

pre-supposes a gregariousness which human beings do not possess; it involves a degree of centralization and of social control which are inevitably destructive of liberty; it proposes a social organization that is altogether too officious and all-pervading for the development of invention and enterprise, and for the satisfaction of variety. Communism strikes us as a dreary ideal could it be established, and for our part we look forward to an entirely different line of progress. We look forward to an increasing socialization of industry, but to the nationalization of very few industries. We do not wish to see an aggrandized economic state, but the creation of a better social equilibrium through the development parallel to each other, and as checks upon each other, of enlightened capitalism, voluntary co-operation, workers' participation in management, and the public ownership of a few basic services on which all other forms of activity depend.

The Bolshevik method of establishing communism through a temporary dictatorship of a minority has always seemed to us as without justification if it is intended to revolutionize the world for the better. The dictatorship in Russia has little to do with social progress. It has had an enormous amount to do with saving a demoralized people from complete disintegration. The dictatorship of Lenin is like the dictatorship of Clemenceau in 1918 or the dictatorship of Ludendorff. It belongs to the history of the war, not to the annals of progress. It performs the same function and is to be judged by the same criteria. It has probably saved Russia from dismemberment and subjection. Considering the odds against it, the Russian dictatorship is no doubt one of the ablest in history, but it has no value as an example to any country that is not the victim of aggression or of subsidized civil war.

We share Mr. Russell's belief that no government could overthrow the Soviets and reorganize Russia within a decent period of time. We share his belief that peace and trade will do to Russia what they have done in the United States and everywhere else. The end of war will revive the factions and oppositions of peace, and that will mean that the Bolshevik autocracy must surrender power and seek a democratic support. This must bring with it an abandonment of dogma, enormous concessions to the instinct for private property, and a real guarantee against whatever danger there would remain from physical aggression by the Third International. The extremists cannot, in our opinion, remain extremists and hold power for any important period of time in a Russia at peace with the world. The momentum would be lost, and could not be regained, for once the preternatural morale of war subsides, there comes a period of relaxed conser-

vatism and of concentration upon private interest.

The Third International has a false ideal and a pernicious method, but its importance is grossly exaggerated. While Russia is at war with the world, it serves the Russian people just as Northcliffe served the British and Creel served the American. It works against the enemies of Russia. And just as Northcliffe or Creel interfered with the internal affairs of Germany and Austria as effectively as they knew how, so the Third International makes all the trouble it can for the governments that send tanks and poison gas against Russia. Give Russia and Central Europe peace and hope, and for a while the Third International will palpitate because war psychology persists. Then the Third International will fade and become nothing but a loose and not very significant collection of left wing minorities. On the other hand, make war on Russia, and the Third International will threaten Europe because it will be the religion of a new Bonapartism.

The Housing Crisis

WHAT shall we expect of the New York legislature, assembled in special session to take measures affecting the housing problem? The Governor and the legislators no doubt desire earnestly to bring relief from a condition that is becoming daily more intolerable. We may take their good will for granted. The pertinent questions are, what have they the power to do? Will they try to go to the bottom of the problem, and make at least an initial move toward a permanent solution, or will they content themselves with mere sedatives like the rent legislation of the last session?

It is not necessary to dwell upon the figures for housing shortage in a city like New York. Every tenant in the city knows by intimate experience that he is lucky if he finds suitable accommodations within his means. Hundreds of thousands do not, and are forced to live in conditions of overcrowding and discomfort that rob life of much of its value. In almost every great city, and in most of the lesser cities and towns similar conditions prevail. According to the calculations of the United States Housing Corporation there were a million families that needed houses before the war, and the shortage of housing has since become greatly aggravated. Only 70,000 houses were built in 1919 instead of the 500,000 that were needed. For every hundred "homes"—whether owned or rented, whether houses or apartments—we have now one hundred and twenty-one families. The Guaranty Trust Company, on the basis of the data furnished by the Geological Survey, calculates that the shortage in

building for the three years 1917-19 amounted to one and one-third years of normal construction. But this represents all buildings, and it is precisely in dwellings that construction has lagged most seriously. Normally thirty percent of the buildings constructed are dwellings, but in 1919 only fifteen percent were. Not to linger over disheartening details, we are safe in saying that if the machinery of dwelling construction were to put on full steam today it would be two and a half years, if not three, before the American people could be as adequately housed as they were in 1913.

