

*The American*  
**Socialist**

By G. D. H. Cole

**My Idea  
of  
Democracy**

**Can We Cure Depressions?**

Two Viewpoints on Our Economic System

**The Slump Deepens**

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**APRIL 1958**

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# LETTERS TO THE EDITOR

## Forced to Reform

I believe Joseph Starobin is correct when he states in your Opinions section in the February issue that the rivalry of competitive coexistence is the most important dynamic force of our time in international politics.

However dangerous the frothings of the Gaither and Rockefeller reports, they should not blind us into pessimism. The total reaction to sputnik, to world criticism of Negro discrimination and McCarthyism, to cultural and scientific exchange with the USSR all demonstrate that the greater strength is in the vast groupings within our country and even more so among our allies intent on peaceful coexistence as the only alternative to cataclysmic war.

Probably gradually, certainly fitfully, competitive coexistence will force capitalist societies along reformist and socialist directions in order to keep abreast of the struggle in the heat of the competition. Important examples in the U.S. are the proposal for federal scholarships which has been a progressive aim for a score of years, the Supreme Court decision on segregation, and the decline of McCarthyism. Yet the competition is only just beginning.

At the same time, it will force socialist societies, particularly the more industrial ones like the USSR, East Germany and Czechoslovakia, to raise their living standards to match those of the U.S. and to increase their freedom and flexibility of thought. Examples of this are Khrushchev's proposal to overtake the U.S. within three years in per capita production of milk and meat, and the continuing struggles within the socialist countries for more democracy and decentralization.

I fully agree with Starobin that this proposition of the central importance of competitive coexistence has to be explored in every field so that socialists in the U.S. can more accurately and richly interpret current events and prognosticate the future. It is the key to understanding the political facts of our time—once you comprehend that socialism is the higher form of society into which capitalism must inevitably evolve.

In this context, Walter Reuther's profit-sharing proposal, and the rapid and extensive demand for job action in high places in view of the current unemployment, take on a more accurate meaning than the out-dated conception that the basic trends of capitalist development are the sole basis for comprehension of these phenomena.

Six important areas for pursuing this proposition are its effect upon: 1) Possible methods of manipulation and amelioration of economic laws of the capitalist system; 2) Labor politics and its relation to socialist education; 3) Growing socialist curiosity

and consciousness among wide sections of the American people; 4) Negro freedom; 5) Anti-McCarthyism; 6) The class struggle for a better living, less speed-up, jobs, etc.

On this sixth point, I think Starobin shows weakness. His last sentence indicates this; writing of the socialist and capitalist societies, he says: "Each may come by opposing paths to approximate the better features of the other." This is too pat. A socialist society can have an incomparably higher living standard and far greater and more real democracy and stability than capitalism. Attaining the temporarily superior capitalist features is simply a major goal on the forward path of the socialist countries. To consider the approximation of any present major capitalist features as a final goal of socialism is a debasement of socialism.

Starobin's view on this last point would tend to minimize the rapidity and sharpness of change and struggle that would likely occur as the advanced socialist countries overtake the U.S. in per capita production and in democracy. The class struggle continues, but under new and more favorable conditions caused by the mounting competitive coexistence dynamic.

P.S. You write a mighty stimulating magazine!

L. M. Detroit

## Secretly Love the Devil

The economic pinch always hits states like Mississippi first. Therefore, our farmers are having pretty tough sledding; also, industrial employment is off. I believe that if and when the cold war ends, America's economic structure will slide back like it was from perhaps 1937 to 1939, before World War II began.

Taking the above into consideration, I strongly feel that as far as the capitalists are concerned, they simply love Russian imperialism just as does the fundamentalist preacher secretly love the devil. If it weren't for Russia and the devil, both crowds would soon become extinct.

So I believe that if Russia was truly intelligent, it would promptly cease giving the capitalists excuses for continuing the present international crisis. In other words, I feel Russian leaders could "love" capitalism to death much easier than they could kill it by force.

B. P. Mississippi

Throughout this area, unemployment has become very heavy, but contrary to previous waves of joblessness, the union has taken few measures. No one seems to be around to take the initiative and raise a protest. And, so far as the workers are concerned, the first effect has been to spread a depressed mood. Repossessions of cars are rising sharply, hardly anyone takes much stock in the predictions for an upturn later this year, and if GM can't sell its new line some three or four months after radical changes in the model, the future looks bleak indeed.

The unemployed vote in the union doesn't mean anything when they aren't organized, and besides, elections don't come up for another year. Reuther's profit-sharing gambit has caused little talk. No one takes any part of it seriously. The most the Reuther people will say is that Reuther has been right so many times in the past, they will go along with him to see if he can't do it again. As far as the rank and file unionists are concerned, it is difficult to suggest any kind of a program that will rouse them right now. Even the thirty-hour week hasn't produced much of an echo. But perhaps they will soon be forced to consider serious solutions. Meanwhile, among many of the union's officials, the concern with unemployment seems to boil down to how many dues dollars can be spared before a cut in the staff takes place.

S. D. Flint

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## The Slump Deepens

A YEAR ago people who were predicting an economic depression were tagged as belonging to the lunatic fringe. Why, even many radicals viewed such talk as sure evidence of dogmatism, not to mention an addiction to outmoded Marxist categories. It is a tribute to the irresistible powers of our huckstering fraternity. Tin Pan Alley can make the whole country sing a dizzy tune and Madison Avenue can make the whole country talk a dizzy line. But social science has it over theology or advertising at least to this extent: Sooner or later experience catches up with the claim. In a few short months events have given a pretty brutal workout to the myth that we have now got a new noiseless model of capitalism that has licked the old boom-and-bust engine trouble. We are in the midst of a serious recession, and the reports that keep coming in day by day don't look good at all. Pretty near everything has slumped and is continuing to slump.

The Federal Reserve Board's index of industrial production dropped again this last month and by now is down to 130 from its record of 147 in December 1956, about a 12 percent decline, already greater than 1950 or 1954.

Unemployment in February stood at nearly 5,200,000, a post-war record and an increase of 700,000 over the month before. In Michigan, 415,000 were out of work, over 14 percent of the state's labor force; in Detroit, 230,000, or over 15 percent of the city's labor force. At the same time, the average work week throughout the nation was down to 38½ hours, the lowest since before World War II.

Capital spending, which through the past three years was fueling the boom, will, according to government estimates, decline by \$5 billion this year; according to a survey of the National Industrial Conference Board, the decline will be far more drastic.

Wage and salary income has gone down since last August by an annual rate of better than \$5½ billion, although almost 40 percent of this drop is supposed to be offset by social insurance and other transfer payments.

Housing, which was supposed to be one of the two bright spots in the economic firmament, and which had been averaging an annual rate of a million starts for seven months, and a January rate of 1,300,000, fell off to 890,000 in February.

Retail sales, the other bright star which was supposed to be visible through the murky clouds, dropped in February by 3 percent, was lower than the figure of a year ago, and department store sales went down even more precipitously. The Federal Reserve Board annual consumer survey saw a marked rise in pessimism about the general buying outlook.

Finally, the January figures showed a drop of 11½ percent, or \$181 million, in exports for the month over the same month a year ago; in other words, an approximate annual drop of some \$2 billion.

**B**UT the financial "happiness boys" see a silver lining in the cloud. According to the March *First National City Bank Letter*, "A business recession is not an unmixed evil. It may give to the 'forgotten man'—the millions living on small fixed incomes—a respite from rising prices. If, as happened in 1954, living costs can be leveled off for two years or longer, more people will be aided by price stability than will be hurt by periods of insured unemployment." Even this questionable Nirvana seems beyond our grasp. The slump, clearly marked for at least seven months, has not yet halted the two-year inflationary spiral, and January showed the biggest monthly rise since mid-1956. As a matter of fact, *Business Week*, anticipating grow-

ing government deficits, believes it will feed further the inflationary tendencies.

Increased military spending does not offer immediate surcease to our troubles. The current estimate is that \$23 billion will go out in 1958 for military material compared to \$16 billion in 1957. This is a tidy little sum, but even a \$7 billion increase will not balance the drop in wage and salary income, capital spending, export declines.

The dismal figures add up to the worst postwar recession. It has already gone beyond the 1953 decline, and while, statistically, unemployment was possibly equalled percentage-wise in the worst month of the 1950 downturn, the current recession is already more serious in view of the across-the-board slump of all major indices, with the end not in sight.

Here we come to the second hoax in the grand con game of taking the American people. Let us all recall: Not only were built-in stabilizers supposed to have been accurately engineered to prevent a downward plunge, but we were kidded along that we had a whole corps of distinguished gentlemen down in Washington ceaselessly studying charts and graphs and poring over figures, who, the minute they saw the economy slipping, would put into action their ready portfolio of public work projects in order to redress the imbalance. Now comes the payoff! The economy has been working downwards for better than seven months—and there are no white-suited economic doctors, there is no portfolio of planned public works, and the built-in stabilizers are no more than what some of us have been claiming all along: simply cushions to ease the fall. What are we to say of government spokesmen, how are we to look at newspaper publishers and editors, how much respect can we have for the official oracles of social science, when these, our so-called intellectual leaders, who are supposed to enlighten and guide the public, have beclouded the real issues and set out to confuse and deceive us? That some have done it deliberately and cold-bloodedly, while others were as much victims as practitioners of deception, we take for granted. But the total picture indicates a terrible vacuum of intellectual leadership on one of the

dominant questions affecting our life and welfare.

UP to now, Eisenhower hasn't done much about it all except to hope, like Micawber, that something would turn up. The Democrats have been more impressive in pointing accusing fingers at the administration than in their own accomplishments. Ameliorative government action hasn't amounted to much thus far. But don't let's jump to any conclusion that we are in for another round of Hooverism. We might very well be if our President and his Vermont factotum were left to their own devices. But there are other considerations in the America of the fifties besides the predilections of these two lovable characters; to mention but three: there is the contest with Russia, a country which is plowing right ahead in its phenomenal growth; there is a strong labor movement which will not tolerate a bankers' deflation; there is a population trained in the belief that government has the responsibility to assure social security to its citizens. These guarantee, with the decline continuing, the passage of some New Deal-type legislation.

Congress has just adopted a \$1,850,000,000 emergency housing bill which is supposed to stimulate building and employment through government purchase of FHA and veterans' mortgages. Naturally, an amendment was tagged on to increase investors' interest rates and abolish discount rate controls. "A billion-dollar bounty for money lenders," Senator Monroney called it. The one sure-fire, built-in provision this system does have is that whenever any money is being handed out for the relief of the needy and poor, the speculators and money-changers will get a larger cut of the take.

A law to extend unemployment benefits is in the works. Many of the jobless are already exhausting their benefits; in December, 111,000; in January, 147,000. The AFL-CIO is backing the Kennedy-McCarthy bill which calls for an addition of 16 weeks to make a maximum of 39 weeks and payments up to \$40 a week. Eisenhower is trying to head off this measure with a stingy proposal to continue benefits up to 13 weeks beyond the present state arrangement and to increase Federal payments

to the unemployed on a temporary basis only.

