

*The* **FIGHT**  
*For*  
**SOCIALISM**

*By*  
**MAX SHACHTMAN**

The **PRINCIPLES** and **PROGRAM**  
of the **WORKERS PARTY**

**NEW INTERNATIONAL PUBLISHING CO.**



## INTRODUCTION by Spartacist

Introductory works on socialism too often oversimplify to the point of being liberal mush. At the same time the author should avoid such vapid abstractions from reality that he cannot be easily understood. The essential value of The Fight for Socialism by Max Shachtman is that it is systematic, does not talk down, and concretises its generalizations in terms of the life-experience of a conscious worker. The book sets forth the lessons from the history of class struggles, analyzes modern society by applying those lessons, and outlines the means by which "socialism...--a practical possibility and urgent necessity" can be achieved.

Those acquainted with the socialist movement of 1965 may know Max Shachtman only as a certified political swine, who as a leader of the right-wing of the American social-democracy, defended the CIA-led Bay of Pigs invasion and today supports the imperialist rape of Vietnam, both the counter-revolutionary war in the South and the bombing of the North. He was for a good part of his earlier life, however, a dedicated and able revolutionist, who was extremely proficient at expressing Marxist ideas clearly in the form of the written word. The Fight for Socialism was authored in an intermediate period when Shachtman had not yet degenerated sufficiently to impair his general ability to write about socialist values and ideas. However, in the field of philosophy and methodology he had already definitively broken with the Marxian dialectic in favor of an explicit indifferent-

ism. Consequently discussion of these subjects is notably absent from this book.

The political position occupied by Shachtman and his party in the period this book was written can best be described as centrist, that is revolutionary in words but opportunist in actions. Such a position is the result of the incessant and at times extreme material and ideological pressures brought to bear on the consciousness of the workers' movement by capitalist society. This pressure first broke through in the case of Shachtman at the time of the Hitler-Stalin pact when it became extremely difficult in the United States to hold to a position of military defense of the USSR against imperialism. Shachtman at that point clashed with Leon Trotsky, and began to develop a new theory of the nature of the Stalinist bureaucracy and of the world's "Communist" parties. Shachtman saw Stalinism as a new ruling force which was seeking to conquer the world. Consequently he gave no credit to the nationalized and planned economy in the Soviet Union for eliminating gaping contradictions of the capitalist economy, e.g., the tendency for the rate of profit to fall leading to the recurring crises of overproduction and the insatiable drive to continually expand markets and investment abroad.

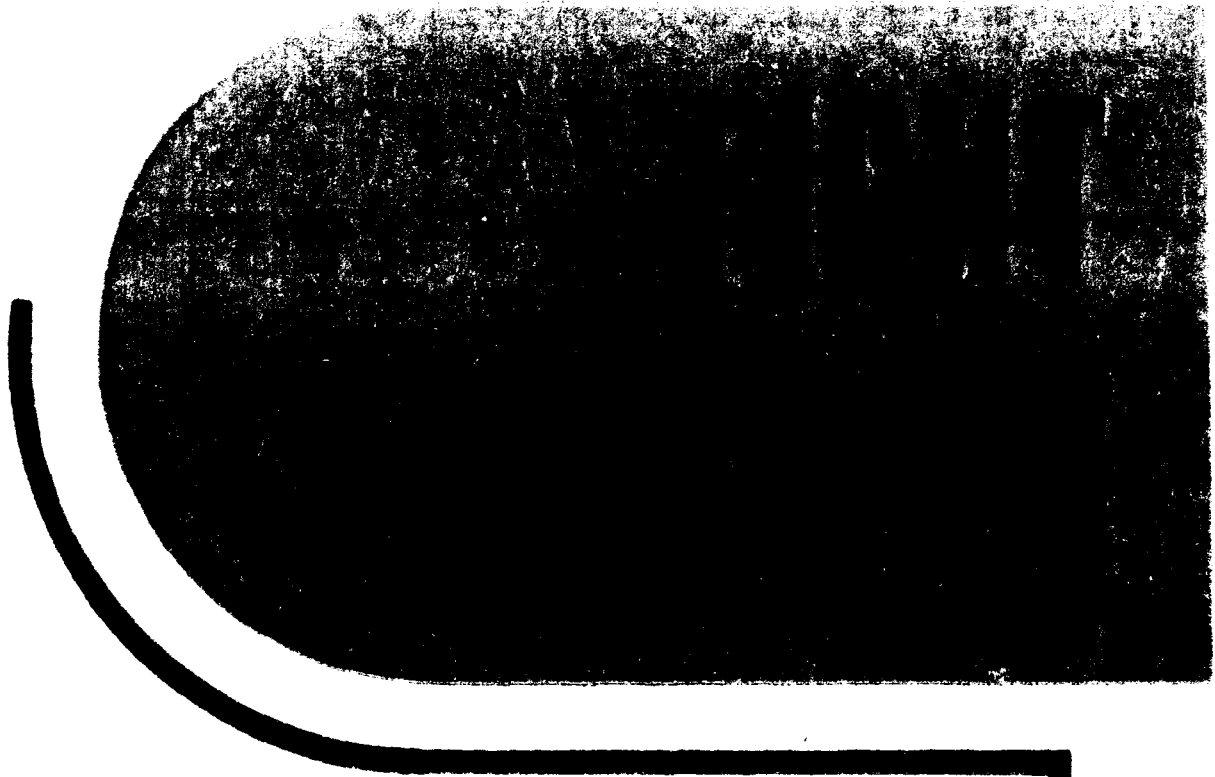
Since the bureaucracy ruled totally in a political sense, it was too easy in 1946 to project the Stalinist oppressions and slave-labor camps into essentials of the social system. Later experience, particularly the Hungarian

Revolution of 1956, has confirmed that the strongest class force in the Soviet-bloc countries in a long-term historic sense is the working class, and that the bureaucracy is merely an appendage which sits on top of the collective economy -- the social basis for workers' power. But according to Shachtman, the revolutionary potential of the working class had been largely forfeited in the world to the Stalinists. Gradually Shachtman drew away from the logical conclusions of a revolutionary Marxist perspective in this country (the need for a revolutionary vanguard party), so that he and his group, overawed by the advances of Stalinist totalitarianism since World War II, finally capitulated completely to their own country's ruling class and in 1958 dissolved into the Socialist Party-Social Democratic Federation.

This book remains the best of its kind available, despite the serious differences which revolutionary Marxists have with it on the Russian question. It is recommended to those who are new to socialist ideas and want a systematic exposition of them.

Resident Editorial Board  
12 July 1965





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of the WORKERS PARTY**



# The Fight For Socialism

*The Principles and Program of the  
Workers Party*

By MAX SHACHTMAN

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## Preface

This booklet is designed to present the ideas of socialism, as expressed in the principles and the program of the Workers Party. The highest and clearest form which the aspirations of social groups and classes, and even individuals, can find in modern society is the political form. The ingenuity of man has produced no better vehicle for realizing these aspirations than the political party. A political party which bases its claim for support on the superior personal qualities of the man or men who head it, or upon this or that momentary platform, is not worthy of serious consideration. Only those political parties merit support that stand upon clearly-defined, publicly-proclaimed and firmly-defended basic principles, and put forward a program for the organization and reorganization of society. Such a political organization is the Workers Party. Its principles and program are the principles and program of socialism.

In the pages that follow, an attempt has been made to set down these principles and program in the simplest and most popular manner, so that every worker who reads them may be able to understand them without difficulty. The author is not unaware of the fact that such an attempt faces difficulties and even dangers. The difficulties do not lie in the intellectual inferiority which the ruling classes attribute to the working class, to whom this booklet is addressed primarily, but only in the mass of misconceptions, and outright falsification of the ideas of socialism which the ruling classes have systematically cultivated in the minds of the people. The dangers lie only in the fact that an attempt to present the rich and systematized ideas of socialism in a simple and popular way often ends—as the literature of socialism amply testifies!—in a cheap

vulgarization and even distortion of these ideas. It is the hope of the author that he has avoided the dangers and overcome the difficulties to a satisfactory extent. Whatever success has been attained here, the author owes in thankful measure to many of his comrades in the leadership of the Workers Party who were kind enough to read the original manuscript with meticulous care and to make numerous criticisms and suggestions for change and improvement which were finally incorporated into the booklet.

The publisher and the author also wish to thank Edith Harvey for her work in preparing the manuscript for critical reading and publication; and Sally Greene and Eleanor Mason for their scrupulous work in reading proof.

April 1, 1946.



# THE FIGHT FOR SOCIALISM

## CHAPTER I

# What Are You?

**Y**OU do not live by yourself on a desert island. You are a member of an organized social community.

In this society, you cannot simply do anything you please and as you please to do it. You cannot simply get anything you wish and do with it as you wish. What you want and do affects and limits what others want and do. In turn, your wishes and actions are affected and limited by the wishes and actions of others. The effects and limits may be direct or indirect, may be felt immediately or only after a while. But they exist, and they determine our lives. We are all subject to the social laws governing the relations between individuals and groups.

What are these relations? What are the laws governing them? What are you—what kind of individual are you and to what group do you belong? Once you understand the answers to these questions, you will not only have a clear idea of your place in society but also of what you can do to make it a better place to live in.

The first instinct of man is to preserve himself. He cannot do it without food, clothing and shelter. Only if he satisfies these elementary needs can he develop intellectually, spiritually and culturally. The basis of every organized social community is *production*—the production of the means of life and of the instruments and materials to produce the means of life. Society cannot exist unless it is based upon production. If there is no production, then you may have a cemetery or a jungle or anything else you please, but you will not have an organized social community of living human beings.

How does production take place? A man alone on an island might build his own shelter, raise his own food and make his own clothing out of materials which he himself procured. To produce in modern society, men must, willy-nilly, enter into certain relations with each other. In doing so, it is immediately clear that not everyone stands on the same plane, does the same thing, or enjoys the same powers, rights and benefits. In entering these relations, we find that some fall into one group, others fall into a second group, still others into a third, and so on.

If, then, you see society as a community based upon production, it is not divided into so many single individuals, but rather into so many groups of individuals. The group you fall into in the process of production determines what you are in society.

### **Social Divisions in Past Societies**

Just what are the groups that society is divided into?

In the first place, history shows that societies have changed and changed fundamentally. Along with these changes have naturally come changes in the groups that compose society.

The first basic division we know is the one between men and women. A division between them still exists and it always will. But it is no longer the basic division today. It was basic in the earliest period of man. The men did the hunting, fishing and fighting; the women made the clothing, prepared the food and took care of the home. What society there was, was based on the clan or tribe. Everything was pretty much owned and shared in common. There was no privately-owned property, no government, no rulers and ruled, no laws in the sense in which we know them today.

Private property came into existence when it proved more profitable to enslave captured enemies than to kill them. Agriculture had developed to the point where a slave could



produce enough to keep himself alive and, in addition, a surplus which the master of the slave appropriated. Slaves were the first form of private property, owned outright like cattle. They were a distinct and separate *class*. So were the owners of slaves.

Who wants to be a slave, lorded over, doing all the hard work and enjoying none or very few of the benefits of his labors? To keep the slaves in the condition of slavery, to prevent them from fleeing or rebelling, the slave-owners had to develop a governing power, with rules and regulations that had the force of law. They aimed at keeping themselves in the position of slave-masters and the slaves in the position of slavery. Special groups of armed men were set up to enforce these laws. *This is the origin of the state*, or, as it is often called (somewhat loosely, we shall see) the government.

Government, then, came into existence in order to maintain the division of society into the two main classes of slaves and slave-owners. It was not a machine functioning impartially for the good of all, but a class instrument. It protected the interests of the slave-owners as a class, and not those of the slaves. Emperors, kings and princes, legislatures (where they existed), the body of laws and decrees, the courts, the armies and the police—all these operated to keep the large mass of slaves subjected to the small minority of slave-owners.

At a certain stage of historical development, chattel slavery gave way to feudalism. Production could not develop beyond certain limits under slavery. Society began to stagnate and go to pieces.

Under feudalism, the feudal lord (the lord of the "feud," or estate, domain, manor) owned the large tracts of land, but the toiler was no longer a slave owned by his master as a thing is owned. The toiler was now a serf, with certain limited rights. But he was under strict obligations to the feudal lord. Either he performed personal labor for the lord or paid

him certain fees and taxes. His small farm was his own, but he worked the estates of the lord without payment. He was bound to the soil, and could not leave it.

The way in which the means of life are produced had changed. As with every such change, it brought with it a change in the main classes of society. Now it was no longer slave and slave-owner, but serf and landlord. The way in which they entered into relations with each other for the purpose of production decided the social relations between them. That is, it decided the class to which each belonged, and the class relations.

Just as under slavery, the government corresponded to this relationship and existed for the purpose of maintaining it. The feudal lord had armed force at his disposal. It was brought to bear against the serfs whenever they attempted to free themselves or to lighten the burdens imposed upon them by the ruling lords. It maintained the property rights of the feudalists, and the extraordinary social rights and privileges which belonged to them alone. Everyone in feudal society was kept aware of the fact that there was a strict class division among the people. The serf and the landlord were not mere individuals; each was a part of a distinct social class, determined by his position in the economic structure.

### ***The Division in Society Today***

What is the fundamental division in society today? In all the advanced countries, at least, the slave or serf of old no longer exists. The classes that once ruled over them do not rule today. The primary division is certainly no longer the one that existed between men and women so many centuries ago.

Is the division in society based upon nationality, between those born in this country and those born abroad? Between those whose skin is one color and those of another color?

Between those who are of one religion and those of another, or those who are of no religion? Between old and young?

There are such divisions, some of them natural, others artificial or artificially maintained. But they are not the lines along which the main social groups are divided today. Foreign-born and native, old and young, white and Negro, Catholic, Protestant, Jew and atheist are found on all sides, in all the social groups of the country.

The main division in society is based upon the difference in the relationship of persons to the process of production. In present-day society, this division gives us a class composed of those who own the means of production and exchange—factories, mines, mills, railroads, banks—and a class composed of those who own only their mental and physical ability to work. Between these two lies a variety of middle classes—small farmers, merchants, professional people and others—but the main, basic, decisive classes in our society are the two mentioned: the owners of capital or the capitalists, and the workers.

How is this to be proved? Very easily.

In order to live and propagate the race, man *must* first satisfy his bodily needs. He must feed, clothe and shelter himself. Food, clothing and shelter do not drop into his lap from the skies. They must be produced.

To produce them today, an employer makes an oral or written agreement with an employee. By it, the one provides the other with a stipulated income in return for a stipulated amount of work. When they come together for this agreement, how do they know who is employer and who is employee? By the difference in age between them? By the difference in sex, or color, or creed or nationality? Obviously not! The difference has nothing to do with these qualities. It is simply this:

The employer owns the plant, the machinery and the raw materials; the employee possesses only his ability to work,



his labor power. It is not the employer who goes to the employee for a job but the employee who goes to the employer. Whenever the employee applies for a job, or seeks to keep his job, or asks for better working conditions, he recognizes implicitly that there is a fundamental division between the owner of capital and the worker.

There are, to be sure, more brutal capitalist employers and less brutal ones. Some employers, the worker never even sees; with others he may even play a ball game on the week-end or belong to the same fraternal order. Some employers pay extremely low wages and maintain the most primitive working conditions; others pay better wages and even maintain special services for their workers. Some are irreconcilably hostile to labor organizations; others tolerate and negotiate with labor organizations. Some are looked upon by workers as "good" and others as "bad."

None of these things, however, changes the basis of our capitalist society. All the employers, "good" and "bad," have one all-important thing in common: they are owners of the means of production or exchange, and derive their income from this ownership. By virtue of this ownership, they are in a position to dictate to the employee the conditions of his existence. They therefore have in common a basic class interest. It is to maintain capitalist private property, and the social system built upon it by which the relationship between capitalists and workers is preserved. "Good" and "bad" capitalist, "friendly" and "unfriendly" capitalist—all are united in the effort to maintain the private ownership of the means of production and exchange and the power that is derived from it.

This ownership keeps the workers at the mercy of the capitalist class. It makes them dependent upon the capitalist class for their livelihood and therefore for life itself. Without this ownership, the capitalists would not have the power, the wealth, the privileges and the ruling position they now

enjoy. Without it, there would still be personal distinctions among people, but there would no longer be a basis for social or class differences, for class rule and class conflict.

This fundamental division of capitalist society into economic classes is often obscured by other divisions which cut across it, or seem to do so. The worker sees members of his class antagonistic to each other and sometimes even torn by violent conflict. He sees the same thing in the ranks of the capitalist class. He sees employers who favor workers of the same religion, or nationality, or sex, or color, or age, and who discriminate against all other workers. He even sees workers of the same color joining hands with their employers against workers of another color, or another religion, or another nationality.

These are all facts. Far from being denied, their importance should be emphasized. But, above all, they should be correctly understood.

Naturally, the capitalists, who are a small minority ruling over the big majority, do not want the workers to grasp the truth about the real class division in society. That would not be in their interest. If the workers understood that they are part of one class, with common basic social interests, then the days of the rule of the capitalist minority would be numbered.

The capitalists therefore create, stimulate and exploit every possible difference, every prejudice, in the ranks of the working class. If the native-born worker can be led to believe that the basic antagonism in society is between those born in this country and those born abroad, that will make it easier for the capitalist to rule undisturbed by a *united* working class. The same is true if the capitalist can make the worker believe that the basic antagonism in society is between white and Negro, or Catholic and Protestant, or Gentile and Jew. If the working class is fighting among itself along such lines, capital, whose only real religion is capital itself, and which

has neither color, nationality, age or sex, can continue to rule society and to keep labor at its mercy.

The worker who understands his class position in society has already freed himself from the most oppressive and misleading idea that capitalists seek to pump into his head from childhood on. With this understanding comes the first big step toward freedom. Only if you know what society is based on, what position you occupy in it, what your relations are to other classes, can you begin to transform society into what it can and should be.

Above you, ruling society and ruling you, is the capitalist class. You are a member of the working class. It is to you that these pages are addressed.

## CHAPTER II

# The World We Live In

**B**Y establishing the fact of the fundamental division of capitalism into two economic classes, we have gone a great distance, but there is still much ground to cover. Capitalism is kept alive not only by force, but by ideas. These ideas it instills into the masses of the people from the day they start thinking to their last day. The schools, the newspapers, magazines and books, the radio, the moving picture theater, the pulpits, are all the means by which the thoughts of people are shaped. They are used by the class that controls them to argue that the society we live in is fundamentally good and correct. By and large, the working class accepts these ideas. If it did not, capitalism could not exist very long. Because he is stuffed full of these ideas, the worker will usually say at this point:

“Granted that I am a worker. Even suppose I am part of a class. Granted, further, that my employer is a capitalist, a member of another class. What is wrong with that? That is normal, isn’t it, and proper?”

“Why should there be conflicts between these two groups? Or, if there are conflicts, why can’t they be settled amicably, to the satisfaction and benefit of both sides, provided they both take a reasonable position?”

“Isn’t it a fact that just as capital needs labor, so labor needs capital? If there were no labor, naturally capital could not produce and make a profit. But if there were no capital, who would employ labor and provide it with an income? Aren’t both sides interested in production, and more produc-

tion, making possible jobs and wages for the one and a legitimate profit for the other?

“What is more, if he is a smarter or abler man, like a great artist, it is perfectly legitimate for him to rise to the top and become a capitalist. What is to prevent me from getting to the top of the ladder myself if I work hard enough, or if I am left a legacy by someone, or if I have a stroke of good luck?”

Let us consider these last points first, before we deal with the other, more basic, questions.

It is perfectly “legitimate” if a man who has genuine talent and applies himself diligently to study and practice, rises to prominence as a violinist, a painter, a writer. If I have no talent and am lazy in the bargain, I cannot rightfully complain if I am not recognized as a prominent artist.

But the great artist who has risen to the heights cannot be compared with the capitalist. The artist entertains us and enriches our lives. He does not employ us, exploit us or oppress us; nor does he have or claim to have the power to do so. He cannot and does not bequeath his prominence to his heirs. The *social consequences* of his “being at the top” are in no wise the same as in the case of the capitalist.

Secondly, it is clear that the whole working class, which numbers tens of millions, cannot become capitalists, who number only thousands. If ten workers rose, by one means or another, to the ranks of the capitalist class, that would change the social position of ten persons, but would leave the fundamental division of society unchanged. If worker A became a capitalist and capitalist B was forced to become a worker, that would change the social position of two persons, but everything else would remain the same.

Thirdly, we see any number of capitalists who do not lift a finger to do a lick of work of any kind, and yet remain the wealthy and powerful owners of industry and finance. Others do perform a useful task, but their tremendous incomes and

powers do not correspond to their labor but rather to their mere ownership of capital. Still others never did work of any kind in all their lives, or haven't a trace of ability or a functioning brain cell in their heads, yet they are wealthy and powerful and part of the ruling class only because of the accident of birth and the law of inheritance. Finally, we see workers by the million who toil like beavers all their lives, who are ingenious and talented, who try to save every penny they possible can, and yet do not become capitalists.

Or let us take the question of production.

It is perfectly true that both the workers and the capitalists are vitally interested in production. But they are interested in a fundamentally different way.

The worker is interested in production primarily in so far as it is *production for use*, that is, in so far as it makes it possible for him to have the things needed to preserve and expand life—food, clothing, shelter, comforts.

The capitalist is interested only in *production for profit*. He will produce poison gas as readily as he produces shoes, and more readily if it yields a greater profit. However, if he cannot realize a profit for himself on the market, he will produce neither poison gas nor shoes. The fact that people always need shoes and food and shelter is of absolutely no concern to him, unless he can realize a profit for himself in producing these articles. If he cannot, he suspends production. He closes down his plant. Thousands and sometimes millions of workers are thrown out of work.

These workers are still interested in production, in jobs, in a regular income. They are compelled to be interested in continuous production, for without it life is extremely wretched if not impossible for them. Their interest in production is not based on whether or not it yields a profit to the capitalist. It is based on their needs, which do not disappear for a minute. The capitalist, on the contrary, will produce only if it is profit-

able to do so. Capitalism cannot reconcile these two conflicting social interests!

However, the best way of seeing how superficial and wrong are the ideas which capitalism inculcates into the working class, is to go to the roots of the world we live in today, capitalist society. Let us examine it with as little emotion as possible and with a maximum of scientific accuracy. Society is an organism that is subject to analysis as scientific as any employed in analyzing other organisms. Let us see how this one came into existence, how it operates, what makes its blood circulate, what its diseases are and how they developed, why they threaten it with extinction and why this extinction is inevitable.

### **Commodity Production**

Our analysis of capitalism starts with the two words: *commodity production*. What do they mean?

A commodity is any object that labor has produced for sale on the market. A stool produced by a man for his own use, and not for sale, is not a commodity. Exactly the same stool, produced out of the same materials and in the same way by the same man, but offered for sale on the market, is a commodity.

The fact that a commodity can be and is sold on the market already shows that it has two values. One is its *use value*. That is, it is valuable to someone for whom it satisfies a need, real or imaginary. The other is its *exchange value*. That is, it has a value in terms of money or other commodities for which it can be exchanged. Without these characteristics, a product of labor could never be sold on the market—it would not be a commodity.

Commodity production is many centuries older than capitalism. But in pre-capitalist times, it was *simple commodity production*. The small peasant producer, the artisan or handicraftsman produced commodities for the market. But he

owned his own tools, his own equipment, or his own land, that is, his own means of production. He produced commodities for exchange with another producer for the purpose of satisfying their respective needs. He did not employ hired labor. His object was not primarily the gaining of profit. The accumulation of great wealth and capital was practically out of the question under these circumstances.

For commodity production to become *capitalistic*, a tremendous change had to take place. It was first necessary to separate the means of production from their former private owners, the small peasant, the artisan; in a word, to expropriate or destroy the private property of the independent producer. The cruelty with which this was accomplished, the suffering and misery it brought to millions, make some of the foulest pages in human history. It is ironical to note that the great beneficiaries of modern capitalism, who grow hysterical at the very mention of the word "expropriation," came to their present power and wealth on the basis of the most widespread expropriations known up to that time.

The vast expropriations and ruin of the independent producer were greatly stimulated by the Industrial Revolution, the advent of steam power, the development of modern machines, which meant the displacement of *manufacture* (making by hand) by *machinofacture* (making by machine).

Modern production is not based upon the spinning wheel, the cobbler's bench, the tailor's needle, and the peasant's plow. Its foundations are big, complicated, expensive but infinitely more efficient machines and workshops. To go into the business of shoemaking, it is no longer sufficient to get a bench, an awl, some nails and thread, and a few hides. Nowadays, it requires tremendous investments of capital, not only for raw materials and labor but for machinery which is entirely in the hands of a powerful monopoly. In the old days, a newly-established small foundry could easily enter into fair competition



with another. Nowadays, iron and steel are produced in mills of vast dimensions, whose control is centralized in the hands of a tiny group of monopolistic capitalists. The idea of a "little man" competing with these mills by setting up a foundry with a few hundred or even a few thousand dollars he has managed to save, is the wildest kind of fantasy.

The tremendous change that has made simple commodity production capitalistic, consists in separating the big mass of independent producers from the means of production and converting these means into the private property of a small minority of monopolists. Production is no longer carried on to satisfy mutual needs, but *only* for private profit, for the accumulation of capital.

The ruin of the big mass of independent producers resulted in the creation of a large class of propertyless laborers, the modern wage worker. The laborer of today is radically different from the laborer in the social systems that came before capitalism. He is not owned like the ancient chattel slave, like a thing, like a piece of private property that can be bought and sold. He is not a serf bound to the soil, without any rights whatsoever, and duty-bound to work not only for himself but also for some feudal lord. He is a *free* worker. In what sense? He hires himself out on the market to an employer. He offers for sale only his power or ability to work, in return for which he receives a wage. He is "free" to work at a job, or not to work. That is, he is free to work—or starve!

There is another, and a very important, sense in which he is "free." His ancestors owned their tools, equipment or land, which made it possible for them to be independent producers. Under capitalism, the worker has been "freed" from his tools and equipment. He no longer owns, and he cannot own, the means of production. He is a *propertyless worker*. He does not and cannot own the big machines, the mills and workshops, the vast stocks of raw materials, with which modern

production is carried on. He must work on the land, in the plant, with the machines and raw materials owned by others.

Let us, then, summarize the distinguishing marks of capitalism:

The predominance of commodity production, production for sale on the market, production for profit.

The monopolization of the means of production and exchange as the private property of a small minority, the capitalists.

The existence of a vast body of "free" workers who are forced to sell their labor power for wages.

At this point, we must add to our understanding by looking into the matter of labor power, that is, the mental and physical ability to work.

### **Labor Power—the Peculiar Commodity**

The worker is not a commodity, but his labor power is. He produces and reproduces his ability to work so that it can be sold on the market. He offers it to the highest bidder in exchange for wages, just as any other commodity is exchanged on the market. But labor power is a unique commodity. It differs in one basic respect from all other commodities. If this difference is not clearly and fully understood, nothing will be understood. Let us therefore examine it with the closest attention.

Every commodity has a value, and must have a value to be a commodity. This is its *use value*. It can be used as an article to be consumed, like a pair of shoes, or as a means of producing other articles, like a machine for making shoes. But capitalism is not in the least interested in producing articles merely because they are useful, or have a use value. That is not the way it is organized or the purpose for which it functions.

Let us bear in mind that capitalism is based on commodity

production, that is, production for the market. For capitalism, or a capitalist, to provide an article, it must therefore have *exchange value*. That is nothing but the quality of an article, of a product, that makes it possible to exchange it on the market for other commodities, usually through the medium of money. Every commodity has not only a use value but also an exchange value.

The question now is: how is the exchange value of commodities determined? A suit of clothes has a higher exchange value than a pair of shoes; and an engine lathe has an even higher value. To say that one costs more than the other, does not answer the question, for it is only another way of saying the same thing. In measuring the exchange value of commodities, we must first find out what they all have in common and then establish the greater or lesser amount of it that each commodity possesses.

It should be obvious that the measuring rod is not the use value of a commodity. We can hardly say that an engine lathe has fifty times the value of a pair of shoes because it is fifty times more useful, or that a machine gun has the value of ten radios because it is ten times as useful. It is impossible to compare commodities on the basis of their use values, because each of them is so different in quality. All of them must, instead, be compared with something else, with something they have in common, but in different quantities. And what all of them have in common is *human labor*. That is, human labor has been expended to produce them.

The value—exchange value—of a commodity is determined and measured by the quantity of labor needed to produce it.

Let us expand on this for a moment in order to be as exact as possible. What is meant by the “quantity of labor needed to produce” a commodity? Does it mean that a pair of shoes that a slow worker takes ten hours to produce on a cobbler’s bench is worth ten times as much as a pair of shoes that a

fast worker takes only one hour to produce on a modern, highly efficient machine? Obviously not. Assuming approximately the same quality in the two pairs, they will have approximately the same value on the market, the same exchange value.

Exchange values are always being changed. They change in accordance with the rising productivity of labor, the increase in skill of the worker, the improvement of machinery and efficiency of operation, the invention of new machinery. The labor needed to produce a commodity thus changes in quantity. Exchange value is determined not by the slower worker with the old-fashioned methods or machines, but by the faster worker operating the newest machines by the latest methods developed in society. Which is another way of saying that the value of a commodity is determined by the quantity of *socially-necessary labor* needed for its production.

Labor is the source of all exchange value. This is a basic truth that capitalism and all its defenders move heaven and earth to prevent workers from learning.

What about the value of labor power, which we have also called a commodity? The same holds true for this commodity, but, as we have said, with one extremely important difference.

The worker sells his labor power to the employer. This he must do, because, as we know, it is the employer who owns the plant, the machines, the raw materials as his private property, whereas the worker possesses only his ability to work. In return for the work he does for the employer, the latter gives him wages.