But the machinery of dwelling construction is not going to put on full steam today, nor will it for many a day. There are too many difficulties in the way. In many parts of the country building labor is scarce, and not normally efficient. The failure of the railways to give adequate transportation service is another serious difficulty. Almost every building enterprise is retarded by failure in the deliveries of one essential material or another. Capital for building is hard to secure in a period like this when industrial and commercial demands are inflated by the high price level. But unquestionably the cause that outweighs all the rest is the remarkable expansion in building costs. There is hardly any kind of construction that does not cost at least twice as much as it did four years ago. According to the Timber Depletion report of the Forest Survey a frame house of a given plan cost \$4,240 in 1915, \$7,724 in October, 1919, and \$11,820 in February, 1920. In September, 1920, the cost would be still higher, and would certainly amount to three times the cost of 1915.

It may be said, with justice, that the rise in building material and building labor is no more marked than the rise in many commodities of daily use; food, clothing, shoes, etc. The production and consumption of those commodities have not been checked by high costs; why should that of dwellings? There is all the difference in the world between high priced consumables and high priced investments. Perhaps next year one will be able to buy shoes for half the present price, but that will not make a problem out of the old shoes left over from this year of high prices. If there were any prospect of building prices being cut in half next year, it would be a desperate expedient to build at present prices. With the fall in prices the value of this year's house would come down to cost of duplication. For one year's use, or one year's rent, the builder would have sacrificed half of his capital value.

Of course, building costs are not going to be cut in half in one year. Some of them, notably lumber prices, will remain at a high level, though perhaps lower than that of today. The fact remains that

even such moderate declines as must be anticipated would suffice to cancel the builder's profit, unless rentals are fixed at such levels as business can afford to pay but the seeker for dwelling accommodations can not. That, we take it, is the real reason why commercial building goes forward and housing does not. And we are wondering—respectfully wondering—what the New York legislature is going to do about it. Exempt new housing construction and new mortgages from taxation? Good; that might offset a ten percent depreciation due to falling building costs. It would not reassure investors who are afraid of a twenty or thirty percent depreciation. Permit more generous rents? There is a limit on what the traffic will bear, and we appear to be very near that limit already.

We have no right to demand the impossible from a state legislature, and to insist on immediate relief from housing shortage and high rents is to demand the impossible. What we have a right to demand is that the legislature should face the facts and put to itself and to the people the question whether we shall ever have a satisfactory solution of the housing problem so long as we rely on competitive private enterprise to supply our housing needs. They are not supplied now; that is a notorious fact. They could not have been supplied, under that system. It is not primarily because our private builders lack enterprise; it is not primarily because anybody anywhere is profiteering; it is not primarily because our tax burdens rest heavily upon improvements. There are plenty of instances of stupid disregard of opportunities to build profitably; plenty of instances of profiteering; and the maleficence of a taxation system which mulcts the improver and goes easy on the speculator is patent and notorious. But these are like a superficial rash, chiefly interesting as symptomatic of a deeper malady. That malady is peculiarly acute today, but there has never been a time, since the modern movement of population to the cities began, when the system of competitive enterprise has provided adequate housing for the mass of the working population. The committee on reconstruction of the Philadelphia chapter of the American Institute of Architects sums up the matter precisely in a letter to Senator Calder. "The manufacture for profit of the skilled wage earner's home, never sufficient in quantity or quality, has now ceased. The manufacture for profit of the unskilled wage earner's home has, largely speaking, never existed."