On reducing taxes, there has been a lot of hemming and hawing, but nothing concrete has come of it and both Republican and Democratic Congressional leaders have a gentleman's agreement not to make any moves without consulting each other. The AFL-CIO leaders are calling for a \$100 increase in the basic \$600 exemption on personal income taxes and stand-by authority for the President to declare a 90-day tax moratorium. *Business Week* thinks that a sizable tax cut is inevitable as it will take at least \$5 billion additional in consumers' hands to turn the tide.

LEON KEYSERLING evaluates our difficulties from a more fundamental standpoint in an important communication to the *New Republic*. He shows that our growth has slowed down from a 4.7 percent annual average (1947-53) to 2.7 percent from 1953 to 1957, and to less than 1 percent from 1956 to 1957. Consumer incomes showed up even more unfavorably, which explains the excessive expansion of credit to bolster even the deficient rate of growth. He estimates that within a year or so from now, we will actually need in the neighborhood of a \$50 billion growth in total output if we are to have reasonably full use of our resources.

*Measured against these magnitudes, neither the \$4-5 billion tax reduction proposed by Senator Douglas (which in general seems to me to be in the right direction), nor an increase by itself of the same amount in federal spending (which is the minimum increase in such expenditures that we need), would alone be sufficient to restore and maintain reasonably full employment and full production. We need action along both of these lines. We also need great readjustments in price-wage-profit and consumption-investment relationships; but to recreate a suitable environment for these, we need government action first.*

The "Put America Back to Work" rally of the AFL-CIO didn't adopt any program as radical as proposed by this

liberal economist, but the leaders worked out an adequate minimum program whose main planks called for tax cuts, raising of unemployment benefits, and public works. There are still too many habits and hangovers from the easy-going boom days. With 5 million on the streets, the times call for going beyond the so-called labor statesmanship which consists of button-holing legislators at bars or in hotel lobbies and, as supplicants, begging support for needed legislation. Mass pressure, which did so much to build the CIO and to nail down the best accomplishments of the New Deal, is very much in order again.

### ***Disarmament and the AEC***

ON the Cold War front, many correspondents think that an inevitable drift is underway toward a summit conference, and there is some gossip that Dulles is due to alter his stand and agree to a suspension of nuclear weapons tests. But these are strictly emanations of the keyhole school of journalists. Nothing has happened yet except for Washington's contortions, antics and jockeying for position. There is obviously no immediate possibility for agreements on Germany, the Middle East, disarmament, or even the Rapacki plan for disengagement in Central Europe. What the Russians apparently think they can drive through right now is a suspension of nuclear tests to achieve a relaxation of tension similar to what was done at Geneva in 1955.

Dulles is continuing to hang tough, but according to the *N. Y. Times*, "The feeling is that in the balance between these forces for and against a summit meeting, the decisive factor will be the world-wide pressure for East-West talks."

Stassen's getting booted out of the administration apparently involved more of a clear-cut policy conflict than we had at first believed. It was a case with us of not wanting to give this cheap and obvious careerist the credit that is his due. But since his dismissal, Stassen's press articles, his testimony before the Senate Disarmament Subcommittee, and the speech in Minneapolis of his former aide, Robert E. Matteson, make it abundantly clear that behind the closed doors of the National Security Council two basic approaches in

foreign policy were debated. According to Matteson, Stassen represented a "relaxation of tension" policy based on the premise that Russia had to be accepted as an "equal power," whereas Dulles stood for an "increased pressure" policy which believes that it can "pressure the Soviet system into a collapse without a war." In any case, the record shows that Stassen was trying to seriously get started on disarmament by working out a suspension of nuclear tests, and no sooner did it appear as if he might negotiate an agreement with the Russians than Dulles went flying to London to scuttle the enterprise.

**N**OW that the Russians are putting on the squeeze again for a *detente* and a suspension of nuclear tests, the Atomic Energy Commission boys are out to do a job on the issue as they did last June. At that time, Admiral Strauss suddenly appeared at the White House with Dr. Teller and Dr. Lawrence to announce the possibility of an "absolutely clean" bomb with no fallout to injure civilians. The clean bomb propaganda doesn't set so well today. Dr. Teller and Dr. Libby, the acting

AEC chairman, again appear on the scene to suggest that nuclear tests can be successfully concealed. The attempt to bamboozle the American public has gone so far that last September's underground bomb test was originally reported by the AEC as not having been detected at more than 250 miles distance. After Hubert Humphrey's Senatorial subcommittee began questioning AEC officials, it turned out that the explosion had been recorded 2,300 miles away in Alaska, and newspaper correspondents cabled that the shock had been recorded in Rome. Stassen, in his appearance before the committee, summing up the scientific investigations of the government task force, stated flatly that an inspection system to detect nuclear explosions can be made "as certain as anything on earth can be certain."

Of course, all this doesn't alter the Dulles policy by one jot or tittle. Whether the State Department will eventually reverse itself at least on suspending nuclear tests depends on the pressures that are brought to bear. In England, the anti-war movement is taking on superb proportions and forc-

ing Labor Party officials to adopt more militant postures. In this country, unfortunately, the mass sentiment has not yet found expression in a mass movement, most labor leaders are still committed to the cold war, and demonstrative action has been confined to an occasional petition of individual prominent citizens, or the courageous forays of small groups of pacifists, the most recent being the projected voyage of the sloop, *Golden Rule*, into the test area in the Pacific.

Even though progress here has been agonizingly slow, we are confident that the British experience is due for duplication as time goes on, because the Dulles policy is untenable and cannot be indefinitely maintained. It lacks correspondence not only to the deepest interests of the American people, but to the power realities and capacities of American capitalism, as well. As our alliances begin to disintegrate, as more neutral powers turn against us, and as our safety and security appear growingly imperiled rather than consolidated, an effective opposition to the cold war strategy will make itself felt in the political market place.

### *The Work Our Press Should Be Doing*

**C**HALK up another for *I. F. Stone* and his doughty *Weekly!*

When the Atomic Energy Commission got caught in its recent falsehood on nuclear testing, press reports didn't give him the credit he deserved. But it looks to us possible that he was the "unnamed reporter" who was mentioned in one dispatch as breathing heavily down the AEC's embarrassed neck when it was forced to give up the ghost on its innocent little white lie.

When the AEC released, on March 6, its first official account of last September's underground nuclear shot, it claimed that the seismological station at Los Angeles, 250 miles away, was the furthest distance at which the explosion was recorded. The bearing on present negotiations with the Russians is obvious: How can tests be banned if they can't even be detected? Stone tells the rest of the story in his issue of March 17:

"If that . . . statement was true, then Harold Stassen had seriously misinformed the Humphrey subcommittee the preceding Friday. For in his testimony . . . Mr. Stassen said 'that very small nuclear shot that was put out underground in last year's test was recorded in every seismic instrument within a thousand miles.' If the AEC was right, Mr. Stassen was also wrong in asserting that inspection stations at 500 mile intervals could detect secret underground tests.

"On Friday morning I phoned the AEC press office to ask how it reconciled that 250 mile claim with dispatches carried by the *New York Times* from Toronto and Rome reporting that seismic stations in those cities had picked up the Nevada explosion. I was promised an answer later.

"In the meantime, in the Coast and Geodetic Survey at the Commerce Department, I was told that U.S. government seismologists doubted the Rome and Toronto claims. I was told that the Nevada underground test was, however, detected as far away as Fairbanks, Alaska, about 2300 miles north and

at Fayetteville, Ark., about 1240 miles east. Coast and Geodetic seemed to be unaware of the AEC release. When told that their records conflicted with the AEC claim, officials would not discuss the matter. But shortly afterward the AEC press office phoned to say 'there certainly were seismic signals at greater distances' than 250 miles, that Coast and Geodetic claimed to have picked up the test in Alaska, that perhaps misunderstanding had been created because the AEC release spoke of 'shocks' rather than seismic signals but that I would be given a definite answer Monday.

"While waiting for the AEC's answer on Monday, I got a list of 19 seismic stations in the United States and Canada more than 250 miles from the Nevada test site which are definitely known to have recorded that underground test. Armed with this, I set out to get the reply promised by AEC.

"At the AEC there was reluctance to issue a correction. At one time during the day it was proposed only to drop the final sentence quoted above, 'This was the maximum distance at which the shock was recorded.' But this would still have left the impression that Los Angeles, 250 miles away, was the furthest point of record. With public hearings soon to be held by the Humphrey disarmament subcommittee on nuclear testing and its detection, there was danger this deceptive release might be investigated.

"Finally, late in the afternoon, the AEC issued a 'note to editors and correspondents' asking them to 'delete the last two sentences of the second paragraph on page 6' of the March 6 release and to substitute the following sentence: 'Seismological stations of the U.S. Coast and Geodetic Survey as far away as College (near Fairbanks) Alaska, about 2,320 miles from the shot mesa recorded the earth waves.' That was all.

"This vague bulletin attracted little attention. Tuesday's papers carried no mention of it. But Wednesday, at my press time, when these final lines were revised, the news of the correction finally hit the papers, thanks to a press release given out by Senator Humphrey calling attention to it."

# Can We Cure Depressions?

A Debate Between

Abba P. Lerner and Harry Braverman

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*Dr. Abba P. Lerner, who participates in this debate with Harry Braverman, is Professor of Economics at Roosevelt University, Chicago, currently visiting professor of Political Economy at Johns Hopkins University, Baltimore, the author of "Economics of Control," "Economics of Employment," and other widely read studies in Keynesian economics. The text is condensed and amended by both participants from the transcript of a debate in Baltimore last December.*

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## Harry Braverman:

I'VE had a number of discussions and debates on this subject in recent weeks and months, a couple of times in churches, like this one. I don't know whether I'm expected to analyze the economy or pray for it.

It's pretty widely agreed that there is an instability in a capitalist economy. That wasn't something that was agreed upon twenty-five years ago. At that time, most economists went on the theory that there couldn't be a serious and prolonged depression, as the economy was guided by some kind of "invisible hand," a set of laws which saw to it that things turned out right. With the Great Crash of 1929, that point of view was pretty decisively repudiated. So I don't believe Dr. Lerner and I will have a lot of argument about that point.

Now, I'll state why I think the economy tends to get out of whack. The very dynamics of the capitalist system when it's in a period of boom, the drive to produce an ever larger amount with less and less labor per unit of production, alters the proportions of the parts of the economy to each other. There is a tendency to expand production and capacity as though the sky were the limit, while on the other side expanding consumption and purchasing power in a relatively limited way. That disproportion leads to a bust in the boom. That's been the history of every big upswing in the business cycle up to now, and I believe that that's the tendency in the economy at the present time.

The government spent during the war some \$180 billion more than it took in in taxes, giving a terrific stimulus to the economy by throwing in purchasing power that wouldn't otherwise have been there. Then consumer credit in the eight years following the war added another \$200 billion, this time in private indebtedness. In the decade and a half after 1940, some \$400 billion of additional debt was piled up in this country that hasn't been repaid. I know we've all gotten badly jaded by many of the astronomical figures, but if you stop to think what \$400 billion

dollars of credit buying means, you can quickly see that, measured against our average national income during that same period, it represents roughly an additional year's purchasing power for every ten; within ten years, there was about eleven years of buying, by borrowing ahead on future income.

