radicals of the old type. Not so the unionists who came first into prominence with the Dock Strike in London in 1889. The way had been prepared by demonstrations of the unemployed in 1887 and 1888. When unionism embraced unskilled labourers, and at the same time pressed on the federation of all trades societies and their joint action, when, too, in the trade union congresses the intervention of the state was repeatedly claimed as essential to the success not only of an eight hours’ day but of such socialistic measures as nationalization of the land, it was manifest that there was a new leaven working. The larger the numbers included in the trades societies the more their organization was bound to depart from that of the mass meeting, and to become indirect instead of direct self-government, government by representatives, and more and more by specially trained representatives. This was a tendency towards bureau­cracy, or government by officials, not the highest type of popular government. A better preparation for democratic government has been given by the co-operative societies. If it be true that under a coming socialism the working class must dominate, then every phase of organization must be welcomed which widens their experience of self-government, more especially in the handling of industrial and commercial affairs. This last kind of education has been well given by co-operation, though chiefly through capital and hired labour on the old pattern of the ordinary employers. Co-partnership societies, best exemplified in the midland districts of England, are more democratic; but their numbers are few. The claims of the workman are somewhat in advance of his education. On the other hand it seems impossible in England to secure moderate concessions without extravagant claims.

*Germany.—*In Germany it was long an axiom that socialists must leave ordinary politics and political machinery severely alone as an evil thing. The short and futile struggle for constitu­tional liberty in 1848-1849 had driven most of those who were “ thinking socialistically ” into abandonment of political reform and into plans of fundamental change amounting to revolution. Karl Mario (1810-1865) and K. J. Rodbertus (*q.v.*) contented themselves with laborious and profound studies not intended to bear immediate fruit in practice. Marx and Lassalle were not so pacific. The former was from the first (see his Manifesto of 1847) inclined to give socialism an international character, taking also no pains to distinguish it from communism. Lassalle desired it for his own nation first. Both of them were in a sense Hegelians. From Hegel they had learned that the world of men, like the world of things, was in constant process of development ; but unlike Hegel they regarded human evolution as purely materialistic, effected always by a struggle between classes in society for the outward means of well-being. Feudalism, itself the result of such a struggle, had given place to the rule of the middle classes. The struggle to-day is between the middle classes and the working classes. At present those who do not possess capital are obliged to work for such wages as will keep them alive, and the gains from inventions and economics are secured by the employers and capitalists. The labourer works at his cost price, which is “ the socially necessary wages of subsistence ” (the bare necessaries of a civilized life); but he produces much more than his cost, and the surplus due to his “ unpaid labour ” goes to the employer and capitalist. This is what Lassalle called the “ brazen law of wages,” founded on Ricardo’s supposed doctrine that *(a)* the value of an article that is not a monopoly is determined by its cost in labour, and (*b*) the wages of labour tend to be simply the necessaries of life. The tendency of the labouring population to increase beyond the means of steady employment is a frequent benefit to the capitalists in the periodic expansions of investment and enterprise, arising in response to new inventions and discoveries. Large business in modern economy swallows up small. Not only the independent artisans and workers in domestic industries, but the small capitalists and employers who cannot afford to introduce the economies and sell at the low prices of their large rivals are disappearing. But the growth of the proletariat, together with the concentration of business into fewer hands and larger companies, will cause the downfall of the present system of industry. The proletariat will realize its own strength; and the means and materials of production will be concentrated finally into the hands of the commonwealth for the good of all. This revolution, like that which overturned feudalism, is simply the next stage of an evolution happening without human will, fatally and necessarily, by virtue of the conditions under which wealth is produced and shared in our times.

Such was in substance the view of all the German socialists of the last half of the 19th century. Even Rodbertus had advanced a claim of right on behalf of working men to the full produce of their labour, but thought the times not ripe for socialism. The others made no such reservations. Lassalle planned a centralized organization of workmen led by a dictator, and called on the government of Prussia to establish from the public funds co-operative associations such as his opponent Schulze-Delitzsch had hoped to plant by self help. His socialism was rather national than universal. Marx looked beyond his own nation. He founded the International Union of Working Men in 1864, the year of Lassalle’s tragic death. Before the common danger of police prosecutions and persecution the followers of Lassalle and Marx were united at the congress of Gotha in 1875. The name social democrats had crept into use about 1869 when the followers of Marx founded at a congress in Eisenach the social democratic working men’s party. The party began to be a power at the congress of Gotha. It is a power now, but its doctrines and policy have undergone some change.

The last quarter of the 19th century witnessed (1) the repressive laws of 1878, (2) their repeal in 1890, (3) the three Insurance Laws and (4) a quickened progress of German industry and wealth during thirty years of peace and consolidation.

Bismarck’s government, alarmed by attempts on the life of the emperor and by the increased number of votes given to socialistic candidates for the reichstag, procured the passing of the Exceptional Powers Act *(Ausnahme Gesetz)* in 1878. The legislation at this time resembled the Six Acts of 1819 in England. Combined action and open utterance in Germany became almost impossible; and for organs of the press the social democrats had recourse to Zürich. Liebknecht and Bebel could still raise their voices for them in parliament, for Bismarck failed in his attempt to deprive members of their immunities (March 1879). But the agitation as a whole was driven underground; and it speaks well for the patience and self-control of the people that no wide­spread excesses followed. The declaration of the Social Demo­cratic congress at Wyden, Switzerland, in 1880, that their aims should be furthered “ by every means ” instead of the old phrase “ by every lawful means,” was a natural rejoinder to the law that deprived them of the lawful means; and it seems to have had no evil consequences. In 1881 repression was so far relaxed that trade unions were allowed to recover legal standing. In 1890 the reichstag refused to renew the law of 1878 for a fifth period; and finally in 1899 it repealed the law forbidding the amalgama­tion of workmen’s unions, and specially aimed at the new social­istic unions, the natural allies of the social democrats. The vexatious prosecutions and condemnations for Majestäts­beleidigung *(lbse majesté)* following 1890 did the cause more good than harm. The socialistic voters increased from 437,438 in 1878 to 1,800,000 in 1894 and 2,120,000 in 1898, while the elected members increased from 12 in 1877 to 46 in 1894 and 56 in 1898. By 1903 the voters had increased to three millions and in the elections of February 1907 they were 3,240,000. The socialists, however, in 1907 found themselves represented by 43 members as against 79 in 1903. The reduced representation was due to a combination of the other parties against them, the matters at issue not being industrial policy, but colonial government and naval expenditure. The increase in the number of voters remains a proof that the power of the party in Germany has rather in­creased than diminished. In 1908 they gained seven seats in the Prussian Diet, where they had hitherto been unrepresented. Yet “ remedial measures ” had been passed which were intended to make socialism unnecessary. Bismarck, who admired Lassalle and had no scruples about the intervention of the state, had