

REVOLUTION AND DEMOCRACY

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Revolution and Democracy by Frederic C. Howe

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FREDERIC C. HOWE

**REVOLUTION AND
DEMOCRACY**

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BY

FREDERIC C. HOWE

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INTRODUCTORY

For fifty years the world has been drifting into the condition in which it now finds itself. The disordered state of Europe and of America is traceable to the same causes. International conditions are a mirror of domestic conditions. The treaty of peace as well as the industrial collapse within the individual nations is a product of an economic evolution which has resulted in a privileged society which has come to control not only the internal governments of the world, but international relations as well.

Fifty years ago there was an approach to equality of opportunity. Competition was the prevailing note in industry. Business was organized in small units. Men worked willingly. Values were fixed by production costs. Nations were largely self-contained. International finance was limited to the settlement of trade balances. There was equal access to the raw materials of the world. Imperialism was confined to a few subject countries. Freedom was the prevailing note in trade, in commerce, and in industry. This was true not only in America; it was

true of Great Britain, France, and Germany as well.

A change began in the closing years of the last century. Industry took on monopoly forms. Monopoly interests acquired control not only of the major industries, but of raw materials, of fuel, of transportation, and of credit. These same interests reached out to control similar opportunities in other countries. Protective tariff laws were enacted by all of the greater powers save Great Britain. Billions of dollars were invested in foreign loans, in concessions, and in exploitation. The world was parceled out into spheres of economic influence. There was a rush for other peoples' lands, for gold, copper, iron ore, petroleum, rubber, cocoa, timber, and tropical products. Monopoly interests first acquired control of the basic industries at home, and then went forth with the aid of the state and international finance, to acquire similar monopolies in other lands. In the decade before the war, the greater powers of Europe were in conflict all over the world. The conflict was economic. It was also political. It was traceable to the struggle of monopoly interests to increase their possessions and their power both at home and abroad.

During these years industry changed in form. There was more or less complete monopoly in all the relations of life. The transition took place in much the same way and at about the same time in all of the greater powers. By the end of the century monopoly had become the main objective of the

governing classes not only in America, but in Great Britain, Germany, France, and Russia as well.

During these years of monopoly conquests and financial imperialism, business interests discovered that the road to economic profit and power was through the political state. They discovered that a man may labor for a lifetime with his hands or his brains and have no more at its close than when he started. They learned that wealth created by labor never amounts to a very substantial sum to any man. But by the use of the state, wealth beyond measure can be amassed. And they have taken possession of the state for that purpose. They have used it to create special powers and privileges of various kinds. These privileges enable those who possess them to levy tribute on every one else. They collect pennies, dimes, and dollars from the millions, and by so doing accumulate millions for the few. They do this in a variety of ways, but chiefly by laws relating to a few fundamental economic processes. Through these processes they control our economic and our political life. And inasmuch as these privileges can only be secured by first controlling the state, they have acquired control of the state. In fact, they have become the state. And being the state, they legislate, first to create economic privileges, and then to protect them and to increase the tribute which they collect.

While the people seek to correct abuses which be-

set them by condemning, arresting, and seeking to punish individual offenders, they permit the state itself to create conditions that make these abuses inevitable. On the one hand, we punish. On the other, we invite the offenses of which we complain and give them the sanction of legal approval.

The condition of America and of the world can only be understood when we understand these elemental facts. The greater powers of the world are ruled by a class, by a class that enjoys power and wealth through and by control of the economic state. They control the lawmaking agencies, the administrative agencies, and international relations as well.

At the outbreak of the war the governing and the owning classes in the greater powers were substantially the same. They owned the same things; they had the same interests and the same point of view. They shaped the psychology and the policy of their governments to the same ends. Financial capitalism replaced landlordism in political power. In Europe the financial and the landed classes were merged into a ruling group. They controlled the state, not only to protect the privileges they had secured at home, but to extend their power through imperialism over the outside world.

The war enthroned the profit-taking, privileged, imperialistic groups. They found they possessed a power they had never fully realized, and they used it as they had never dared to use it before. They

were astonished at the profits to be made through the state. The necessities of the war and the absorption of the people in patriotic endeavor enabled them to cement their power still further. The economic state and the political state were so merged that they could hardly be distinguished. The ruling economic group became the ruling political group. Privilege identified the state with itself. It was willing to send the state to war to protect its imperialistic privileges. It was willing to sacrifice the state in the midst of war for the protection of these privileges. It took unparalleled profits while men were dying by the millions. It pledged itself to the freedom of the world while it made secret pacts to hold the world in serfdom.

This was the condition of the world at the end of the great war. The Allied powers had called mankind to arms to free the world from force and from economic privilege. But the peace which has been given us enthroned force and sanctioned economic privilege as it was never sanctioned before. The peace was not made by Lloyd George, by Clémenceau, by Orlando. *The peace was the inevitable result of the ascendancy of economic groups in the victorious powers who owned or represented privileges which they sought to have sanctioned by the peace conference.* The belief that President Wilson could have controlled these groups or interests was so fatuous a stand that any one familiar with the