Now the question is: are the wages received by the worker equal to the value of the commodity he has sold the employer, namely, his labor power? Here we come to the heart of the whole problem of capitalism and capitalist social relations.

If labor power is a commodity, then, like all commodities, its value, too, is determined by the quantity of socially-neces-

sary time needed to produce it. What produces labor power? Food, clothing, and shelter which a worker requires to maintain himself in a condition enabling him to continue working, and to maintain a family in which new generations of workers can be raised. The worker sells his labor power to the employer, and in exchange he receives money needed for food, clothing and shelter.

So far, everything seems to be proper and perfectly fair. The worker gives something and gets something; so does the capitalist. The capitalist says, "Give me a fair day's work and I will give you a fair day's pay." The worker says, "For a fair day's pay, you will get a fair day's work." It would seem that there has been a fair-and-square exchange between the two parties. But let us look a little further.

If the employer has given the worker as much as the worker has given him, why did the employer need the worker in the first place? He had just as much before he hired the worker as he did at the end of the first working day—assuming he gave the worker, in the form of wages, the same value as the worker contributed to him, in the form of applied labor power. He may not, it is true, have lost anything by the transaction, but neither did he gain anything. This would make no sense, however.

Let us put it another way. Before he hired the worker, he had (to take an example for illustration) \$100 invested in raw materials. He had another \$10 to give the worker in wages for, let us say, ten hours of work. The worker applies his ability to work (his labor power) to the raw materials. He thereby increases its value from the originally invested \$100 to the sum of \$110, which can now be realized by selling the finished product on the market.

What good has the worker's labor been to his employer? The employer had \$110 to begin with (\$100 for raw materials and \$10 for wages) and he can now sell his finished product

only for the same \$110. The employer has not advanced an inch; he is right back to where he started. The only one who seems to be ahead is the worker. He started without a penny, and at the end of the day he is tired out but he has \$10 he never had before. It would then appear that the employer had only two reasons for opening up a plant for production: one, to produce articles which are of use to people so that they can buy them on the market; and the other, to provide the worker with the money needed to buy these articles. As for himself, he got absolutely nothing out of the whole affair, except the warm and pious feeling that he was benefiting humanity.

But this makes no sense, either. The capitalist produces only if a profit can be made. When there is no profit, he does not keep his plant working but closes it down or disposes of it to someone else.

The key to the mystery lies in this: Labor power is a peculiar commodity. It differs from all others in the fact that it alone is capable of creating greater value than the value which itself possesses! What is meant by this?

### ***The Basis of Exploitation, Profit and the Class Struggle***

The exchange value of the commodity known as labor power is received by the worker in the form of wages. With his wages, the worker buys other commodities which enable him to maintain and renew his ability to work. But while it takes him only a *part* of the working day to produce the value represented by his wages, the capitalist has the use of his labor for the *whole* of the working day!

By his work, the worker adds to the value of the materials, be they cotton to be made into a shirt, leather to be made into shoes, metal to be made into automobiles. A shirt is worth more on the market than the cotton originally used to make it. In transforming the cotton into a shirt, the worker has added to its value. But if the worker is to be paid in wages to

the amount of the value he has added to the cotton, the employer, as in the illustration above, has not advanced an inch. He *does* advance *if* the worker adds a greater value than he receives in the form of wages. That is exactly what happens.

During the first three or four or five hours of the working day, the worker adds enough value to equal the wages he receives. But he contracted to work a full day. He continues to create value during the balance of the day. This additional value is known as *surplus-value*. It goes, not to the worker who created it, but to the capitalist who hired the worker for the full day (or week, or month, as the case may be), and who pockets this surplus-value in the form of profit. It is *only* because the worker can create this surplus, and *only* because the employer can pocket it, that labor is hired and capitalism can produce. That is the secret, and there is no other.

That is the basis for the *exploitation* of the working class by the capitalist class. The ownership of the means of production as the private property of capitalists makes it possible for them to exploit the workers, to squeeze out of them surplus-value and thereby profits.

Once this is understood, the rest follows easily. The capitalists give every explanation possible for their profits, except the real one. They talk about the "risks of capital," about the "legitimate yield of enterprise," about their own "hard work," and a thousand other things. But if they were a million times more enterprising than they are, and took a million more risks than they do, and if they cheated each other and everyone else a million times as much as they do—there would still be no other way of making profit under capitalism than by *exploiting labor*, by forcing labor to create a *surplus-value* above that which is represented by wages. And the means they employ to reduce labor to the position of a wage-slave rests in the private ownership of the means of production and exchange.

That is why capitalists always seek to reduce wages. The lower the wages paid, the higher the profits made. That is why they seek to lengthen the working day. The longer the working day, the more hours the worker devotes to producing *surplus-value*. That is why they always seek to speed up the worker, to intensify his production, to have one worker operate more and more machines and do the work of more and more workers. The more intensely the worker labors, the more value he creates; therefore, the more surplus-value; therefore, the more profit.

The greed for profits knows no limit. If capital makes five per cent profit, it is not content until it makes ten; when it makes ten, it seeks every possible way of making twenty. Profits can be obtained and increased only by a constant intensification of the exploitation of labor, by reducing labor's share of the national income, by lowering labor's standard of living.

Consciously or unconsciously, in an organized manner or as individuals, labor seeks to resist this exploitation and its intensification. It seeks to maintain its standard of living and even to raise it. It seeks higher wages and a shorter working-day. It comes into constant conflict with the compelling, irrepressible drive of capitalist production, which is the drive for profit, for the accumulation of more and more capital and the production of more and more profit.

This conflict is not so much a conflict between the individual worker and the individual capitalist, but between the working class and the capitalist class. It is the modern *class struggle*. Nobody has artificially manufactured it; nobody has invented it. It is the direct, natural, inevitable product of capitalist society.

There are other conflicts in capitalist society, to be sure. There are conflicts inside the working class, as has been noted before. There are also conflicts—violent ones—inside the capitalist class. Each capitalist seeks to dominate others. Each



seeks to control, absorb, expropriate the other for his own benefit. Such conflicts rage within the capitalist class of each nation, and between capitalist nations themselves. But the capitalists are united as a class for the maintenance of their own social system and the defense of their class interests. They can and will differ on a thousand subjects, but they are united in defense of the system of *capitalist private property* upon which rests their power and rule.

The class struggle between capital and labor is therefore basic to modern society. It is a struggle that goes on all the time, now hidden and now open, now muted and now violent. It is not only unceasing, but also irreconcilable. The basic class interests cannot be harmonized. One or the other must triumph.

Let us see why this is so. Let us see why it is absurd and futile to oppose the idea of the class struggle. Let us see why it is necessary for the working class to understand that the struggle exists, that it cannot be patched up by compromises in which both sides "give in a little" and act "reasonably," but that, on the contrary, it is a struggle that must be carried through to the end and in a *conscious* manner.

## CHAPTER III

### How the World We Live In Operates

**W**E will leave the class struggle for a while and return to the foundations of capitalist society. They need closer examination, so that we may see more clearly how this social system functions and in what direction it is moving.

In order to keep their great power, the capitalists and their defenders teach the idea that capital and capitalism have always existed. In this way, they seek to convey the idea that capitalist class society and capitalist exploitation will continue to exist forever. In other words, that it is a system of society that is *natural* and *eternal*, and there is no use anyone thinking of making fundamental changes in it or replacing it with any other social system.

This idea is completely false. It has been developed only to maintain the capitalist class in economic and political control.

Money or some other medium of exchange, and treasures of all kinds, have indeed been in the hands of the few, and poverty has been the lot of the many, almost since the beginning of history, or at least since society first divided into classes. Tools and instruments of production, of one kind or another, have also existed from time immemorial. But only with the rise of modern capitalism, which is only a few hundred years old, have money and the means of production been converted into what they never were before, namely, *capital*. More accurately, it is only under modern capitalism that capital becomes dominant, that it pervades and controls and actuates all economic life.

Under slavery and feudalism, the nobility and the landlords owned human chattels or the land and mercilessly exploited

the slaves and serfs. But what these slaves and serfs produced beyond the needs of their own wretched existence, was consumed by their overlords. What did they produce? Food, clothing, castles and palaces, and other objects of personal use and consumption. Little or nothing was produced for exchange. There was accumulation of great personal fortunes, but no accumulation of commodities to speak of. The means of production were simple and primitive, like the hand-plow and the spinning wheel, and their primary purpose was to satisfy the needs of the ruling classes. In addition, there were numerous free producers who owned their own land or their own shops and tools. They were small independent producers.

Modern capitalism arose only with the development of machinery, with the great expansion of production which this made possible, with the expropriation of the independent producers, and the concentration of the means of production in the hands of a few. The means of production became capital when they became the private property of a capitalist minority and were employed for the exploitation of the modern wage-worker.

The peculiarity of capital, which distinguishes it from mere money and mere tools and mere raw materials and mere labor power, is this: All these become *capital* when they are used for the purpose of accumulating more capital. This is the difference between capitalism and all societies that went before it. The difference is so important that it cannot be over-emphasized.

### ***How Capital Is Accumulated***

The accumulation of capital falls into two historical divisions. If you examine them, you will see how preposterous are the claims of the capitalists that they acquired their power by hard work and laying aside savings.

Capitalism came into this world by means of such plunder,

rapine, devastation and expropriation as history had never before recorded. The newly-discovered lands of America, Africa and Asia were plundered by merchants, adventurers, trading companies and brutes of all kinds; their wealth and treasures were ruthlessly stolen; their defenseless peoples were mercilessly exploited, and often slaughtered wholesale. Other fortunes were made by the hideous trade in human flesh, as was notoriously the case with the African Negroes. Still other fortunes were built on the seizure of the lands of peasants by powerful noblemen and landlords, who simply expropriated these cultivators of the soil by force and without fear of legal punishment. And yet other fortunes were multiplied by plundering public lands and the public treasury, often by outright corruption and bribery of legislators.

The idea that the original fortunes on which modern capital is founded were accumulated by "hard work" and "thrift" is an impudent myth. The first historical period of the accumulation of capital is sordid, thievish and bloody from beginning to end. It is the period of the *primitive accumulation of capital*.

It was only on the basis of this accumulation that modern capitalism became possible. Capitalism is large-scale machine production for a vast market. To set up modern factories, with costly machinery that requires a steady flow of raw materials from all corners of the world and a large supply of labor—all this needed investments that the ordinary person, no matter how hard-working and thrifty, could hardly dream of acquiring. The possessors of great fortune could do it with ease.

Once capitalist production is under way, however, its continued existence demands continued accumulation of more and more capital, the continued expansion of capital. The accumulation of capital is made possible only by the fact that the worker produces surplus-value out of which the cap-

capitalist derives his profit. In turn, a constant accumulation or expansion of capital is necessary if profit is to be maintained.

It is well to note here, before this key point is developed, that the drive to accumulate capital is peculiar to capitalist society. The fundamental purpose of this society is not the production of the necessities of life, but production for profit, production for the sake of accumulation, production for the sake of more production. Basically, this does not depend upon the wishes or desires of this or that capitalist. It is *inherent* in the system of capitalist production.

Capitalist production can no more take place without constantly accumulating capital by means of extorting profit, than the human being can live without constantly breathing. If it were possible for a human being, by sheer will power, to stop breathing for any length of time, the only result would be the collapse of his lungs and his own death. The collapse of any capitalist would follow his attempt—if he were so extraordinary as to make it!—to stop accumulating capital. By the same token, this applies to the capitalist class as a whole and to its method of production.

From this alone it should be evident that the basic problem of capitalist production has nothing to do with whether this capitalist is “good” and “generous,” and that capitalist “bad” and “miserly.” It is not at all the personal character of the capitalist that is involved—his character usually merely reflects his *social* position. It is not at all the individual capitalist who must be “changed” in order to change conditions. It is rather the *mode of production* that is involved. That is what must be studied, and that is what must be changed.

Let us take for our first example a modest and pious capitalist. He owes nothing, he argues, to the labor of others. All he has he acquired by his own labor or wit or good luck. By working like a slave for years, by stinting himself, by saving every penny; or by a legacy from a wealthy uncle; or by stum-

bling over a valuable gold nugget—he has managed to get hold of, say, \$100,000. He got that wealth without employing labor, therefore, without exploiting anyone. So far, it seems, the argument is on his side. It is not even necessary to challenge his argument, for thus far he is not yet a capitalist.

Suppose, however, that this man of wealth launches an enterprise in which he invests his hard-earned, self-earned, or luckily-found \$100,000. We will even overlook how he got it in the first place. He has it, and he invests it in production.

On this sum of money, he makes a profit of ten per cent per year, or \$10,000. We keep in mind here our theory of surplus-value, and we assume that the *rate* of surplus-value in this case is 100 per cent. That is, if the workers in his plant worked an average of four hours per day to produce the equivalent of their wages, they worked an additional four hours to produce the surplus-value. At the end of the year, the total capital would amount, thereafter, to \$10,000 more than was originally invested, or to \$110,000. The additional \$10,000 is his profit.

The capitalist, however, is not too ambitious. He is not interested in *accumulation*, that is, in expanding production. All he wants is his modest profit of \$10,000, and all he wants to do is spend every penny of it on food, clothing, a home, an automobile, a little life insurance, and some other necessities of life and a few small comforts for himself and his family. In other words, he consumes his profit personally and does not re-invest it. He is content in the feeling that he deserves this income because of his enterprising nature, the risk he took in launching the business, the talent he displayed in organizing production and selling his commodities on the market at a reasonable profit. His piety is satisfied by the feeling that he exploited nobody, but instead gave a number of workers a good job and good wages in return for a fair year's work.

If this is the basis on which he operates, he will naturally

start the second year as he did the first, with a capital of \$100,000, having himself consumed, as an income he considers his rightful own, the \$10,000 profit he made.

But let us stop a moment. The \$100,000 with which he starts the second year is not the same \$100,000 with which he started the first year. Of the original \$100,000, he used \$90,000 for machinery, raw materials, etc., and \$10,000 for wages. When he received \$110,000 on the market for the goods produced by the end of the year, it divided up this way: \$90,000 represented the value of the machinery, raw materials, etc., incorporated into the finished products; \$10,000 represented the value contributed by the workers to make up for the wages he gave them; and another \$10,000 represented the *surplus-value* contributed by the workers in the second part of their working day.

After taking as his income \$10,000, the capitalist still has left what he started with—\$100,000. But only \$90,000 of that came from his original capital; the remaining \$10,000 came from the workers whom he exploited.

Now, if this same process is repeated during ten years, it should be clear that he will start the third year with only \$80,000 of his original capital and \$20,000 of surplus-value; the fourth year with only \$70,000 of his original capital and \$30,000 of surplus-value; and that he will enter his eleventh year in business without a penny of his original capital. He will once again invest a full \$100,000, but every cent of it will have been the product of the exploitation of labor!

From this example it may be seen that no matter how noble and spotless the methods by which a man may have gathered together a large sum of money in the first place, the moment it is converted into capital, it cannot be increased, and it cannot even be maintained at its original size, without the exploitation of labor. The idea that capital is the result of "hard work" by the capitalists, of their "savings" and "econ-

omizing," of the "risks of enterprise" they take—or of anything else but the exploitation of labor and surplus-value—is utter nonsense.

Our example was hypothetical and, in fact, a rare one. It is seldom, if ever, met within capitalist society. Our modest, unambitious capitalist is not the capitalist as he really is and really must be. This one was content with merely reproducing his capital, and cared nothing for *accumulating* capital, for expanding capital. But in the real life of capitalist society, what the individual capitalist cares for or does not care for, matters very little.

It has already been emphasized that what this or that capitalist desires to do is not decisive. The mode of production is what decides. The capitalist who does not accumulate, expand, is doomed. He *must* expand or be crushed. This lies not in his nature, but in the nature of capital itself.

We have seen what the primitive accumulation of capital meant. It was primarily the piling up of vast sums of money and treasure. Capitalist accumulation is something else again. It is the application of wealth to the production of more wealth. How does capitalist accumulation take place? Why must it take place? What results from it?

The capitalist produces for the market. (When we speak here of the capitalist, we have in mind not so much the individual, as the capitalist enterprise, capital itself.) This implies the existence of competition between different capitalists. No competition—no capitalist market. The value which the worker adds to the product by means of his surplus labor-time cannot be realized in the form of profit until the product has been sold on the market. The finest and hardest work put into making a machine tool, an automobile, or a hat will not yield a profit to the employer until the product has been bought and paid for. The consumer, be he a worker looking for a pair of shoes or an industrialist looking for a milling machine, will



not pay a higher price if he can get the same article for a lower price. In competing on the market for the buyer's favor, the winner will be the capitalist who can produce the commodity at a cheaper cost and sell it at a cheaper price.

The winner in the race for the market is therefore the capitalist whose machines are better and more modern, whose plant and production system are more efficient, who can buy raw materials in larger quantities and therefore at lower unit cost. In other words, the large-scale enterprise based on a big capital has all the advantages over the small-scale enterprise based on a modest capital. The former has big turret lathes, boring mills, multiple drills, giant presses; the latter must be content with smaller and less efficient machines. The former organizes production with large numbers of unskilled workers, who perform single and simple operations at great speed, like tightening the same nut all day long; the latter, because it can afford only a few workers, must have them skilled enough to do a multiplicity of operations, from tightening a nut to precision milling. The former can buy materials by the carload, at favorable rates, or even has its own private, guaranteed source of raw materials; the latter can buy only in small quantities and must pay higher rates. The former maintains engineering staffs to work out speedier and cheaper production schedules, and it has the working force and the tools with which to carry out such schedules; the latter just struggles along. The unit cost of production is lower with the former and higher with the latter. The difference has developed and continues to develop with all the force of an economic law, which may be bent a little under certain circumstances but which cannot be broken.

The result is that the small-scale enterprise cannot stand up in the competitive race for the market. It goes bankrupt or is absorbed by the large-scale enterprise. Or it ceases to be a real competitor by being reduced to sub-contracting for the

big enterprise, which places it at the mercy of the latter. Or else, by hook or crook, and most usually by squeezing its workers to the last drop of their energy, it manages to eke out a miserable and hopeless existence.

What about enterprises that are approximately equal in size and efficiency, and therefore equally situated as competitors? They must engage in the competitive race, too. In the long run, which will win the race? The one that enlarges its plant; that purchases more modern machinery; that gets its raw materials cheaper, either by agreement with the source producer or by acquiring its own sources, that is, again, by expanding; that speeds up its production to lower unit cost; that increases the working force, or intensifies its exploitation.

This last it can do, and does, in several ways. It lengthens the working day. It reduces the wages of the workers. It speeds up the workers so that they produce the same amount in less time. It cuts down on expenses involved in protecting workers on the job or in making little comforts available to them. To win the race for the market, the capitalist *must* do some or all of these things. If he does not, he loses the race and is himself lost.

But all these things, except the last-named, involve *expansion*. If the capitalist consumed all his profits for purely personal use, as in the first example given above, expansion would obviously be impossible. He therefore sets aside some of his profits, *as he must*, for capital expansion (more plants, more raw materials, more and better machines, larger working force, more advertising and salesmen, etc.). He cannot survive if he just stands still, or continues at the old pace. Survival under capitalism—just survival—*demands expansion*, demands accumulation of more and more capital, demands, therefore, more and more profit, without which accumulation is impossible. Profit makes accumulation possible; accumulation makes profit necessary. No profit—no accumulation; no accumulation

—no production. That is how it is, and that is how it must be under the capitalist mode of production, entirely independent of the best wishes and intentions either of the worker or the capitalist. Capitalism is production for profit, or there is no production at all!

### **The Consequences of the Profit System: Ruin of the Middle Classes**

But we remember the question that was asked at the very beginning: "What is wrong with a man making a profit, especially if it is a reasonable profit? If he makes a profit out of my labor, and if he is forced to accumulate and produce in order to make a profit, that certainly means that I will at least have a job. He will make a reasonable profit—I shall see to it that his profits are no more than reasonable; and I will get a reasonable or fair wage—and I shall see to it that my wage is reasonable. Each of us gives something and gets something, which is fair all around. It is just his good luck that he is on top, and my bad luck that I am not."

Whoever talks this way shows that he is still thinking of the problem in terms of a personal relationship, so to speak, a relationship between himself and his employer. But it is not the kind of problem that depends for solution on both sides being reasonable. It is a problem of social relations, relations between two classes in society. It is a problem of the social consequences of the capitalist system, and only because of them is it a problem of the individuals involved. Let us examine some of these consequences.

One of them has already been indicated, with emphasis placed on the fact (and this emphasis must be repeated over and over again) that it does not result from the "goodness" or "wickedness," the "reasonableness" or "arbitrariness" of individuals, but from the operation of forces which make up capitalist society itself. We refer to the gradual ruin of the owner

of small-scale enterprises, which can be stated more widely as the gradual ruin of the *middle classes*.

It is precisely in the competition for the market that monopoly ownership and control arises and is consolidated; This is a trend that can be slowed down by one device or another, but it cannot possibly be halted. The small capitalist is squeezed out and ruined, absorbed or reduced to complete dependence on the big capitalist, just as relentlessly as the small independent commodity producer was squeezed out, expropriated or absorbed in the early days of capitalism. This process results in the establishment of big monopolies, trusts, cartels, syndicates. There is no way of stopping this process. It flows from the nature of capitalist economic development.

The process results in the *centralization of production* on an ever-increasing scale, that is, production in plants of tens of thousands of workers instead of in little shops of a dozen or a hundred workers. It results in the *concentration of capital*, that is, concentration of the ownership and control of the means of production in the hands of fewer and fewer capitalists, united in dominant monopolies. It results in the *expropriation and ruin of the middle classes* for the benefit of the monopolists.

The old independence of the small owner, who was usually a *working owner*, disappears. This is true of the small metal-working shop. It is true of the small grocer, who is either wiped out by the big chain stores or becomes completely dependent on the food trust and the banks from which he obtains credit. The ranks of the capitalists decline in number. But there is a swell in concentrated, monopolistic power. The ranks of the working class, of the expropriated, of the propertyless, of those at the mercy of capital, continue to grow in number. More and more are dominated by fewer and fewer. Where the lives of millions were once in the hands of thousands, the lives of tens and even hundreds of millions are now in the hands of hun-

dreds. For the hundreds, there is fabulous wealth and power without parallel in history. For the millions, there is increasing dependency, suffering, poverty and degradation.

### **The Consequences of the Profit System: Growing Exploitation of Labor**

There is another consequence inherent in capitalist production, which affects the working class even more directly. This one, too, is connected with profit and the accumulation of capital.

Accumulation is impossible without profit. What is the source of profit? As we have seen, it comes out of the surplus-value created by the worker in the surplus labor time he gives to the capitalist without compensation. (Not all the surplus-value goes to the capitalist as profit, by the way. Some of it does; the rest of it goes to the landlord, where there is one, as rent, and to the banker, where there is one, as interest. For the sake of simplicity, however, we can speak here of surplus value being the profit of the capitalist enterprise.) This means that it is not the whole capital invested that produces profit, but only one portion of it, the portion set aside for the payment of wages. It is surprising how clear many things about capitalism become once this division of capital is understood. It is not at all surprising that capitalist economics denies, ignores or hides the significance of it.

From the standpoint of what interests the worker, capital is divided into two parts.

One we call *constant capital*. It is that part of the total capital that is represented by buildings, machinery, raw materials and the like. Since every part of these that enters into the final product does not change in value, but is merely used up or represented in the product in a different form, it is called constant. If the building in which a shirt is made deteriorates to the extent of \$1.00, its original value is transferred, so to

speak, to the shirt to the same extent. The same holds true of the machinery that wears out in making the shirt. The same holds true of the cotton or other raw materials.

The other part we call *variable capital*. It is represented by the wages paid to the worker for his labor time. But inasmuch as part of the labor time he spends in the shop is surplus labor time, the value of the raw materials, etc., is changed. An additional value, a surplus value, is added. Hence it is called variable (or changing) capital.

How much value is added to the product by the worker? That depends on the *rate of exploitation* to which he is subjected. If he works an eight-hour day, and the rate of exploitation is thirty-three and a third per cent, it means he is working six hours to produce the equivalent of his wages, and two hours to produce surplus value for the capitalist. If the rate of exploitation is one hundred per cent, it means he is working four hours for himself, for his wages, and four hours for the profit of his employer.

But the rate of exploitation takes on a fuller meaning when it is related to the actual division between constant and variable capital. Let us take an example.

A given plant represents a total capital of \$10,000. Of this, \$5,000 is devoted to constant capital (building, machinery, raw materials, fuel or energy) and \$5,000 to wages. Obviously, this would not only be a tiny plant, but one with a very low machine level. Let us assume a rate of exploitation of one hundred per cent. This would give the capitalist a profit of \$5,000 per year, or fifty per cent on his total investment. (For the sake of simplicity, again, we are assuming that the transfer into the finished product of the value represented by the constant capital takes place completely within the year. Actually, of course, the machinery is not used up as speedily as the raw material and the building does not go as fast as the machinery. But the principle is the same.) A fifty per cent profit is, of course, ex-

ceptionally high. The point is, however, that a given rate of exploitation will yield a higher profit with a low composition of capital (the lower the amount of constant capital as compared with variable capital, the lower the composition of the capital), than with a high composition of capital (the total capital being the same).

Now let us take a much larger plant, representing a total capital of \$1,000,000. It is a modern machine plant. Buildings, machinery and raw materials, the constant capital, amount to \$900,000 and wages to \$100,000. Again, let us assume the high rate of exploitation of one hundred per cent; that is, for every hour the worker works for his own wages, he works an additional hour for the surplus value pocketed by the capitalist. At the end of the year this would yield the capitalist a profit of \$100,000, or only ten per cent on his investment, as compared with a fifty per cent profit in the case of the small plant. The *mass* of profit has increased (from \$5,000 to \$100,000) but the *rate* of profit has declined (from fifty per cent to ten per cent).

Capitalist expansion, as we have seen before, means primarily the expansion of the plant, additional buildings, more and newer machinery, more raw materials; in other words, the growth of the amount of constant capital and of its percentage of the total capital. This expansion often also entails the growth of the variable capital, by virtue of the need for a larger working force. But the growth of the constant capital outstrips the growth of the variable. The percentage of the variable capital in the total tends to decline. (This is seen most clearly every time a machine displaces one or more workers.) Now, if the composition of capital tends to be higher and higher (more constant as compared with variable capital), and if the profit is derived only from the variable capital (which alone produces profit), it should be clear that under capitalism we have what is called the *falling tendency of the rate of profit*. This is one of the most important features of capitalist pro-

duction. It is of vital importance both for worker and capitalist, though in different ways.

To live, capital must accumulate. To accumulate, capital must yield profit. Accumulation, however, brings with it a fall in the rate of profit. What happens under these circumstances? In order to accumulate to the greatest degree possible, the capitalist is *compelled* (again, it is not a question of what this capitalist or that one *wants* to do, but what is *compulsory* under the present mode of production)—he is compelled to compensate for the decline in the *rate* of profit by an increase in the *mass* of profit. This is possible only by raising the *rate of exploitation*, or the rate of surplus value.

Basically, there are two ways of raising the rate of exploitation.

One is to lengthen the working day. Let us take a simple example. A worker sells his labor power to an employer for an eight-hour day at \$4 a day. In the first four hours of his work, he produces the equivalent of his wages, to the value of \$4. In the second four hours, working at the same speed, he produces a surplus-value of \$4. The rate of exploitation is 100 per cent. But if the employer succeeds in imposing a twelve-hour day on the worker, without an increase in wages, he is now getting eight hours of surplus labor-time out of the worker. The rate of exploitation has increased to 200 per cent—four hours for the worker and eight for the employer. The work-day has been lengthened without an increase in wages.

The other form in which the same end is accomplished is the maintaining of the work-day, with a *decrease* in wages. So fierce is the drive of capital for profit, that it turns the world upside-down, if need be, in the hunt for cheap labor. The United States is the classical example of this hunt. Millions of foreign-born workers, accustomed to a lower standard of living, were lured into this country year after year, to form a vast reservoir of cheap labor. All over the world, capital does not



hesitate to draw women into industry, on the basis of the lowest possible wages and poorest working conditions, and without making the necessary provisions for maintaining the family life about which capitalists speak with such hypocritical piety. Even the employment of children, often under hazardous and sometimes downright bestial conditions, is known as one of the sacred institutions of capital. Capital will shrink from nothing in the pursuit of profits.

The second basic way of raising the rate of exploitation is the intensification of labor. It boils down to the speedier production of the product by the worker. The number of hours in the work-day is not increased, but the number of units to be produced in that work-day is raised. The labor-time needed to produce the value of the worker's wages is reduced, and the amount of surplus labor-time which the employer extracts from the worker as profit, is increased.

So profitable is this intensification of labor that capital spends millions of dollars for specialists to work out all kinds of systems, methods and devices to make it possible. It takes different forms. There is the assembly line, which breaks down the division of labor to its simplest and most monotonous parts. There are all sorts of speed-up systems. There is, especially, the notorious, nerve-wracking and back-breaking "piece-work" system, which transforms workers into their own slave-drivers. There are all sorts of "standard of efficiency" systems. There is the bonus and premium system, by means of which the worker breaks his neck trying to add to his income. The same holds for the "incentive-pay" system.

In every one of these methods of raising the rate of surplus-value, the nerves and muscles of the worker are placed under exceptionally great tension. The eyes are strained, the muscles taut, the nerves frayed, the stomach tensed, the legs stiff, the back bent, the brain numbed. Under such murderous conditions of the usage of the mind and body, the capitalists

can often afford to maintain, with much proud self-praise, a relatively short work-day and to pay a relatively higher wage. The mass of profit they accumulate more than makes up for these benefits they give the workers. But nothing can make up for the utterly broken bodies and exhausted minds of those workers who, as a result of the intensified exploitation, find themselves thrown on the economic scrap-heap at the age of forty-five, or even less. Capitalism is a coldly ruthless devourer of human life.