If you see this picture clearly, you must realize how lame our formerly self-reliant capitalism is getting, and the kind of props it needs. The question also arises whether this kind of a credit splurge can be repeated every 15 years. Even if the government could repeat, the consumer cannot add much more to his credit load.

That is what I think is a chief defect in Dr. Lerner's theory of functional finance. Perhaps I should leave this to Dr. Lerner to explain, as he is the originator of the theory, but it's necessary for my presentation to say a few words about it. The thought is that a national debt is a useful proposition. In times of depression, the government should spend what it hasn't got, or in other words borrow. Business gets an impetus to pick up. Then when you have a major boom going on, the government can repay some of its indebtedness, and in that way it will prevent the boom from getting too exuberant. In theory, the valleys and peaks of the business cycle get leveled off somewhat. That, at any rate, was the hope.

WELL, if symmetry is a virtue in a theory, this is one that has great beauty. But the symmetry has not been displayed in real life. Instead of being able to pay off a good part of our indebtedness during the boom, even in this time of prosperity after the war, the government had to pile up another \$30 billion dollars of debt. Now what that means to me, is that the mechanism which Dr. Lerner or other followers of John Maynard Keynes speak of does tend to work if it is applied in massive enough doses, *but these economists have underestimated the downward trend of the capitalist economy.* The way their theory actually worked out in practice has required continual spending—for armaments, as we all know—to keep the boom going.

This big flow of government and consumer spending set off an investment boom—which has been historically the last stage in all our major upswings. There was a great stimulus to investment in new plant and equipment. Because the whole effort is, quite naturally, to turn out more with less labor, there was no comparable stimulus to consuming power. Consumption has been growing at a slow and leveling-off rate, and has begun to decline recently. Over the last year or two, Leon Keyserling calculated, expansion of plant and equipment was about eight times as fast as the increase of consuming power.

This jibes with the theory I presented at the start. The McGraw-Hill Department of Economics has done some surveys of this and come up with startling results. Where, in the first six, seven years after the war, the economy was running at well over 90 percent of capacity—with the exception only of the slump year of 1949—the economy was operating at 82 percent of capacity in 1953, 81 percent in 1954, 84 percent in 1955 (our top boom year), 80 percent in 1956 and at the end of 1957. They revised these figures somewhat upwards later, but the revisions were just a point or two.

As distinguished from the twenties, there are certain stabilizers in the economy, cushions to consumer income. Economists, government officials, businessmen have some confidence in these shock absorbers to *slow* a decline, but they don't expect them to *prevent* a decline. These stabilizers have one important feature in common, that they have less effect the deeper a recession gets and the longer it goes on.

A major argument of the "new economists" is that they today know a great deal more than we used to. They know how income and investment ought to be shifted, how the different forces in the economy ought to be balanced to prevent or cure a depression. Admittedly, if you have the power to shift anything in the economy any way wanted, you can readjust the proportions to get it working again. That all goes on the assumption that the only thing we were lacking in the past was knowledge. But can anyone tell me of a capitalist country where disinterested political scientists are running the government, and economists are running the economy? The major decisions in our economy are still being made in the same old way: *by the self-interest calculations of private firms*. Politics and economics encompass fierce struggles between contending interests. That is why it is foolish to predict an end to depressions because of the growth in economic knowledge.

The subtitle for this debate is: "Can America Avoid Depression and Maintain Free Enterprise?" and I'll answer that question this way: First I would alter the question to read "capitalism," or "private enterprise," as we don't have any such thing as the free enterprise this country used to know a century or more ago. It's a highly trustified, cartelized, monopolized economy. With that correction, I would answer to the question that, in the long run, we cannot maintain capitalism and enjoy prosperity.

That is the conclusion that emerges no matter from what angle you choose to view the technical-economic debate. Look at the experience of the last twenty-five years: We went into the deepest depression in our history, we finally climbed out of it, not by any ordinary government intervention, not by welfare spending, but when the big military spending started. We wound up then with a gov-



ernment sector of the economy amounting to some 20 percent of the total—mostly tied to the military. Now, how many more depressions or recessions can we climb out of that way and still maintain a capitalist system? Mind you, I'm not saying that's the way this country will get socialism—I doubt it very much, but that's another discussion. But I am saying that even this method of curing depression is one that bodes ill for the future of capitalism. So even the Keynesian theory, when tested against the experience of the past quarter century, tends to show that capitalism is not a viable or desirable proposition for the people of this country.

## Abba P. Lerner:

I WANT to thank Mr. Braverman for a very pleasant, polite, patient, and clear discussion, with about nine-tenths of which I find myself in agreement. But unfortunately the one-tenth with which I find myself in disagreement rather spoils what comes out at the end.

The essential part of Mr. Braverman's argument is that there is "an inherent instability." That's a very nice-sounding word, but I think we ought to try to look at it a little more closely and deal with it in more ordinary language. Economists used to believe that it isn't necessary to have any policy to prevent depressions; that they will cure themselves. But it is no longer believed, as Mr. Braverman clearly pointed out, that depressions can't happen—that an "invisible hand" looks after these things. The "invisible hand" doesn't prevent depressions and we need to have a policy.

The essentials of this policy are very simple. If depressions are caused by people not spending enough money—and this is the only kind of depression which we have discussed so far—the cure is to see to it that enough money is spent. The government can always do that by spending money itself. It's no use telling me, or Mr. Braverman, to spend more money because we haven't got the money to spend. And we are not in the position of printing more money to spend because if we do they'll put us in jail. But the government can print as much money as it likes—nobody can put the government in jail—and so the government can provide all the money that is necessary to keep people spending, and if the government wants to do that, nobody can stop it. Such a policy is "functional finance."

Mr. Braverman correctly described functional finance as a policy by which the government undertakes action to maintain spending at the required level, but he imposed a limitation which I never recognized. It is therefore, I'm afraid, necessary for me to give Mr. Braverman a further lesson on functional finance. The essential point about functional finance is that the *only* judgment as to whether the government should or shouldn't provide more money is: how it works—how it functions. If more money is needed to maintain full employment, why then it should provide more, and if not, then it shouldn't, and if a reduction in money spending is required to prevent inflation then there should be a reduction.

Actually a lot of people have made exactly the same mistake as Mr. Braverman though they didn't call it functional

finance and did not attribute it to me. The Swedish economists in particular made the same mistake when they went part of the way towards functional finance. They very properly said: The idea of balancing the budget every year is not a very sensible one. Why should the necessity of the government to encourage and discourage spending just balance out in the 365¼ days that it takes the earth to go round the sun? Spending is a matter of economics, not of astronomy. And indeed 365¼ days is no more relevant than the ninety minutes it takes the sputnik to go around the earth. Nobody thus far has been suggesting that we balance our budget every ninety minutes, nor should we balance it every year. But the Swedes slipped when they said: "Maybe it should be balanced every ten years." And they had long-term budgets. This is just like Mr. Braverman's "limitations." However they soon realized that ten years made no more sense than one year, and so they wiggled themselves out of the error in a very complicated way. They spoke about having a "cyclical budget," and a "capital budget," and other kinds of budgets; then they had a lot of footnotes saying that if necessary, something else can be done—which means they didn't really believe in any of these budget balancings but just left them in for window-dressing so that people like Mr. Braverman who felt strongly the budget should be some way, some how, or sometime brought into balance, shouldn't feel too bad about it.

**F**UNCTIONAL finance says clearly that there are no such limits, and that is why all of the argument Mr. Braverman made here just disappears. There is no reason why the government should stop spending short of achieving and maintaining full employment. I once wrote an article, called "Functional Finance and the Federal Debt," on what happens if the government keeps on increasing federal debt. Will the debt grow so big that it would destroy the economy? It wouldn't because in the first place we owe the debt to ourselves, not to any other nation. If we owed the debt to the Germans or to the Japanese the payments on its interest and principal could ruin us. But since we owe it to ourselves we also get the payments, and so we are not impoverished. We can still consume all that we produce and that's what really matters; as long as we can produce a great deal, we're all right.

In the second place the debt will not grow indefinitely. Supposing the government found there wasn't enough spending—people didn't invest enough or consume enough—and so the government had to provide some more spending. Then either the national debt would increase, or the volume of money would increase, or more probably both would increase. As the amount of money in the economy grew larger and larger, the public would have more and more money in their pockets. As the amount of debt grew larger and larger, the public would own more U.S. bonds and government debt certificates. These people look at their bankbooks and debt certificates and they feel rich. As the growth goes on, they feel richer and richer, and they can afford to spend more. And since they spend more, they fill the gap in spending and it isn't necessary for the government to come in. So the debt

automatically stops growing when people have become sufficiently rich in cash and in government debt certificates. If this is overdone and causes *too much* spending, then you apply functional finance in reverse, create a budget surplus and pay off some of the debt. But there is no need to get to that point, because the government doesn't need to keep on increasing spending if people are spending enough. So there is no need to worry about the difficulty or danger of debt growth.

There's only one more point which I think is important here, and that is the last point that was made by Mr. Braverman; namely: Even if the economists know what ought to be done, will the government do it? If the government doesn't, then all this knowledge, I agree, is of no use. However, I think the government is extremely interested in doing it, because—one peculiar thing about governments—they like to be re-elected. And no government is going to be re-elected if it has a depression. You can find much better reasons why we shouldn't have depressions: People shouldn't be out of work and hungry; a depression would make more people believe that the Russian system is better than the American system. But even if our politicians didn't care about the people, and didn't care about America and Russia, they still care about being re-elected, and so they will do whatever they can to stop a depression. Even politicians who are worried about an unbalanced budget and who think functional finance is wicked, find themselves pressured into deficits, because, if there is unemployment, not only the politicians and the economists, but everybody, almost, in America knows, that the government can provide jobs by spending money—they've seen it happen.

When the war broke out, as Mr. Braverman pointed out, in spite of the New Deal, in spite of Keynes, we still had many millions of people unemployed, because, when Keynes said you should spend \$30 billion, the government said, \$30 billion is too much, let's try \$3 billion, and so we got some reduction in unemployment, but we didn't effect a cure. And then the war came, and the government spent \$30 billion and \$50 billion and \$100 billion, and everybody saw what happened. Everybody was working; we were able to produce all the goods we wanted, we were able to maintain our standards of living and still produce all the airplanes and armaments and guns for ourselves, for our allies, for Russia, because we were spending enough money. Having seen this happen the public knows that government spending can prevent depression and governments cannot avoid their responsibility for providing enough spending and still be re-elected. I am confident we are not going to have a bust; mainly because I have great confidence in the eagerness of politicians to be re-elected.

