORBED BY.		Per Breadwinner Per Working Day.	
	No. of Bread- winners	Per Cent.	s. d.		
Incomes under £100	1 399,000	81·86	4 8		
" £100 to £125	102,000	5·97	7 3		
" £125 to £150	73,000	4·30	9 0		
" £150 to £200	46,000	2·71	10 4		
" £200 to £400	69,000	4·01	17 0		
" £400 & over	20,000	1·15	113 3		
	310,000	18·14			
	1,709,000	100			6 11
Total	...				

No. of Bread- winners.	Per Bread- winners Per Working Day. s. d.
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Less absorbed by products, etc., in the creation of and maintenance of necessary auxiliary instruments of products, with an estimate physical effective force of 3,418,000 breadwinners...

3,418 000	1 0
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Total average level of products and services absorbed by actual breadwinners ...

5 11

amount in the aggregate as the richer capitalist, to give the lowest group £100 per year the necessary 1s 3d per working day to raise it to the uniform level of equality of reward, viz., 5s 11d per working.

These conclusions, also illustrated by accompanying tables and diagrams, show that wealth available for consumption and enjoyment is more equitably distributed than is generally supposed, and whatever may be its existing inequalities and defects, it is immeasurably superior to any scheme of communism or collectivism that has ever been attempted or formulated. The programme of the Trades Unions, and the more intelligent of the Labor Party in the United Kingdom and Australia, are antagonistic to all the extreme communistic ideals of socialists. They, of course, advocate an extension of the idea of State ownership of the more important branches of industry, but it is upon individualist lines strictly not communistic. Liberty, responsibility, skill, effective labor and reward, in accordance with ability, has ever been the ideals of the best representatives of labor in England and in these colonies.

APPENDIX.

ANNUAL INCOME OF ALL BREADWINNERS IN THE UNITED KINGDOM AND IN THE COMMONWEALTH OF AUSTRALIA.

The following tabular illustrations have been carefully prepared, based upon the most reliable official statistics, with the object of showing approximately the annual value and distribution of all wealth produced, designed for consumption and for the satisfactions of the people. Also showing, approximately, the result to each class of breadwinners, on the assumption that it would be practicable to Pool, and divide the incomes or equivalent products of all breadwinners equally according to the EISENACH PROGRAMME OF SOCIAL EQUALITY, after deducting the necessary materials (estimated at 15 per cent. of annual products) to provide the government of the social State, with means to create and maintain the existing inanimate and other auxiliary instruments of production necessary to keep up the required standard of comforts and satisfactions:—

	Per Working Day.			
	Above Level of Equal.		Below Level of Equal.	
	s	d	s	d
Incomes under £100	—	—	1	3
„ £100 to £155	1	4	—	—
„ £125 to £150	3	1	—	—
„ £150 to £200	4	5	—	—
„ £200 to £400	11	1	—	—
„ £400 and over	107	4	—	—

It would appear, therefore, if equality of reward should come to be regarded as the ideal of the people of the Commonwealth of Australia, that the skilled artisans and others as a body would have to pay into the pool quite as large an

UNITED KINGDOM * (000's Omitted).

CLASS	Breadwinners.		Income.		Income if Pooled and Distributed on the Eisenach Programme of Equality.	
	No. *	Per cent.	Amount *	Per Cent.	Amount *	Per Head Gain from Pool.
INCOMES :			£		£	s. d.
Under ... £100	15,262	82.76	765,000	43.71	1,231,055	2 0
+ 100 and under £125	1,114	6.04	125,900	7.20	89,845	... 2 1
£125 " £150	800	4.34	112,200	6.42	64,557	... 3 9
£150 " £400	1,093	5.94	237,100	13.54	88,358	... 8 8
£400 and over...	169	0.92	509,900	29.13	13,685	... 189 6
Total ...	18,440	100	1,750,000	100*		
Less Products, etc., absorbed in the Creation and Maintenance of Auxiliary Instruments of Production, ..			262,500	15.00		
			1,487,500	85.00	1,487,500

COMMONWEALTH OF AUSTRALIA. (* 000's Omitted).

CLASS.	Breadwinners.		Income		Income if Pooled and Distributed on the Eisenach Programme of Equality.	
	No. *	Per Cent.	Amount *	Per Cent.	Amount *	Per Head Gain from pool.
INCOMES :			£		£	s. d.
Under £100...	1,399	51.86	102,777	55.45	128,980	1 3
£100 and under £125	102	5.97	11,545	6.23	9,409	... 1 4
£125 " £150	73	4.30	10,340	5.58	6,774	... 3 1
£150 " £200	46	2.71	7,528	4.05	4,269	... 4 5
£200 " £400	69	4.01	18,270	9.85	6,316	... 11 1
£400 and over ...	20	1.15	34,880	18.82	1,811	... 107 4
Total ...	1,709	100.	185,340	100.00	...	
* Less creation and Maintenance of Auxiliary Instruments Production.	27,861	15.03	...	
	1,709	100	157,539	85.00	157,539