Always and everywhere, the inexorable drive for profit and accumulation, expansion and profit, occurs at the expense of the workingman. Capital seeks to lengthen the work-day, labor seeks to shorten it. Capital seeks to decrease wages, labor seeks to raise them. Capital seeks to intensify exploitation, labor resists and seeks safeguards for its health, security for its living standards and assurance for its old age.

As capital brings more thousands and ten of thousands together under one roof, and exploits them under the same conditions, the worker begins to realize more clearly that it is not a problem of his relation, as one individual, to the employer as another individual, but a problem of the relations of all the workers to their exploiters. He finds himself compelled, in sheer self-defense, to unite with other men and women, who may be different in a thousand ways (age, color, sex, nationality, religion, etc.) but have in common the fact that all are workers. In a word, he finds it imperative to organize *as a class*, the working class, for self-defense against another class, the capitalists.

We are back, as you see, to the *class struggle*. It is not an artificial creation. It is not imported from a "foreign land," which in turn must have imported it from who-knows-where. It is a natural and inevitable product of capitalist society. As capitalist society develops, it only adds fuel to the class struggle. It is the struggle between owners and disowned, possessors

and dispossessed, rulers and ruled, the fabulously wealthy few and those whom they doom to poverty and misery, the capitalist class and the working class.

So we establish as another consequence of the capitalist mode of production, not only the ruin of the middle classes, but the growing impoverishment and intensified exploitation of the working class, accompanied at the other end of society by the concentration and centralization of economic power in the hands of a monopolistic few.

### **The Consequences of the Profit System: Anarchy of Production and Crises**

There is still another consequence of capitalist production that merits examination in order to round out our understanding. It is one of those features that distinguish capitalism from every system that preceded it. This one is the fact that only under capitalism is society periodically wracked by economic crises due to *over*-production. Before capitalism, crises, and the hunger and suffering they brought to people, were due to a failure to produce enough. Only under capitalism are crises due to producing too much! Let us see how this happens, and why it *must* happen this way under capitalism.

Capitalism is production for the market. The surplus-value created by the workers cannot be realized by the capitalist in the form of profit until the product has been sold on the market. It should be borne in mind that the market, under capitalism, has a far wider meaning than is usually understood by that term. The capitalist market is not confined to the consumers who buy the simple commodities required for life—food, clothing, home furnishings and the like. Every capitalist enterprise produces for the market. But each one is itself a market. Mines buy lumber, tools and machines. Steel mills buy coal, brick, concrete, iron, machinery. Machine-tool plants buy machines and metals. Automobile factories buy

machine tools, metals, glass, rubber, woolens and even agricultural products. Textile mills buy machines, cotton, wool and synthetic materials.

How does a capitalist enterprise know how many of its products can be sold on the market, in other words, how many it can safely turn out for any given period? It does not know. It cannot know. All it can do is to depend on the market price and a judgment of its trend. Prices are regulated by supply and demand. Low supply and great demand ususally mean high prices, and vice versa. If prices are relatively high and it looks from the trend that they will stay high or go higher, the enterprise is stimulated to produce and to capture from its rivals as large a share of the market as possible. The market is the only basic regulator of capitalist production. As we shall see, however, it is a *blind* regulator.

The capitalist enterprise begins to produce. It acquires machinery or replaces its old equipment with new, more modern, more efficient equipment. It purchases raw materials, and uses more fuel and electrical energy. It may set up an annex to its building, not only to produce a greater quantity of its commodity but to produce each unit cheaper. It hires a larger working force.

By these very acts, it stimulates production in other enterprises. Wages in the pocket of the worker means a greater demand for ordinary consumers' goods; the industries producing them therefore increase their activities. The machine-tool industry expands production; so do those industries which supply it with raw materials, construction materials, tools, etc. The raw materials' industries—chemicals, mining, cotton and leather, steel and iron—likewise speed up production. Multiply all this a thousand times and you get a clearer picture of how production gets under way and develops on an even-wider scale.

As the market expands, each capitalist is impelled to pro-

duce more, in the hope of capturing a greater share of the market and out of fear of losing out to his competitors. They, meanwhile, are prompted by the same considerations and act in the same way. Even in boom times, therefore, or rather precisely in time of economic boom, capitalist production has an *inherent* tendency to *over-production*. This tendency to over-produce does not refer to the real *needs* of society. There is over-production in relation to the capitalist market, that is, there is a tendency to produce more than can be disposed of on the market at a profit.

Let us illustrate the process. The supply of automobiles is low, the demand high; the market price is therefore high. The capitalist is stimulated to produce. Each automobile factory begins. None of them has anything like an exact idea of how much the market can absorb. None of them has an exact idea of how many automobiles its rivals are planning to produce. The competitive race commences. This race stimulates the same kind of unplanned production among the manufacturers of rubber tires and other rubber articles that go into the making of automobiles. This, in turn, stimulates the production of raw rubber and the machinery required to process it. The production in the steel mills and aluminum plants is stimulated in the same blind way, each plant producing more and more in the hope of capturing a larger and larger share of the growing market. The same holds true of leather factories; the machine-tool industry; the coal mining and iron ore industries; the plate glass industry; and a hundred others.

The more they expand production, the more complex the problem becomes. The expansion in an industry that supplies automobile manufacturers, in turn stimulates all the industries that supply *that* one. The echo of the initial stimulus to production reverberates to the most distant parts of economic life and back again, like the shout of a man standing among canyon walls.

The trouble is that this expansion of production in boom times is in its very nature *unplanned*. For example, a 100 per cent increase in wheat production does not require a 100 per cent increase in the production of threshing machines. A 100 per cent increase in the production of threshing machines may mean a 100 per cent increase in the iron that goes into the machines, but only a 10 per cent increase in the production of the tools by which the threshers are made. A 100 per cent increase in cotton textiles may require only a 25 per cent increase in the production of textile machinery. What is more, this small increase in textile machinery for one year may suffice to keep textile production at the higher rate for five years—the market for textiles themselves is more continuous than the market for textile machinery, the one is used up far more rapidly than the other.

If all the capitals could be joined under one roof, and production centrally planned with meticulous care, it would be possible to work out a schedule of expansion for each industry so that each would develop in harmonious proportion to the other. Planning on a national scale (eventually on an international scale) could regulate the proportions in which each industry should be expanded so that the whole of economic life advances harmoniously.

But we do not and cannot have that under capitalism. In place of planned production, there is *anarchy of production*, competitive production for the market.

Does the development of monopoly put an end to competition and anarchy of production? No, under capitalism, monopoly exists side by side with competition, even though it dominates it. As a matter of fact, monopoly makes competition fiercer and more brutal.

Under the conditions of "free enterprise," a big multitude of capitalist enterprises compete with each other for the market. The weaker fall by the wayside or are absorbed by

the stronger. The many are centralized into a few. The few tend to unite with each other into a cartel or a single trust, which has a complete monopoly in the industry. All the branches of industry undergo the same process, in one degree or another. But inasmuch as each combination or merger of enterprises is much stronger than all these enterprises when they existed independently, the competition between monopolies for the rule of the market becomes more violent.

If competition between one steel mill and another is replaced by a cartel in which they agree to share the market, or by a single trust which they establish, a new competition for the market develops between the steel trust and the aluminum trust, or between both of them and the newly-developed plastics industry. If coal and oil and electrical companies cease to compete with other coal and oil and electrical companies by establishing "horizontal trusts" (trusts covering a whole branch of economic life, like all of coal mining, all of steel making, etc.), a violent competition develops for the "fuel" or "energy" market between the coal monopoly and the oil monopoly. The competition is now between mighty and extremely ruthless giants.

We shall see later how this competition between monopolies is extended on a world-wide scale, in the form of struggles between the monopolies of one nation and those of the others.

At this point, it will suffice to stress that production is carried on in every capitalist country in an *anarchic, unplanned* manner, and that it cannot be otherwise.

What is the result?

As production gathers speed, free rein is given to what we have called the inherent tendency to over-production. Remember, the capitalist enterprise does not have an exact knowledge of the state of its particular industry, to say nothing of the market as a whole. Rising prices give the capitalist both the

urge to produce in greater quantity and the confidence that he will find a profitable market for his products. Each one produces without a knowledge of the proportions in which his enterprise or industry should expand with relation to the expansion of the other enterprises in the industry, or in relation to the expansion of other industries. Capitalism has no way of establishing what the *total demand* is, and therefore cannot organize the production of the *total supply* to meet this demand.

The automobile manufacturers (assuming that all of them work it out together) decide that the market will absorb sufficient automobiles to warrant an increase of production of fifty per cent. Steel, however, may very well increase sixty per cent in the rising market; rubber, seventy per cent; plate glass, eighty per cent; aluminum, ninety per cent. Each of these increases is based not only on a judgment of what automobile production will require, but on a judgment of what will be required in the form of steel, rubber, plate glass, aluminum and the like, in a hundred other industries, in tens of thousands of other enterprises, each of which operates independently, with its own production schedule, separate from all others.

There is no way of telling *immediately* that the demand has been exceeded by the supply. The rising market stimulates production in expectation of sales. Machinery and raw materials are not bought only for the orders received and guaranteed, but also for orders that are expected. Finished products, as well as raw materials, begin to accumulate, in the stores, in the warehouses and in the factories themselves. Industry begins to overproduce without knowing it and without being in a position to know it in advance.

... At a certain point a collapse takes place, and very suddenly. Not enough buyers are to be found for the accumulated commodities of one enterprise or industry. Because of over-production, supply exceeds demand. Therefore, prices fall. If the



enterprise is not ruined entirely by the fall in prices, it is at least compelled to suspend production or to cut down drastically. Workers are discharged or their wages reduced. Orders which the enterprise previously placed with other concerns are reduced or cancelled altogether. Discharged workers mean a reduction in the market of consumer goods. Cancelled orders means a reduction in the market of industrial consumption.

Each enterprise is connected with all the others by thousands of ties. The collapse of one directly or indirectly, immediately or soon, affects others, and they in turn affect still others, until virtually all are involved. If, for example, automobile production declines, the production of steel, coal, aluminum, brass, rubber, glass and all the others which were dependent upon automobile production, also declines. There is in turn a decline in production in the enterprises and industries which depended for their market upon *them*.

Banking, which is inseparably connected with industry, is stricken by the collapse. In the boom period there were large borrowings by industries which were expanding to meet the rising market. With the fall of prices, the collapse or retrenchment of enterprises, the latter are unable to meet their obligations to the banks. What is more, individual depositors begin to withdraw their funds, fearing a coming crisis or needing money because they are now without work. The difficulties in the sphere of production, on one side, and the difficulties in the sphere of finance, on the other, combine meanwhile to upset or knock out entirely the small retailers and businessmen, dragged down by large stock accumulations, loans they made to finance these accumulations and falling prices.

Capitalist economy thus reaches the stage of *crisis*, which it experiences periodically. It is the kind of crisis that occurs only under capitalism, a crisis generated by over-production. Thousands of enterprises go bankrupt. Industries slow down production or stop producing altogether. Millions of workers are

thrown on the street, without employment and without a source of income, except, possibly, inadequate relief or unemployment insurance. Plants do not operate because too many machines and too much raw material have been produced! People cannot buy the food and clothing and home furnishings they need because too much of them have been produced! Small businessmen are ruined. Millions of workers go hungry. Their homes are lost. Their family life becomes a nightmare of insecurity. Suffering and privation spread like wildfire.

The inevitable result of capitalist production is capitalist collapse. Production expands under capitalism only to come to a periodic standstill. Crises of general over-production can be delayed in appearing, but so long as capitalism exists they cannot be abolished.

The periodic crisis and collapse of production affects all the classes of society, but in different ways and in different degrees. The ruin of the middle classes is speeded up and strikes more and more of them. The weak ones who are driven to the wall by the crisis end up in the ranks of the working class. Their enterprises are absorbed by the more powerful capitalists, who are able to weather the storm with greater ease. The higher standard of living which the worker enjoyed during the "prosperity days" is "evened out," so to speak, in the days of crisis, depression and stagnation. The modest savings with which he may have hoped to enjoy a comfortable old age, or which he may have planned to use presently in order to "go into business for himself," are wiped out. The comforts and little luxuries he may have accumulated during the boom—a partly-paid-for home, a good radio, an automobile, time-and-back-saving electrical appliances for the home—must be disposed of for a song during the crisis.

Just as the boom brings big capital the overwhelming bulk of the benefits, in the form of stupendous profits, so the crisis brings the working class the great bulk of the burdens. The

capitalists have large reserves, the workers have next to none. The capitalist class suffers some losses, but on the whole it survives the crisis with comparative ease. The big ones emerge from the crisis even stronger than before. While it rages, they swallow up their smaller and weaker competitors. They enter the new boom period with increased monopolistic strength.

The crisis period shows most glaringly how reactionary and outworn a social system is capitalism. It allows the spectacle—what else can it do, being what it is?—of millions without work who want to work, of millions without adequate food because there is too much food, of industries shut down tight when there is just as urgent a need as ever for industrial products. The consequences of *production for profit*, of planless, unorganized, anarchic production, are shown in all their ugliness.

Capitalism refuses to resume production—because it cannot—until it has been stimulated once more by rising prices, by the prospect of a profitable market. It awaits the rise cold-bloodedly. Just as cold-bloodedly, it undertakes the wholesale destruction of useful commodities. Citrus crops are burned in vast funeral pyres. Vegetables, coffee and other foodstuffs are dumped into the sea and destroyed as though they were poisonous. Hundreds of thousands are paid subsidies out of the public funds to “plow under,” to annihilate the precious yield of agriculture—cotton, wool, corn, wheat, rice, fruit, tobacco, hogs, sheep and cattle. Hunger stalks a land of plenty!

It is then we see the system in all its hideous absurdity, as the great destroyer of social wealth, and of human happiness, security and life itself. The wondrous productive machine which it developed and which, if rationally organized, could easily supply the needs and comforts of all, proves to be a mechanism that degrades the people to poverty, wretchedness, suffering and every social iniquity.

As we have seen, the consequences of capitalist production are:

The accumulation of wealth and power at one pole of society and the accumulation of poverty and misery at the other pole.

The ruin of the middle classes and increased exploitation of the working class.

Periodic crises which rend society, bring production to a halt, destroy wealth, and inflict untold sufferings upon the working class.

The sharpening of the conflict in class interests, and therefore of the class struggle.

Before we conclude our examination of the capitalist mode of production, it is necessary to dwell upon another of its consequences for society—the most destructive of them all.

## CHAPTER IV

### A World of Imperialism and War

**WE** HAVE seen that capitalist production is subject to an irresistible tendency toward monopoly. The results of this tendency are even more far-reaching than those already recorded.

Modern production is no longer carried on in tens of thousands of little enterprises employing two or three or four workers. Where such enterprises continue to exist, their influence and effect on the economic life of the nation are very small. Their place has been taken, because of the process that operates unceasingly under capitalism, by huge enterprises, employing tens and even hundreds of thousands of workers at one time, under one roof, so to speak.

What else could have happened? It is possible, presumably, to produce an automobile in a small machine shop with a few skilled workers. But the total man-hours spent in producing it would be enough to turn out a few dozen or even a few hundred automobiles in a modern, highly efficient automobile factory. It was inevitable that the tiny shops and factories, the little independent stores and the like, should be overwhelmed and replaced by huge factories and mills with allied factories and mills all over the country, by elaborate packing plants, food processing factories and chain grocery stores.

By virtue of the same basic process, it was likewise inevitable that the larger plants should come together. Seeking to escape from the murderous threat of cut-throat competition, declining prices and the uncertainty of the market, they gradually establish secret agreements among themselves. They di-

vide the market into so many and so many shares for each enterprise, pledge themselves not to undersell each other or at least not to go below a certain price, and not to try to monopolize the raw materials they require for production. Such secret agreements are not satisfactory, however. The greed of each partner to the agreement burns it up like a consuming flame. Behind each other's back they try to cheat their way to a dominant position in the industry and therefore in the market. The competitive war is carried on the day after the agreement is signed.

A more advanced stage of centralization of capital is the outright formation of a trust, a single capitalist enterprise which has absorbed all or practically all of the other enterprises in a given industry. Such an organization of capital in a given industry is known as a horizontal trust—all the steel companies together or all the oil companies together. The larger the capital required to launch a company in a given industrial field, the more difficult it becomes for a newcomer to break into it. When the field is dominated by a monopoly trust it becomes practically impossible to enter it, unless the effort is undertaken by a powerful rival trust.

### ***The Monopolies and the Banks***

The horizontal trust tends to spread out as a vertical trust as well. In a vertical trust, the central industry seeks to establish its control over the industries that supply it. For example, when steel controls iron ore and coal which it needs for its fabrication, it is developing a vertical trust. The same holds for those automobile magnates who own plate-glass factories, iron ore and coal mines, soy-bean plantations and other original sources of supply for automobile manufacture. The idea of a "little man" breaking into such fields as an independent producer with a few hundred or even several thousand dollars is simply preposterous.

In the development of these big monopolies, the banks have played a tremendous part. In the old days, the banks were primarily interested in making loans to merchants or manufacturers engaged in a comparatively small operation. A merchant might want to add a wing to his store or buy a few extra carloads of merchandise. The bank would extend him sufficient credit to swing the deal. A manufacturer would need credit in order to change over to more modern equipment. The bank would accommodate him at its usual interest rate and, of course, on the basis of sound security put up by the borrower.

The establishment of the large, modern enterprises was, however, beyond the financial strength of the average capitalist. The banks, especially the big ones, had at their command tremendous amounts of money with which to found and carry through the large enterprises. Or else they were in a position to raise large amounts from investors by the sale of shares on the market. The profit from the issuance of such industrial shares has almost always been enormous. But this is not all.

Very often, especially in the case of those enterprises that looked profitable, the banks would retain some of the shares of the enterprise established. In other cases, banks would come into control of enterprises indebted to them and unable to meet their obligations. In still others, banks would make partnership a condition for credit. In one way or another the big banks have come to be equally big industrial powers. Through the ownership of stock, a big bank may be represented on dozens of big industrial corporations, if it is not in complete control of them. Through the notorious institution of "interlocking directorates," a centrally-controlled capital can dominate any number of industrial and financial organizations.

The result has been the development of a new form of capital arrived at by a merger between industrial capital and bank capital. The industrialists are now in the banks and the bank-

ers in industry. This new form we call *finance capital*. It is now the dominant power in the economic life of every capitalist country. And this gives it the most colossal power in every sphere of political and social life.

The increased domination of economic life by finance capital brings about important changes in society. Having more and more industrial enterprises under a single control tends to wipe out competition among them. Finance capital presses constantly for the organization of horizontal and vertical trusts in order to reduce the destructive effects of cut-throat competition. Finance capital, in other words, continually promotes monopolization.

But one of the first effects of monopoly is to eliminate that very competition which was such a powerful stimulant to the expansion of production in the race for the market. With monopoly more and more dominant, capitalist production tends to *stagnate*. New inventions, eagerly seized upon in the earlier days to be used by one competitor for the purpose of winning over another, are either discouraged or else are bought up by the big monopolies and locked away. The monopolies deliberately limit production. In the case of the looser syndicates the individual producers also agree to limit production. The object of such limitation is to reduce the supply and maintain artificially high prices. The ordinary consumer is thereby made to bear an additional burden, which has the effect of reducing the living standard of the worker. Monopoly capitalism is capitalism in stagnation!

The idea that the monopolies can be destroyed and replaced by "free competition" among numerous small-scale independent producers, is an idle dream. Monopoly is not the creation of "evil men" which can be undone by "good men." It is an inescapable product of capitalist development. If by some supernatural miracle, the various "trust-busters," who have been working at their job in vain for many decades,



should succeed in breaking up these big centralizations of capital and restore the small-scale producers of the "good old days" of a century ago, the same process would start working all over again and before long we would have the monopolies ruling as before. "Trust-busting" is a middle-class dream which can never become a living reality. We shall see later on what it is that *can* be done about the problem of monopoly.

Another important change brought about by monopoly capitalism is in the function of the capitalist class. There is no denying that the capitalist was originally, as a rule, a man of enterprise. That is not altered by the fact that he acquired his original capital by the most sordid and unscrupulous means. He not only launched production on its way but was very often the active manager, superintendent and organizer of production. In that capacity, he had an important and valuable function to perform.

Those days are far behind us. The actual work of management and superintendence, which is necessary and valuable in any society, is no longer done by the capitalist or owner of industry. It is performed by "hired hands." They are simply highly skilled workers in the profession of organizing production. Naturally, they are paid far better than the average or even the skilled worker, so as to tie them to the ideas and interests of capital and keep a gulf between them and the ordinary workers. The capitalists themselves have become largely divorced from production. They have become owners of stocks and bonds. They used to claim that, like the rest of the working force, they were "drawers of water and hewers of wood," only better ones, abler ones, and therefore entitled to their higher economic position. Now the only thing they draw is dividends.

With the growth of monopoly capitalism, the capitalists move further and further away from the actual process and management of production and become more and more the

clippers of coupons. The capitalist has decayed to the position of a social parasite. In this position he shows that if he ever had a use in society he is now certainly superfluous. Production and exchange can be organized—and organized rationally—without the capitalist parasites, and only without them.

(It is interesting to note, by the way, that the capitalists always used to speak of themselves frankly as the *owners*. Now, increasingly conscious of the fact that they are *nothing but* owners, they try to impress people with the idea that they are nevertheless indispensable to industry. They have therefore taken the new name of “management.” In this way they hope to make people think they are not the superfluous social parasites they have become, but are useful and necessary as the “managers” of industrial production. There are people in the labor movement who fall in with this game and also speak of the parasite crew as “the management.” They should know better, and if they do not, it is high time they learned!)

### **World Competition of the Monopolies**

Thus far we have dealt with the growth of monopoly capitalism within each country. But the reduction of competition *within* a capitalist country only sharpens the competition *among* the capitalist countries to the extreme.

Capitalism is a world system. It has created a *world* market. It has brought the entire world (excepting Russia, for reasons set forth later) under its complete domination. But capitalism is divided into a number of more or less independent national powers. It is among them that the struggle for world control goes on fiercely. It is a struggle frightful in its consequences.

By virtue of its political power, monopoly capital gets the tariff walls of its country raised as high as possible. By this means it is able to keep up the monopoly prices it imposes upon the people at home, without fear of having to compete

with cheaper priced commodities exported by other nations. The tariff walls raised at the national boundaries thus become a barrier to the further development of production. That is, monopoly capital acts like a brake on production.

Each monopolist nation raises walls around itself in order to break down the walls erected by the others. As in the case of the conflict between large-scale and small-scale production, the stronger usually wins. A monopoly will sell at a high price at home but will "dump" its products abroad at a low price in order to beat its foreign competitor on his own soil. Sometimes the monopoly will sell abroad at a price lower than its cost of production. It makes up for this temporary loss in two ways. One, by maintaining artificially high prices at home. And, two, by raising the prices abroad later on, once it has brought its foreign competitor to his knees. There is also an additional way: the monopolists often get "export subsidies" from their governments.

The economic warfare among the various nation monopolies is exceedingly sharp. It becomes sharper when the capitalists of every country seek new markets abroad. The question of new markets is closely combined with the question of colonies.

Most of the big capitalist countries inherited colonial possessions and even whole colonial empires from the pre-capitalist days of colonial conquest, rapine and plunder. Some countries had larger empires and some smaller—the colonies were not "evenly distributed," so to speak. In the latter part of the 19th century and the first part of the 20th, the grabbing up of the backward countries of Asia, Africa and Latin-America and their transformation into colonies of the big nations of Europe, of the United States and Japan, was completed. The world was divided into a handful of modern capitalist nations, with a minority of the global population, and a mass of

colonial or half-colonial countries, with the majority of the global population.

There had been empires and imperialist rule for a thousand years back. What we have in our own time is modern *capitalist imperialism*.

Capitalist production, we have seen, means the accumulation of capital, production for the market. We have seen further that it means the over-production of capital and the crippling of the market. The colonies offered the advanced countries exceptionally favorable conditions for extending their market by the export of goods and capital.

In the first place, profits made by the exploitation of colonial labor are extraordinarily high. This can be seen if we remember that a higher rate of profit usually comes with a lower composition of capital, that is, where the capital allotted to machinery, raw materials, buildings and fuel is lower in relation to the capital allotted to the payment of labor; and that the mass of profit increases with the increase in the number of workers and the increase in the rate of exploitation.

From this standpoint, the exploitation of colonial workers, carried on as if they were the most defenseless slaves, is ideal for the exporters of capital. They are employed in far greater numbers than they would be in similar enterprises in the advanced countries. They are made to work incredibly long hours, and paid at incredibly low rates. In many cases, they work not as wage-earners, but as outright slaves. The conditions under which they were, and still are, exploited, has caused them to perish tragically in vast numbers.

In the second place, the colonies are a rich source of raw materials which may be obtained cheaply. Where these sources could not be obtained from native rulers by trickery, wheedling or cheap bribes, they were simply seized and kept by brute force. The acquisition of new sources of raw material, produced by hordes of cheap labor, is of threefold benefit to

foreign capitalists. It furnishes them with raw materials that cannot be found at home, thus rendering them independent of the rival countries from which they formerly imported these materials. It replenishes their own decreasing sources of these materials if they originally did have a supply of them. Or, even if they do not need them for their own purposes, the acquisition makes their rivals dependent upon them for their supply.

To make sure of continuing to suck wealth out of these backward countries, the imperialists add to the barbaric exploitation of the natural resources and the people of these countries an equally barbaric oppression. They are deprived of national independence, the right to govern themselves, and converted into dependent colonies. Resistance to imperialist rule is drowned in the blood of the peoples. The atrocities of imperialist rule in the colonies have few equals in the gloomier annals of mankind.

### ***The Division and Redivision of the World***

No capitalist nation can possibly rest content with the markets and colonies it already has. This is especially true of the nations which, for one reason or another, do not have as large a share of the world market and the colonies as others, or as large a share as they think befits their economic power—and appetite.

Before the world was divided up among the big powers, each of them had at least some chance of getting something in the scramble, without colliding very violently with the others. But once the world was already divided, and there were no more defenseless nations and peoples that could be seized, occupied, dominated and exploited, the situation changed. No big nation could expand its share of the world market without cutting down the share of some other imperialist power. And inasmuch as it is an iron law of capitalism that

you must expand or stagnate and die, the stage was all set for the most violent imperialist conflicts.

Economic warfare between different national capitalist groups has already been referred to. It is the kind of warfare that goes on at all times. Each group of monopolists tries to shove the others out of their positions, not only in the colonies, but right on their home territories! In this drive, the government of each country is the zealous assistant of its capitalist class. It would be more accurate to say that it is its obedient servant.

For a time, it is possible to continue the rivalries in the field of mere economic warfare. But that is only one side of modern imperialism, and not its most deadly side, either. For inevitably the point is reached where, on the one side, economic pressure is not enough, or on the other side, the economic pressure is too menacing. The economic struggle develops into the military struggle.

That is the origin and the character of modern imperialist wars. They are wars for the defense of imperial power acquired in the past, or for imperial power to be acquired from those who have it. They are wars for a larger share, and eventually the domination, of the world market. They are wars for sources of raw material and cheap labor. They are wars for lucrative fields of capital investment. They are wars to decide which imperialist monopoly will dominate more of the highways and sea-lanes of the world, which will enslave more of the emaciated, scarred and bleeding colonial peoples of the world. The masses of the people fight them and are maimed and die in them. Capital wins them.

Naturally it would be practically impossible to get the common people of different countries to kill or cripple each other, if the simple truth about the wars of imperialism were told to them. That is why the imperialists keep filling the heads of the people with lies and poisonous ideas. The Amer-

icans are taught that the Germans are born militarists, that their blood is made of gunpowder. The Germans are taught that the Americans are born bankers and Shylocks, that gold flows in their veins. The Americans are taught that Japanese are an inferior race, a "monkey-people." The Japanese are taught that the Americans and British are lowly devils, not of divine origin, and that anyway they hate all Orientals. Even in peace-time, the imperialist mind, the imperialist way of thinking, is systematically bred into the people, in order to stimulate national contempt, national hatred and chauvinism between the people of different lands and origins.

In addition, the imperialist diplomats are polished experts in the business of creating "incidents." The whole business of diplomacy, especially as armed conflict draws closer, is to maneuver and manipulate matters in such a way as to make it appear that "the other" country was the aggressor, and that "we" were forced into the war in sheer self-defense. In imperialist war, there is no such thing as aggressor and defender. Imperialism itself is by its very nature aggressive. The question of who fires the first shot has very little to do with the issues in an imperialist war. If you are arming against me, and if I redouble my armament against you, you may find yourself compelled to shoot first before I have become so strong that it will be too late for you to shoot at all.

The imperialist wars of our time, and the part that each side plays in them, are determined by the fundamental nature of imperialism itself. In every capitalist country, imperialism is aggressive. It always seeks to expand at the expense of an imperialist rival, for it must expand or shrivel and die. The wars are fought merely to decide by force of arms, who is to expand and who is to shrivel and die. That was the meaning of the first imperialist world war, from 1914 to 1918. The second world war, which began in 1939, has the same fundamental meaning. Everything else that is said, is so much cunning

capitalist propaganda—and even if it is not cunning, it is always poisonous.

Another consequence of the development of monopoly capitalism, therefore, is the cruelest exploitation and oppression of colonial peoples and the bloody devastation of imperialist war brought on by rivalry for world domination.