The skilled and unskilled laborers are not the whole of society. There still remain wide classes for whom houses can be manufactured at a profit, although it is for those classes that the proverb was coined: "Fools build houses for the wise to

inhabit." The point is that there can be no health and no stability in a society that fails to make adequate provision for the decent housing of its manual workers. According to press reports the business men of Bridgeport, recognizing the natural relation between stewing in overcrowded tenements and social unrest, have addressed themselves to the task of providing adequate housing, without regard to profit, and have already succeeded in abating markedly not only the unrest among the workers but their own terrors over the advance of Bolshevism. We do not vouch for the reports of progress achieved, but assume it to be a myth, there is a sound moral in it.

When private enterprise does not meet a necessary public need, public intervention is required, even in the interest of the general system of private enterprise itself. New York's landlords are not properly housing New York's population. Then it is New York's business to do it. But immediately the question arises, how could the city, even though administered honestly and efficiently, offer better accommodations at the price, or equal accommodations more cheaply, than private enterprise? And above all, how could it meet the present condition of inflated costs more satisfactorily than private enterprise meets it?

We may observe that our system of land tenure—a feudalistic inheritance, not a capitalistic invention—works under urban conditions to produce incredible waste in construction. In cities like New York there are wide areas given over to wretched, unsanitary slum tenements which, systematically developed, would house more than their present population well and at moderate rentals. Why does not private enterprise buy up those areas, clear them off and reconstruct for the profit there is in it? That will strike anyone who has experienced the existing obstacles to improvement as a silly question. Profitable reconstruction requires the throwing together of numerous independent land holdings, and each owner is in a position to hold up the undertaking unless he is bought off at his own price.

Besides, even if it were possible to put together all the holdings needed for an important improvement without encountering the blackmailing, or worse, the obstinate owner, the net effect of the improvement would be to raise ground values in all the adjoining territory and thus to put additional improvements out of reach. If a city were to take over, at present investment values, the whole area likely to be needed for housing, whatever unearned increment accrued as a result of adjacent improvement would be available for further improvement, instead of acting as a bar against it. And in a time of inflated values a city which administered its hous-

ing with a view to securing only the interest and amortization on its bonds together with funds to build against normal increase in population, would still be in a position to build. The tenants of New York are probably paying enough, in increased rentals, to provide all the additional housing that is required. But they are paying the money, not directly to provide housing, but to improve the income of the owners of houses already built, in order that soon or sometime somebody else may perchance be tempted, by the spectacle of a prosperous landlord class, to increase the supply of building. The city could raise rents and build forthwith. Private owners raise rents, as matters stand, and build or not, as they choose, and it is the part of practical wisdom not to build.

Competitive building for profit has never worked well, works abominably now and will certainly never work tolerably in the future. If the New York legislature recognizes that, the special session may be the beginning of great things. It may put on a bandage here or there, to enable us to limp along less painfully with things as they are so long as they must remain such. But it will count its chief work to set in motion the process of constitutional amendment which will permit the public authorities of state and city to follow common sense in making a public service out of housing. The legislature is afraid that public housing would accrue to the benefit of Tammany, not to that of the people? Human ingenuity is quite competent to devise an efficient and non-political control of such a service. No human ingenuity could contrive a system so certain to work perversely as the one under which we are living. In going over to public housing, assume that we are flying to evils we know not of. We are safe in staking our future on the superior intolerableness of those we now have.

The New REPUBLIC *A Journal of Opinion*

PUBLISHED WEEKLY AND COPYRIGHT, 1920, IN THE UNITED STATES OF AMERICA BY THE REPUBLIC PUBLISHING COMPANY, INC., 421 WEST TWENTY-FIRST STREET, NEW YORK, N. Y.
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YEARLY SUBSCRIPTION FIFTY-TWO ISSUES, FIVE DOLLARS IN ADVANCE. SINGLE COPIES FIFTEEN CENTS, CANADIAN SUBSCRIPTION FIVE DOLLARS AND FIFTY CENTS PER YEAR IN ADVANCE. FOREIGN SUBSCRIPTIONS FOR COUNTRIES IN THE POSTAL UNION, SIX DOLLARS PER YEAR IN ADVANCE; REMITTANCE TO BE MADE BY INTERNATIONAL POSTAL MONEY ORDER.