### Rebuttal by Braverman:

**I** WANT to speak about the point Dr. Lerner raised in his presentation: We had, he explains, unlimited government military spending—why not expect unlimited welfare spending? Welfare spending on this scale is entirely different from military spending. Welfare spending implies a rearrangement of wealth, a reapportionment of



the flow of income in the economy. Now there is a tremendous political opposition, thus far overwhelming, to this. It has never been done on the scale required to pull a country out of a depression. Roosevelt's welfare spending was so inadequate that it barely scratched the surface—and his spending in the late thirties was considered outrageously high and aroused political opposition that proved insuperable. And things aren't getting any better in that regard; they are getting worse. The New Deal atmosphere has largely disappeared and right now the major reliance is distinctly on Pentagon spending to fight a downturn.

The staggering national debt also presents a problem which can't be waved aside. It's true that the national debt doesn't impoverish us as a nation. We owe it to ourselves. But that's too simple. I don't owe the money to myself. You don't owe the money to yourself. One group of American citizens owes it to another group of American citizens, which considerably changes the picture. All the Americans owe it, in our capacity as taxpayers. But a relatively limited group of people owns the national debt. Only some 60-70 billions of dollars of the national debt are owned by individuals; the other 200 billion dollars are owned by large financial institutions. Dr. Lerner is a persuasive economist, but if he spoke with the tongue of Cicero he could not convince the lenders of money to loan it to the government without interest. So there is interest due on this national debt. It's collected from all of us by taxation, and paid to a limited few. How much is it? Well, this year it's going to run about \$8 billion dollars. That's over two percent of our national income. That means that the national debt has become a great engine for siphoning income from the whole population into the hands of a small part of it. It acts directly against the distribution of income to the consuming end of the scale. The very instrument favored by Keynesians thus helps defeat their purposes. A growing national debt would intensify this effect and add to the problem.

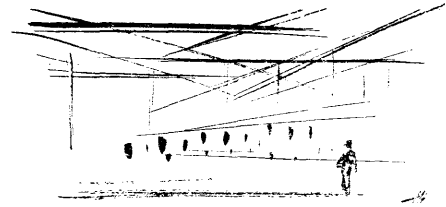
Now let me add that I am not so worried by our national debt as Dr. Lerner seems to think. But the chief point here, as explained in my presentation, is that the ever-greater use of this crutch illustrates the progressive enfeeblement of the system since 1929, even in those times when it shows off a surface glow of good health. If functional finance must be applied so massively and repeatedly, and always on the debit side of the ledger, and mainly, moreover, for arms and not for welfare, we are living in an economy that is in very bad trouble.

Finally, I would say that, as a long-range proposition, the notion of indefinitely spending without limit or restraint is bound to raise inflationary pressures and weaken the government credit structure. I don't know those limits any better than any one else, but I would question an attitude that sees none at all. After all, capitalist countries have suffered ruinous inflations, and can again.

## Rebuttal by Lerner:

I AM frequently accused of making things simple. That is true; it is my chief occupation. Take the question raised by Mr. Braverman just now on the national debt. It is true as Mr. Braverman points out that we don't

each of us owe the national debt to ourselves personally; we all owe the debt together through the government, and the government owes the debt to the people who have the bonds. Then he went on to show only one side; namely, everybody pays taxes to pay the interest on the debt but



it is paid mostly to the rich. But we mustn't forget that someone who doesn't own many government bonds also doesn't pay very much in taxes. Mr. Rockefeller owns much in government bonds, he also pays much more taxes. He doesn't only pay more, he pays a much higher percentage. Our tax system takes a much larger share from the richer, having the effect of making the rich much less wealthy than they ever were. The percentage of wealth which belongs to the top one percent or the top five percent has been diminishing because of these same taxes of which Mr. Braverman showed you only one side. As a result of this there has been a diminution in the inequality. Now some people call a greater movement toward equality "socialism." I think it is one of the chief attractions of socialism to do away with great inequalities, and to that extent America has become more socialist, so that America is much more socialist than, say, Russia.

## Closing Rebuttal by Braverman:

DR. Lerner's final point is that there is going on a redistribution of wealth, with the incomes of the rich becoming a lesser proportion of the national income. I don't believe that. We have had, of recent years, because of the higher rates of personal income taxes, a far smaller proportion of corporate profits paid out to the stockholders. If they get the money as dividends, they have to pay a far bigger rate on that income than if they keep that money in the corporations and some day sell the stock, when they would have to pay taxes at the far smaller capital-gains rate. So, most of our corporate wealthy have been getting richer chiefly in terms of the increasing richness of their holdings in the corporations, rather than in higher dividend payments. I think that is the basic factor, among others, that has distorted many of our recent income figures.

Thus, if you interpret the flow of income as a division between labor income on the one side and corporate income on the other, you find that the split of genuine income in this country has not changed more than a percent or two in the past thirty years. Recent calculations by one Department of Commerce economist work out to that very conclusion. And since it is the division of income between those who spend and those who invest which really counts—that's what we have been discussing here tonight—I don't see that there has been an income shift that can prevent depressions.

To give everyone a fair chance of taking an interest in public affairs, and a fair chance, too, of making his weight felt—that would be democracy. And no society can remain democratic unless a good share of its citizens take an interest in the job of keeping it that way.

# My Idea of Democracy

by G. D. H. Cole

**S**Ocial institutions have two, and only two, legitimate purposes—to ensure to men the supply of the material means of good living, and to give men the fullest possible scope for creative activity. It is conceivable that these two purposes may clash; for example, if higher production requires from men a subordination to routine processes which leaves no room for the sense of creative freedom. Where such clashes do arise, compromises have to be made. Men have to choose between their desire as consumers for a higher standard of material living and their desire as producers for a less irksome way of life. The best set of social institutions is that which finds the best compromise available under the prevailing conditions.

Who, then, is to settle what is best? Who, but the whole people, who must endure for good or ill the consequences of the decision? If the good life is a blend of satisfactions achieved from consumption and satisfactions achieved from successful creation, the only answer I find tolerable is that men themselves must decide collectively what blending of these elements they like best.

I am thus led to a belief in democracy by two routes. I believe in democracy because I believe that every citizen has a right to play a part in deciding how society can best be organized in the cause of human happiness, and also because democracy is itself one of the fundamental exercises of free creative activity. It follows that I mean by democracy not merely the right of a majority to have its way, but an arrangement of public affairs which is designed to give every man and woman the best possible chance of finding out what they really want, of persuading others to accept their point of view, and of playing an active part in the working of a system thus responsive to

*This timely essay was written by Britain's foremost labor and socialist historian during World War II, and is reprinted, in slightly abbreviated form, with the permission of the author.*

their needs. Not that, under any system, most people will take a continuous active interest in public affairs; not at all. But everyone ought to have a fair chance of taking an interest in them and of carrying some weight if he does take an interest. This too I am sure about—that a society, whatever its formal structure, *cannot* be democratic unless a goodly number of men and women do take an interest in making and keeping it so.

**T**HAT is my idea of democracy. It involves many other things—free speech, freedom of organization, freedom to develop the personality in diverse ways. It cannot mean any of these things without limit—for society in itself implies limits—but it means that the limits must be very wide. My idea of democracy excludes a regimented society, an indoctrinated society, a society in which men are not allowed to organize freely for all sorts of purposes without any interference by the police, a society in which it is supposed to be a virtue for everybody to think like his neighbors. My idea of democracy excludes too much tidiness, too much order, too much having everything taped. I believe every good democrat is a bit of an anarchist when he's scratched.

Furthermore, my notion of democracy is that it involves a sense of comradeship, friendliness, brotherhood—call it what you like. I mean a warm sense—not a mere recognition, cold as a fish. I mean that democracy means loving your neighbors, or at any rate being ready to love them when you do not happen to dislike them too much—and even then, when they are in trouble, and come to you looking for help and sympathy. A democrat is someone who has a physical glow of sympathy and love for anyone who comes to him honestly, looking for help or sympathy: a man is not a democrat, however justly he may try to behave to his fellow-man, unless he feels like that. But—and here is the point—you cannot feel that glow about people—individual people, with capacities for doing and suffering—unless and until you get to know them personally. And you cannot know, personally, more than a quite small number of people.

That is why real democracies have either to be small, or to be broken up into small, human groups in which men and women can know and love one another. If human societies get too big, and are not broken up in that way, the human spirit goes out of them; and the spirit of democracy goes out too. What walks in instead is demagoguery—a very different thing. Men feel lonely in a great crowd unless there is someone to hustle them into herd activity. In their loneliness they follow the man with the loudest voice, or in these days, the loudest loud-speaker and the most efficient propagandist technique. They suck in mass-produced ideas as a substitute for having ideas of their own: they all shout in unison because they have no one to talk to quietly—no group to go about with, no little world of a few people in which they can count as individuals and work out lives of their own. You can have various kinds of society under these conditions. You can have Fascism, or you can have what the Fascists call plutodemocracy. You can even have Communism, of a perverted sort. But you cannot have democracy. For democracy means a society in which everyone has a chance

to count as an individual, and to do something that is distinctively his own.

**R**OUSSEAU, knowing all this, thought that democracy could exist only in small states. The revolutionary philosophers who followed him thought they had solved the problem of having democracy in large states by the simple device of representation, whereby one man could represent and stand for many men in public affairs. But one man cannot stand for many men, or for anybody except himself. That was where the nineteenth-century democrats went wrong, mistaking parliamentarism and representative local government for adequate instruments of democracy, which they plainly are not. If you think they are, ask the man in the street—any ordinary man who will tell you he is not much of a politician—what he thinks. He does not think Parliament is democratic—even when it is elected by all the people—not a bit of it; and he is right. One man cannot really represent another—that's flat. The odd thing is that anyone should ever have supposed he could.

Of course, knowing your neighbors as real persons is not of itself democracy, any more than a steel ingot is a battleship, or even part of one. But this sort of knowing is part of the material out of which democracy has to be built. You cannot build democracy without it. That is what has gone wrong with our modern democratic societies. All the time we have been broadening the franchise, and increasing educational opportunities, and developing the social services, and all the rest of it, we have been letting the very essence of democracy get squeezed out by the mere growth in the scale of political organization. It is even true that each successive widening of the franchise has made our system less really democratic, by making the relation between electors and elected more and more unreal.

Men, being men, do not lie down quite tamely under this deprivation of democracy. They keep what they can

of it by making, within the great societies, little societies of their own. They form little social groups of friends, or of persons drawn together by a common friendliness—*clubs des sans-club*. They organize for all sorts of purposes—recreative, instructive, reformatory, revolutionary, religious, economic, or simply social—in associations and groups of all sizes. But when these groups get big the same nemesis overtakes them as overtakes the political machine. Their natural democracy evaporates and bureaucracy steps into its place. You can see this happening to the trade unions, which are a great deal less democratic when they have grown into huge national associations than they were when they were simply little local trade clubs meeting in an inn or a coffee-house, so that each member knew each other personally.