Modern wars are carried on with appallingly destructive results. All economic life becomes organized to produce the means of destruction. At one time, capitalism was the great builder, and as such it accomplished veritable miracles. It set up the great modern nations, uniting the people in a new national life. It built cities which were marvels of achievement. It built up factories and mills and dug up new riches from the earth. It built highways, canals, railroads, opened up the whole world to commerce, brought all the peoples of the earth within easy reach of each other, laying the ground for understanding and brotherhood. All this was done to such an extent that it is now possible to produce the necessities and comforts of life in abundance for all.

Now the only marvels capitalism can accomplish are in the field of destruction. Whole cities are destroyed overnight. Millions of people live in caves, like the savages of old. New plants are put up to produce the means of destroying other plants at a single blow. Railways and trains are blown into junk-piles of twisted metal. Magnificent highways become pockmarked trails. More ships lie at the bottom of the sea than sail upon it. Fields are flooded or scorched. Civilians die like soldiers, and soldiers die like flies. Children are seared for life, and life is taken from millions. On the land, under the land, on the sea, under the sea, in the air and in the stratosphere, capitalism wreaks the horrors of scientific devastation.

When men hungered and were willing to work, capitalism declared that it could not open the factories and start the



wheels of industry moving. There was use for goods, but capitalism is not production for use. All the scientists, all the statesmen, all the industrialists, the bankers, all the politicians and economists of capitalism, were unable to make capitalism operate to serve the needs of the people. There were consumers at hand, but not profits. Therefore there were millions of unemployed, but no production for them.

For war, capitalism functions splendidly. Every factory works, some of them around the clock. New factories are set up. Money flows like water. There are consumers aplenty and undreamed-of profits. Enemy ships consume our torpedoes and shells. Enemy cities consume our blockbusters. The legs, hearts and brains of enemy soldiers consume our bullets. Capitalism has found an almost inexhaustible market for its wares. It now works like a clock, ticking off blood and ruin with every second.

We have a social system that stands self-condemned. Its usefulness of the past is now long outlived. If it is allowed to continue, the world will only plunge deeper into slavery, suffering, degradation, exhaustion and death.

## CHAPTER V

### The Government and Democracy

**S**UPPOSE everything that has been written above is true. The experiences of everyday life are full of examples of how true it is that capitalists try to squeeze everything they can out of the workers, and of how little concerned they are with the interests of society in their mad pursuit of profits. However, you have forgotten something. The capitalists cannot simply act any old way they wish. They cannot simply ride roughshod over everybody and everything. They are, after all, only a minority of the population. And what is most important, in addition to capitalists and workers, there is the *government*.

“The government is there to protect the legitimate interests of the entire public, capitalists, workers and middle classes. Maybe there is a class struggle. But the government is there to act as the impartial umpire, giving both sides a fair decision. And if the men in the government should fail to serve the public interest, remember that we live in a democracy. If we do not like the government we have, we simply vote it out of office. Everyone has the same vote, and every year we get a fair chance to elect the right kind of men to office. The capitalist may try every one of his tricks in the factory. We only work there, and he is the boss, he owns it. But on the outside, he is no better than we are. In the polling booth, he has no more votes than the humblest worker. If we want, we can elect good men to make up a good government. Then the tricks of the capitalist will do him mighty little good. The government will see to it that he does not go too far. For example, the government has adopted into law a good deal of progres-

sive labor legislation and progressive social legislation in general. And the people can get the government to adopt more of the same. Thank heaven for our democracy, which makes it possible for us to have an impartial umpire over all, a government of the people, for the people, and by the people."

That is how most people, including most workers, argue. It is what they have been taught from their first day in school, from the pages of their newspapers, over the radio and from the theater screen. Often, it even seems to be that way in reality. Let us look at the reality a little closer, and, as we have done up to now, examine it fundamentally.

There is undoubtedly such a thing as an impartial umpire in any dispute or contest. But only under two conditions. One, that both sides have equal rights and powers in *selecting the* umpire. And two, that both sides have *equal, or fairly equal, strength* in the fight. Under these conditions, an honest umpire can really see to it that both sides fight it out fairly and squarely, abiding by rules that are commonly agreed upon, and without taking undue advantage of the other.

If two fighters are of about the same weight, and each one has an equal voice in selecting the referee, there is no danger that one fighter will be awarded the prize if he is unfair and knocks out his opponent by a blow below the belt. But if Jones has a big edge in the weight class, is able to choose his own referee by putting up more money, and allowed to fight with a horseshoe in each glove, Smith has lost the fight in advance, and the referee is anything but impartial.

Or suppose two thirsty men start on a race for a waterhole fifty miles away. The judge and manager of the race is kind and noble, and above all, impartial. He provides both men with the same good map of the road. He lectures each of them against hitting the other on the head to knock him out of the race. He even sends along an impartial policeman to

see to it that each man retains his copy of the map and does not interfere with the other man.

However, there is an automobile available for the race. One man built it, but it is not his property, and he has to run the race on his two feet. The other man is to run the race in the automobile, because it is his property.

The judge points out: "I am here to see to it that both of you have a fair chance to get to the waterhole. However, the race must be run according to the laws, rules and regulations. The law insists on the right of private property. This man owns the automobile. He has paid his license tax to us for the right to use it. I must uphold his property rights, and my policeman is here not only to direct traffic but to enforce these rights. Both of you have equal right to a map, and equal right to use the road. The race is fair and square. Off you go!"

If the judge were the kindest and most honest man in the world; more than that, if he had been chosen by the foot-man, if he were that man's oldest personal friend, and sympathized entirely with his need and desire to get to the waterhole first—he could not possibly be impartial if he insisted on the other man's right to his automobile-property. With the best will in the world, with the best intentions on justice, the basis on which he conducts the race puts the "impartial judge" on the side of the automobile-man and against the foot-man.

In other words, it is impossible to conceive of an impartial referee in a contest between unequal forces.

Capitalist society, like all class societies, is divided into *unequals*. So long as one class continues to own the means of production, and another class owns nothing but its ability to work, which it is compelled to sell to the other class in order to live—the best government in the world, composed of the best men and adopting the best laws, cannot possibly establish equality between the two classes. If one class owns, it will always exploit and rule the class that does not own.

What, then, is the government for?

### **The Class Character of the Government**

We have seen that the two basic classes of capitalism are in constant struggle. Capital always seeks to intensify its exploitation of labor. Labor seeks to resist the lowering of its working and living standards, and attempts to improve them. Capital always seeks to strengthen its power in society. Labor defends itself from this growing power and tries to develop its own.

If the class struggle were naked and absolutely unregulated, it could easily lead to complete chaos, to the exhaustion and even to the destruction of both classes. Above all, in view of the fact that the capitalists are so few and the workers so many, the workers could impose their will by sheer weight of numbers.

Society did not always have the institution we know as government. (We shall see later that the word "government" is not quite accurate. It is used here only for the sake of convenience, and for the moment it will do.) Before it was divided into classes, the community did not have any special public institution, with a body of laws and a special body of men, like police, to enforce these laws. Primitive Communism existed. All property, if we can speak of property in those days, was owned in common. If there were arms and weapons, they were in the hands of the entire community. If they were used against other human beings, it was for driving other communities away from desirable lands, or preventing others from doing the same thing. Anyone who violated the prevailing customs was punished or banished by the community as a whole.

Government arose only with the development of private property, which means only with the development of the first division into classes. The first form of private property was

human slaves. In order to capture them, keep them at work, and prevent them from rebelling or running away, a special group developed out of the old communal society, and occupied a special place in it. It was composed of the men with arms. Their chiefs became the chiefs of the community. They maintained the institution of slavery by force. Gradually, they supplemented this force by public laws and regulations, which guaranteed the rights of the slaveowners and set forth the conditions under which the slaves continued in servitude.

Government, then, originally was, and still is, a product of the division of society into classes. It exists in order to maintain this division. To do so, the government must function in the interests of the class that has the greater economic power, that is, of the owners of property. Thereby, the government maintains their *social rule*, that is, their domination of society. Under slavery, the government maintained the rule of the slaveowners. Under feudalism, the government maintained the rule of the feudal lords and the nobility over the serfs. Under capitalism, the government maintains the rule of private property, of the capitalists.

The *government* regulates the struggle between the two classes under capitalism. That is true. The government intervenes constantly in the conflict between capital and labor. It adopts laws that regulate this conflict. Suppose, however, the laws are not to your liking, and you proceed to ignore them. If you did not know it before, you immediately learn that there is a special body of men, with arms at their disposal, known as *policemen*, who promptly haul you before a judge. He decides if you have violated the law. Suppose you refuse to accept his decision on the ground that it is unfair, or inconvenient to you. If you try to leave the court and go about your business, you immediately learn something else. The policemen have *prisons* at their disposal, where you are deprived of your freedom in accordance with the law. And if

there are many more than just one of you, and you all try to act in the same carefree way, you find that the government has even larger numbers of *armed men*—state constabulary, national guard or militia, army and navy—with which to enforce its laws and the decisions of its judges.

The government, therefore, is not primarily the Congress, and the President, and the courts, and their laws. All of them put together could do very little in the business of governing if any substantial group of men decided to ignore them. Basically, the government is *special bodies of armed men separated from the rest of the population and prisons*. You can judge for yourself how true this is by asking what *everything* that is usually called the “government” would mean, if it were not for these armed men and the prisons. Without them, the rest of the government would be so much talk and paper.

Now the question is: If the government regulates the class struggle, what *fundamental standards* does it use? It means nothing to answer, “the interests of all the people,” because the people are divided into classes whose interests are in conflict. It is likewise meaningless to speak of “the interests of the public.” The public is composed of capitalists as well as workers, and we are back again to the conflicting classes with conflicting interests. The standard used by the government is: the maintenance of the system of capitalist private property. Call it “free enterprise,” or the “right to life, liberty and the pursuit of happiness,” or anything else you please. But at bottom it is all the same—capitalist private property.

The capitalist may criticize the government. The worker may praise it. But so long as that government exists for the purpose of maintaining private property and does maintain it, it is a *class government*. It is the political instrument of the capitalist class. Without private ownership of the means of production and exchange, the capitalist is not a capitalist. He does not have the power to rule society. A government that

maintains the private ownership of capital—regardless of what else it does—is a class government that maintains the social rule of the capitalist class because it is upholding the most important foundation of that rule.

It is just as it was in our “race for the waterhole.” The judge may give both contestants a map and the free use of the road. If the foot-man protests too much against the odds, the judge may give him a concession by providing him with an extra pair of shoes in the race and a helmet to keep the sun from burning his head. He may arrange for a few benches along the road for the foot-man to rest on. He may send along the policeman to see that the automobile-man does not go too far, and run over the foot-man or break his leg with a tire-wrench. He may even add a special tax on the automobile-man’s gasoline. But if the foot-man tries to take the automobile that he built, the judge will order the policeman into action. No matter how friendly he may feel toward the foot-man, the judge and his policemen have as their basic job the protection of the private property of the automobile-man. In the most important aspect of the race, they are the automobile-man’s judge and policeman, not the foot-man’s.

Naturally, it is not a question of one capitalist and one worker. The illustration about the automobile-man and the foot-man was only an illustration. It is not meant to show that the government is the instrument of every individual capitalist against every individual worker. Life is full of examples that prove that this is not the case.

In the first place, there are quarrels and disputes in the ranks of the capitalist class itself, for it is divided into numerous groups with special interests of their own. There are divisions between capitalist groups of different regions of the country. There are the small capitalists who are fighting for survival against the big capitalists and the super-monopolists. There are some industrial capitalists whose main interests may



lie at home, and some financial capitalists whose main interests may lie abroad, in the field of foreign investment. There are capitalists who press for a more violent policy against labor, and those who have reasons for making some concessions to labor. There are capitalists who want a "stronger" foreign policy, because they have direct interests abroad to protect or because they would enjoy far greater profits in a war boom; and there are other, smaller, capitalists who might prefer a "moderate" foreign policy, because of their own special economic interests. There are capitalist groups with special economic interests in Europe and others who care very little about Europe because their economic interests lie in Asia.

That is not all. There are individual capitalists who are so narrow-minded that they act in such a way as to endanger the existence of all the capitalists. For example, they might proceed against a very modest demand of the workers with such extreme violence as to arouse all the workers against all the capitalists, or against the capitalist government. Other capitalists, however, who are no less brutal and greedy, are more conscious of their *class interests* as a whole, and they might readily intervene to restrain their more narrow-minded brethren. In a period of general crisis and general discontentment the capitalist class may again divide among itself. Some will take the position that their class interests are best served by giving some concessions to the people, out of fear that the people might otherwise take far more by direct action. Others will take the position that the best way to handle the discontented is to bear down hard upon them, to "keep the mob in its place."

In view of these differences and conflicts, how can the government still be called capitalistic? Obviously, it cannot act in a manner that would satisfy each capitalist individual or group. That is true. It cannot and it does not. Each capitalist, or group of them, exerts the greatest possible pressure to

swing the government to its point of view. Through the newspapers and magazines they control, they try to bring to bear whatever "public opinion" they can. They make use of every legislator and government official under their influence or direct control. In the end, it is usually those groups of capitalists that are economically strongest—the big industrial monopolists, the big bankers—who prove to be politically strongest.

But even in those exceptional circumstances where this is not the case, the fundamental character of the government is not changed. Let us take an example.

In the days of the Hoover administration, the people suffering in the crisis were simply told that nothing could or would be done for them, that capitalism must take its natural course, and everybody must wait patiently until industry picks up again. War veterans who came to petition the government for aid were met with pistols and machine guns. Practically the entire capitalist class applauded this policy. But the result was a growing dissatisfaction, demonstrations in the streets, threats by workers and poor farmers that they would take matters into their own hands rather than be evicted from their homes and starve to death. This was making for a very dangerous situation for capitalism in this country.

A few of the capitalists—only very few, however—were a little wiser. They supported Roosevelt and helped put him in office. They knew what they were doing. Roosevelt began to appease labor a little. He made concessions to labor and to the little farmers. He put through a good deal of long overdue labor and social legislation. He acquired thereby a great reputation as a friend of labor. Many capitalists even cried out that he was either a radical himself, or a friend or a tool of radicals, and was driving the country to socialism. Nothing of the sort, however. In actuality, Roosevelt was an astute capitalist statesman. By his methods and actions he saved American capitalism from the violent social collisions that threat-

ened it. He halted the growth of *independent* working class action for many years. (Of course, he was able to do this because of the comparative strength of American capitalist resources, on the one side, and the political backwardness of the American workers, on the other. But the fact remains that he did do it.)

Even if it meant defying the most powerful capitalist groups in the country, the Roosevelt Administration protected the social system on which these groups are based. The government remained true to its class character and interests.

In other words, the government remains 'capitalist even if it is compelled, for a time, to defend the foundations of capitalism against the greed, or the short-sightedness, or the helplessness of this individual capitalist or that one, this group or that one, or even most of the capitalists.

For this reason it is wrong to call the government "the capitalist class." It is the *executive committee* OF the capitalist class. In every decision it makes it bases itself on the upholding and strengthening of the *social rule* of the capitalists, represented and made possible by the private ownership of capital. Its decisions rest not so much on what is best for this or that individual capitalist, but what is best for capitalist society. If the decision gives an inch to labor, the basic fact is not changed. If the decision results in a blow to one capitalist, or a group of them, the basic fact is still unchanged. The government is the *executive committee* of capitalism, the over-all manager of its common affairs.

A machine whose basic function is to maintain the rule of one class over another is necessarily also a machine of oppression. That is essentially the reason for the prisons and the special bodies of armed men separated from the population as a whole. The class whose rule is preserved by these arms stamps the government with its class character.

These bodies of armed men are not "neutral" in the class

struggle, although capitalism makes tremendous efforts to convince people that they are. In every important and decisive conflict, the armed men and all the other instruments of the government, stand on the side of private property, that is, of the capitalist class. When workers are thrown into unemployment, threatened with homelessness and starvation, the police and militia are not turned out to force open the factory gates and compel the capitalist to continue employing the men so that they may live. But when workers go out on strike against a wage cut or for better working conditions, it is not very long before the police and militia are sent out to "protect private property," and also to protect the scabs and their "right" to break the strike.

(By the way, capitalism has not only the official bodies of armed men at its disposal. When these do not suffice, or cannot be conveniently employed for one reason or another or—worse yet!—if they are becoming unreliable from the capitalist standpoint, they are supplemented by "unofficial" armies: thugs, professional strike-breakers and gunmen, company police, fascist or other reactionary gangs. The economic power of the capitalists enables them to recruit and maintain these anti-labor bands.)

The capitalist government is therefore an instrument for maintaining the power over society of the capitalist class and for suppressing the class that is ruled over, the workers.

### ***The Class Character of Democracy***

But what about democracy? What about the democratic rights that all of us enjoy? Can it be denied that they give us the possibility of having a genuinely democratic government, in case the one in office does not function in the interests of the people?

To answer these questions it is necessary first of all to make a more accurate use of the word which, for convenience's sake,

we have thus far used loosely, namely, "government." Up to now, what we have dealt with is not so much the *government* as it is the *state*. What is the difference?

The state, as used here, should not be confused with such territorial divisions as we have in this country—the state of Maine, the state of Oregon, and the like. The state, in any class society, is that public power which rises above the contending classes for the purpose of regulating the conflict between them in the interests of the economically dominant class. The state is an instrument of that class for the preservation of its social rule and for the suppression of the class that threatens it. The essential characteristics of the state are the prisons, the special bodies of armed men, and the large permanent officialdom, the governmental bureaucracy. The state machinery that arose and was developed to preserve capitalist private property makes up the *capitalist state*.

The capitalist government differs in form in different capitalist countries and at different times. The government represents the particular *political form* in which the capitalists rule. In one country the government may be a representative democracy; in another, a military dictatorship; in one, it may be a constitutional monarchy; in another, fascist dictatorship. All of these countries, however, are *capitalist states* so long as all of them are based on capitalist private property and its preservation.

What do the different governmental forms depend upon? A number of things. First, there are historical forces and forms that have been inherited in one way or another. Then, there is the stage of development of the given capitalist country. Finally there is the factor of the relationship of class forces—which is stronger and which weaker, which is more and which is less conscious of its interests, which is better and which is less able to fight for its interests, and so on.

Where the government is an outright capitalist dictator-

ship, which mercilessly suppresses labor and the labor movement, which wipes out representative government and all democratic rights and institutions, the capitalist state operates in a naked form. It is easily recognized for what it really is. Its class character is unmistakable. Where there is not such a naked dictatorship, the class character of the government is not so easily recognized, but it is capitalist just the same.

This can be seen if we examine closely the realities of the most democratic capitalist states, like England or the United States. Let us take the latter first.

It is said that the worker has the same vote as the capitalist. If the government shows itself to be pro-capitalist, the workers, being much more numerous than the capitalists and enjoying the rights of democracy, can elect a good government, one that will not be a tool in the hands of the capitalist minority.

In the very first place, the fact that so many people, above all the workers, *believe* this, and act on that belief, shows that they live in a capitalist society. In every society, the prevailing ideas are the ideas of the ruling class. The idea that all classes, or the members of all classes, are equal, or are at least political equals, is one of the basic ideas of the capitalist class. It does everything it can to get the workers to accept this idea in order to conceal the fact that this is a society of unequals organized to maintain the rule of the capitalist minority over the big majority of the people.

Let us dwell on this point. In doing so we will get a clear understanding of just what kind of democracy we really have under capitalism.

It is obviously impossible to gain influence or control over the government without *organization*. The capitalists are organized economically, in powerful industrial and financial associations, and politically, in big parties. In addition, they have thousands of social organizations, ranging from Boy Scouts to fraternal orders, from veterans' groups to sports so-

cieties. They have the wealth which makes it possible to organize, control and maintain them. They have always enjoyed the unrestricted right to organize them. The workers, on the other hand, are limited in their ability to organize by their lack of wealth. Moreover, they have not only had to fight the most violent battles to establish the right to form their own class organizations, like unions, but they are constantly forced to fight for it all over again. Capitalists have no difficulty in maintaining their political parties. But countless restrictions and obstacles are placed in the way of independent working class parties, even in such matters as getting on the ballot, and above all in the fact that the workers do not have the wealth that the capitalists use to maintain their parties and conduct their election campaigns.

The right of organization means nothing without the *right of assembly*. An organization which cannot meet is an organization in name only. All people enjoy an equal right of assembly in a democratic capitalist country, but only in form and not in reality. If one class owns all the big meeting halls, or the wealth with which to hire them as often as it pleases; and the other class owns only the smallest halls and does not have the wealth to hire the large ones frequently; then the *exercise* of the right of assembly, even under a formal democracy, is limited by the class position of the workers. On paper, their organizations may have an unlimited right to public meetings, But if they do not own the halls in which to meet freely, or do not have the funds to hire such halls as often as they want or need to, they do not enjoy the right *equally* with those who own the halls or have unlimited funds for hiring them.

The right to organize and the right of assembly mean nothing without the *right of free press and free speech*. How can you organize if you do not have the means of informing others of your aims and the means of answering falsehoods spread

about you? How can you organize if you cannot talk to those you want to bring together?

The right of free speech and free press, too, is enjoyed equally by all only in form and not in reality. The economic power of the capitalists enables them to own the daily newspapers (in this country the workers do not have a single daily newspaper of their own!), and the vast majority of all the weekly and monthly periodicals. They have the biggest and best printing presses; they monopolize the paper mills; they have the biggest news associations; they have tremendous distributing machines. Where they do not own the press outright, they control it firmly, through advertising, through shareholding, through control of the sources of news reporting, or simply by virtue of the fact that the owners and editors have a thoroughly capitalist point of view themselves. In any conflict of interests between labor and capital, the press always takes the fundamental capitalist position. Newspaper lies and misrepresentations about labor's views are notorious. Even if the government never interfered with the right of free speech of labor or organizations (as it often does, especially in times of sharp conflict, and especially in the case of militant labor organizations); and even if the government never interfered with the right of free press of labor organizations (which it actually does do, as in the case of free speech)—*class inequality* in the exercise of these rights would still be the basic feature of capitalist democracy.

The capitalist class owns and controls the means of creating and influencing opinion through its control of the press, the radio, the movies and the theater, the schools and the church. In a thousand different ways it instills *its class ideas* into the minds of the workers. It poisons their thinking. It not only gets them to believe that capitalism is eternal and good, but that socialism is evil, unnecessary and impossible. It even gets many of them to oppose such an elementary necessity as



unions, which is the main reason why the entire working class is not 100 per cent organized. It is really able to exercise the right of free speech and free press to the maximum extent. The workers, in the best of times, are able to exercise the same right only to a minimum extent. (In times of violent crisis of capitalism, as under fascism, the state entirely deprives the workers of even their most formal democratic rights.)

If the capitalist class can do ninety-nine per cent of the talking and writing, because of its economic power, and the working class only one per cent—then we do not have a genuine democracy but, as we have called it, a *capitalist democracy*.

Fundamentally, the same may be said of the *right to vote*, without which it is impossible even to speak of representative government, much less of workers controlling the government. In the first place, this right is automatically limited by the class restrictions placed upon the other rights dealt with above. Your right to vote has genuinely democratic meaning only if you have equality with the capitalist class in exercising the right to organize, the right to free speech, free press and assembly. It is by organization, by speech and writing, by meeting, that votes are influenced. Economic power gives the capitalist class an overwhelming advantage over labor in influencing votes and thereby determining elections.

That is not all. Millions of workers are disfranchised; they have no vote. First, there are millions of Negro workers and poor farmers who are prevented from voting by a multitude of cynical legal devices and sometimes by outright terrorization. Then, there are millions who are forced by capitalism to be migratory workers, without a permanent residence, and therefore without the legal qualification for voting. Finally, there are millions whose only crime is that they were born in another country; their contribution to society is equal to anyone's but they have a thousand difficulties placed in the path of acquiring citizenship and the right to vote.

Furthermore, as has been indicated, working class political parties are handicapped by lack of funds with which to operate and to campaign. Especially the radical parties, which tell the truth about capitalism, are suppressed in the newspapers and on the radio. It is made hard for them even to get on the ballot.

But even that is not all. On numerous occasions and in many countries where militant workers have sent their own candidates into office, and these legally elected legislators fight for labor's interests, the representatives of capitalism do not hesitate to violate their own laws by expelling these working class representatives from the legislative halls. This has happened many times, not only in countries like Finland, Italy, Germany and elsewhere, but in the United States as well, as at the state capital in Albany, N. Y. and even in the Congress of the United States itself (Berger case).

Still the full picture has not been drawn! In reality, the situation is much worse for millions upon millions of people who have not yet been dealt with. We have seen how workers in the capitalist countries enjoy democratic rights only in a distorted way, in a way rigidly limited by the class nature of society. But every big capitalist country rules not only over its own working class, but over nations and peoples it controls as colonies or half-colonies.

Take the case of Great Britain, which prides itself on being the most democratic country in the world, with the oldest and most democratic Parliament. It has the largest empire on the globe. Just one of its colonies, India, contains almost one-fifth of the entire population of the world. All these people are ruled and exploited by Britain. The Indians do not even have the elementary democratic right of self-government, the right to rule themselves. The British rule over them. A few million British thus decide the fate and rule the lives of hundreds of millions of Indians without even the formality of democracy

which the British worker enjoys. Great Britain is only one example. The United States, ruling the Philippines, Puerto Rico and other colonies, is another example of several other big imperialist powers, each with its own colonial empire. A minority of countries, representing a minority of peoples, rules by sheer force over the lives of the big majority of the world's population. It is therefore right to call the most democratic of capitalist countries, like England or the United States, an *imperialist democracy*.

In other words, political equality is a myth when there is no economic equality. Equal rights is a myth when there is no equality of economic rights. The democratic rights that exist in some capitalist countries are enjoyed mainly, primarily and most effectively by the capitalist class. Even at its best the democracy that exists under conditions where the capitalists own the means of production and exchange is a *capitalist democracy*.

For the reasons already set forth, the most democratic government ever produced in a capitalist country remains a class government, and it cannot be anything else. The reason for its existence, *its basic purpose*, is the maintenance of capitalist property, which means the domination of society by the capitalist class, which means keeping the workers in the condition of the exploited and oppressed class of society.

Capitalist society is organized against the working class. The capitalist class is an irreconcilable enemy of labor. The capitalist government exists to keep labor in the position of the exploited class. What can the workers do in these circumstances? Are they doomed forever to be wage slaves of capitalism? Must they endure the exploitation and misery of capitalism without hope of changing society and their position in it? Are they helpless before the enemies arrayed against them? Or is there a way out?

"We are not helpless," replies a thoughtful worker. "We

are not just so many submissive individuals. We have learned something about the capitalists and how to defend our interests. We are organized. We now have our unions. Whatever the capitalists may or may not want to do, whatever the government is or wants, it is no longer possible to exploit and oppress us at will. Our unions are here to protect us, and both the capitalists and the government are forced to deal with them."

Let us consider now the labor unions and their position in the class struggle.

## CHAPTER VI

### The Labor Unions and the Class Struggle

**I**N ALMOST every country, the workers have organized themselves into labor unions, embracing all the workers of a given craft or, in a more advanced stage, all the workers of a given industry. The worker soon learns that if he is by himself, not in an organization, he is an utterly helpless victim of capitalist greed. If the employer, especially the more powerful employer in the big industries, is able to deal with each worker separately, he can set almost any wage and working standard he pleases. If each worker offers himself singly on the labor market, he soon finds that other workers, especially when there is a large surplus of unemployed, will "underbid" him in an effort to get the job. To defend themselves from the efforts of the employer to lower wage and working standards, the workers find themselves forced to organize together, to present themselves to the employers as a group and to bargain *collectively*. The formation of labor unions is therefore the first step naturally taken by the workers to organize themselves as a class.

How is this fact to be reconciled with the argument that there is no class struggle, no basic conflict of class interests, in capitalist society?

The most vigorous champions of this argument are the official spokesmen of labor, the leaders of the unions. (We are dealing here with the labor officialdom as it is today, and not as it should and will be.) The labor leaders will readily admit that there is a conflict between capital and labor. But, they say, this conflict need not exist. The conflicting interests can be composed and settled satisfactorily if both sides take a "rea-

sonable attitude." If there is a struggle, it can be moderated and eventually eliminated.

Why? Because both sides, capital and labor, have a fundamental interest in common: both want to continue and expand production. If industry produces, capital will be able to get its legitimate profit and labor will be assured of work and a fair day's pay for a fair day's work. It is necessary, therefore, to convince the unreasonable capitalists to become reasonable (which means to pay a fair day's pay for a fair day's work) and to restrain the unreasonable workers (which means to assure capital of its legitimate profit). Once the unreasonable have been made reasonable, the struggle can be done away with and both groups can live in harmony, to the benefit of all.

The conclusion, says labor officialdom, is that labor must pursue not the path of class struggle but the path of *class collaboration*. That is why it promotes such schemes as labor-management committees, joint production committees, standards of production, efficiency minimums, and in general follows a policy of bringing labor and capital together on the basis of recognizing "the rights of capital" and "the rights of labor." The main job of the labor movement thereby becomes not the elimination of capitalism, but "making capitalism work."

### **Capitalist Ideas in the Labor Movement**

Fundamentally, these ideas of the labor officialdom are capitalist ideas. It is entirely true that the capitalists do not see eye to eye with the labor leaders on every question, and often come into bitter conflict with them. But that is due primarily to the fact that the labor leaders, in order to hold their special position in society, strive to keep the labor unions alive and even to strengthen them. Without labor unions behind them, these leaders would be nobodies, without power, without influences, without privileges, without social position. In this sense, they are *labor* leaders. For this reason, they and the organiza-

tions they lead must have the support of every worker whenever they come into conflict with the capitalist class and its government.

