fact that the Anti-Waste campaign is now attacking the Insurance Act as a barren bureaucratic luxury. It states very forcibly things we stated before the blunder was made; but not the most important things. There will always be people to grumble at officialism; there will always be people who quarrel with Mr. George for all sorts of reasons; but not for the right reason. The point to be decided is this: whether side by side with the papers advocating State Socialism or Guild Socialism, there shall or shall not be another independent paper putting in print what thousands are already putting in words: that our social drift is not towards any kind of Socialism, but to a very corrupt kind of Slavery; or whether that Slavery shall come without a murmur or a sound, amid a universal silence of submission or ignorance or despair.

Capitalism: Its History, Its Nature, and Its Evils

"The ancient workmen's Guilds were destroyed in the last century, and no other organisation took their place. Public institutions and laws have repudiated the ancient religion. Hence by degrees it has come to pass that workingmen have been given over, isolated and defenceless, to the callousness of employers and the greed of unrestrained competition. The evil has been increased by rapacious usury, which, although more than once condemned by the Church, is, nevertheless, under a different form, but with the same guilt, still practised by avaricious and grasping men."

In these words (says *Truth*, N.Y.) Pope Leo XIII. has diagnosed the social ills of the times. In order to perceive the nature of these evils and prescribe the proper remedy, we must examine the historical antecedents and the more recent development of our present capitalistic industrial system.

Time was, in the Middle Ages, when work was the dominant factor and capital had little, or no, chance of accumulating an unearned increment by exploiting work; when there was no irreconcilable breach between employers and employees, but when apprentices and journeymen, who were the employees of those days had the certainty of becoming masters and of reaching economic independence and a state of moderate prosperity.

The Medieval Guilds

The Craft Guilds, which enjoyed the patronage of the Church, had established an economic policy which manifested an anti-capitalistic tendency. Within the Guild organisation, the economic independence of the workers was assured; the individual was not to sink to the low level of a dependent wage-earner. Human effort was the determining factor; the means of production stood in the service of the workers. Capital had no power to produce an unearned increment. The earnings which the Guild members received was an income derived from personal work. The appropriation of earnings based on work with head and hands was the quintessence of the whole economic policy. Limitation of spheres of work, compulsory Guild membership, prevention of private industrial enterprise, on a large scale, regulation of compensation, and above all negation of the independent productivity of capital, were the characteristic features of a system which proceeded from the principle that economic wealth belonged to those who had worked to produce it.

The Church prohibited usury, that is the taking of interests on loans of money. Work, not the mere possession of money, was regarded as the productive factor. Money was rightly held to be sterile, unfruitful. Money could not beget money. A sum of money demanded in excess of the specific amount lent, was looked upon as the fruit of the borrower's toil, to which the lender had no rightful claim. All those who nevertheless had exacted interest were bound to make restitution.

The Church's prohibition of usury protected the principle of work as the sole productive agency and prevented the ascendancy of industrial capital, that is, money operating in industrial enterprise and appropriating what the work of others had produced. In fact, there was no industrial capital, strictly speaking; the only kind of capital that existed was loan capital, the application of which for purposes of gain the Church prohibited.

In studying the economic order of the Middle Ages under the Guild system and under the patronage of the Church it is important to bear in mind the following characteristic features: 1. There was no specific labor class for whom laboring for others was the hard and fast condition of life, for the workers—and everyone was a worker—had the opportunity of becoming masters, members of the middle class; 2. The workers owned the instruments of work, the means of production; 3. Economic products went to the workers who had produced them, while money or capital had no productive power and no claim to an unearned increment; 4. Usury, or the taking of interest on loans of money, was forbidden by the Church.

These four points kept in mind will enable us further on to perceive the inherent defects of our present capitalistic system and its injustices.

The Beginnings of Capitalism

By degrees Europe renounced the spirit of Christianity which had animated the Guilds and the whole medieval economic order. In the 14th and 15th centuries, capitalism arose sporadically in Italy. The independent Guild workers who owned their own instruments of work, who themselves furnished the whole product and themselves sold it—this class of workman was passing. Others had appeared upon the scene who did not so much contribute their personal efforts as their money. They bought the raw material and the means of production, and hired the workers. It was a period of economic decadence and disintegration. The workers had lost their erstwhile economic independence and instead of working for themselves were forced to work for others at a small wage. Those that possessed money had taken advantage of the workers' distress. Capital was taking the place of work, and the profit that accrued was nothing else than the sum which belonged to the workers as a part of their rightful wages.

It was also during this period that the Church's prohibition of usury was being defied with growing boldness. To make one's money, not one's personal efforts, count, was the new economic policy that was gaining vogue. The discovery of America and the opening of new trade routes gave the money power added advantages.

The Protestant Reformation wrought further havoc. Sovereigns, like Henry VIII. of England, confiscated the property of the Guilds and of the Catholic Church, and parcelled it out among their favorites.

Karl Marx, the founder of scientific Socialism, has shown that the private capital which played the initial role in our present industrial system, was originally obtained by conquest, eviction of serfs, the exploitation of colonies, misuse of public authority, distribution of secularised Church property, etc.

Speaking of conditions in England, Cardinal Bourne has traced the development of capitalism as follows:

"Capitalism began (in England) really with the robbery of Church property in the 16th century, which threw the economic and social advantage into the hands of the landowning and trading classes. The industrial revolution in the 18th century found England already in the hands of the well-to-do classes. Since then the effect of competition uncontrolled by morals has been to segregate more and more the capitalist from the wage-earning classes, and to form the latter into a 'proletariat,' a people owning nothing but their labor-power and tending to shrink more and more from the responsibilties of both ownership and freedom."

The Money Power's Ascendecy

The French Revolution of 1789, which affected all of Europe, uprooted the strongest institutions and traditions of the past, and bore aloft on its crimson tide the rising trading class, the bourgeoisie. An appeal addressed to the French National Assembly by 18,000 poor people contained this significant caution: "It would be a poor advantage to have overthrown the aristocracy of nobility only to succumb to the aristocracy of money." So it was. The money power had begun to reign.

The application of steam and electricity to transportation and industry and the invention of machinery, became