**S**UCH little groups exist still—any number of them. But the growth in the scale of living drives them out of public influence. There are fewer and fewer important jobs for them to do, except in the purely social sphere. There they remain immensely important, rescuing countless souls from the torment of loneliness and despair. But they do not, in rescuing these souls, play any part in the more public affairs of society. They do not affect political or economic policies, or give any democratic character to men's behavior in their collective concerns. As a consequence, men's public and private lives slip further and further apart; and not only artists and other exceptional people, but quite ordinary men and women too, get to despising politics in their hearts, and to saying openly that politics are a rotten game, and thinking of politics as something it will not help them to bother their heads about: so they had better not. Politics for the politicians! That is the last corruption of a democracy that has knocked the foundations from under its own feet.

In such a society, politics is apt to be a rotten game. It is bound to be; for it has no roots in the real lives of the people. It easily comes to be either a vast make-believe or, behind its pretenses, largely a sordid squabble of vested interests. In terms of vital ideas, or of common living to the glory of God, or of the City, or of the spirit of man, it loses much of its meaning. That is why, in our own day, so many political structures purporting to rest on democratic foundations have shown neither imagination to create the means to the good life nor power to defend themselves against any vital new force, good or evil, that challenges their supremacy.

Fortunately, there are in the countries which live under parliamentary institutions other elements of democracy which are not so defenseless. The real democracy that does exist in Great Britain, for example, is to be found for the most part not in Parliament or in the institutions of local government, but in the smaller groups, formal or informal, in which men and women join together out of decent fellowship or for the pursuit of a common social purpose—societies, clubs, churches, and not least, informal neighborhood groups. It is in these fellowships, and in the capacity to form them swiftly under the pressure of immediate needs, that the real spirit of democracy resides. It was by virtue of this capacity that the workers in the factories responded so remarkably in 1940 to the urgent



need that followed upon the fall of France, and that, a few months later, the whole people of many great cities found courage to resist the impact of intensive air bombardment. The tradition of British democracy, which goes back above all to seventeenth-century Puritanism, reasserted itself strongly in spite of the immensely powerful forces which have been sapping its foundations in recent years.

**O**PPPOSITION and persecution are great levelers, and therefore great teachers of democracy. Success and recognition, on the other hand, are very apt to kill the democratic spirit. This is not only because, having won something, men grow less enthusiastic for what remains to be won. It is even more because success and recognition enlarge the scale of organization, cause it to become more centralized, and diminish the importance of local leadership, local initiative, and the individual contribution of every member. Every large organization that is able to administer its affairs openly without let or hindrance develops bureaucratic tendencies. It becomes officialized—even official-ridden: its rank and file members come to feel less responsibility for its doings. The spirit of sacrifice and of brotherhood grows weaker in it. Its tasks come to be regarded as falling upon those who are paid for doing them: the duty of the member comes to be regarded as one mainly of acquiescence in the official decisions. In a persecuted body, on the other hand, and to a great extent in one which is prevented by any cause from becoming centralized, each member is under a continual pressure to be up and doing. There must be, in every group, close and constant consultation upon policy, a constant sharing-out of tasks, a constant willingness to help one another—or, in other words, the spirit of democracy must be continually evoked.

Does this mean that democracy is, in sober truth, only a by-product of persecution and intolerance? These evil forces have, there can be no doubt, been vastly important in creating the democratic spirit. It is to be hoped they are at work, re-creating it to-day, all over Europe. But we need not conclude that democracies are always fated to perish in the hour of victory, unless we also conclude that it is beyond men's power to stand out against the forces which impel societies towards bureaucratic centralization. If indeed bureaucracy is the unavoidable accompaniment of all large-scale organization—I mean, bureaucracy as its dominant force and characteristic—the game is up. But need this be?

It will be, unless men are vigilantly on their guard against it. For both increasing population, with its accompaniment of increasing concentration in large groups, and the increasing scale of production make for bureaucracy. These forces destroy remorselessly the natural small units of earlier days—the village or little town, the group of workmates in a workshop or small factory, the personal acquaintance that crosses the barriers of class and calling. They convert the factory into a huge establishment in which it is impossible for everyone to know everyone else, the town into a huge agglomeration of strangers. They compel men to travel long distances to and from work, and therefore to scurry away from the factory as soon as

the day's work is done, without building up close social contacts with their fellow-workers. At the other end, they send men scurrying from home, which becomes more and more a dormitory rather than the center of a common life. The city develops its amusement zone, where strangers jostle; and if a man stays in his own place, the wireless ensures that a large part of his recreation shall isolate him from, instead of uniting him with, his neighbors.

**T**HERE are, superficially, many conveniences in the new ways of living. So many that we may take it for granted men will never willingly give them up. Indeed, why should they, when almost every one of them, taken by itself, is a gain? For the disadvantage lies not in the technical changes themselves, but in men's failure to square up to the new problems of successful living which they involve. The disadvantage is intangible, and not easily seen (though it is experienced) by the individual who is unused to taking general views. The man or woman who has less and less intimate knowledge of his neighbors, less and less intense participation in any small social group to which he feels an obligation, a less and less integrated and purposeful life, and less and less sense of responsibility for his fellows, does not, unless he is a bit of a philosopher, inquire why these things have happened. He may indeed be unconscious that they have happened, and conscious merely of a vague and unidentified emptiness in his way of living. But even so, if I am right in believing that the void is there, he will be very ready to respond to anyone who will offer him the means of filling it up.

He will respond, for good or for evil. He will be ready to join an anti-social "gang," if no one offers him anything else. He will respond to any mass propaganda that blares loudly enough at him with a message of comradeship. He will rally to Dr. Buchman, or to Sir Oswald Mosley, rather than not rally at all, when once he has become actually aware of his own *malaise*. He wants comrades, even if they be comrades in enmity against something to which he has, at bottom, no real objection. He wants comrades, and the society he lives in offers him only a scurrying loneliness among the scurrying hosts of strangers.

This desire for comradeship is the stuff out of which we must build democracy, if we are to build it at all. Build it and preserve it—that is what we must do. And this means that, in this age of hugeness, we must still find means of resting our society on a foundation of small groups, of giving these small groups a functional place in our society, of integrating them with the larger organizations which are indispensable for modern living, of encouraging a continual proliferation of new groups responding to developing needs, and, last but not least, of countering every tendency towards bureaucratization of this quintessential group life.

**H**OW can we rest a society as huge as ours on a secure foundation of small, intensively democratic groupings? This society of ours is based of necessity on large-scale production: it involves, at any rate for a long time to come, the existence of huge cities; and it is in need, in many respects, of even huger organization on a supra-national scale—for the prevention of war, for example,



and for the fuller development of international trade and exchange. We cannot turn our backs on these forces; we have to accept them because they are to-day as much a part of the given environment as sea and land, mountains and river-valleys, heat and cold, and all the other things which form part of our natural environment. The task before us is not analogous to that of draining the ocean; but it is analogous to that great victory of man which turned the ocean, heretofore a barrier, into a means of communication between land and land. We have to turn the very hugeness of the modern world into a means for the higher expression of the human spirit.

We cannot do this by changing man's stature; for man remains little, and is destined so to remain always. The Superman is a vain notion; and "Back to Methuselah" is another. Mark Twain once wrote that if it were possible to educate a flea up to the size of a man, that flea would be President of the United States. It is not possible to inflate humanity up to the size of the organizations it has made. But it is possible so to arrange our affairs that little men are not merely lost in a world too big and directionless for them to find their way.

Men's easiest ways of grouping are 'round the places they live in and the places they work in. These are two bases of natural human relationship which can be used as bases for democracy. Take the factory. It is not enough for factory workers to belong to a trade union, which will represent them in negotiations about wages, hours of labor, and general working conditions throughout their trade. The trade union, under modern conditions, is necessarily much too remote from their working lives. Even if it is broken up into branches, these seldom coincide with the personnel of a particular factory or workshop, and are as a rule much more concerned with matters of national policy than with immediate workshop affairs. Side by side with the trade union, and perhaps largely independent of it, there needs to be a workshop group, consisting of all the workers in a particular shop, irrespective of their trade or degree of skill. This group ought to have a recognized right of meeting on the factory premises, its own chosen leaders, and—here is the main point—a right to discuss and resolve upon anything under the sun, from the conduct of a particular manager or foreman to the policy of the national Cabinet, or anything else about which its members happen to feel strongly.

Observe that I say "workshop group," and not "factory group." In the case of small establishments, the factory may serve as a unit; but the large factory is much too big

to function as a primary neighborhood group, or to have in it the essential quality of basic democracy. The shop stewards' movement that grew up between 1915 and 1918 was feeling after just this basic democracy. But it always found the trade union bureaucracy against it, because it seemed to, and did stand for an alternative basis of social organization. It was truly democratic; and accordingly the bureaucrats were eager to knock it on the head. They did not object to shop stewards who kept to their "proper" functions—that is, acted merely as subordinate agents of the trade union machine. They objected strongly to a shop stewards' movement which laid claims to any independent initiative or showed signs of assuming a "political" character.

**C**ONSIDER now the places in which people live. Here in my mind's eye is a street of houses—or rather several streets. This one, a row of nineteenth-century working-class dwellings, all joined on, short of light and air and comfort and even of elementary requirements. This other, a street on a post-war housing estate, immensely superior in lay-out and amenity and capacity to afford the environmental conditions of healthy living. This, again, a street of shops, and this, not exactly a street, but a great block of flats housing more people than many streets.

What is odd about these places? The oddest thing, to my mind, is that the people who live in them, though they are neighbors with a multitude of common problems, hardly ever meet in conclave to consider these problems, and have in hardly any instance any sort of common organization. It is true that the shopkeepers may just possibly have some rudimentary association among themselves—but even that is unlikely. It is true that, here and there, struggles between landlords and householders have brought into being some sort of Tenants' League, for a narrow range of purposes. But in the vast majority of streets there is not even the shadow of a social unity, joining these people together on the basis of their common neighborhood.

A second thing, not so odd but well worth noting is that, of these bodies of street-dwellers, those who know one another best are pretty certain to be those who are living under the worst housing conditions. There is a comradeship of the street in a poor working-class quarter: there is usually much less on the model housing estate or in the model block of flats.

I am suggesting that there ought to be for every street, or little group of streets, for every block of flats, and, of course, for every village and hamlet, a regularly meeting, recognized, neighborhood group, with a right to discuss and resolve upon anything under the sun. I am not merely suggesting that this ought to happen: I say it ought to be made to happen. Every new group of streets we build ought to have its little Moot Hall for such assemblies of its people, ought to have its little center for their communal affairs. Personally, I think this Moot Hall should be also a communal restaurant and bakehouse, and a social club. I think it should include a place where children could amuse themselves, and be left in charge of somebody when their parents are away. I think, as we rebuild our cities, there should be open space round these centers—space for

games, for sitting about, for children's playing. I think we should make our Community Centers, not merely one to a big housing estate, but one to every street, or group of streets, of, say, a hundred or at most a few hundred households.

**B**UT to enlarge on all this would take me too far from my immediate purpose. Whether these other things are done or not done, I am sure there must be really active neighborhood groups in every street and village before we can call our country truly a democracy. One reason for this is that there is no other way of bringing the ordinary housewife right into politics without interfering with her duties as housewife and mother. Workshop organization may come first in the minds of the men and young women who work in factories: neighborhood groups are the key to the active citizenship of the wife and mother.