But there is another aspect to the part played by the present labor officialdom. It leads the workers along the path of collaboration with the capitalists. It instills in the workers the idea that no matter how bad this or that capitalist may be, the capitalist system (which it usually calls the system of "free enterprise") is fundamentally sound and must not be attacked. When workers do develop to the point of militant struggle against capitalism, the labor leaders intervene to restrain them or thwart their aims. In this sense, they are *capitalistic* labor leaders. For this reason, the workers must oppose their ideas at all times and seek to replace them with leaders who understand what capitalism is and who know how to fight it consciously in the interests of the working class.

If you bear in mind our analysis of capitalism, you will understand that the idea of collaboration of the classes is a basically capitalist idea. Certainly, both capital and labor are interested in maintaining and expanding production. But the interest of each of them is fundamentally different and exclusive.

Capital is interested in production for profit, labor in production for use. Capital is based upon a constantly increasing exploitation of labor, in order to maintain its profit; labor constantly resists this exploitation. There is and can be no such thing as a "legitimate profit," inasmuch as *all profit* is derived from paying workers less than the value they add to the product. There is and can be no such thing as a "fair day's wage for a fair day's work," inasmuch as wages are the payment for only one part of the day's work, the other part of which the worker is compelled to contribute to the employer in the form of surplus-value, or profit.

Labor may collaborate with capital twenty-four hours in

the day. It can outdo itself in the attempt to "maintain production," to eliminate strikes and lockouts, to establish production schedules and efficiency standards. It can sit side by side with the capitalists in "labor-management committees" until it can sit no longer. But it cannot do away with a fundamental fact: capital always seeks to intensify the exploitation of labor by reducing wages, increasing the work-day, or speeding-up production, or by all three at once; and labor always seeks to raise its wage and working standards. Capital always seeks to increase its profits, which can be done only by exploiting labor; labor always seeks to resist exploitation, which can be done only at the expense of profits. These are fundamental economic facts. Under capitalism, nothing that all the capitalists, or the whole government, or all the labor leaders, or all the workers, or a combination of all these, will ever do, can succeed in wiping out these facts.

The capitalists, of course, hammer into the heads of the workers, from childhood on, that the laws of God and Man and Nature entitle them to a profit, especially a "legitimate" profit. They hammer into the heads of the workers that capitalism always did exist and always will. Maybe it should be improved a little, patched up and painted up here and there, but not eliminated. They hammer into the heads of the workers that there always have been people working for wages and there always will and must be such people; that it is so decreed by divinity and "human nature"; and that the best to be hoped for is the rule of a "fair day's wage for a fair day's work." They work hard at instilling these ideas into the heads of the people. If these ideas did not prevail, they could not retain their monstrous power for a week. What the labor leaders do is to spread essentially the same ideas.

However, there is a simple indication that the idea of class collaboration is as false as the idea of the class struggle is true. It lies in the very existence of the labor unions.



The organization of labor unions is based upon a *revolutionary idea*. This idea is that the workers should organize as *a separate, distinct class*, independent of the capitalists and all other classes. In organizing labor unions, the worker is not asked if he is for capitalism (or "free enterprise") or against it; for socialism or against it; for the class struggle or against it. Even the most conservative and pro-capitalist labor official has one standard for organizing unions: is the candidate for membership a worker in the given trade or industry? If he is, he belongs; if he is not, he does not belong.

(Of course, there are some stupid and reactionary unions which exclude Negroes or apprentices from membership. But this does not change the basic principle with which we are dealing. For those that *are* admitted even to these unions must fulfill the basic requirement of being workers.)

The unions do not admit *any* capitalists to membership. Why not? Do not the labor leaders who preach class collaboration insist that some capitalists are "good" and "reasonable" and "friendly to labor"? If their ideas are valid, why not bring into the unions at least the "good" and "reasonable" and "friendly" capitalists? If they believe that labor and capital can work together in "joint management committees" of industry for the benefit of *both*, then why cannot labor and capital belong to and work in the same *union* for the benefit of both? If there is no *irreconcilable* class struggle, why is a *separate* and *independent* organization of the *working class* necessary? If the interests of labor and capital are *common*, or if they can be harmonized, why can't that be done in and by a *common* organization of workers and capitalists?

It is true that there *are* organizations which are based on this idea and act accordingly. But they are rightly called *company unions*. Every intelligent worker, and even the labor leaders, recognizes them as *capitalist*, anti-labor organizations. They strive to replace them with genuine, independent organ-

izations of the workers, and of the workers alone. It is true, also, that the collaborationist policies of our capitalistic labor leaders tend, willy-nilly, little by little, to transform these independent labor organizations into company unions. But this does not alter the fact that the organization of workers into independent labor unions is a revolutionary act based upon the idea of the class struggle. If this is denied, the idea of an independent labor movement simply makes no sense. The labor leaders should then advocate the giving up of separate labor unions, or transforming them into company unions or joint organizations of labor and capital.

"Well," it may be said, "if the unions are based upon the idea of the class struggle, isn't that enough? Doesn't that qualify them to solve the problems faced by the working class?"

No, not yet.

### **Why Unions Are Not Enough**

In the first place, the unions are not conscious of this important fact. Except for a small percentage of their membership, they do not understand its significance, all that it implies. This reduces their effectiveness in the struggle to defend the interests of the working class. These interests can be properly defended only if there is a clear understanding of the nature of capitalist society and an organized struggle against capitalism.

The *actual work* of the unions is based upon an acceptance of capitalism. They are not organized for the purpose of liberating the working class from the condition of exploitation and oppression to which it is doomed under capitalism. Instead, they confine themselves to the attempt to raise the wages of the workers and obtain favorable social legislation while keeping the capitalist profit system. The longer capitalism is allowed to exist, the more acute become its problems. The more acute its problems, the stronger and more urgent its drive against the workers' living standard. The most that the unions

can do—given the way they are now constituted and led—is to resist this drive, try to slow it down. If they remain committed to the capitalist system, the unions, and the workers in general, are limited to *defensive* actions and, in the long run, to defeat.

In the second place, the unions are dominated at present by a bureaucratic officialdom with a capitalist outlook. The labor bureaucracy occupies a special position in society. *Taken as a whole*—not this or that individual labor official—its standard of living and social outlook bring it closer to the middle classes than to the working class. Due to its leadership over a big social movement—the unions—it enjoys special privileges and powers in society.

To be sure, it does not want to see the labor movement destroyed, as happens under Fascism, because without a labor movement to represent and rest upon, its powers and privileges disappear and it is wiped out as a special group. At the same time, however, it can retain its special position only in so far as it keeps the labor movement tied to capitalism. If the labor movement were committed to a militant struggle against capitalism itself; if the labor movement were imbued with a socialist understanding of society; and above all, if the working class succeeded in replacing capitalism with a classless society—there would be no place for bureaucrats and exorbitantly-paid officials, and no place for special privileges of any kind. There would be no life-time officers, as some unions have. There would be no capitalistic salaries, as some officials have. There would be no autocratic powers, as some officials have arrogated to themselves. There would be no grafting, no financial manipulations, no investment of workers' funds in capitalistic enterprises—all of which are so widespread nowadays in the labor movement. There would be no "upper classes" and "respectable society" for labor leaders to hobnob with, because there would be no class divisions of any kind.

That is why the labor officials (again, taken as a whole) are such vigorous opponents of socialism or a fight for socialism, opponents of militant class action against capitalism, and equally vigorous champions of capitalism ("free enterprise") and collaboration with capitalists. Their special social position explains why the labor leaders are in favor, at one and the same time, of maintaining the capitalist government (if it tolerates a labor movement) and of maintaining the unions (if they are docile toward capitalism).

It should be obvious that under such a leadership, the labor unions cannot carry on an *effective* struggle for the defense of working-class interests, and cannot solve the fundamental problems of society.

In the third place, the class struggle is a political struggle, but the unions, by themselves, are not equipped to conduct it successfully. The problems of the workers cannot be solved in the form of a "better contract" between one local union and one employer, or even between one industrial union and a large capitalist combine.

To begin with, even if we think only in the most narrow "wage" terms, the most modest victory of the workers in one plant or industry depends upon the organized strength of the workers all over the country, in all the important plants and industries. In other words, the progress of any group of workers depends upon the strength and organization of their class, upon its ability to contend with the capitalists as a class.

But the struggle between the two is not confined to the economic field. The state, the government, is an instrument of the capitalist class in this struggle. It intervenes in the struggle more and more directly. The closer capitalism comes to collapse, the more frequently it breaks down—the more active and direct is the intervention of the government to "organize" it, to maintain it. The further capitalism moves toward monopoly, the closer it is intertwined with the machinery of the

government. It is not an accident, and not a whim of some group of politicians, that the government and its agents are increasingly present and dominant in the economic life of the country. It is the inevitable result of a capitalist process.

Consequently, the attempt to solve labor's problems on the purely economic field, yields fewer and fewer results. To solve their economic problems, the workers find themselves forced to go deeper into the political field, to engage in political action. Even such matters as wages, work-day and working conditions are no longer simply settled between one union and one employer. They must be taken up with the government, or one of its bureaus or boards, which have acquired the power to settle them. This serves to bring about a clearer understanding of the fact that the class struggle is a political struggle. The trouble is that the unions are not equipped for *effective working-class political action*.

Before we can proceed with this problem, it is necessary to examine the much-confused and much-misunderstood question of politics.

### **What Is Politics?**

What does the word "politics" mean to the average worker? It brings to his mind a picture of graft, bribery and corruption. If he sees two men fighting madly to grab off a rich office-plum, he says, "That is politics for you." If he sees a public figure (or sometimes a figure in the labor movement!) doing something underhanded in order to line his pockets or to climb up the ladder of officialdom, he says, "That is politics." If he sees a man getting a summons for speeding cancelled by telephoning a friendly ward-heeler, he says, "That is politics for you." If he hears a labor leader shout, "We don't want any politics in the unions," he nods his head in agreement.

All this is based upon some of the realities of *capitalist* politics, which is always accompanied by rottenness, corrup-

tion, office-hunting and spoils. But it represents at the same time a fatal misconception of what political action really is. Before a decision can be made on what to do about politics, we should have a proper definition of it.

*Politics deals with government power and the powers of government. Political action is any activity directed toward gaining influence or control over government. The basic aim of politics is state power.*

Once this is fully understood, the working class can take a tremendous step toward solving its problems, especially in a country like the United States, where labor is so far behind in the question of politics. The road is then cleared for independent working-class political action. It is such action that the capitalist class fears more than anything else.

Often, the capitalists and their press say to the workers: "Don't get into politics. Politics is a terribly dirty business meant only for professional politicians. If there is any politics to be conducted, let us sinners conduct it. You should keep away from it. It is too complicated for you to understand. The best thing you can do, and the most you should do, is to vote for those who are suited to this sort of business."

To be sure, politics as conducted by the capitalist politicians is usually dirty and sordid enough. But the reason why they give such pious advice to the workers is not that they want to keep labor's hands nice and clean, and not even that they fear the cleansing influence of labor in politics. What they really worry about is that labor getting into politics means, eventually, labor's control of government.

Inside, as well as outside, the labor movement, the same advice is usually heard. Union officials repeat, year-in and year-out: "No politics in the unions. The unions should keep out of politics." What does this really mean?

The very early days of the labor movement were the very early days of capitalism. In that period, the unions were able

to confine themselves pretty much to negotiating wage contracts with small, individual employers, especially where the unions represented only the highly-skilled crafts. The economic conditions of the workers could be improved, especially in a rich and growing country like the United States, without the unions concerning themselves greatly or primarily with the government or with political questions. About all they did was to advise their members, once a year, to vote for this "friend of labor" and against that "enemy of labor." But even in giving this advice, no organized action was taken to mobilize the political power of labor as a class.

To talk about keeping the unions out of politics today is to talk the language of horse-and-buggy unionism. War, a vital problem of the working class, is a political question. Peace, no less vital a problem, is a political question. Taxation, a matter which affects the living standard of the workers more than it ever did before, is a political question. Democratic rights of all kinds, which labor finds itself forced to fight for more vigorously than ever before, is a political question. And even such elementary things as wage and working standards have become, as was pointed out before, political questions, that is, questions settled by government and its agencies. Whether they want to or not, the workers and their organizations are compelled to take an interest in politics and to engage in political action. Unions find themselves setting up local and national political action committees, which means that for the time the labor movement, at least large sections of it, are entering politics *as a labor movement*.

What, then, is meant by those labor leaders and "friends of labor" who continue to speak about keeping labor out of politics and politics out of the unions? It means what it has always meant: Keep labor out of *working-class politics*! Keep *working-class politics* out of the unions! It means: Continue to act as always in the past. In other words, workers should con-

tinue to support capitalist politics, for that is what they have been doing in the past. The motto of "No politics" has always meant, in the working class, no independent working-class politics.

If the correct definition of politics is borne in mind, it will readily be seen that the labor movement is constantly engaged in political action. When a union adopts a resolution to be sent to Congress, that is a political action. The union is seeking to influence political decisions. When a union organizes a meeting or demonstration in favor of or in opposition to the passage of a given bill before a local or federal legislature, that is a political action. When a union sends a delegation to the state capital or to Washington, that is a political action. When it sends its representatives to argue a wage dispute before a governmental body, that is a political action. When it endorses a candidate for office, that is a political action. The fact is that the labor movement is involved in politics every day of the week. There is no escape from it. There is no need to escape from it. Politics, the struggle for political action, is a legitimate, inevitable and, more than that, an urgently necessary field of activity for the working class.

In that case, what is wrong? Two things.

First, the politics of the labor movement is still *capitalist politics*. The political activities of the unions are still directed toward supporting one of the capitalist parties or the other. Where they do not support such a party outright, they support one capitalist politician or another, on the ground that he is a "good man," or a "friend of labor."

In order to keep labor tied to their apron-strings, the capitalist parties always have a few politicians around who can be presented as "friends of labor," especially when labor is discontented and shows signs of breaking away from the parties of capitalism. They say to the workers: "You may think that Smith is a reactionary, with an anti-labor record. But



how can you think that about Jones, who is such a fine progressive, who has said and done so many good things for the workingman? At least, support Jones. And above all else, do not form a party of your own. That would be a class party, and there are no classes in this country."

By heeding this cunning advice, the labor unions and the bulk of the working class confine their political activities to the capitalist parties. They do not organize to put labor itself in power, but only the "friends" of labor. At every crucial test, these "friends" prove to be what they always were, namely, defenders of capitalism. The defense of the interests of capitalism is, however, incompatible with the defense of the interests of the working class. Labor is already in politics, but because its politics are still capitalistic, it is not engaged in political action as a class for itself.

### ***Labor Party and the Workers' Government***

Second, although labor is engaged in political action, it has not equipped itself with the most important instrument required for participation in politics. *Labor has no party of its own.* To meet the capitalists on the economic field under more favorable conditions, the workers very wisely organized a special machine, the labor unions. To deal with the capitalist class on the political field, it is also necessary to organize a special machine, a working-class political party.

The class struggle is a political struggle. It cannot be fought successfully by the workers unless they have a political weapon, which means, their own political party. The capitalist class has its own political organizations. It sees to it that they remain committed to its basic interests, the maintenance of the capitalist system. It sees to it that they remain under its control. It provides them with a press. It provides them with funds, running into millions of dollars each year. In some places, the capitalists are in direct control of these parties, in others,

its agents and sworn friends are in direct control. Even if, under certain conditions, a "progressive" breaks through to a nomination and gets elected, the capitalist class still maintains control of the political machinery and is able to realize its aims in the end.

Why should not the workers have their own political party, which openly calls itself the party of the working class? The workers are the most numerous and most important class in society. They have the most representative and largest organizations in society, the labor unions, which outnumber by far the membership of all the capitalist and middle-class organizations put together.

That is not all. Labor leaders and "friends of labor" try to discourage the workers from forming a party of their own with the argument that the workers, and especially the labor unions, by themselves, do not form the absolute majority of the population, and therefore could not win in the contest with the existing parties.

An utterly false and misleading argument! The capitalist parties represent a far tinier minority of the population than do the labor unions. That does not prevent the labor leaders and the "friends" from supporting these parties. A working-class party, with a correct program and leadership, could win the support of the overwhelming majority of the population. The main enemy of the working class is monopoly capitalism, represented by the big industrial and financial magnates. Why should not, why cannot, labor, in its fight against the monopolistic class, enlist the support of the poor farmers, of the lower middle classes, of the Negro people in town and country, who are also under the heel of monopoly capitalism? Why cannot labor draw up and carry on a serious fight for such a political program as would attract to it the support of these other people, together with whom labor makes up far more than a simple majority of the population? On what ground should

we believe that the political support of these people will always go to the leadership of capitalism, but never to the leadership of labor?

Those who argue against independent political action by the workers, against an independent workers' party, are tied in body and mind to the chariot of capitalist politics. They find no difficulty in believing that capitalism always can and should win the support of the farmers, the lower middle classes and the Negro people. But they have so little confidence in the working class in whose name they presume to speak, that they cannot conceive of it winning the support of the bulk of the people and acquiring the leadership of the nation. That a few thousand capitalists should run the country seems natural to them. That it should be run by millions of workers is inconceivable to them. In this way, as in all others, they show they are capitalistic labor leaders, not real working-class leaders.

The workers need a party of their own. To form it, is to issue the Declaration of Independence of the American working class. It is the first big step in breaking from the capitalist parties and capitalist politics, and toward independent working-class political action.

However, it is only the first step. A political party that does not proclaim its intention of taking government power, is not worthy of the name. A Labor Party which announced, as some so-called labor parties do, that its aims in politics is to support the candidates of the capitalist parties, could neither inspire the support it should have nor fulfill the task before it. A party that proclaims as its purpose the nomination of "good" candidates by the capitalist parties and their election with its aid, is a miserable bargaining agency, but not an Independent Labor Party. Its proclamation is a confession that the capitalist parties are so bankrupt and rotten, that their candidates can get support from the workers only if they also appear under the emblem of another party.

A Labor Party which announced that it had only a modest aim, like the election of a few candidates of its own, and nothing more, could not inspire serious support among the people. It could get such support and justify its existence in the eyes of the people only if it declared boldly that the capitalist parties are bankrupt, that it challenges them all along the line, that it aims at taking government power and reorganizing society to serve the interests of all the people instead of serving only the interests of the capitalist minority.

The formation of an independent workers' party acquires great significance only if it proclaims the objective of a Workers' Government.

What would be the program and purpose of a Workers' Government? Would it simply be to put the workers in the offices now occupied by capitalist politicians and bureaucrats? Would it simply be to take over the responsibility for managing the affairs of the capitalist class? In that case, it would be a Workers' Government only in name, and a capitalist government in reality. It would confuse the workers, and make it easy for capital to get back all its power.

This is not a mere assertion, it is a fact proved by experience. Twice in England, a Labor Government was in office; in Germany, in Austria, in Spain and in other countries, the same thing was true at different times. But in every one of these cases, the government failed to act in the interests of the working class. It left the power of the capitalists intact. It made no fundamental change. The position of the masses of the people was not sufficiently improved or not improved at all, because no bold steps were taken to remove the causes of the social evils produced by capitalism. The hopes of the people were disappointed. Their enthusiasm declined. The capitalist class thereupon found little difficulty in regaining all its political control by taking over the government directly. It either crushed the labor government by violence or simply

dismissed it from office. In many cases, an outright reactionary or fascist government took control.

A Workers' Government is needed not to protect the power and interests of the capitalists, but the power and interests of the workers, and of all the little people as a whole. We have already seen that political power—the government, the state—exists only to serve class interests. All the interests of the capitalist class are tied up with and based upon preserving their ownership and control of the means of production. Their whole power over society is based upon this ownership. It enables them to exploit and oppress the majority of the population. It results in growing social inequality, in unemployment, economic scarcity, insecurity and war. The maintenance of capitalist property is the basic principle of every capitalist government. To this principle, it subordinates everything else.

A Workers' Government must have a basically different principle if it is to discharge its great obligation to those who placed it in power. To the evils of capitalism, it must oppose social progress and human welfare. To the interests of a ruling minority, it must oppose the interests of all humanity. Its aim must be to assure society a high, continuous level of production which will permit the cultural development of all, and which will not be broken periodically by convulsive crises; to assure abundance to all and peace among all the nations and peoples, so that the nightmare of insecurity is dispelled; to assure everyone freedom from physical and intellectual enslavement of any kind. Are not these the things that all the people long for?

Capitalist class rule has demonstrated to the hilt that it cannot, by its very nature, achieve this aim. Yet its achievement is not only necessary, but, as will be shown, it is quite possible. Now the question is: Once the workers have political power, once there is a Workers' Government, what can and should it do to make this aim a living reality?

## CHAPTER VII

### A Workers' Government and Socialism

**S**Ocialism, based upon the planned organization of production for use by means of the common ownership and democratic control of the means of production, is the abolition of all classes and class differences.

"As an ideal, it would be a good thing to have socialism; but it is only an ideal which cannot be realized in practice." This is said by many people who have a poor understanding not only of socialism but of capitalism as well. Let us see. Is socialism merely a noble ideal, or is it more than that—a practical possibility and urgent necessity?

#### ***The First Steps of a Workers' Government***

Without production, society cannot live. The first step that a genuine Workers' Government would take would be directed toward assuring continuous production so as to satisfy the needs of the people.

How could that be assured? There would be all sorts of difficulties in the way. Most of them would come from the big capitalists. If they saw that this government was really serious in applying its principle of serving the interests of society and not merely of serving the profit-lust of capitalism, they would set up all the obstacles they could. Their aim would be to throw monkey-wrenches into all the machinery of industry and administration, to weaken the government, to undermine its authority, to discredit it, and to overthrow it as soon as possible. When the capitalists feel that their property and profits are in any way endangered, there are no lengths to which they

will not go to preserve them. The interests and welfare of the people are their very last concern.

What would they do? They would refuse to carry out the orders of the government, or carry them out in such a way as to nullify their purpose. They would sabotage production in a thousand different ways, or shut down their plants on one pretext or another. They would conceal their real stocks and assets. By their control of the banking system, they would deny the government the funds required to carry out a progressive program. They would even create an artificial financial panic, as they have done on other occasions. They would use their great economic power to finance bands of thugs and reactionaries assigned to the job of creating turmoil, of impeding the smooth operation of the government, and eventually of overthrowing it by force or the threat of force. By their monopoly of the press and radio, they would keep up a running fire of misrepresentation, lies and slander against the government with the aim of undermining it, sabotaging its efforts, and confusing and misleading the people. They would soon show the Workers' Government what it means for them to have a monopoly of social power!

These are not mere predictions. They have already occurred in many countries. The capitalist class acted in exactly that way not only in Russia, when a revolutionary Workers' Government took political power, but also in England, Austria, Spain, Germany, France and other countries, where there were only conservative and timid Labor Governments or half-Labor Governments. The only country in which this campaign was properly dealt with was in Russia, in the revolution of 1917. A genuine Workers' Government in any other country would have to deal with the capitalist class in fundamentally the same way—if only in simple self-defense.

A Workers' Government would, first of all, nationalize the key, basic industries, the means of transportation, and the

banking system. These are the main strongholds of monopoly capitalism and the foundations of modern production. By nationalizing and centralizing them in the hands of the state, the Workers' Government accomplishes two objectives with one stroke. It is now in a position to organize production and distribution in a planful and systematic way, and it deprives the reactionary monopolists of the economic power to interfere with production and the functioning of the government.

In undertaking the nationalization of industry and finance, several questions of first-rate importance immediately face the Workers' Government. Let us consider them one by one.

First: *Shall the property of the big capitalists be confiscated without compensation?*

The very word "confiscation," especially when the words "without compensation" are added to it, raises shrieks of horror from the ranks of the capitalists. Outrageous! Inconceivable! Yet the whole system of capitalism is based on confiscation. The original accumulation of capital, as will be recalled, was accomplished for the most part by an elaborate system of confiscating (expropriating) the wealth and resources of small producers, independent peasants and farmers, and entire colonial peoples. Day-in and day-out capitalism exists only because it confiscates the surplus-value produced by the worker over and above the wages he receives for his labor. Capitalism has developed confiscation to a forcibly-maintained, scientific process of exploitation. If we understand the fact that the value of all the products of society has been produced by labor, it would be perfectly proper for labor to confiscate without further ado.

Nevertheless, confiscation of capitalist property without any compensation to its former owners is not an absolutely necessary step for the Workers' Government to take. If the capitalists reconcile themselves quietly to the new government and the social progress it undertakes to achieve, it might very



well prove to be a wise step to compensate them for the property that has been nationalized. Or, compensation might be offered them in order to show that the new government is not interested merely in vengeance. Its primary concern is the organization of economic life for the benefit of the whole of society. There is room in this organization even for former capitalists who wish to coöperate and are ready to place at the disposal of society whatever technical and managerial skill they may possess. Under these conditions, compensation would be a cheap way of assuring a smooth and speedy reorganization of economic and social life.

Naturally, even if compensation were decided on, it would certainly not be based on calculations arbitrarily made by the former capitalists, but on estimates made by the government. The capitalist would not be permitted to present the government with any claim he himself saw fit to make and to demand, "This is what my property is worth. Pay me off in full." In addition, whatever compensation he received would be for his personal wealth, but could not be used to acquire ownership of the means of production all over again so that the exploitation of labor might be resumed. Finally, all incomes would be subject to a progressive tax with a democratically-fixed schedule.

All experience indicates, however, that the capitalist class will not quietly submit to a Workers' Government. Wherever it seemed on the verge of coming into existence, the capitalists always organized all the armed forces at their disposal to crush it. Wherever it did take power, the capitalists fought tooth and nail to overturn it by the same armed force. In all likelihood, that is how they will act in every country where their immense power to rule society is threatened. It goes without saying that where the capitalist class or any part of it tries to overturn the Workers' Government, tries to impose the will of the minority upon the majority by force and vio-

lence, tries to throw the country into a bloody civil war, it would be treated like any traitor. These capitalists would be declared outlaws, they would be deprived of all civil rights and their properties confiscated outright by the state.

In other words, the choice is really theirs. If they recognize that the day of their despotic domination over society has ended, and that they had best cooperate as useful citizens, then chaos and bloodshed will be averted, and smooth and speedy progress assured for all. If they do not reconcile themselves, and seek to turn progress into reaction by sword and bomb, they can hardly complain about the inevitable consequences.

Second: *Shall all private property be nationalized immediately?*

Certainly not! In the first place, we are concerned not with private property but with capitalist private property, that is, privately-owned means of production and exchange, that is, with capital, or wealth used for the creation of more wealth by exploiting the labor of others. We do not have in mind such things as clothing, the family home, radio or automobile, furniture, your own fishing boat or hobby equipment, and other items of purely personal property. If anything, the aim of the Workers' Government is to make such "property" available in larger quantities to millions who have never enjoyed them. The basic problem of society is related to such property as is represented by the means of production and exchange. It is these that must be nationalized, and forthwith.

Does this mean the Workers' Government will immediately take over every corner grocery, every shoe store and tailor shop, every little farm? Certainly not! In the first place, it would be foolish for the Workers' Government to alienate the members of the middle classes and drive them into the arms of monopoly-capitalist reaction. In the second place, the evils of capitalist society do not grow out of the little farm or grocery store, but out of the big industrial monopolies that are

linked with the big banking institutions. In the third place, the Workers' Government can act with complete confidence in the superiority of the way it will organize and manage economic life. It can afford to let the evidence of this superiority convince the small farmer that it is far more economical and far less back-breaking to work collectively with other agriculturists on highly-mechanized, scientifically-exploited, efficiently-managed, socially-owned-and-operated big farms. It is wrong and quite unnecessary to try forcing the farmer to give up his farm for a collective farm. Essentially the same attitude may well be adopted toward the small merchant and producer. The Workers' Government has no need or interest in forcing these small property-owners, producers and merchants into the machinery of state-industry, state-farming. It can fully rely on the persuasive power of example.

Third: *Shall economic life be centrally organized and planned?*

Most decidedly! If not, what sense would there be to the nationalization of the means of production? The government would have the responsibility for solving the economic problems of the country. It could not possibly discharge this weighty responsibility unless it had the power to do so. It cannot have this power unless it has the economic machinery in its hands and is in a position to gear all its wheels so that they operate smoothly.

There are people who argue against a Workers' Government nationalizing the means of production and exchange. They say that it is not so much that they oppose the formation of a Workers' Government, but that they are against it having "too much economic power." As a "compromise," they propose that some industries be nationalized and others remain private property.

But this does not make sense. If private property is superior to nationalized or socialized property, then the nationaliza-

tion of property should be opposed altogether, which is as good as saying that a Workers' Government has no reason for existence. If both are equally good or equally bad, there is surely no point in bothering to replace one with the other. If nationalized property is superior to capitalist property, then, even if only part of industry were nationalized, its superiority would be demonstrated so quickly that private property could not properly be maintained. The worst aspect of this argument is this: If only part of the means of production were nationalized and centralized in the hands of the Workers' Government, it would not find it possible to *organize and plan production on a national scale*. It is not possible to *plan* the production and distribution of goods if part of the machinery is under one control and direction and the other part under different control. The whole purpose of the nationalization of property would be defeated in advance.

The purpose of planning, long-term planning, is to assure the harmonious expansion of industry and the systematic raising of the standard of living. The raw materials, machinery and labor power of the nation would be brought together into an integrated whole. The waste of capitalist competition and the stagnation of monopoly capitalism would be overcome. Production would not be organized on the basis of the blind push and pull of the capitalist market, but in accordance with the needs of the people. Production for profit would give way to production for use.

*Fourth: Shall economic life be democratically managed and controlled?*

Absolutely! It is the maintenance of capitalist domination of society that demands, more and more, the abandonment of democracy. A Workers' Government would *have* to extend democracy continually, not merely because it is a desirable ideal, but because it is indispensable to the planning of production for use.