ENTERED AS SECOND CLASS MATTER, NOVEMBER 6, 1914, AT THE POST OFFICE AT NEW YORK, N. Y., UNDER THE ACT OF MARCH 3, 1879.

Is European Capitalism at Stake?*

IS the capitalist system breaking down in Europe as a method of production? The question may sound to most readers absurd, and when it is put in its concrete form, it may appear absurder still. Is Europe nearing a point, within a few years, when it will be generally evident, that under the capitalist system we can no longer obtain the food, clothing and housing necessary to maintain our present populations at a civilized level of comfort and well-being? In Central Europe, in Italy and in Russia every intelligent man and woman has been forced, by the dire experience of privation, to put this question and to answer it according to his lights. In England, though we are alarmed by the fall in the real value of money, and know that high prices mean the scarcity of goods, our case is still so far endurable, that few of us have begun to question the ability of a society based on profit as its motive force, to provide us with our daily bread. Even to those of us who have seen something of the present plight of the continent, the question may seem audacious. It is so much easier and so much less disturbing to say, what is true, that the visible decline of material civilization on the continent is due to a protracted war, a rigorous blockade and a bad peace. These are the immediate causes of the shortage of goods. But what if the war, the blockade and the peace are themselves the result of forces and ways of thinking inseparable from capitalist imperialism? Perhaps in this savage war and this merciless peace, our capitalist society has revealed a lack that is suicidal of the spirit of fraternity and mutual aid. Perhaps it is this moral fault which discloses itself, slightly in England but tragically on the continent, in the shortage of bread, clothes and houses.

All of us have felt, if only in a moment of revelation, as we passed the beggar in the road or looked into the dreary dilapidation of a slum, that these broken lives and inhuman streets condemn our whole social system. It is, or was, however, a solid structure. Whatever the saint or the poet might see in the case of the beggar, the fact was and still is that our capitalist society did survive acres of slums and thousands of beggars, long crises of unemployment and years of scarcity. In spite of all this, it did produce the goods. Populations survived and multiplied, and on the whole the general level of comfort and education tended

to rise. It is a question of scale and degree. Can this same capitalist civilization survive the lapse of whole nations into a slum existence? We used to speak of the submerged tenth among ourselves. The problem now is of the submerged half in Europe. Poverty on this scale raises the general question. As the months and years go by, with their risks of fresh wars and revolutions, can this capitalist system, which has shown itself so egoistic and so predatory, revise what it has done, reverse the working of these motives, and make of Europe once more a habitable continent? Or will the verdict of time and experience, given not in cold blood, but amid the despairs, bereavements and nervous instability of semi-starvation, be that capitalism, evolving as it has done on militarist and imperialist lines, can no longer produce the goods which the millions of civilized men require?

This way of stating the question was not the usual line of approach before the war. No one had then the audacity to doubt that a capitalist society could continue a production adequate at least to the demand for a bare subsistence. There was, to be sure, some economic criticism of the system. Every one had to admit the element of waste in the competitive system. The simplest of us have marvelled at the sight of half-a-dozen competing milk-carts serving the same suburban street. A Royal Commission has said some plain things, apparently with little or no effect, about the waste involved in the competitive production of coal. We are all inured to asking, when we buy a much advertised article, how much of the price represents the thing itself, and how much the advertisement. The land values movement explored one aspect of this question. The cooperative movement was wide awake to another. But while we were aware that capitalism is vulnerable to an economic attack, it was on the whole the moral aspect which chiefly moved us. People who never dream of questioning the system which expects us all to work for the sole end of profit, are outraged by the ugly spectacle of "profiteering."

The war brought with it in every country a revival of the primitive social instincts. We were all in danger. We felt through several years as the primeval clan or tribe must have felt in its vivid life of continual peril and collective ambition. The class struggle was repressed, and party warfare suspended. Even at home the nation made its continual appeal to the motive of disinterested service, and that motive worked, amid the drab surroundings of capitalist mass production in munition fac-

* This article will form the introductory chapter to a new book by Mr. Brailsford entitled *After the Peace*.