It is of no use to think that we can have these groups and confine their activities to the specific affairs of the little places to which they are directly attached. They must and will deal with these affairs, and they should be given a positive and assured status in dealing with them. But this is not their sole, or even their main, purpose. They are wanted most of all to serve as basic and natural units of democracy in a world ridden by large-scale organization. Their task is one of democratic education and awakening—of ensuring democratic vigilance through the length and breadth of the great society. Therefore they must be free, like the workshop Soviets, to discuss and resolve upon what they will.

But—I hear the bureaucrats and their friends objecting—but it is altogether a fallacy to suppose that the ordinary man wants, either at his workplace or in the neighborhood of his home, to be for ever talking politics. For proof that he does not, go into the pubs and see. Go into the Women's Institutes, the Community Centers, listen in tubes and trains and restaurants. Go where you will, and hear for yourself. It is not politics that interests the ordinary man. The nearest he got to politics even under war conditions was air raids; and that was not politics: it was sheer personal concern *plus* sporting interest.

Well, I know that. Most men and women are not deeply interested in politics because (a) they could not do anything much about them even if they were, given society as it now is; (b) politics are not interesting usually, until one has already some very strong reason for being interested in them, and a tolerably clear notion of what they ought to be about; (c) the politicians, or most of them, do not want most people to be interested, except at election times, and do not do anything to get them continuously interested; (d) the bureaucrats want most people *not* to be interested, and will do their best to stamp out any organization likely really to express the ordinary man's point of view; (e) the vested interests do not want to have ordinary people prying too closely into their various concerns; (f) it is simpler to govern a society when most people are not interested in its government, and no politician or bureaucrat quite knows whether the people, if it took to having a mind of its own, would agree with him or not. It is therefore safest to let sleeping dogs lie.

**N**EEED we wonder that ordinary men and women, under these conditions, are interested in politics only at rare moments when politics visibly and unmistakably come and make havoc of their lives? There has never been since the great days of Athens (save perhaps for a very brief while in Calvin's Geneva) a state, or even a city, whose rulers thought it part of every citizen's right and duty to take a continuous and active interest in political affairs.

I do not go so far as that. All I ask is that we should set out so to organize our new societies as to encourage every citizen to become politically conscious, and to believe in democracy as a precious possession of the people. And I assert that, in these days of huge States and huge-scale production, there is no way of doing this except by building upon a foundation of small neighborhood groups, territorial and economic, because such groups alone have in them the essential qualities of unmediated, direct democracy based on personal contact and discussion, and on close mutual knowledge and community of small-scale, immediate problems. That only is democracy's sure foundation: given that, we can, I believe, safely raise upon it what towering skyscrapers we please.

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*I*N our time, political speech and writing are largely the defense of the indefensible. Things like the continuance of British rule in India, the Russian purges and deportations, the dropping of the atom bombs on Japan, can indeed be defended, but only by arguments which are too brutal for most people to face, and which do not square with the professed aims of political parties. Thus political language has to consist largely of euphemism, question-begging and sheer cloudy vagueness. . . . The inflated style is itself a kind of euphemism. A mass of Latin words falls upon the facts like soft snow, blurring the outlines and covering up all the details. The great enemy of clear language is insincerity. When there is a gap between one's real and one's declared aims, one turns as it were instinctively to long words and exhausted idioms, like a cuttlefish squirting out ink.

—George Orwell

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Mr. Jerry W. Carter, Democratic National Committeeman of Tallahassee, Florida, called before the House Special Subcommittee on Legislative Oversight to testify about influence peddling in the awarding of a television channel, unburdened himself of the following observations:

On politics: "I've told the people of Florida repeatedly that I'm an ordinary cheap politician. The people I represent in Tallahassee can't afford an expensive one." Years ago, he had promised the voters to do just one thing: "I'll be there on payday." Four years later he was re-elected, he said, on the platform that he had kept his promise.

On travel: "I expect I was on an expense account of the state of Florida. I seldom pay my own way."

On the philosophy of ethics: "I regard all these gentlemen in the case as upright, honorable men, according to the standards we live up to at this day and time."

# Notebook of an Old-Timer

by George H. Shoaf



## Pioneers of Progress

**T**HIS is written in an attempt to acquaint young members of the present generation with some of the outstanding advocates of socialism who commanded public attention in this country following the turn of the century. As roving correspondent for the *Appeal to Reason*, famous socialist weekly with a circulation exceeded then only by the *Saturday Evening Post*, I had the opportunity to cultivate the acquaintance and become intimately associated with these individuals. Most of them were men and women of high intellectual attainment. Most of them were endowed with the soul of sincerity in their advocacy of the cause they espoused. All of them were influential factors in helping to build a movement which at one time polled approximately one million Socialist votes.

Conditions in the United States today are not as they were fifty and seventy years ago. Corporations had not become the all powerful trusts and combines able to formulate and dictate domestic and foreign policy. Thought control brought about through the medium of Wall Street-dominated press, had not then developed the tyranny which today holds millions of Americans enthralled. Imagine a publication like the *Appeal to Reason*, whose editor challenged the President of the United States to send him to jail for treason, permitted continuous passage through the mails. Yes, conditions have changed, and how!

One of the outstanding proponents of socialism in the Pacific Coast region forty-odd years ago was Dr. Robert Whitaker, fifty years a Baptist minister and head of the Los Angeles branch of the American Civil Liberties Union. British born but

American reared, Dr. Whitaker was also a pacifist after the manner of Jesus Christ. Consistent in his attitude, he opposed America's entry into the first World War, and for his opposition he was arrested and forced to spend six months in the Los Angeles city jail. Among Dr. Whitaker's admirers and friends were Scott Nearing, J. Stitt Wilson, mayor of Berkeley, Dr. Sydney Strong, Seattle Congregationalist minister and father of Anna Louise Strong, and a host of liberal and radical celebrities. Whenever Dr. Whitaker was advertised to speak, an overflow audience was assured.

He and his wife spent much time in my Los Angeles home. The greatest joy of my life occurred when he responded learnedly to questions I asked. His knowledge of history was encyclopedic. On the platform before an audience large or small he was graciously at home. He could make an audience laugh, cry, groan, or shout at will. And to think, this man with his marvelous brain, his wonderfully loving personality, at the time I knew him, was so devoid of this world's goods, aside from the little home he owned, that the only assured income on which he and his wife lived was a \$25 monthly pension from the Baptist Church. One day he and Scott Nearing, in my Los Angeles home, were discussing their respective incomes. Dr. Whitaker admitted he received \$25 a month from the Baptist Church. Whereupon Nearing exclaimed, "My, if I got that much a month, I would regard myself as economically secure!" Nearing evidently was getting by on the collections taken in his speaking engagements.

Following an address he deliv-

ered to a crowded audience in the San Francisco Municipal Auditorium many years ago, Dr. Whitaker, weakened by incipient tuberculosis, retired with his wife to his Los Gatos, California, home where he died. Although I am agnostic respecting religion. I have often thought if there are saints and sinners, the one personality I would worship as a saint was Dr. Robert Whitaker. I do not believe he ever entertained a selfish or sinful thought in his life. Obliging always in his personal demeanor, his righteous wrath was easily aroused when he contemplated the injustice, class antagonisms, extremes of poverty and wealth and the social irresponsibility of the American way of life in which chicanery and robbery triumphantly hit the jackpot, while honesty and fair dealing went down the drain. It was then, when facing an aroused audience, that, like Wendell Phillips, he delivered his severest and most scathing rebukes.

One day he and I called on Dr. John R. Haines, prominent Los Angeles physician and surgeon, in quest of names of liberals who Dr. Whitaker thought might be induced to make cash contributions to a cause espoused by the ACLU. Dr. Haines, an influential Progressive, and father of the Los Angeles municipal water works system, had been a liberal contributor to worthy causes, and was frequently consulted anent projects calculated to promote the public good. After hearing Dr. Whitaker expound the merits of the cause we represented, and giving the matter sober thought, and speaking from previous experiences, Dr. Haines said:

*I am willing to give you the names of liberals I know, but don't expect anything from them, either in money or active aid. Liberals are largely academic in their thinking. They are not social crusaders. They pride themselves on their objectivity when it comes to viewing and considering phenomena, especially if it relates to any group working to effect fundamental social and economic change. If you wish to consult some one who would take an interest in your project, who is unafraid to donate money or give active aid, you will have to contact a radical, and there are not many radicals in this community.*

As experienced propagandists, Dr. Whitaker and I knew that Dr. Haines was stating the facts. For quite some time we discussed the differences existing between liberals and radicals. The conclusions we arrived at were later, through the years, verified by the attitudes and activities of liberals and radicals when confronted by crises that called for decision and action. With few exceptions, liberals backed away from responsibility and sought safety by joining the majority, while most radicals, separating themselves from the cowed and beaten throng, and without regard for consequences, stepped forward boldly to fight for the cause they believed to be just and right.

**A**NOTHER individual better known to Americans than Dr. Whitaker, who limited his oratorical activities to the regions west of the Rocky Mountains, was Walter Thomas Mills. My first contact with Mills was in Chicago at the turn of the century. A mayoralty campaign was on with the Socialists in the field. While we had a plethora of speakers, Attorney Seymour Stedman being the most prominent, we lacked an orator able to draw and influence crowds. Walter Thomas Mills, who had achieved a national reputation as a Populist orator, and who had recently joined the Socialist Party, was turned to as the man of the hour.

When the name of Mills was suggested in a business meeting of the Socialist Party, Barney Berlyn, active Socialist and delegate to the Chicago Federation of Labor, arose and said: "Comrades, I am opposed to getting Mills. He is a fine speaker, but he is a commercial proposition. He will charge us \$5 for every speech he delivers!"

Later, I became intimately acquainted with Mills. He was a stickler for collecting money from the crowds he addressed, but all the money he collected, save for his personal living expenses, was meticulously registered with the Socialist Party for propaganda purposes. He took his socialism with savage sincerity. When he died in a small shack of a home in Tujunga, California, he was so poverty-stricken that his sole possessions were a trunk filled with unpublished manuscripts, a

host of letters he had received from liberal and radical celebrities both at home and abroad, some Marxian literature, and a few unimportant trinkets. This trunk with its contents was conveyed to my Costa Mesa home on the assumption I would use the material in writing his biography. The trunk is in a corner of my study as I write these lines, with a picture of Mills hanging on the wall alongside those of Debs and a number of other social rebels, but I have never had the time to start writing his biography.

Mills was one of the outstanding spell-binders of the old Socialist movement. Like Bonaparte, he was small in stature, but he required a size larger than a 7½ hat to accommodate his head. He was a professional elocutionist and the modulation of his voice was indescribably marvelous. I have heard him address an audience of 15,000 people with the carrying capacity of his voice so far-flung and so clear that occupants of rear seats heard him as distinctly as front-seat listeners, and that without the aid of a loud-speaking apparatus. By his comrades he was known as the "Little Giant."