Capitalism produces bombs for the destruction of homes just as readily as it constructs homes, if not more readily. It produces barbed wire to tear the flesh of men just as readily as it produces clothing to cover them. It produces luxurious palaces while millions live in shacks. Its motive of production was, is, and always will be profit. It is not the needs of the people that dictate its production.

If, however, production were carried on for use, to satisfy the needs of the people, the question immediately arises: Who is to determine what is useful and what would satisfy these needs? Will that be decided exclusively by a small board of government planners? No matter how high-minded and wise they might be, they could not plan production for the needs of the people. Production for use, *by its very nature*, demands constant consultation of the people, constant control and direction by the people. The democratically-adopted decision of the people would have to guide the course of production and distribution. Democratic control of the means of production and distribution would have to be exercised by the people to see to it that their decision is being carried out.

Otherwise, the government and its planning would undergo a complete perversion of its purpose. At best, we would have a benevolent regimentation of the people "for their own good." A government which declares itself to be "for" the workers, but is not a government *of* and *by* the workers, is a Workers' Government only in name. Instead of being regulated by the blind market, as under capitalism, production would be regulated by the autocratic, uncontrolled will of a bureaucracy. Economic distortions, social conflict, exploitation and oppression would inevitably result. Production for use, aimed at satisfying the needs of society and of freeing all the people from class rule, would be impossible.

Democratic control, the continual extension of democracy, is therefore an indispensable necessity under a Workers' Gov-

ernment. The idea of a Workers' Government is thus inseparably connected with the idea of nationalization of the means of production and exchange, the centralized organization and planning of production and distribution, and the continual extension of democracy and democratic control. No one of these can exist in the absence of any of the others. To have democratic control of industry, there must be planning of production. To plan production, the economic machinery of the country must be socially owned and centrally operated. To nationalize the means of production and exchange, a Workers' Government must be established with power to act. For it to be a Workers' Government, it must be democratically run and controlled by the workers. None of these is possible without having all.

Now, what must be emphasized at this point is this:

*The Workers' Government has taken the first important steps toward the achievement of Socialism!*

Socialism is not a utopian ideal, a blueprint for society that exists in the minds of some people. It is a social necessity; it is a practical necessity. It is the direction that the masses of the people *must* take in order to save society from disintegration, in order to satisfy their social needs. To be a socialist, merely means to be *conscious* of this necessity, to make others conscious of it, and to work in an organized manner for the realization of the goal.

### **How Capitalism Prepares Socialism**

How is the goal of a socialist society to be realized? Is it really possible to realize it? In order to answer these questions, we must retrace our steps a little, and deal with two highly important matters. One is the way in which capitalism prepares the economic groundwork for socialism. The other is the way in which capitalism provides the social force capable of destroying capitalism and building up the new society.

The great superiority of capitalism over the societies that came before it, lies in the fact that it has enormously developed the forces of production. Under slavery and feudalism, life, economic life in particular, barely moved along. For centuries, people used the same primitive tools. For centuries, people worked as individuals or, at most, in twos or threes or fours, on the farm and in tiny shops. Capitalism lifted society out of this stagnation and sent it off at a furious gallop. Machines replaced hand labor; big industries replaced small ones. Labor productivity was raised to astounding heights. With modern machinery and production methods, one man produces what it took hundreds and thousands of men to produce a century or more ago. In addition, commodities are produced that our forefathers never even dreamed of seeing.

One of the results of this development is that *production is already carried on socially*. Labor has been socialized. The basis of production is no longer one man on a farm or a couple of men in a little shop. In some industries, tens of thousands of people work together under a single direction, under one roof, so to speak. Capital has become concentrated and centralized. The most important industries are owned and operated as monopolies.

In itself, this is highly desirable. One huge enterprise, which organizes a great multitude of little operations under single direction, is far more productive, far more economical and efficient, than a thousand little enterprises each of which does one or two little operations independently of all the others, or each of which tries to compete with all the others. The only important thing that has not been socialized is the *ownership* and the *appropriation* of the products of industry. They remain private. And therein lies the root of capitalist exploitation and oppression, of the anarchy of production, of crises and imperialist wars.

Social production, in large-scale mechanized industry, represents, however, *the seeds of the socialist society growing right in the soil of capitalist society itself*. Socialism could not possibly be built up on the basis of the tens of thousands of isolated, independent, competing little enterprises that existed generations ago. But it can be built on the basis of modern production which is already carried on socially. And it must be built because *private ownership*, which is the basis of *private appropriation*, now stands in the way of the further development of the productive forces. The reason why it is now possible is that the only remaining step to be taken is the removal of this last obstacle to human progress—private ownership. Once this is done, the seeds of socialism, sown by capitalism itself, will bloom and flourish.

Capitalism also produces the force capable of reorganizing society on a rational basis. That force is the modern working class, brought into existence and developed by capitalism itself. Capitalist production organizes the workers as a class. The very way in which it is carried on assembles the workers for cooperative labor, so that they are accustomed to work together in a planful way by tens of thousands in the larger enterprises.

By monopolizing the means of production and depriving the formerly independent worker of his tools, capitalism wipes out the basis for the workers' interest in maintaining private property. The workers are now *propertyless workers*, who no longer own the tools and machines with which they produce. At the same time, however, they have become the principal productive force. Of all the people in society, the workers suffer most intensely from the rule of capitalism. Their interests are diametrically opposed to those of the capitalists. Of all the conflicts in society, the struggle between working class and capitalist class is the sharpest and most irreconcilable.

The workers cannot rid themselves of their sufferings with-



out abolishing the domination that the machine has over them. They can do this only if they gain control of the machine itself. In doing so, they must destroy capitalism and proceed with the complete reorganization of society.

No other class is capable of doing this historic task. The middle classes are, it is true, ground under by monopoly capitalism. But they are incapable of leading the fight against it. They are isolated and dispersed. Their economic position in society does not make it possible for them to unite as an organized force. As tiny isolated producers or merchants, they are at the mercy of big industry and finance. They may oppose the monopolists, but they cannot fight, much less lead the fight, against the capitalist system of private property — they are little property-owners themselves.

To the extent that they have a program of their own, it is to “break the trusts.” These mighty concentrations of capital, however, should not (and cannot) be broken up into ineffective and inefficient little units. They should be taken over by society itself. Even if they could, by some magic, be divided into the small productive units that once existed, the law of capitalist development would operate incessantly to merge them all over again. The program of the middle class is utterly utopian, unrealizable. It is reactionary, for it tries to turn back the wheels of social development.

Furthermore, the middle classes are doomed to social and political instability. Because they find themselves forced to oppose the industrial and financial monopolists, they seek an alliance with the workers. This is, so to speak, the progressive side of the middle classes of town and country. But because they seek to preserve their hopeless position as property-owners, and because they must intensify the exploitation of the few workers they employ in order to compete with large-scale industry, they oppose the working class and lean upon

the big capitalists for support. This is the conservative or reactionary side of the middle classes.

It does not follow that the middle classes are exactly "in the middle" between the two main classes in society, or that their interests are as much opposed to the one as to the other. Capitalism destroys them not only as small property-owners, but as human beings. It makes them the helpless slaves of the banks, the railroads, the mills, the packing houses. Or it deprives them altogether of their half-independent position and throws them into the ranks of the working class or of the "surplus population." It oppresses and degrades them, depriving them of both material and intellectual independence. This is true of all the middle classes, from the farmer at one end to the teacher and writer at the other.

Under the rule of the working class, the small property interests of the middle classes cannot of course be assured forever. The working class can pledge itself—because it is to its interests to do so — not to deprive them of their little holdings by force, or arbitrary law. But more important than that, the working class can release the middle classes from the oppression and humiliation they endure at the hands of monopoly capitalism. The working class can release them from the murderous grubbing for existence which characterizes the life of the middle classes—sun-up to sun-down toil on farm or in store; the constant feverish race to meet the notes of creditors and mortgagors; the virtual enslavement of wife and children on farm and in store in the attempt to keep head above water; the suffering, insecurity, misery and — in war-time — the death which the middle classes share with all the other little people in society. The working class can offer them the prospect of useful citizenship, freedom and equality as producers in a socialist society. The best interests of the middle classes therefore lie in joining the working class in its fight.

But the very nature of the situation dictates that it is the

working class that must lead in this necessary alliance. It is the decisive class in production, and the only one that can reorganize it. It is the most numerous and the most socially-representative class. It is the best organized class, certainly better organized than the middle classes are or can be. But above all, for the reasons set forth in the comparison above, it is the only *consistently progressive* class.

That is why, throughout these pages, we have spoken of a *Workers' Government* and not, for example, of a "People's Government." At the same time, we have spoken of the *Workers' Government* basing itself upon and being supported by the masses of the people, and not by the working class alone. The reason for this should now be clear. The fight against capitalist anarchy and devastation can be *led* only by the working class, but it must draw into the fight all the people, middle classes of town and country included, who suffer under the domination of monopoly capital and find in it their common enemy. The words, *Workers' Government*, express the fact that the *leadership* in the reorganization of society can be taken only by the working class. But in the very course of reorganizing society, such a government must liberate not only the workers, but all the people. The workers take the leadership of the nation only in order to emancipate all humanity from exploitation, class distinctions, class privileges, class conflict, to establish social equality for all.

The working class is thus the bearer of socialism. Can it realize it? How would it work?

### **Between Capitalism and Socialism**

The abolition of private ownership would remove the last barrier to the development of production. Production would be organized, planfully carried on and expanded, and aimed at satisfying the needs of society. But this does not mean that all classes and class distinctions could be wiped out overnight.

There would still be classes and social differences, and heaps of material and mental rubbish inherited from generations of capitalist society. A considerable period would elapse between the overturn of the political power of the capitalist class and the establishment of the socialist society. Man did not step directly from the ox-cart into the modern automobile. There was a transition between the two. So will there be a transitional period between capitalism and socialism.

It is precisely in this transitional period that the Workers' Government—a workers' state—will be required. At this point, we recall that the state has always been an instrument of force and repression in the hands of the ruling class. Is that also the case with the workers' state? To reply with a simple "Yes" or "No" would be misleading. It is better to deal with this question in more detail, so that we can see in what sense the workers' state will resemble the state we have known in the past, and in what sense it would differ from it.

First, the workers' state *would* be an instrument of force. It would have to be. It would have to have at its disposal armed men and prisons. Against whom? Against what? Well, it would not make any sense to set up a Workers' Government and then leave it so thoroughly disarmed from the first day of its existence that any group of capitalists could come along with its armed bands at home, or with armies provided by a foreign country still ruled by capitalism, to overthrow the new government by violence. The Workers' Government would have to have the organized strength — arms — with which to deal with such reactionary forces, and prisons in which to confine them and any other violent anti-social elements.

All modern experience shows that it is foolhardy to expect the whole capitalist class and all the reactionaries to give up their tremendous power and wealth without a bitter fight, even after the Workers' Government has taken control. If they resist so violently the demands of the workers for an extra few

cents per hour in wages, how much more violently will they resist the efforts of the workers to take from them all their power to dominate society?

Second, the workers' state would tolerate inequality. This, also, it would have to do. The greatest heights of production yet reached by capitalism are still low by the standards of socialism. Capitalism lays the economic groundwork for socialism, and provides the class that can bring socialism about, but neither the groundwork nor the class inherited from capitalism is what it will and must be in a truly socialist society.

For example, there are skilled workers and unskilled workers. There are those who work mainly with their hands and those who work mainly with their brain. There are day laborers and highly skilled technicians, industrial organizers and managers. In so far as all of them contribute to the process of production, their labor can be reduced to so many and so many units of simple labor. But the number of units, so to speak, is different in the different categories of skill and occupation.

Could the Workers' Government say, on the first day of its formation, that everyone will receive exactly the same income, exactly the same share of the total national production? It seems obvious that it could not and would not make such a rule. The working class is not utopian, and neither are the socialists. Different categories would have to be established in the first period of the social reorganization. No one would any longer receive special privileges and rights merely because of his ownership of capital. But the skilled worker or technician or industrial organizer, who is able to contribute more to production than the unskilled worker, would receive a correspondingly higher income. Whether he received it in the form of money or some other certificate entitling him to a given share of goods produced, is of secondary importance. The important point is that the more skilled man would have a larger

income than the less skilled. In other words, there would still be a form of inequality. The state would tolerate it and take it into account in organizing the production and distribution of products, *while working to eliminate this inequality, too.*

These characteristics of the Workers' Government show its similarities with the preceding state. But it is in its fundamental differences with it that the workers' state shows, as the founders of scientific socialism have put it, that it is no longer a state in the classic sense of the word. A whole world of difference separates the two.

First, the force at the disposal of the workers' state would not reside in bodies of armed men separated from the people, as under capitalism or feudalism or slavery. The arms would be in the hands of the workers themselves. The government which could summon these arms into action would be in the hands of the workers themselves.

Second, the state power would no longer be the instrument of an exploiting minority for the domination of the exploited majority. For the first time in history, the state would be in the hands of the majority to be used whenever necessary against the reactionary or anti-social minority.

Third, the state power would no longer be governed by a special or professional bureaucracy. It would be ruled and controlled by the people. It would have no permanent officials, and all elected officers would be subject to immediate recall by their electors. By virtue of its system of democratic representation, which will be dealt with in detail further on, every worker will participate directly in the affairs of government, from the humblest to the most prominent.

That is not all. The workers' state, which is compelled to tolerate inequality in the initial period of its existence, nevertheless aims consciously at the abolition of inequality.

Capitalism has already accomplished a great deal in eliminating the need for high skills by simplifying the operations

in production. The workers' state would go much further, but in a radically different sense. With the constantly increasing national wealth at its disposal, education, specially higher education, would cease to be restricted to the few. The spread of education to all would gradually eliminate the difference between skilled and unskilled labor, between mental and physical labor. One or two generations of normal evolution, and everyone would not only be required to divide his contribution to society between physical and mental work, but would be able to do so.

In addition, all the unnatural differences between town and country would be eliminated. Agriculture, under capitalism, has remained the most backward section of economic life. The Workers' Government would work to make a long-overdue revolution in agriculture. Step by step, the small farmer would be shown in practice the enormous advantages both to himself and to society of large-scale coöperative exploitation of the soil. As has already been said, the government would take no steps to force the small farmer into such coöperative labor. It would not need to. The advantages would speak for themselves, and lead the agricultural population to share in them voluntarily. The most advanced scientific knowledge would be placed at the disposal of agriculture, and it would soon show that the methods that were "good enough for grandfather" are not nearly as good as the newest methods. Instead of the exhausting duplication of work on small tracts of land, the most modern machinery—efficient, time-saving, labor-saving—would be applied to agriculture on a large scale. The horse-drawn plow is as outmoded as the hand-loom. Agriculture would become industrialized; the distinction between agricultural labor and industrial labor would vanish. Rural isolation would vanish as well. As for rural prejudices, originating in hostility to the wealth of the industrial centers and to the fact that industry and finance lived at the expense of agri-

culture, they would disappear with the disappearance of rural poverty and misery.

Hand in hand with this development would go another of equal importance. Once the profit barrier is removed, and the huge wastes and destructions of capitalism eliminated, productivity and production would reach undreamed-of peaks.

Man would no longer be the slave of the machine. The machine would be the fertile slave of man. Every increase in productivity would bring with it two things: an increase in the things required for the need, comfort and even luxury of all; and an increase in everyone's leisure time, to devote to the free cultural and intellectual development of humankind. Man will not live primarily to work; he will work primarily to live.

A most practical perspective! Even today, with all the restrictions that capitalism places upon production, there are capitalist experts who declare that industry, properly organized, can produce the necessities of life for all in a working day of four hours or less. Organized on a socialist basis, even this figure could be cut down.

As the necessities and comforts of life become increasingly abundant, and the differences between physical and mental labor, between town and country are eliminated—the need for tolerating even the last vestiges of inequality will disappear as a matter of course. This may seem incredible to a mind thoroughly poisoned with capitalist prejudices. But why should it be incredible?

Thirsty men will fight tooth and nail for a drink at a desert oasis. But if they are up to their hips in water they may have a thousand differences among themselves, but they will not even dream of fighting for a drink. A dozen men in a prison cell with only one tiny window may trample over each other in the fight to get to that tiny source of fresh air. But outside, who ever thinks of fighting for air to breathe, or for more air



than the next man? Announce a shortage of bread, and immediately a long line will form, with everyone racing to get there first, and a policeman on hand to "keep order." But if everyone knew that there is an ample supply of bread today, and there will be just as large a supply tomorrow and the next day, there would be no line, no race, no conflict; nobody would try to hoard an extra loaf in order to make sure of eating the next day; and there would be no need of a policeman to back up his orders by force. If society could assure everyone of as ample and constant a supply of bread as there is of air, why would anyone need or want a greater right to buy bread than his neighbor? Bread is used here only as the simplest illustration. But the same applies to all other foods, to clothing, to shelter, to books, to means of transportation.

A planfully organized society, efficiently utilizing our present productive equipment and the better equipment to come, could easily assure abundance to all. In return, society could confidently expect every citizen to contribute his best voluntarily.

In the initial period of development, a capitalist morality is still prevalent. Many of the people, even many workers, are still poisoned with the old spirit of greed, selfishness, cheating and other evils of a class society where only the few enjoy abundance and opportunity. One of the reasons for a workers' *state* is to enforce sternly the principle, "He who does not work shall not eat."

But in the midst of abundance for all and of the high cultural development that will accompany it, there is no reason to believe that special force will be needed to maintain this principle. Labor to the best of one's ability will be as natural an act as breathing, eating, clothing and sheltering oneself. Under those circumstances, let any strange creature try to be so capitalistically "old-fashioned" as to draw on the public stores without contributing his labor! The scorn of all around

him would quickly make him a social outcast such as policemen and prisons could never make him under capitalism. He would not be long in coming to his senses and performing his social duty.

What happens to the workers' state? There is abundance for all. There is ample opportunity for the intellectual development of all. All perform their social duty as a matter of course. What need is there for compulsion, for a machinery of force? To prevent burglary? What will there be to steal in the midst of abundance? To prevent rape or murder? Such cases will be exceedingly rare, we may be sure, and in any case they will require medical attention or confinement for the guilty one, and not prison confinement. To regulate traffic? But for that and similar tasks there will be needed, not policemen, as we know them now, but ordinary citizens assigned to perform that social duty in about the same way that traffic dispatchers work on the railway.

The important thing is that there will be no need of a public coercive force to maintain the power of one class over another, to protect the property of one from the assaults of the other, to assure the continuation of oppression and exploitation. The workers' state itself will die out for lack of any social need or function. The transition from the class society of socialism will be completed. There will be the simple administration of things, but no longer the rule of man over man.

In this most important of all respects, the Workers' State will be fundamentally different from the state we have known in all past history. Paradoxical though it may seem at first glance, it becomes clear upon reflection that the workers' state is imperatively needed precisely in order to carry society through the transition to socialism in which the state itself dies away.

Such a bold historical prospect, even though scientific and

practical, may seem preposterous to a mind that capitalism has taken good care to keep in a dull and conservative condition. Abundance for all? Freedom for all? A society without a state? Impossible! Never had it in all history!

If they could have reasoned and talked, the common ancestors of man and ape could easily have spoken the same way. "We tree-animals will always have to fight among ourselves and with other animals for food. Our fathers and forefathers had to do it before us, and so will our offspring after us. The idea of growing our own food is very attractive, but it is utopian and impractical. As for tails, those we shall always have with us. Our fathers and forefathers found tails indispensable for swinging from branch to branch, and for a third support when trying to stand on two legs. Our offspring will never be able to do without tails. That animal there, who just dropped to the ground and is trying to move on two legs alone, is sure to break his fool neck in no time at all. The idea of moving around without tails is very attractive, because in many ways they are a nuisance, but it will never work in practice. The idea of walking upright on two legs might be an interesting experiment for crackpots, but we know from experience that we need tails for balance and we shall always have them with us."

Man, as is known, has proved that these hypothetical tree-animals were somewhat conservative and wrong.

Man will also prove that class divisions, poverty and oppression are not unavoidable and the state not indispensable. In the socialist society he will show that abundance, freedom and equality are not only possible but the natural condition for the new history of the human race.

## CHAPTER VIII

### The Need for a Revolutionary Socialist Party

**I**T HAS already been shown that the working class must constitute itself as an independent political force in order to advance its interests. In a country like the United States, where the bulk of the workers still supports the parties of capitalism, this means the formation of an Independent Labor Party. If such a party is to represent the working class, it must be based primarily upon the organized workers, that is, upon the labor unions. They are the already existing class organizations of the workers. They are the most representative and democratic organizations of the working class. They are the most important and most powerful organizations in the country. If they were to set up a political party of their own, it would represent a tremendous step forward. The workers would thereby break away as an organized class from the capitalist parties and proclaim that they are an independent political force with a political program and political aims of their own.

However, no such party has yet been formed in this country. The working class still follows the capitalist parties, still pursues capitalist politics. What assurance is there that such a party will come into existence?

All the capitalist politicians, their spokesmen and defenders, do everything they can to persuade the working class not to form a political party of their own. They do not limit themselves to persuasion, but put direct obstacles in the path of such a step.

They are not the only ones who act this way. Virtually all the official labor leaders join them in advising the workers

against forming their own party and fighting every attempt to take this forward step. These labor leaders are tied up with the capitalist system; they think along capitalistic lines; their aim is to keep labor within the confines of capitalism, which means within the confines of capitalist politics. They are afraid that if the workers form their own class party, there is no telling how far it will go. They have a hard enough time preventing the labor unions from acting on militant class-struggle lines. If there were also a Labor Party, their difficulties might only be increased.

The very idea of the workers breaking away from the capitalist parties and forming their own class party is so revolutionary that it terrifies the labor bureaucracy. In the next stage, the workers would give their class party a clear-cut, conscious class goal—a workers' government and socialism. Then where would the conservative labor leaders be? What would happen then to their special privileges and power? The thought of this keeps them working with might and main to hold labor to capitalist politics and to prevent the formation of an Independent Labor Party.

But suppose the organized labor movement does form such a party. The understanding of the need for it, and the demand that it be set up, will grow so strong among the membership of the unions that they will override the opposition of the leadership. Will that not be enough? It will be a big step forward, but far from enough.

The chances are that the labor bureaucracy, seeing that the workers are heading for a break with capitalist politics, would follow its usual course. It would try to head the movement in order to head it off. How? In two ways.

First, it would try to establish and consolidate its leadership of the Labor Party. If it succeeded, it would follow the same policy it does in the labor unions. It would restrict the democratic rights and the power of the rank-and-file member-

ship. It would stand in the way of a bold and aggressive fight against the capitalist class, its parties and its government. It would take the steel out of the organization and replace it with putty.

Second, toward the same end, it would try to water down the aims of the party, to make them as harmless as possible so as not to offend the "good capitalists." It would write the program and platform of the party in such a way as to keep it within the framework of capitalism. It would resist a program for struggle against capitalism and for workers' power, and restrict the aims of the party exclusively to a little reform here and another one there. It would make the party a mere bargaining agency for miserable deals with the capitalist parties, instead of a fighting instrument against them. It would try to do to the Labor Party what it has done to the labor unions—make it tame, keep it in a state of bureaucratic paralysis, prevent it from fighting vigorously and consistently for the interests of the working class.

If it succeeded, the very aim of independent working-class political action would be defeated in the end. We would have a party such as existed in the capitalist countries of Europe and elsewhere. It would be incapable of giving a radical solution of the social problem that is imperatively required. It would be a *reformist* party. That is, it would try to tinker with the broken-down social system instead of replacing it with a new one. It would try to save the bankrupt society of capitalism, when it can be saved only at the expense of the workers and the middle classes. Its timidity would only make the capitalist class bolder and more confident, and encourage it to take the most reactionary steps against the working class. The same timidity would prevent the working class from resisting this reaction successfully. The capitalist reaction would say: If the party of the workers is so afraid of taking political power, and so concerned with keeping capitalism alive, we can do any-

thing we want and worry about nothing. The workers would be confused, disorganized and discouraged.

We have seen this happen in one European country after another, especially in times of social crisis. The reformist workers' parties either came to the rescue of capitalism, at great cost to the workers; or else, when capitalism was in such a crisis that it could no longer afford democracy, it crushed these parties and all other labor movements with the bloody aid of fascism. In either case, the reformist parties defeated the very aim of independent working class political action—which is to raise the working class to political power—and brought terrible suffering to the working class itself.

Does this mean that the working class cannot establish itself as an independent political force, or that, if it does, this force is doomed to defeat under the leadership of reformism? Yes, this is exactly what it does mean, *unless* there is an organized, conscious, disciplined, militant force capable of counteracting the ideas and policies and spokesmen of capitalism inside the working class. Without such a force, every forward step taken by the workers will sooner or later be cancelled out by a backward step and sometimes by two of them.

What is this force? *It is the revolutionary socialist party, organized in this country as the Workers Party.* What kind of party is it, and why is it needed?

### ***The Importance of Socialist Consciousness***

Capitalism, by its method of production, has brought isolated workers together and constituted them as a class in society. Capitalism has made the workers *a class in themselves*. That is, the workers are a distinct class in society, whether they recognize this fact or not. Historical development calls upon this class to reorganize society completely and establish socialism. To do this, the workers must become *a class for themselves*. They must acquire a clear understanding of their real

position under capitalism, of the nature of capitalist society as a whole, and of their mission in history. They must act consciously for their class interests. They must become conscious of the fact that these class interests lead to a socialist society. When this takes place, the workers are a class for themselves, a class with *socialist consciousness*.

How are the workers to acquire this consciousness—this clear, thoroughgoing understanding of capitalist society, their position in it, and the need to replace this society with socialism?

In the factory, the worker tries to get better wages and working conditions from the employer. If he cannot get them by a simple request, he soon learns the need of union organization with which to enforce his requests and to defend himself from attacks by the employer. He learns, too, that the workers must resort to political action in order to influence the government in their interests. He and all other workers are forced by capitalism to engage in the class struggle.

But the fight of the working class up to this point is *spontaneous*, it is *elementary*. The thinking of the workers, which guides their fight, is based upon the ideas of the capitalist class, acquired directly from the capitalist press, schools and the like, or indirectly from the middle classes, the official leaders of the unions and the reformist parties of labor. What the workers still lack is a fundamental and thorough understanding of their real position in society and of their historic mission to establish socialism. This lack of a *socialist consciousness* reduces the effectiveness of their organization, of their struggle, and prevents them from accomplishing their mission in society.

To imbue the workers with this rounded-out class consciousness, or socialist consciousness; to organize and lead the struggle for socialism—that is the specific function of the revolutionary socialist party.



Such a party is therefore *the vanguard of the working class*. It is composed of those workers who already understand the nature of capitalism and the historical task of the working class. Their aim is to develop the same understanding among all the workers, so that they no longer fight blindly, or with only one eye open, but with a clear and scientific knowledge of what their class enemy is, of what the working class itself really is and of what it can and must do in society. They and their party therefore have no interests separate from the interests of the working class as a whole. They merely represent its most advanced, most conscious, most militant section.

The Workers Party does not limit itself to preaching the great ideal of socialism. As an inseparable section of the working class, it takes an active part in every economic and political struggle of this class. It defends the working class from every capitalist attack. It supports every working class fight, even if the fight is led by conservative and anti-socialist labor leaders.

But the revolutionary socialist party also has a special function in every one of these working class struggles. It makes clear to the workers the full meaning of their fight. It shows how even the local struggles, against one capitalist, are really class struggles against capitalism; how the local struggles must be extended on a national and international scale if the workers are to win a lasting victory. It points out the political meaning of the economic struggle. It shows how the workers must organize as a class to take political power, and use it to inaugurate socialism. It combats the open and the insidious ideas of capitalism so that the working class as a whole may be better equipped to fight its enemy. It aims to improve the position of the working class, to strengthen it, to clarify it and supply it with the most effective weapons in the struggle, to lead it in every battle in order that it may most speedily and successfully win the final battle for socialism.

The Workers Party supports every step forward, no matter how small, that the working class can take. If the capitalist class and the capitalistic labor leaders resist the efforts of the workers to establish an Independent Labor Party, the revolutionary socialist party does all it can to help the progressive workers break this resistance. If a Labor Party is formed under a conservative leadership, the revolutionary socialist party works with the progressives for a militant leadership, just as it does in the labor unions themselves. If a Labor Party is formed with a reformist program that does not meet the requirements of the working class, the revolutionary socialist party works for the adoption of a program based on the class struggle. Against the ideas of capitalism and reformism in the working class, the revolutionary party works for the ideas of socialism.

To put it briefly, a revolutionary socialist party is needed to win the working class to the principles of socialism, to socialist methods of struggle against capitalist exploitation and oppression, and finally to the socialist victory itself. Socialism will never come by itself. It must be fought for. Without an organized, conscious, disciplined, active revolutionary socialist party, the triumph of socialism is impossible.

The Workers Party is not the only political organization which advocates socialism. There are several parties which proclaim the same goal. This is often very confusing to a worker. He will say: "How am I to tell which party is the right one for me to join or support?" Or, "Why don't all those who are in favor of socialism unite into a single party?" Or, "If you cannot agree among yourselves, how do you expect me to agree with any of you?"

It should not be too hard to answer these questions. When a worker learns that a tool is useful and necessary, he does not throw up his hands in despair merely because there are many varieties of that tool offered to him. He reads carefully the

claims made for each variety and the description given of what it can do, and he judges from experience which one really serves the purpose best.

If there is sickness in the family, he learns that there are all sorts of "schools" of healing. One insists that illness can be cured by the science of modern medicine; another emphasizes adjustment of the bones; still another, pressure on nerve centers; a fourth, treatment by sun rays; a fifth, treatment by the faith of mind and heart; and there are the believers in cures by magic incantations and movements of the hand. He would not, because of all this, cry out: "Why don't they all get together on the question of cures?" Or, "How am I to tell which to choose?" Instead, he would examine to the best of his ability the methods and the results of each "school," making the most scientific possible test of which is most scientific.

It is not so very much different in politics. To judge the different parties, it is necessary to check on their words and their deeds. That is, to examine the *programs* of the different parties, what they are for and what they are against, and to see if what they do in practice corresponds to what they say in words. On that basis, it is easy to conclude which one best serves the interests of socialism.

### ***The Principles and Program of the Workers Party***

The Workers Party represents a long and rich tradition. It is proud of the fact that its principles and program are founded on the teachings of the greatest scientific thinkers and leaders of the international working class, Karl Marx, Friedrich Engels, V. I. Lenin and Leon Trotsky. Marx and Engels laid the foundations of the scientific socialist movement a hundred years ago. Their analysis of capitalist society has never been successfully refuted. The principles they set forth for the working class struggle to achieve socialism have passed the most critical tests a hundred times over. Lenin and Trotsky applied

the analysis of Marx and Engels to modern capitalism, strengthened the fundamental principles of scientific socialism, and successfully applied them in the great Russian Bolshevik Revolution.

The Workers Party is called a Marxist, or Leninist, or Trotskyist, or Bolshevik party. These names are quite applicable. They merely signify that the Workers Party stands firmly on the basic principles of the greatest teachers in the history of the working class.

(The name "Bolshevik" is used by the capitalist press like the word "red"—to scare little children. In itself, "Bolshevik" is simply a Russian word meaning "a member of the majority." It was the name given to those who supported the majority in the split that took place in the Russian socialist movement in 1903. Politically, of course, it means a socialist who stands solidly for the principles of Karl Marx, and of Lenin, who was the leader of the majority in the split.)

The Workers Party was formed as an independent organization in 1940. But its roots reach much further back. Many of its members and leaders belonged to the Communist Party from its earliest years, when it was still a revolutionary socialist movement standing on the principles of Marx and Lenin. These members continued to defend the same principles as put forward by Leon Trotsky and other Russian revolutionists after the death of Lenin and the beginning of the decline of the Russian Revolution. For upholding these views, they were expelled from the party by the leadership which followed the policies and instructions of the Stalinist bureaucracy. The formation of a separate organization, generally called the Trotskyist group, followed. This group won to itself many working class militants, including those of the American Workers Party, who merged with it in 1934, and many members of the Socialist Party and the Young People's Socialist League, who joined in 1936.

In 1939, with the outbreak of the war, a sharp dispute took place in the Trotskyist movement, organized under the name of the Socialist Workers Party. Many members opposed the policy of supporting Stalinist Russia in the war, on the ground that it was part and parcel of one of the imperialist camps, was itself engaged in imperialist conquest and therefore should not be supported by the working class and revolutionary socialists. The bureaucratism prevailing in the party was also opposed by these members. The dispute came to a head in 1940, when the leaders and members of the opposition were arbitrarily ousted from the party by the bureaucratic majority, thus precipitating an open split. The result was the formation of the Workers Party on a national scale.

As a Marxist organization, the Workers Party champions the idea of *revolutionary workers' power as the road to socialism*.

The word "revolution" brings forth a storm of abuse from the capitalist class. Revolution? Why, that means violence, bloodshed, killing, destruction! No, anything you want in the world—but not revolution!

Its indignation at revolution and violence is the height of hypocrisy. In the first place, the capitalist class came to power in society and destroyed feudalism in a number of modern countries by means of a revolution, and not a very peaceful one. What its spokesmen mean, of course, is that a revolution that *brought it* to power was a good, progressive, respectable revolution; whereas a revolution that *relieves it* of its power is the very work of the devil. In the second place, the capitalist class could not exist for a minute without the violence that it exercises against the masses. Its exploitation of the masses is based on the forcible maintenance of its property by the armed state machinery. Its exploitation of millions of backward, colonial peoples is maintained by the most gruesome violence. And periodically, it plunges innocent millions all

over the world into the most violent wars until the surface of the earth is covered with bloody and shattered corpses. A fine picture it presents, whining piously about revolution and violence!

What is a social revolution? It is the replacement of one ruling class by another. History is filled with such revolutions and in almost every case they made possible the progress of society. The socialist revolution is simply the overthrow of capitalist despotism and the establishment of workers' rule.

Will this overthrow, this revolution, be accomplished by violence or can it be achieved peaceably? Reform socialists say that socialism can be established by the workers gaining a majority of the votes for their candidates to public office. Once they have been elected in sufficient number, they will adopt laws introducing socialism little by little and painlessly. These are not genuine socialists, but utopian reformists. They create illusions that are fatal to the working class.

The Workers Party holds a radically different point of view. It is of course in favor of the workers participating in elections to all public offices and trying to win the largest number of votes for the socialist program. But it knows the nature of the capitalist class and its long, brutal history, some of which is known to every worker.

When the workers ask for a modest raise in wages, the capitalists fight against it as hard as they can. When workers strike for the most modest improvement in their conditions, the capitalists do not hesitate to use violence against them, in the form of the armed forces of their government or of hired thugs and strikebreakers.

If that is how the capitalists act when only a little fraction of their profits is at stake, how will they act if all their social power is in peril? It stands to reason, and bloody experiences in many countries confirm it, that the capitalists will not hold back from every conceivable form of violence against the work-

ing class when it is about to take power and even after it has taken it. They do not care about who has the majority. They are concerned only with the preservation of their profits and power. If the armed forces of the government are not enough to suppress the workers by violence, they will arm their private bands, the fascists, to do that job for them. They are the source from which violence and bloodshed are threatened.

The Workers Party therefore says: If the violence and shedding of blood are to be averted or reduced to the tiniest proportions when the workers have the support of the people and are ready to take power, they must be so well trained, so well organized, so well equipped with a bold program and a bold, firm leadership, as to make the violent attacks of capitalist reaction hopeless from the very outset. If the workers realize in advance that the reactionaries will try to cheat them out of victory by force and violence and by suppressing democratic rights; and if the workers are determined in advance to defend these rights and to deal firmly with the reactionaries—violence will be reduced to zero, or next to zero.

But suppose the workers are completely unprepared for the violence of the capitalist reactionaries and fascists, because they are doped with illusions about how meekly they will submit to the will of the people. Suppose the workers believe that everything will be perfectly all right as soon as they show that they have fifty-one per cent of the votes, and that the capitalist beast of prey thinks more of democracy than he does of his loot and power. The beast would then catch them unawares. It would drown them in a sea of blood, as it did once in Finland, and again in Hungary, Italy, Germany, Austria and Spain. It is the ideas of the reformists that lead the defenseless, unprepared workers to a blood bath and defeat.

The revolutionary socialists are not bloodthirsty maniacs, as the capitalist slanderers would have workers believe. They analyze society and politics scientifically. They understand

what the ruling class will try to do. They know that history proves that no privileged class has ever been removed from domination without the bitterest resistance. They therefore warn the workers and prepare them, so that when the time comes for the workers to take power, it will be done with a minimum of violence, a minimum of bloodshed, a minimum of disorder and destruction. A socialist would indeed have to be insane to *want* bloodshed and destruction when his aim is an orderly society!

The Workers Party therefore differs from the other parties in its conception of the road to workers' power and socialism.

The Workers Party differs from the other parties in its view of *the governmental form of the workers' power*.

In a capitalist democracy, we have the parliamentary form of government (Congress and President, Parliament and Prime Minister, Chamber of Deputies and Premier, etc.). Such a form of government is well suited to frustrate the will of the people and to facilitate the rule of the capitalist class.

In the United States, for example, the government is so organized as to make it impossible for the masses of the people to achieve what they want at any given time. The legislative branch is divided in two. Every two years, the voters have a chance to change the House of Representatives. To change the membership of the Senate, the voters must wait six years. Two senators are elected from every state in the Union, so that the tiniest or least populated state has as much power as the largest or most populated state. This makes it possible for senators representing a small minority of the people to veto any legislation adopted by the House of Representatives. Even if it passes both Houses, the President is empowered to veto the legislation. Even if he signs the bill, the Supreme Court, which is not elected at all, is empowered to declare the legislation unconstitutional. To change the Constitution requires years of continuous effort, and an amend-



ment can be killed by the negative vote of states representing a small minority of the country's people. The two legislative bodies are divided; the legislature is divided from the executive; the judiciary is divided from both. On top of it all, the vast and constantly growing bureaucracy which carries out the actual work of government is almost completely separated from the people and beyond their control. The people can recall their representatives only after two years; their president only after four; their senators only after six. The Supreme Court and the bureaucracy they cannot recall at all.

The parliamentary form of government, supposed to be the best expression of the will of the people, is nicely suited to cover up the actual rule of the enormously wealthy minority which monopolizes industry, banking and transportation.

The workers cannot possibly rule by means of such a governmental machine. It will have to be replaced from top to bottom by an entirely different form and machinery of government. A workers' government has as its main task the centralization and planned organization of production, under democratic control, for the welfare of the people. This task can be accomplished only if there is a form of government suited to it.

If the workers are to be assured of control of the administration of industry, and if the centralized planning of production and distribution is to be under their democratic control, it follows that the government must be based directly on the workers and under their constant control. The only way in which this can be effectively done is by having the government elected directly by the workers in the industries. Just how would this work?

Every factory and other center of production or distribution would be administered by a Council, elected by the workers and subject to recall at any time. These Workers' Councils themselves would run the factory and see to it that the plans

and other decisions of the national planning council, or board, are carried out promptly and properly. At the same time, however, these Councils, which are the direct representatives of the producers, would have to have the power to participate democratically in the selection of the national planning council and in the decisions that it makes. Without such democratic participation and control, planning would soon become bureaucratic and would not represent the interests of the masses.

The municipal, state and federal governments would therefore be composed of direct representatives of the Workers' Councils, elected by popular ballot and likewise subject to recall at any time. (In the agricultural regions, the Councils would of course be elected by the agricultural workers and farmers.) The National Congress of Councils would elect its officers, committees and boards, again under its direct control and subject to recall. Legislative and executive functions would be exercised by a single power. The decisions of the Council government would not be carried out by a professional bureaucracy, separated from the people and beyond their control. They would be carried out, instead, by the state, municipal and industrial Councils, composed of workers themselves and constantly subject to their control.

Only under such a form of government can we have a genuine workers' democracy, in which millions and ten of millions actually rule, in contrast with the most advanced capitalist democracy in which thousands, or tens of thousands at most, are the actual rulers.

If the laws adopted or the work carried out by the National Councils' Congress are not satisfactory, it can be recalled and replaced by the direct action of the Workers' Councils, without having to wait for two or four or even six years to change the government. If the decisions and plans of the National Congress are satisfactory, but are not being carried

out satisfactorily by the Municipal or Factory Council, the latter can be recalled and replaced by the same direct action.

Every worker becomes a direct part of the government administration. His power is not confined to marking a ballot once a year. He exercises his power, his control, his participation in making decisions and carrying them out, every day in the year, year-in and year-out.

There is another, very important aspect of the Workers' Councils. It is not the part they play in the established Workers' Government, but the part they play in establishing such a government. As the class struggle grows sharper, and the working class openly and directly challenges capital for control of the nation, the reactionaries will undoubtedly mobilize all possible forces to crush the workers. Good common sense and all historical experience show that this will be the case. The workers will have to mobilize all their forces as well. The enormous advantage that the workers have always had and always will have over the capitalist exploiters lies in labor's vastly superior numbers. Its victory is guaranteed if it organizes these numbers in the firmest and most democratic way.

Labor's strength does not lie in each individual worker while he is at home in his residential section. It lies with the masses of workers as they are assembled together in industry. It is therefore in industry, on an industrial basis, that the workers are most effectively organized. Setting up Workers' Councils throughout industry, connecting them up by plants and by cities into a powerful national movement, will make it possible to mobilize the whole working class for any action that may be required at any moment. If the reactionaries then try to crush the democratic will and decision of the majority with armed force exercised by Fascists and counter-revolutionists, the organized Workers' Councils can deal with them without much trouble, and thus assure the working class of

control of the nation when they have decided democratically to take over control.

Workers' Councils are thus required for two purposes: one, to achieve and guarantee the victory of the struggle for workers' power; and two, to function as the foundation of the Workers' Government once it is established.

(The word "Council" is another bogeyman that the capitalist press shrieks about. "Why, that is pretty near like a Soviet!" In fact, it is exactly like a Soviet! What is a Soviet? It is simply a Russian word meaning "council"—that's all. Many of our cities are run by a municipal council. A Russian would naturally call it a municipal Soviet, which would probably scare the life out of the child-minded Councilmen. The intelligent worker need not be frightened by words. He will examine what they really mean and what they represent. Workers' Councils are the basis of workers' democracy, nothing more.)

The Workers Party therefore advocates democratically-organized Workers' Councils as the means for achieving the Workers' Government and as the basis for that Government.

The *structure of the Workers Party* corresponds to its political principles and its aim.

The fight for socialism is not a parlor game but the most serious struggle in history. A party that aims to lead this fight must be constructed accordingly. It must have firm and tested principles. It must have its army of militant adherents and a leadership, which work out the strategy and tactics of the fight. It must have discipline, so that everyone is not working at cross-purposes. It must have the fullest democracy, so that everyone contributes freely to working out the program and plan of action of the party and understands them intelligently. The socialist who is merely obedient and disciplined, and has no conscious understanding, cannot work to make non-socialist workers conscious of their task. The socialist who

understands the principles, but does not work for them in a disciplined way, cannot hope to overcome the tremendous power of the class enemy.

The Workers Party is a strictly disciplined organization, but not a totalitarian organization based on the unquestioning obedience of the parade-ground or the blind obedience of the membership to the Führer. The Workers Party is a democratic organization, but not a loose collection of talkers who do nothing, or who act in the labor movement in any way they please.

As a militant part of the working class and an active participant in the class struggle, the Workers Party requires full responsibility and systematic activity of all its members. Reformist parties are constructed differently. Their members are not organized to work and fight in the labor movement for socialist principles, because these parties do not want to come into conflict with the conservative labor bureaucrats. Their members are not organized to participate militantly in the daily class struggle, because these parties are primarily election machines, which operate once a year to gather votes for their candidates. The rest of the year is devoted mostly to discussing the results of the last election and planning for the next one.

The Workers Party favors active participation in election campaigns. It does not deceive people into believing that socialist freedom can be achieved by nothing more than a ballot. But it seeks to utilize every election campaign to acquaint workers with its program, to mobilize them for class political action, and to elect the greatest number of workers' representatives who can use their office to work for labor's interests and to tell the truth to wider masses of people.

Election campaigns are not the only, or even the most important, form of political action. Meetings, delegations, public demonstrations, strikes and other methods of struggles are

just as important, and often far more important, political activities for the working class.

The Workers Party is therefore a self-disciplined, democratic organization which requires of its members continual education, responsibility, and systematic, organized participation in the class struggle. By its day-to-day activity in the class struggle, by showing in practice its devotion to the interests of the working class, its militancy, its readiness to sacrifice, the superiority of its program, the party seeks to demonstrate that it deserves the confidence and support of the workers.

The principal field of activity of the Workers Party is in the labor unions. Every party member who is qualified is obliged to join a union and to be active in it. The aim of the Workers Party in the unions is to win the workers to the principles of socialism and the conscious, militant waging of the class struggle. The Workers Party and its members are therefore active in building up the unions, in uniting those that are divided, in merging craft unions into modern industrial unions, and in organizing those workers who are still unorganized. The Workers Party supports every progressive movement inside the unions aimed at strengthening them organizationally and politically. It works to eliminate from the union movement all capitalist ideas, capitalist methods, capitalist politics and capitalist politicians.

The Workers Party is *an irreconcilable opponent of bureaucratism and bureaucrats in the labor movement*, and supports every effort of the membership to establish democratic control over its organizations.

Socialism cannot be achieved, and the workers cannot effectively promote their interests, without class consciousness. Class consciousness means an understanding working class, a self-confident and self-reliant working class. Bureaucratism is a capitalistic substitute for the self-reliance of the working

class and an obstacle to it. It relies on bureaucratic maneuvers at the top, on ordering the membership around "for its own good," in place of the conscious, mass action of the workers themselves. It seeks to preserve its special privileges by curbing and stifling the workers and preventing them from acting independently with their organized strength. The fight for democracy in the unions and against bureaucratism is regarded by the Workers Party as an inseparable part of its fight for the interests of the working class and the victory of socialism.

The Workers Party is not a sectarian organization that stands aloof from the daily struggles for the daily needs of the working class and confines itself to the preaching of the socialist ideal. It not only participates actively in every daily struggle, but has a program of action to meet the requirements of the people while capitalism still prevails. This program of action is the "minimum program," containing the immediate demands of the party. In many cases, the same demands are presented by other labor organizations and parties. Where this is the case, the Workers Party is ready to join with all other organizations to achieve the demand they make in common.

However, there is an important difference between the Workers Party and the other organizations even when they advocate the same immediate demand. The Workers Party believes that even the most modest demand or reform put forward by the workers can be realized soonest, most thoroughly and most durably only by the method of independent class struggle. The reformist organizations seek to achieve such demands by the method of "class collaboration." Also, these organizations aim at reforms in order to convince the workers that capitalism is fundamentally sound, or that it can be made to work in the interests of the people by means of a series of reforms. To the Workers Party, the fight for reforms is aimed at improving the position of the workers as a class, at height-

ening their class consciousness, confidence and militancy, at creating more favorable conditions for the continuation of the class struggle, which means more favorable conditions for continuing the struggle for socialism.

From this point of view, the Workers Party favors all progressive social legislation, like old-age pensions, unemployment insurance, health insurance, the widest extension of free education, industrial protection and security laws, maximum hours and minimum wage laws, laws recognizing the unrestricted right to organize and bargain collectively, laws recognizing the right to strike, laws against industrial espionage and private company armies, laws giving special protection to women and young workers in industry or forbidding their employment in heavy industry and dangerous occupations, laws for federal housing programs, etc., etc.

The Workers Party *opposes all forms of taxation which reduce the standard of living of the workers, the poor farmers and the lower middle classes*, such as taxes on food, clothing and furnishings, sales taxes, taxes on popular amusements, and the like. It favors placing the burden of taxation upon those who have economic shoulders broad enough to bear it, and not upon the little people. There should be a floor under income taxes so that they do not come out of the little people with modest incomes. The tax rates on big capitalists, corporations and monopolies, on large incomes, on large inheritances, should be increased at a progressively stiffer rate. As for wartime, *all war taxes should be borne by the war profiteers*, and not by the little people, who suffer enough in wartime as it is.

The Workers Party *emphatically favors an alliance between the workers and the bulk of the agricultural population*. It is necessary for the achievement of socialism. It is necessary for the defense of both from the exploitation and oppression of monopoly capital. The working-class movement should



take the leadership in a program to relieve the agricultural population from the burdens imposed upon it and to improve its economic position. The program of the Workers Party is directed first to the agricultural laborers, who are merely propertyless workers on the farms, then to the sharecroppers and the tenant farmers and finally to the owners of small farms.

Farm laborers should have the same rights and living standards as industrial workers in the cities, whose class brothers they are. As to sharecroppers and tenants, the Workers Party, up to the time when it becomes possible to reorganize all agriculture on a full, modern socialist basis, is for the land to those who till it, and not to the parasitic absentee landlords, the banks and insurance companies. Monopolistic railroad rates, which impoverish the small farmers, should be prohibited; a moratorium declared on small farm debts and mortgage foreclosures stopped. Government aid should be extended in the form of cheap credits, extensive irrigation projects, and an even more extensive rural electrification and modernization program.

As a socialist and working-class organization, the Workers Party is *uncompromisingly opposed to "Jim Crow" and anti-Semitism*, or to any form of discrimination and persecution against people on grounds of color, nationality, race or religion. Socialism stands for freedom, human dignity and brotherhood. The persecution of national, racial or religious minorities is one of the most loathsome features of capitalist class society. It is reactionary to the core and an offense to civilized people. Capitalism tolerates, fosters and carries on these persecutions because it helps keep the masses of working people divided, fighting among themselves, and thus distracts them from the fight against capitalism.

The Workers Party fights for complete economic, political and social equality for all Negroes and other minorities who are disfranchised or otherwise discriminated against. It fights

against anti-Semitism, all forms of chauvinism and the idea and practice of racial or national superiority. It favors making the practice of Jim Crow or anti-Semitism in any form a crime punishable by law. A Workers' Government would outlaw and punish such abominations as vigorously and thoroughly as the crime of murder, rape or drug-peddling.

The Workers Party is opposed to chauvinism, which accompanies the oppression of one people by another. For that very reason, however, it *supports the democratic nationalism of those colonial and semi-colonial peoples* whom imperialism despoils and deprives of the right to national sovereignty. The working class of one country cannot be free if it tolerates the oppression of peoples of other countries. The colonial peoples and the working class of the advanced countries have a common enemy in capitalist imperialism. They should join hands in a common fight against it. The Workers Party favors the immediate independence of all colonial and semi-colonial countries. It supports such countries in every struggle to overthrow the imperialist yoke. We consider it our special duty to support such struggles as are waged against American imperialism. In the case of such countries, and in the case of all national minorities, the Workers Party champions the unrestricted right of national self-determination. It is opposed to any country annexing another people against its will or keeping them within its frontiers or under its dominion by force and violence.

Socialism means peace and freedom for the entire world. The Workers Party therefore gives *no support to imperialism or imperialist wars* and opposes them at all times. It is the party of peace, not war; of the brotherhood of the peoples, not the slaughter of the peoples.

However, the revolutionary socialists are not and cannot be pacifists, except in so far as pacifism means the advocacy of peace. Pacifism is the preachment of non-resistance, or passive

resistance. Such a preachment is an illusion and a utopia in capitalist society, which is based on violence and war and cannot exist without them. The pacifists are welcome to preach their doctrine to the capitalist hyenas if they think they can turn hyenas into lambs. To the working class, non-resistance is fatal. It is what capital would like to see the workers adopt as their policy. To preach pacifism to the exploited and the oppressed is to do the work, willy-nilly, of the exploiter and oppressor.

Socialists, who are opposed to all exploitation and oppression, who seek to organize the masses to fight for freedom, cannot be pacifists. They oppose imperialist wars, reactionary wars, capitalist wars. But they support all progressive wars, all wars for freedom and social progress. Therefore, they support the war of the workers against capitalism; they support the workers in civil wars against fascist reaction; they support the wars of oppressed nations and peoples for freedom from their national and imperialist oppressors. Wars are inevitable under capitalism. Only socialism will bring permanent peace.

The Workers Party is *an internationalist party*. Capitalism is a world system, and it can be thoroughly destroyed only on a world scale. The Workers Party is internationalist because it considers national chauvinism reactionary and the brotherhood and equality of all peoples of the human race the highest social aim. It is internationalist because it considers that national frontiers have become a reactionary obstacle to further economic and social progress and a direct contributing source to imperialist conflicts and wars.

It is internationalist because it understands that the classless socialist society cannot be established within the framework of one country alone. The workers of one country can *begin* the work. They can lay the foundations of socialism. But socialism cannot be established on a lower plane than capitalism. If capitalism has developed a world market and become

the dominant world order, socialism cannot conceivably be restricted to one country, no matter how big it is. Socialism is world socialism, or it is not socialism at all. Just as a socialist economy could not exist side by side with a capitalist economy in one country, so a socialist nation could not exist side by side with capitalist nations in one world. One or the other would have to win in the end.

That is why the Workers Party endeavors to promote the international organization, unity and solidarity of the working class. The Workers Party itself is only the link, in the United States, of a world chain of similar parties and organizations that aim to establish an international union of revolutionary socialists. This world union they strive to create is called, as will be seen later, the Fourth International.

Finally, it is well to emphasize once more that the Workers Party does not limit itself to preaching the ideal of a socialist tomorrow. It supports and takes an active part in every daily and immediate struggle of the working class. It takes part on the basis of its own principles and its own program. It endeavors at all times to widen the struggle and make it more clear-cut. Its activities are based on the knowledge that the class struggle, followed through logically and consistently, necessarily brings the workers to the establishment of their own government and to the inauguration of those economic and political measures that lead to socialism.

This is shown plainly in the position taken by the Workers Party on the question of democracy and fascism.

### ***The Workers Party and Democracy***

The revolutionary socialists are *the staunchest and most consistent champions of democracy*. They are opponents of *capitalist democracy* only because it is a class democracy, because, at its best, it is only political democracy which cloaks the economic dictatorship of monopoly capital. Genuine de-

mocracy is possible only upon the basis of economic democracy.

But it does not follow that the revolutionary socialists are indifferent to democracy under capitalism. Nothing of the sort is true. The struggle for socialism can best be conducted under conditions that are most favorable to the working class. The most favorable conditions are those in which the working class has the widest possible democratic rights. Hence, it is to the interests of socialism and of the working class to fight for the unrestricted right to organize, the right of free speech, free press and free assembly, the right to strike and the right to vote, the right of representative government, and against every attempt to curb or abolish these rights.

The social position of the workers, and their class interests, make them the most democratic class in society. The revolutionary socialists, contrary to the malicious falsehoods and misrepresentations spread against them by capitalists and their dupes, are the most consistent and militant champions of democracy. It would be ridiculous and criminal if they were not. The more extensive and less restricted the democratic rights, the greater the opportunities for the revolutionary socialists to speak, to write, to meet, to organize. The same applies, of course, to the working class as a whole.

It is the capitalist class which is, by the very nature of its position in society, anti-democratic. Its monopoly of wealth and power denies the common people real equality in the exercise of the formal democratic rights that are written into the law and the constitution.

But that is not all. The more critical the position of capitalism and the sharper the class struggle, the more the capitalist class seeks to restrict even the formal democratic rights. In critical times, when its bankruptcy becomes clearer, it rightly fears the consequences of the workers being able to meet freely, speak and write freely, organize, vote and demon-

strate freely. To keep itself safely in power, it is compelled to reveal its fundamentally dictatorial rule more openly by cutting down political democracy and resorting to naked force.

If the crisis and the social conflict become exceptionally sharp, it does not hesitate to wipe out democratic rights and institutions altogether. It brings into existence, encourages and finances reactionary mobs like the fascists. It is prepared to let these mobs take political power, even at a cost to itself, provided the fascists succeed in crushing every vestige of the labor movement and of capitalist democracy itself.

Totalitarian fascism always finds warm support in the capitalist class, but it is unable to sink its roots in the working class. This symbolizes the reactionary, anti-democratic character of modern capitalism, and the progressive, democratic character of the working-class movement.

The Workers Party therefore fights at all times for maintaining and extending democratic rights. As a revolutionary socialist organization, it fights for these rights more consistently than anyone else, for it is under socialism that democracy is truly and fully realized. By the same token, the Workers Party is an uncompromising enemy of fascism, and all other forms of reactionary capitalist dictatorship. As in the case of all the immediate needs of labor, the Workers Party calls tirelessly upon all workers' organizations, economic and political, and regardless of their differences in program and opinion, to form a united front to smash the fascist bands before they seize power and become strong enough to smash the working class.

The Workers Party is thus committed to the defense of democracy against fascism. Naturally, the Workers Party does not support one imperialist power in a war against another over colonies, sources of raw materials, new slaves and the like merely because one power is fascist and the other pretends that it is crusading for democracy. Revolutionary socialists are

opposed to imperialism and imperialist war. But, for example, in a civil war between fascism and democracy, where the *main issue* really is the preservation of democratic rights and the labor movement, and when the working class is not yet able or prepared to establish its own government, the revolutionary socialists do not hesitate for a moment to join the rest of the working class in defense of democracy—even capitalist democracy—and in crushing fascism.

As in other fundamental struggles, so in the struggle for democracy and against fascism, the revolutionary socialists continue to remain true to their principles. If the rest of the workers do not engage in this struggle with the full, clear-cut socialist program, the revolutionists nevertheless put this program forward. As against those who use the wishy-washy methods of liberalism and reformism in the fight against fascism, the revolutionary socialists advocate the militant methods of the class struggle. As against those who want the “progressive capitalists” and other highly respectable people to lead the fight against fascism—which means to lead it into a ditch, as the experience of Germany and Spain has shown—the revolutionary socialists advocate the leadership of the working class. As against those who limit the fight to maintaining capitalist democracy, the revolutionary socialists advocate going beyond this limit to the goal of a Workers’ Government as the only guarantee that fascism will be crushed never to rise again.

To the Workers Party, the struggles for immediate reforms, for democratic rights, against fascism—are only part of the greater, liberating struggle for socialism.

### **Social-Democratic Parties**

In addition to the party of revolutionary socialism, there are other political groupings in the working class which speak in favor of socialism. Let us examine them briefly.

First, there are the Social-Democrats, or reformist socialists.

They are organized in Germany as the Social-Democratic Party, in France as the Socialist Party, in Belgium and England as the Labor Party, in the United States as the Social-Democratic Federation. Their position has already been indicated.

The Social-Democrats or reformists reject the basic principles of Marx and Engels. They have abandoned the theory and practice of the class struggle, as well as the socialist theory of the class nature of the state. They preach and practice the collaboration of the classes, that is, of the working class and the so-called "progressive" capitalists.

They believe that the road to socialism lies not through a Workers' Government, but through a joint government of labor representatives and these progressive or "democratic" capitalists. They have established and participated in many such governments, in Germany, France, Belgium, England, the Scandinavian countries and elsewhere. In every country, the labor representatives proved to be the captives of the capitalists, who used them to quiet the workers while the capitalists overcame their difficulties at the workers' expense. They do not believe that capitalism and the capitalist state machine must be overthrown in order to establish socialism. They declare that capitalism and the capitalist government can be gradually reformed by progressive legislation to the point where socialism has been peacefully introduced.