**O**F all the socialist celebrities I knew best, the one with whose position and attitude I most agreed was Job Harriman, Los Angeles attorney, who in the early stages of the McNamara case, was an attorney for the defense. Harriman once was the running mate of Eugene Debs in the latter's candidacy for President of the United States. Had it not been for the fiasco of the McNamara trial in Los Angeles in 1911, Harriman could have been elected the first Socialist mayor of Los Angeles. As it was, he polled 40,000 votes out of an electorate one-tenth the present size.

Originally, Harriman had affiliated with the Socialist Labor Party, and was one of the "Kangaroos" who jumped to become identified with the Socialist Party. He was an ardent advocate of Marxism. He believed in the integrity and supremacy of the working class, and took the position that the emancipation of that class must be a class act. Also a victim of tuberculosis, he went West, stopping for a time in Arizona before continuing to Los Angeles where he established himself in the practice of the law. In

1908, I was sent West by the *Appeal to Reason* to investigate the arrest of three Mexican revolutionary leaders who were being held incommunicado in the Los Angeles County jail. They were charged with conspiring to organize a revolt with the view of deposing the Mexican dictator, Porfirio Diaz. Washington took steps to prevent the leaders of the revolt from accomplishing what the *Los Angeles Times* called their "hellish purpose." When I arrived in Los Angeles, I went immediately to Harriman's office where I was informed no newspapermen had been allowed to interview the imprisoned leaders. Even Harriman, their attorney, was not permitted to see them. This incommunicado dictum had been issued by Oscar Lawler, local U. S. District Attorney, and was enforced by the sheriff of Los Angeles County.

At that time the *Appeal to Reason*, with half a million readers, had a following of more than thirty thousand men and women in California, most of them residing in the southern part of the state. Harriman and I formulated a strategy which might enable me to see the Mexican prisoners. We would not plead nor compromise. We would simply demand. This strategy succeeded. In his office I informed the District Attorney if he continued to prohibit newspapermen from conferring with the imprisoned Mexicans, not only would the people of California be apprised of the outrage, but the *Appeal to Reason* with its nationwide circulation would herald the outrage from coast to coast, and that the labor press around the country would reprint the *Appeal* story. Bitter words were exchanged in my interview with the District Attorney. Reluctantly, at last, I was given a written permission to see the Mexican leaders. The next edition of the *Appeal to Reason* carried the first interview with the leaders of the potential Mexican revolt. And was the *Los Angeles Times* mad! Oscar Lawler, the District Attorney, was berated for granting the *Appeal* correspondent an interview. Lawler replied he was tricked into it, charging the *Appeal* correspondent with misrepresentation and distortion of facts. He took the matter up with Eugene Debs, chief *Appeal* editorial writer, and considerable correspondence en-



sued, but Debs backed me up to the hilt. Through it all I had the advice and uninhibited support of Job Harriman. The success of the adventure was due more to his legal acumen than mine.

**A**LTHOUGH an intellectual, Harriman based his hopes for a revolutionary change in the American way of life, not so much on the propaganda carried on by the culturally elect as upon action by the organized labor movement. "George," he stressed, "socialism must become identified with organized labor. As individual propagandists, we must join the labor movement, make its cause our cause, get down with the workers in the dirt and fights they wage and struggle with them for betterment of conditions. Only in that way will we ever succeed in inducing them to put up the winning fight for complete emancipation."

As a personality, Harriman was the most charming individual with whom I ever associated outside of Eugene Debs. Unlike Debs, Harriman was the student supreme. On occasion he could essay to flights of oratory, but ordinarily, on the platform, he acted the part of the instructor. Unfortunately, tuberculosis weakened his physical structure to such an extent that he was compelled to withdraw from public life and spend his remaining days with his wife in Los Angeles.

**D**R. [President] Harding's belated and grudging commutation of the prison sentence of the Hon. Eugene Debs leave all the honors on the side of Debs. He has, according to his lights, fought a good fight; he has run a good race, he has kept the faith. He comes out of his cell without any compromise of his dignity and with nothing to apologize for.

Unquestionably wrong, both in his naive belief in the Marxian rumble-bumble and in his sentimental opposition to war, he has nevertheless maintained both varieties of wrongness in a decent, courageous and civilized manner. Such a man, however wrong he may be, is of enormous value to a democracy, if only as a shining example to the ignoble masses of his fellow-citizens.

The usual method of propagating ideas under a democracy is that of lying and evasion, bullying and bluster; Debs is fair and polite. The average citizen of a democracy is a goose-stepping ignoramus and poltroon: Debs is independent and brave. The average democratic politician, of whatever party, is a scoundrel and a swine: Debs is honest and a gentleman. Is the old fellow disliked by right-thinkers and 100-percenters? Is his release de-

What I most admired about Harriman was his consistent radical career. He opposed all capitalist wars and refused to participate therein. He was enthusiastic for the cause championed by Lenin whose activities resulted in the deposition of the Czar and Russian aristocracy and who helped to project the regime under which the Russian workers began to build toward socialism. His enthusiasm for the cause, to the day of his death, never wavered. When American history is candidly and truthfully written, Job Harriman's name will be enrolled among the immortals.

**V**ICTOR Berger from Milwaukee, I admired as a scholar and a genuine socialist propagandist, but his methods differed from mine, and, truth to tell, he never had much use for the rough and tumble activities and policies promulgated by the *Appeal to Reason*. A. M. Simons, a university graduate and a thoroughly cultured gentleman, was another socialist propagandist who felt he had a mission to perform other than acquiring fame by conventionally activating himself in the American way of life. So he became a socialist, and for a time he went all out for immediate revolution. On the platform he frothed at the mouth and tore his hair in eloquently denouncing the cormorants of capitalism much as a predecessor, Cyclone Davis, who

used to pull off similar stunts when advocating the cause of Populism. Finally, Simons attached himself to the *Appeal to Reason* as a scientific Marxist writer, but his dissertations were written too academically to win the approval of *Appeal* readers. After quitting the *Appeal*, he was hired as a writer on finance by an eastern publication, and as far as I can recall, he forgot he had ever functioned as a socialist.

Then, there were Joseph Wanhope, writer for a New York socialist publication; Ernest Untermann, translator of Marx into English; Prof. H. L. A. Holman, Texas socialist leader; Arthur Morrow Lewis and Lena, his wife, both of whom were outstanding intellectuals; Kate Richards O'Hare and her husband, Frank, who collaborated in splendid fashion in putting socialism on the map in the Great Southwest; Ida Crouch Hazlett, who resigned her job as school teacher to devote her life to socialist propaganda; and so many other early-day advocates of the socialist cause, major and minor, all of whom could have won "success" under capitalism had they forgotten the humanities and applied themselves to the selfish job of making money and getting ahead. All of these comrades I knew personally and well, and with many of them I had on various occasions intimate personal dealings.

nounced by the *New York Times*, the Rotary Clubs, and the idiots who run the American Legion? Then it is precisely because he is fair, polite, independent, brave, honest and a gentleman.

Turn now to Harding. He had a chance to release Debs promptly, gracefully, with an air. He might have shown a fine and creditable generosity to a defeated antagonist—an old and ill man, no longer capable of any serious damage to anyone or anything. The instincts of a man of decent feelings, of gentle traditions, of civilized training and environment, would have been on the side of doing it. But the instincts of a boulder pulled the other way. They counseled delay, bargaining, petty vengefulness and spitefulness, childish meanness. Debs was offered his liberty if he would recant, turn his coat, shame the thousands who had loyally followed him. He was told that he might get out of prison if he would grovel and dissemble, i.e., if he would do what Dr. Harding did to get into the White House. He refused. At last he has been turned loose. There is no honor in the transaction for anyone save Debs.

—H. L. Mencken

Who's Loony Now?, December 27, 1921

## How to Spread Socialism

by Vincent Hallinan

**A**T present, two problems are much debated: whether there is support for an American Left movement, and by what means one can be developed.

Recent evidence on the first of these is a plaint of the Un-American Activities Committee. It warned that there are more than a million people in this country who "support Communism and the Communist movement." Though coming from a suspect source, this helps confirm the conclusion of everyone who has had experiences in left-wing activities that there is a very large segment of the American people highly sympathetic to socialism. Another, and larger, group are increasingly skeptical of our economic system and of the politico-financial machine which controls it. These will give at least a tolerant hearing to the spokesmen of public ownership.

This is not to say that there is a socialist movement in the United States. There is no organization worthy of that description.

The problem is to get the segment mentioned above to work in unison, to attract others to it and to furnish it a program which will lead to practical results; that is to say, a program of political action.

Any unbiased observer must be aware that the United States is now in a swift, though, as yet, far from complete decline. It is rapidly losing what remains to it of political, military, economic, moral and even physical supremacy. A new order is sweeping the world and demonstrating superiority in every field. Whether we count its military successes, its scientific advances, its rising standards of production and living, its cultural development, or even its athletic victories, it is apparent that socialism provides a formula against which other systems can no longer compete. Our own is outmoded and archaic. In an age of space travel and jet propulsion we are traveling in a Conestoga wagon.

If this nation is to keep abreast of the world, we must find certain minimum goals. We must have a planned socialist economy; we must abolish war and militarism and we must provide political, economic, and social equality for everyone, regardless of race, color, or other artificial barrier.

It is not worth while even to ask whether the Republican or the Democratic parties will change their commitments to meet these necessities.

Arnold Toynbee develops the theory that peoples and nations rise and fall in conformity to the response which they make to the challenge of their environment. Changes are imposed from without and inability to adjust is fatal. History illustrates the principle: When Cortes landed in Mexico with 600 men, he confronted an empire of ten million, a high civilization and a warlike people. These could not relinquish their superstitions, their internal

hatreds and conflicts, or their political and military structures, and they fell under the Spanish yoke. Vast empires in Asia, North America and Africa succumbed to the same defect.

Necessarily, the immediate task is to educate the American people in socialism; to show them its achievements and to point out its possibilities.

We have organizations professedly devoted to this task. They are small and their history is not hopeful. They publish books, newspapers and magazines, conduct forums and meetings and engage in limited political activity.

The socialist nations have accomplished wonders not so spectacular or advertised as the conquest of outer space. If you argue for socialism, you should be familiar with some of these and you should know where others may learn of them. It will not be in the literature of the professedly socialist parties.

**F**OR example: it is astounding that the Soviet Union, in its short and difficult existence should outproduce all of Western Europe combined, including England, although the population of those countries exceed its own by 60 million. We are told that its workers lead a drab and unrewarded life. It is now revealed that the wages paid them are astonishingly large, an iron worker receiving the equivalent of \$750 American money a month and a truck driver \$500. In France the average monthly wage equals \$40 per month. In West Germany four out of five workers receive less than \$75 per month.

Where do we find these figures? In a recent series of articles in the *N. Y. Times*.

Poland, which was not a nation until after World War I and which was completely devastated in World War II, is now fifth in production in Europe, being behind only the USSR, England, West Germany, and France. With only 26 million inhabitants, it has passed Italy with 47 million.

East Germany with only 18 million people is now seventh in European production. A few days ago, a West German official stated in the Reichstag that it was already ahead of West Germany in science and technology.