The Social-Democratic parties are based mainly on the highly skilled workers, the "labor aristocracy," and the middle classes. They are the sections of the population that are closest to the ideas of the capitalist class itself and suffer less than the mass of industrial workers from capitalist exploitation. In fact, to keep them apart from the mass of workers, capitalism does not hesitate—especially in its prosperous times—to give this "labor aristocracy" a higher standard of living and special privileges. The vast wealth extracted from the merciless exploitation of the colonial countries has enabled the imperial-



ists to give a few crumbs to this "labor aristocracy" in order to maintain the division in the working class.

It is not surprising, therefore, to see that all these parties are supporters of imperialism in wartime, as they were in 1914 and again in 1939. It is true that they want to see imperialism act more "kindly" toward the colonial peoples, but they never support the struggles for freedom of the colonies in such a way as to bring themselves into conflict with imperialism itself. It is also not surprising that in cases where the workers have engaged in revolutionary struggles for socialist power, the Social-Democrats have intervened to save capitalism in the name of democracy, either by trying to restrain the workers from the fight or by joining outright with the capitalists in shooting down the workers. These parties are always heavily bureaucratized and are invariably connected with the labor union bureaucracy. In both cases, the bureaucracy enjoys special privileges, as was pointed out in the chapter dealing with the labor unions. They are, in other words, capitalistic labor leaders.

They want socialism, but not the class struggle, which is the only road to socialism. They want capitalist democracy as the basis for socialism, but because they will not defend even democracy with the militant methods of the class struggle for fear of antagonizing their partners, the "democratic capitalists," they soon find their democracy and their privileges disappearing. They fear the socialist revolution so much—because the Workers' Government would end all special privileges, theirs included—that they find themselves attacking it on the side of the capitalist reaction.

In one country after another, their theories have so drugged and paralyzed the working class that it proved incapable of militant and effective resistance to reactionary assaults upon it. It had to pay for these theories and practices in the form of fascist dictatorship and indescribable agonies. The Social-

Democrats did not gain socialism and they cannot gain it. They did not even maintain capitalist democracy or their position in it—they lost both.

A number of groups and parties throughout the world try to take a position in between that of revolutionary socialism and social reformism. They endeavor to mix the two, which is like mixing fire and water. The result is the obscuring steam of confusion. In the United States, these "Centrist" parties, which are neither flesh nor fowl nor good red herring, are represented by the Socialist Party. The Socialist Party in the United States is an especially confused and confusing example of "Centrism." It is a mixture of middle class pacifism, "Christian socialism," liberalism, "isolationism," hostility to revolutionary socialist theory and action, and hero-worship. It sometimes speaks more radically than the Social-Democrats, but it has an even more bureaucratic leadership than they and differs less and less from them in practical policies and activities. All the experience of such in-between movements shows that if they do not adopt the program of revolutionary socialism, they degenerate completely to the Social-Democratic position. Or else they become stagnant, impotent sects which justify their separate existence mainly on the ground that they are not firm revolutionists and not complete Social-Democrats but only—in-betweeners.

### ***The Russian Revolution and Stalinism***

Much more powerful—and much more dangerous—is the official Communist Party, no matter what name it operates under. To understand what this party really is, it is necessary to examine what has happened in the past quarter of a century of the Russian state, on which this party is based.

The Russian Bolshevik Revolution of 1917 was undoubtedly the most important event in human history. For the first time, the working class took state power and began consciously

and planfully to usher in the socialist society. The revolution was a living triumph of the principles of Marxian socialism, and showed that the idea of a working-class government is not a utopian dream. Regardless of what happened to this government in the end, the Russian Revolution revealed to the working class of the entire world the road it must travel to reach workers' democracy and socialism.

The heroic efforts of the Russian workers were sufficient to bring them to power in the country. But by themselves, they did not suffice to establish a socialist commonwealth. To attain that goal, they needed the aid of workers' governments in the other, more advanced, countries of Europe and America. They knew this, and the Bolsheviks, or Communists, who led the revolution and were thorough-going international socialists, repeated it a thousand times. Revolutionary situations developed in one country after another. The capitalist system was bankrupt and capitalist governments broke down one after the other. To organize the workers to fight for power, all the revolutionary socialists, inspired by the victory in Russia, broke away from the old Social-Democratic parties and began to build up the new Communist Parties. These parties were united in the Communist, or Third, International. (The Social-Democratic parties had been united in the so-called Second International, which collapsed when the war of 1914 broke out and practically all the parties rushed to the support of their respective imperialist governments, betraying the principles and interests of socialism.)

Capitalism managed to survive throughout the world. It was not so much because of the strength and vigor of its economic system that it survived. It was saved by the Social-Democratic parties, which stood like a rock in the road to socialist revolution. The Communist Parties were too young and inexperienced or too weak to clear this rock out of the way.

The Russian Revolution was thus left in isolation and a

state of terrible exhaustion. The Russian people had gone through three years of war that took a heavy toll. Then they had to go through two revolutions and a destructive civil war against the monarchists, bankers, industrial magnates and landlords who tried to overturn the Workers' Government by violence. In addition, they had to ward off the armed intervention of almost every capitalist government in the world.

When this was over, and the first big wave of revolutions in Europe subsided, a great weariness and reaction set in in Russia. Bureaucrats in the Bolshevik party and the Soviet government became the conservative voice of this weariness. Little by little they departed from the revolutionary principles on which the Soviet Government had been founded. They abandoned the idea of international revolution and replaced it with the nationalistic idea of "socialism in a single country."

The faithful revolutionists who opposed this desertion of revolutionary internationalist principles were led by Leon Trotsky. But they could not win, because the bureaucracy around Stalin had reactionary social winds in its sails. Little by little it crushed these revolutionists. It drove them out of the party, then exiled or imprisoned them, and finally wiped them out physically in a series of the most monstrous frame-ups in history. Every fragment of the old Communist Party which had made the revolution possible was ruthlessly wiped out. Every trace of the great workers' democracy which the revolution had established, was just as mercilessly wiped out.

The Workers' Government was completely destroyed. The reactionary rule of the bureaucracy was installed in its place. Not a vestige of democratic rights exists today—not the right to organize, to strike, to free speech, free press or free assembly. The whole Soviet system has been eliminated. Elections are a farce, in which the people have the right to vote only for the candidates appointed by the bureaucratic dictators. The unions built up by the revolution are crushed. Their place has been

taken by organizations completely dominated by the government bureaucracy, and their only function is to help in the speed-up and exploitation of the workers. Everybody and everything is dominated by the most vicious police and spy system in the world, the GPU.

Russia is neither a workers' government nor a socialist society. But although it is a thousand times closer to capitalism than it is to socialism, it is not actually a capitalist country. It is a new, reactionary social order that may be described as *bureaucratic collectivism*. There is no private ownership of industry, as under capitalism. The state owns all the means of production. But it is the autocratic bureaucracy that has the state completely in its hand. The workers and peasants have not an iota of control over it. Industry and agriculture are planned and operated only in the interests of the bureaucracy, swelling its power and privileges. Like every ruling class, it reaches out greedily for more power, for imperialist conquests, wherever it can. It has completely betrayed and crushed the great Russian socialist revolution, and established a new and monstrous totalitarian tyranny in its place.

The process which wrecked the Russian Revolution also wrecked the Communist International. Every genuine revolutionist was driven out of it. The condition for membership, and above all for leadership, in the Communist Parties throughout the world became unquestioning obedience to the Stalinist bureaucracy in Russia. The parties were transformed from leaders of socialist revolution into instruments of totalitarian reaction. From champions of the interests of the working class in every country, these parties became the servile agents of the Russian bureaucracy and its foreign policy.

That is why the Communist parties—more accurately, the Stalinist parties, for they have absolutely nothing in common with our great ideal of Communism—today rigidly follow only those policies that promote the interests of the Russian bu-

reaucracy. That is why the minute Russian foreign politics change, the politics of the Communist parties change automatically in every country. If Russia is allied with a capitalist government, the Communist Party of the country serves that government with the greatest vigor and does everything it can to force the workers to do the same. If Russia is opposed to another government, or if its political demands are not agreed to by a foreign government, the Communist Party of that country suddenly becomes critical and even "radical," and clamors for all the people to force the government to give in to Russian demands. That is what accounts for the apparently ridiculous changes and somersaults of the Communist Parties. They are the foreign agents of Stalinist totalitarianism.

The Communists—or Stalinists, to give them their right name—are the most reactionary force in the labor movement. To be sure, the conservative labor officialdom is capitalistic in its outlook and policies, as has been pointed out. Nevertheless, it seeks, in its own way and in its own interests, to maintain the labor movement and to oppose totalitarian invasions of democratic rights. That is why it is both possible and necessary to join with it every time it finds itself obliged to lead the labor organizations in a fight or to defend democratic rights.

It is different with the Stalinist bureaucracy. An independent labor movement is a bone in its throat. It is anti-democratic as well as anti-socialist. It is concerned not only with the defense of the totalitarian state in Russia, but aims to establish others, cast in the same mould, in every country where it operates, so that it can enjoy the same bureaucratic rule, power and privilege as its blood-brother in Russia. Any support of its program into which it tricks the labor movement is a deadly trap for the working class. The interests of labor and the progress of socialism require that the cancer of totali-

tarian Stalinism be burned out of the labor movement. If it is allowed to fester and spread, only slavery will ensue.

Neither Social - Democracy nor Stalinist totalitarianism leads to socialism. The Second International of the Social-Democrats is bankrupt and in a state of collapse. The Third International of the Stalinists has been formally dissolved by decree. Revolutionary socialists everywhere work to rebuild the world-wide organization of social revolution, the Fourth International.

The road to freedom is marked out by the principles and program of revolutionary socialism, and no other road exists. The organization which proudly champions and fights for these principles and program in this country is the Workers Party.

## CHAPTER IX

### Socialism - The Alternative to Barbarism

**S**UPPOSE you do not join in the fight for socialism. Suppose you do not organize and work for its victory. Will the society you live in remain just as it is, will it move forward, or will it slip backward? This question is of vital concern to everyone, especially to every worker. It is most important to understand what will happen to capitalist society if it is not replaced by socialism. To answer the question, let us examine the direction in which capitalism is moving, why it is moving that way, and what are the consequences for society.

We have already seen that the natural trend of capitalism is to replace small-scale production by large-scale production, to replace competition by monopoly in the form of horizontal and vertical trusts, syndicates and cartels. The development of monopoly brings to an end the period of capitalism often referred to as "free enterprise" and introduces social changes of tremendous importance.

What are these changes? What do they mean? Where are they leading us?

#### ***The Growth of Monopoly Capitalism***

The growth of monopoly capitalism brings about a profound change in the capitalist class itself.

First of all, its number becomes smaller and smaller and the power concentrated in its hands becomes greater and greater. At one time there was not so much difference between the small capitalist and the big one. Today, an unbridgeable gulf divides the big monopolist and the owner of the small store, small shop or small factory. Every capitalist country is



now ruled by a tiny handful of enormously powerful monopolists. They dominate all economic life by a system of interlocking directorates. They dictate not only the industrial and financial life of the country but also its political life. They rule the life not only of the workers but of all the middle classes.

Secondly, the economic function of the big capitalists has changed fundamentally. At the beginning, the owner of capital was a man of enterprise. He was a founder of industry, an organizer of production, an active manager and superintendent of his establishment. He made direct and valuable contributions to industrial progress. This was not true of every single capitalist, to be sure, but it was true by and large. With the growth of large-scale production and of monopoly, this has all been changed. The actual work of management and superintendence is carried on by hired men, by trained and skilled workers and technicians. The big capitalist class itself has degenerated to the point where it now performs no useful function in any sense. It is now composed essentially of coupon-clippers, holders of stocks and bonds, receivers of profits. It is unproductive. The capitalist class has revealed how superfluous it is to society by openly becoming a parasitic class. It is a leech which systematically drains the life-blood of the economy.

The growth of monopoly capitalism brings about a profound change in production as well.

Competition for the market in which profit is realized has always been the hallmark of capitalism, and the greatest stimulant to capitalist production, as we have seen. But by replacing competition to a high degree, monopoly loses this main stimulant to production or, more accurately, the stimulant to expanded production. To maintain its power and to keep prices at artificially high levels, monopoly places all sorts of

restrictions upon production. The big corporations enter into secret agreements to limit output so as to keep up prices. They suppress inventions which would mean the abandonment of old equipment in favor of newly-developed, more efficient equipment, and result in lowering production costs. Their lust for monopolistic profits stands in the way of economic progress. Monopoly leads to economic stagnation. Stagnation leads to decay.

There is another aspect to this development. Free competition meant the absence of organization and planning in production. It meant blind production for the blind market—what we call the anarchy of production. Production under monopoly capitalism is an attempt to overcome this anarchy. Within a given big trust it might be said that anarchy is eliminated, the blind market is eliminated, and planned production installed. If, for example, a big automobile producer owns all the sources of supply for his product—coal and iron ore mines, glass factories, tire companies, soy bean plantations, aluminum foundries, and the like—he can organize his production so that it is carried on as a planned unit. It does not follow that monopoly-capitalist production is planned production which really wipes out economic anarchy. In the first place, monopolies do not completely wipe out free competition. They dominate it, they rule over it, so to speak, but they exist side by side with it. In the second place, the big monopolies compete with each other not only on a national scale, but all over the world. The conflict among them is the fiercest capitalism has ever known. It is a conflict with the most devastating economic and social consequences, which are visible all around us.

However, to the extent that competition is eliminated or reduced, the blind market ceases to be any kind of effective regulator of production. Crises which disrupt and paralyze

production become more acute and last longer than ever before. One of the important results of this is the tendency of the government to step in more and more as the substitute for the crippled market, as the regulator and director of production. Capitalist economy has reached the stage of such disorganization and bankruptcy that it can no longer hold itself together in a more or less orderly way. The government, the state, is compelled to intervene on a massive scale in order to prevent the total collapse of capitalism.

### **The Rule of State Monopoly Capitalism**

The planning and organization of production and distribution by one central institution would be a good thing. It would bring to an end all the social evils produced by capitalism. But in *its* intervention in economy, the government today only shows more clearly that it is at bottom nothing more than the executive committee of the capitalist class.

The government intervenes in economic life in the most decisive manner—the greater and sharper the crisis in a country, the more decisive is the manner of government intervention. In a sense, the government even takes the direction and management of economic life out of the hands of the private capitalists—thus once more emphasizing how superfluous the capitalist class is for the operation of industry. The government finds itself compelled to try to organize and plan the economic life of the country—thus once more emphasizing the fact that production under capitalism has become socialized and that socialized production is increasingly incompatible with private capitalist ownership and appropriation of profit.

Increasingly the government finds itself obliged to fix wages, by law and by decree. It seeks to fix prices in the same way. Similarly with profits. The government tries to establish the production schedule—this you produce, that you produce; this much you produce and that much you produce. As has

been indicated, this development does not proceed at the same speed in every country. In some countries, it is faster and in others slower. In some countries it is more open and in others it is concealed under a dozen disguises. In some countries it seems to be a "purely wartime" trend, in others it is clearly a trend in peacetime as well. The speed and forcefulness of the trend depend upon any number of factors. But the trend itself is unmistakable and irrepressible in all capitalist countries. It can be slowed up here or there; it can be diverted in one way or another. But in the general crisis of world-wide capitalism it is an inexorable trend and it cannot be eliminated.

If you stop to think a moment, you will understand that this trend represents the *natural requirement* of capitalist society for socialist reorganization. The central planning and organization of production and distribution is the fundamental principle of socialism. *The concentration of economic power, of production and exchange, in the hands of a few monopolies, shows that production has become socialized, while ownership has remained private. It shows how simple the reorganization of production on a socialist basis is for the working class today. It has only to take the big monopolies into the hands of its own government, and the foundations stones of socialism are laid.* The capitalist class may delay for a time the victory of the working-class revolution and the institution of socialism. But it cannot halt the trend which undermines its own economic system, and which is represented by the intervention into, and domination of, all economic life by the government.

Does this mean that the government's intervention is directed against the capitalist class and its interests? Not at all! Exactly the opposite is true .

The government, we repeat, is the executive committee of the capitalist class as a whole. If it fixes wages, prices and

profits, it fixes them in the interests of the most powerful economic class in the country, the monopoly capitalists. That is why, every time an economic balance sheet of government intervention in economy is drawn up, it is found that the monopoly capitalists are stronger and richer, and the masses of the people are weaker and poorer.

In normal times, or in times of crisis or depression, government loans and outright government subsidies are available to "all," but actually the greater part by far of these loans and subsidies finds their way into the hands of the big corporations, the monopolies. For every law or decree or action taken by the government to maintain wages at a certain level, or to provide the unemployed with some modest insurance, it adopts ten laws and twenty decrees and takes fifty actions to guarantee the profits of the big monopolies. Even those capitalists or capitalist enterprises against which the government intervenes are usually those that stand in the way of the welfare and concentration of power of the big monopolists.

This trend does not depend upon this or that individual or group of individuals in the government. It is the natural trend under capitalism. In the first place, the government machinery, the government bureaucracy, from top to bottom, is tied up personally in a thousand ways with capitalist private property. In the second place, the foundation stones of capitalist economy, in war and peace, are not the small enterprises, but the big monopolistic giants, the big industrial and financial enterprises. What is more natural for such a government to do than to keep its very foundation stones intact and to reinforce them?

This phenomenon of increased government intervention into and direction of capitalist economy, in which the government machinery actually meshes with the monopolies and the monopolists themselves, we call *state monopoly capitalism*. But we are far from finished with all its aspects.

We have said that the deeper and sharper the crisis of capitalism, the more helpless the capitalists themselves are to resolve the crisis—the more the capitalist government is forced to intervene for the purpose of organizing and directing economy. This process has been likened to a collapsing barrel. The rotter the staves become, the more they tend to fall apart—the greater the necessity of surrounding the barrel with tighter and stronger hoops. The capitalist state has to provide more and more hoops every day for the collapsing and decaying capitalist barrel.

### ***Bureaucratism, Regimentation and Fascism***

As a result, we have the phenomenon in every capitalist country of a stupendous government bureaucracy which is continuously mushrooming over the land. It is produced by the decay of capitalism and the helplessness of the capitalist class. Every time the barrel weakens, a new hoop, or set of hoops, is desperately pressed around it. The capitalists complain bitterly, but actually they cannot do without this growing bureaucracy.

If banking breaks down, it can no longer be restored by the “normal course of the market”; it must be held together by a new government law or decree, and by a hugely staffed bureau to enforce it. The growth of radio transmission outstrips purely private control; so a heavily staffed government bureau, or more than one, is set up to regulate it. Agriculture is in a state of permanent crisis; so a dozen or more new bureaus, all well staffed and overstaffed, must be set up to try to prevent the complete collapse of agricultural production and distribution. Industries collapse or are on the verge of collapse; so a hundred and one different government bureaus must be set up to supervise, check, subsidize or eliminate production. At one and the same time, the crisis of capitalism sharpens and increases class conflicts, and makes them ex-

tremely dangerous to the existence of capitalist rule; so a hundred and one more government bureaus are set up to prevent or regulate or arbitrate these conflicts. The expenses of government are increased a thousandfold, ten thousandfold, as a result of this bureaucracy; so more bureaus have to be set up to collect revenue for the government. The unemployed grow in number; they must be kept alive for two reasons—to prevent them from disrupting the country by fighting for their lives, and to maintain them as a new kind of mass reserve, one available for the sudden military and industrial requirements imposed by modern warfare; so more and more bureaus are added.

The growth of the government bureaucracy is one of the most striking features of capitalism in decay. Millions of men and women are rendered unproductive by the requirements of government bureaucratism. Unnecessary in a rationally organized society, they are the indispensable parasites of decaying capitalism, feeding upon the capitalist class who feed upon the economy, leeches upon leeches. They are a permanent drain on society, a burden and curse upon the masses of the people who are compelled to maintain them at heavy expense to themselves, in order that they may in turn maintain capitalism itself.

Alongside this parasitic bureaucracy grows regimentation of all sorts. The concentration of economic power has brought with it the concentration of political power. The concentration of political power is indispensable to the concentration of economic power in the hands of monopoly capitalism. The life of capitalism has become so feverish, its internal contradictions so acute, each little problem at once so complicated and so urgent, the intervention of the state has become so immediately necessary, that important changes have been introduced into the political life and standards of capitalism.

Representative democratic government, even in the most democratic capitalist countries, has become more and more meaningless, more and more ineffectual. The sharper the crisis, the more urgent the problem, the less capitalism can wait for the government to intervene by the process of slow, lumbering deliberations in large representative assemblies like Congress or the House of Commons or the Chamber of Deputies. In some countries, such democratic bodies never even existed. In other countries where they did exist, they are now tolerated only as formalities, their real rights and powers eliminated or reduced to zero, their actual powers being only "advisory to the executive." In still other countries, they have been wiped out altogether. A well man can go around for weeks with a minor ailment and no harm will come to him. A decrepit man who is already ailing in every organ must get instantaneous attention the minute he feels a sharp pain, for one delay in treatment may mean his last. So it is now with decrepit capitalism. Hence, the rise of totalitarian government, of authoritarian government, of capitalist dictatorships everywhere. Hence, the decline of capitalist democracy and of democratic representative government. "Wait for Congress? Wait for Parliament? No, it will be too late! The situation is urgent and desperate!"

That is why we see, even in the most democratic capitalist governments, the decline in the power and activity of the representative assemblies and the rise in the power of the executive—the Presidency or the Prime Ministry; the decline of government by legislation and the rise of government by executive decree. In this field, too, the trend of capitalist evolution is inexorable, irrepressible. It can be halted for a while, or slowed down in the speed at which it is proceeding, but it cannot be eliminated. The crisis of capitalism, its decay, is too deep-going and too far-advanced for that.

The growing regimentation and oppression, the violation



and elimination of democratic rights and institutions, affects all the classes, all the population, outside the ranks of monopoly capitalists themselves. But it is the workers whom it affects most heavily and adversely. In countries where the decline of capitalism has brought it to the depths of fascist rule, the workers are simply reduced to the level of a new kind of slavery. But here again, the trend is universal; under fascism it merely reaches its ugliest and most insufferable limits.

In every country, the basic crisis of capitalism makes life harder for the workers to endure. The crisis therefore generates the workers' resistance to the unendurable conditions of life. The greater this resistance, the more it disrupts the already precarious stability of capitalist production and capitalist rule. The capitalist monopoly state intervenes in this field, too, and it intervenes, in accordance with its function, on the side of capitalism. To an increasing extent, wages and working conditions are determined by the government. Silent obedience to its decisions is made a "patriotic" duty. In country after country, not only in wartime but in peacetime, the right to work has been converted into compulsory work under government orders or direction. The unemployed, "maintained" by the government, are at the government's mercy; they are ordered to take any job, regardless of wages or working conditions, which it instructs them to take.

The unions, elementary defense organs of the workers, are sucked into the machinery of the government and become more the instrument of a capitalist government policy than of working class struggle. To check or suppress the struggle of labor for its rights and living standards, struggles which imperil the stability and sometimes the very existence of capitalism, labor must be regimented. The Samson must be shorn of his locks. At first, labor must submit to "voluntary" arbitration. If that is not sufficient to paralyze the strength of the workers, then compulsory arbitration is openly substituted.

By legislation or decree, government restrictions are placed on one of the most powerful weapons labor has in its possession, the right to strike. By all sorts of blackmail, plus the connivance of the labor bureaucracy itself, the unions are induced to abandon the right to strike "voluntarily." If that is not sufficient, they are formally deprived of the right to strike at all. The chattel slave on the plantations had no right to strike, either; he could not leave his work or his place of work. Capitalism tends to reduce the wage worker to the abysmal level of a new kind of slave.

During war-time, which is a most critical period for any state, this trend is open and undisguised. In peace-time, it is at work in a somewhat slower manner and in a somewhat disguised form. What holds true for the right to strike, holds true with regard to every other political and democratic right which the people have enjoyed at one time or another. Decaying capitalism finds any form of democracy incompatible with its further existence. Fascism is only the ultimate expression—ultimate only so far as we have seen up to now!—of this important truth.

### ***The Bloody Race for World Mastery***

The growth of monopoly capitalism does not eliminate competition or its evils. It intensifies them at home, but above all on a world scale. The more the home market contracts, the closer it comes to exhaustion, the deeper the crisis—the more frenzied is the hunt for markets abroad, for new fields of capital investment, sources of raw materials and cheap labor. Every one of the big countries and many of the small ones are engaged in this hunt. The competition is fierce and ruthless. It is all the fiercer and more ruthless because the area in which it takes place grows smaller and smaller. The capitalist world has become a sort of Black Hole of Calcutta. Each monopolist is prepared to trample all the others to death in the frantic

effort to get closer to the air let in by the small window. The results for all mankind are appalling.

International cartels and agreements among monopolists are never more than a stop-gap. Each of them is driven by the urge to dominate all the others, and capitalism does not permit things to be otherwise. The interweaving of the monopolies with the capitalist state shows its most fatal consequences at this point. Abroad, each government operates almost openly and unabashed in the name of its own big monopolists.

To preserve the international power of these monopolies—their colonies, their spheres of influence, their protectorates and vassal states, their investments, their properties and profits—this is not enough. The power must be increased, expanded. There is no way of increasing it save at the expense of the monopolists of other big countries. The world must be divided among these insatiable wild beasts. And no re-division of the world will ever prove satisfactory to any one of them until it has reached the point where it monopolizes the entire world, without any effective rivals or competitors.

When the relationship of forces among these bandits seems to promise a favorable re-division, imperialist war breaks out. Each war is more horrible and more destructive than the last. Whole populations are now mobilized for warfare; whole populations are now destroyed in warfare. Devastation is wrought that will take generations to make good. The tax burden—to say nothing of the tribute burden on the defeated nations—becomes crushing not only for the generation in which it was incurred, but for generations to come. Even in peacetime, every country must bear the yoke of a large standing army, of a huge military, naval and aerial establishment. That is for those who are left alive. The dead in modern imperialist war are counted by the tens of millions. Monopoly capitalism buys life for itself literally by crushing out the lives of millions upon millions upon millions of people.

Still the story of the alternative to socialism is not told.

Monopoly capitalism long ago took over a world divided between slaves and slave-owners—the colonial and semi-colonial peoples of Asia, Africa and Latin America, on the one side, and the imperialist rulers of Europe and North America, on the other. As we were taught in school, the colonial peoples were the “backward” peoples, and “we” had to carry the “white man’s burden” in supervising their development under stringent control. In its agony, monopoly-capitalist imperialism goes further. To the “backward” countries long ago reduced to colonial slavery, it now adds independent countries with a modern civilization, which it seeks also to reduce to the status of slavery or semi-slavery. In the narrowing world of capitalism, no power is content with its share. It must needs seek to enhance it at the expense of others. Which others? The old colonies are already divided up. There remain the weaker of the colony-owning or other big countries. There remain the rivals and competitors for world power.

The trend of capitalist development in every country has been known and observed for many generations: the replacement of competition by monopoly, of small-scale production by large-scale production; the swallowing of the weaker enterprise by the stronger. The same process which took place among the enterprises of each country is now taking place among the countries themselves. The process began with the weak and defenseless backward countries at the edge of the world market. Now it has reached the heart of the capitalist world itself. The circle is narrowing. This was evident in the Second World War. If the peoples of the world ever allow a Third World War, the process will reach its ruinous climax.

Now it is not only backward peoples who are deprived of their most elementary rights, including the right to govern themselves, the right of national sovereignty. Now it is advanced peoples and nations who are involved, including na-

tions which held colonies of their own in slavery up to yesterday, only to be reduced today to slavery or semi-slavery themselves at the hands of a stronger imperialist power. The strong imperialist power must seek to wipe out the weaker imperialist power.

The race among the big powers for mastery devours more and more of the peoples and wealth of the world. The period of peace between wars becomes shorter every time. During the period of peace, to say nothing of the period of war itself, more and more of the energies, the wealth, the productive machinery, the labor-time of every country are devoted to preparing for the outbreak of the coming war which capitalism makes inevitable. Capitalism devotes an ever-increasing part of its capacity to producing the means of destruction. Science and scientists are not allowed to perform the task of lightening the burdens of humanity and advancing the welfare of society; instead they are harnessed to the grizzly chariot of war. At the orders of the state, science develops guns that will destroy hundreds where one was killed before, bombs that will destroy whole cities where only a building was damaged before. The atomic bomb is the horrible symbol of capitalism in its death-throes and of what its further existence means to the existence of civilization and humanity. Capitalism devotes itself increasingly to destroying the means of production.

The reduction of modern, independent countries to a state of dependency upon the conquering imperialist, only adds to instability and disorder. If the old and backward countries which have lain dormant for centuries are in almost continuous rebellion against foreign rule and for national independence, it is not hard to see that the peoples of modern countries, who have known independence and advanced civilization, will be even more rebellious against any attempt to deprive them of their freedom to rule themselves. Their struggle against foreign oppression is even more violent, more con-

the entire world stands ready for the emancipating leadership of the working class: the peoples of the colonies, the little people of the middle classes, the small farmers and tenants and croppers, whole nations that are oppressed—all those who suffer in different degree under the iron heel of the super-monsters of modern imperialism.

The working class is the only consistently revolutionary class. It is therefore the only consistently democratic class. Democracy is inseparably linked up with the struggle for socialism. Upon socialism, depends the happy future of humanity and of civilization. The working class is called upon to save society from barbarism, the only alternative to socialism.

The conquest of capitalist monopolism, the rule of the working class, the inauguration of socialism—that is the aim of the Workers Party. That is the task of the working class. That is the road to human freedom.

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