These items are also taken from the *N. Y. Times*.

When the USSR completed a waterway which permits oceangoing ships to travel from the Arctic Ocean to the Black Sea, the accomplishment was hailed as one beside which our TVA is "a kindergarten exercise." By whom? By Stuart Chase, in his book "Rich Land; Poor Land," a volume devoted to exposing the wastage of our own national resources.

The Soviets' reclamation of waste and desert lands was described and termed something to baffle the imagination. Again, where? In the British conservative scientific magazine *Nature*.

That country is now completing four hydro-electric dams. Each is half as big again as our Grand Coulee—up to now the largest in the world—and will produce a cor-

responding output of current. It is bringing under irrigation 70 million new acres—an amount of land equal to all the other irrigated land in the world.

Where do we learn these facts? In the testimony of Oscar Chapman before the Joint Congressional Committee studying the Presidential budget for 1957.



In the United States, we have one doctor for every 750 persons; in the Soviet Union there is one for every 350. They are engaged in an inspiring campaign to eliminate cancer, heart disease and high blood pressure. They assert that the normal span of human life is about 110 years and they propose to make it generally attainable. The USSR is the only country on earth which has reduced the mortality from cancer.

These things are contained in a book published in Canada by two investigators who recently completed a survey in the USSR.

**B**UT it cannot be said that the socialist parties' organs ignore developments in the socialist countries! Indeed they do not! You can find in them pages devoted to proving that Khrushchev is a scoundrel and that they are all ruled by tyrannical bureaucracies. You riffle them back to be sure you are not reading a release from the State Department and you hide them from potential recruits to the socialist camp. They appear exactly designed to frighten people away from it. They are still waving the bloody Hungarian shirt when the Hearst papers have relinquished it.

Protests are countered with the assurance that they love the Soviet people but despise their government. In this they have respectable company. It is precisely the line of John Foster Dulles.

Agreement on these matters might seem to infer some unity among these parties. This is deceptive. They are divided on the respective merits of Tweedledumski and Tweedledeeski. They are concerned to vindicate the memories of Soviet leaders now dead. This is a bootless task. History will place its giants in their proper perspective and will not consult our predilections.

Meanwhile, this sectarianism does a grave disservice to the American people and to the cause of socialism. One is reminded of Josephus' account of the destruction of Jerusalem by Titus in 70 A.D. The ferocious courage with which the Jews defended their ancient citadel made the Romans despair of taking it. Meanwhile, two factions within the city engaged in a civil war which accomplished what the legions could not. Jerusalem fell. The men were

put to the sword; the women and children sold into slavery.

It is doubtful if the survivors looked back with reverence to the completely sincere partisans who had accomplished the ruin of their country.

For the errors and sins of the socialist countries, we might call to mind Guizot's admonition that, in all human affairs, there is an inextricable admixture of good and evil. "Humanity," he says, "never goes to the full extent of either; it erects itself when it seems most likely to fall, but falters when its march seems firmest."

There is a story by Ariosto of a beautiful and beneficent spirit who was condemned by some mysterious circumstance of her nature, to spend part of her existence in the guise of a hateful and venomous reptile. Those who strove to injure her when she was in this degraded form were forever foreclosed from the blessings which she afterwards bestowed; to those who then protected her, she later revealed herself in the lovely and ethereal form which was natural to her, followed them throughout their lives, showered them with benefits, made them prosperous in love and successful in war.

Addison employs the story as follows: "Such a spirit is that of human equality. At times it assumes hateful and venomous forms. It writhes, it hisses, it stings. Woe to him who then thinks to harm or destroy it, and happy he, who recognizing its intrinsic goodness, aids and protects it and deserves to share its blessings in the hour of its glory and triumph."

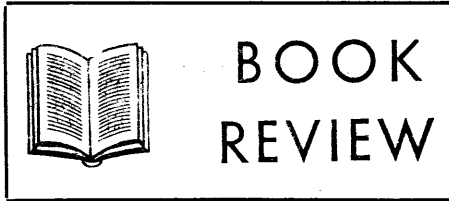
The accomplishments of the Soviet Union have been such grand and glowing ones, the impetus which it has given to the advance of humanity has been so powerful and dynamic, that we, of the generation which it has ennobled and inspired should seek, not to expose and enlarge its faults but to discover and spread its virtues.

The American Left should relinquish all internecine feuds and all hostility to the nation which has made socialism a reality. It is time that it woke up to its responsibilities to the American people. Never was Mazzini's slogan more appropriate:

"Slumber not in the tents of your fathers; the World advances. Advance with it!"

## A Comment by the Editors

**N**ATIONALIZED and planned economy has in our opinion demonstrated its superiority to capitalist economy and we certainly agree that this will again become a great talking point to win people over to the idea of socialism. But, for the life of us, we cannot see that an uncritical enthusiasm for Russia, compounded of slipshod statistics, a breezy waving away of injustices, and a "geological approach" with regard to human rights, is going to be helpful in rebuilding a socialist movement here. For God's sake, Vincent Hallinan! The Communist circles have been practicing this kind of uncritical *amour passionnel* for decades, and it has been one of the large contributory causes of the wreckage of American radicalism. On purely empirical grounds, if no other, it's time to try a more mature approach. We might do far better, and we couldn't do worse.



## *"Nobody Thinks, Nobody Cares . . ."*

*LOOK BACK IN ANGER, a play by John Osborne. Criterion Press, New York, \$2.75.*

**T**HERE have been few plays since the war which have created as much excitement and controversy as this first work by the young British actor-playwright John Osborne. And even from the text it is easy to see what the shouting is all about. For in "Look Back in Anger" Osborne has created a character so representative of the generation of the 1950's that his name is already entering our vocabulary as have those of Babbitt, Willy Loman, and other characteristic literary heroes of past years.

In the light of this achievement arguments about the merits and demerits of the play itself (and it has many of both) seem to me almost irrelevant. For whatever may be said about it, there can be no doubt that its central figure, Jimmy Porter, is far more vibrantly alive and meaningful to our times than a round dozen of the stock heroes of the "well-made play."

Who is this Jimmy Porter and why has he sent blood pressures soaring on both sides of the Atlantic? At first sight he seems ordinary enough. A young man from the British lower middle classes, he has received an education at one of those "new" universities which dispense a sound curriculum but lack the "social tone" of Oxford or Cambridge. When we make his acquaintance he is living with his wife and friend in a dreary flat in a Midland city where he runs a hole-in-the-wall candy shop.

In these stagnant surroundings he is continually at war—with himself, with his wife, with the monotony of life in England during "the American Age," and, above all, with his wife's mother who represents to him all that is odious and hypocritical in ruling-class standards.

"She ought to be dead," he says in an outburst typical of his tirades. "My God, those worms will need a good dose of salts the day they get through her! Oh what a bellyache you've got coming to you, my little worry ones! Alison's mother is on the way!"

His wife's brother, the well-dressed Etonian gentleman typical of generations of English Tories, fares no better at his hands: "The Platitude from Outer Space—that's brother Nigel. He'll end up in the Cabinet one day, make no mistake. But somewhere at the back of that mind is the vague knowledge that he and his pals have

been plundering and fooling everybody for generations. . . . [But] he's a patriot and an Englishman, and he doesn't like the idea that he may have been selling out his countrymen all these years, so what does he do? The only thing he *can* do—seek sanctuary in his own stupidity. The only way to keep things as much like they always have been as possible, is to make any alternative too much for your poor tiny, brain to grasp. It takes some doing nowadays. It really does. But they knew all about character building at Nigel's school, and he'll make it all right."

**Y**ET this social warfare, which Jimmy Porter fights with a degree of outspoken rudeness which must have particularly shocked British audiences, is utterly unsupported by any faith in a workable alternative.

"I suppose people of our generation aren't able to die for good causes any longer," he tells his friend Cliff. "We had all that done for us, in the thirties and the forties, when we were still kids. There aren't any good, brave causes left. If the big bang does come, and we all get killed off, it won't be in aid of the old-fashioned, grand design. It'll just be for the Brave New-nothing-very-much-thank-you. About as pointless and inglorious as stepping in front of a bus."

The ideals which motivated his father to give up his life in the Spanish civil war have all dissolved and he is left, like one of the Elizabethan malcontents, to rail against a time that is out of joint.

The type, of course, is classic. It is that of the lower-middle-class rebel in a time of social stagnation. Jimmy Porter is a provincial Robespierre without a revolution and with a Jacobin Club which consists only of his wife and his one befuddled admirer; a Julien Sorel with neither Sorel's ambition nor his social illusions; a Bazarov who has brought nihilism down to the confines of a rented flat. He is a thoroughly disagreeable young man, insolent, sadistic, and with more than a touch of boy's-school homosexuality; but the sight of romantic anger consuming itself for want of a worthy goal is never a pleasant one, and it is the measure of Osborne's great ability that he has given intensity and believability to this aimless rebel.

Like so many of his counterparts here and abroad, Jimmy Porter stands between the two great classes of contemporary society. His emotional sympathies are with the working class, but he is outraged by the apathy, tedium and want of vitalizing belief he finds there. Toward the upper classes he feels an energizing hatred, but a hatred mingled with attraction. He rails at the upper class, "captures" its women, crashes its parties and pours torrents of abuse on its bankrupt pretenses, but he can live only in its shadow and we cannot help but feel that all his invective really expresses a deep desire to be accepted by it.

This ambivalence is brilliantly conveyed in the picture Osborne draws of Jimmy Porter's relations with his wife and mistress,

both upper-class women. In each of them he seeks both a victim and an adversary. He is drawn to them because his dislocated class hatred continually needs fresh conquests and he feels contempt for them because they lack the energy to stand up and fight. "Oh brother," he cries, "it's such a long time since I was with anyone who got enthusiastic about anything. . . . Nobody thinks, nobody cares. No beliefs, no convictions and no enthusiasm."

And in each of these women he is, of course, ultimately disappointed. For they are drawn to him as Roman matrons might have been drawn to a young barbarian—out of a recognition of the lack of vitality in their own class and a perception of his electric energy—and their gratification lies in masochistic submissiveness. Helena, it is true, fights back at times but lacks the energy to maintain the struggle. In the end he and his wife, Alison, get together again, and they resume their love-making on the one level of communication of which they are still capable—in the realm of a childhood fantasy where he is a bear and she a squirrel.

**I**T is a chilling picture. But unlike comparable American portraits of the "beat generation," it is drawn with great insight and historical awareness. The Jimmy Porters are very much with us these days—in America as well as in England—and John Osborne is to be thanked for giving us a first-class portrait of the type. And while he does not moralize on his findings it should be apparent that the failure of the old radical movements to maintain the magnetism of a principled cause is one of the reasons for the emergence of the Jimmy Porters in the fifties.

For the Jimmy Porters no longer believe in the old order. They believe in *nothing*. And if that vacuum of belief long persists it will be filled by something far more evil—Oswald Mosley was its prophet in England and a certain Austrian corporal in Germany.

GEORGE HITCHCOCK

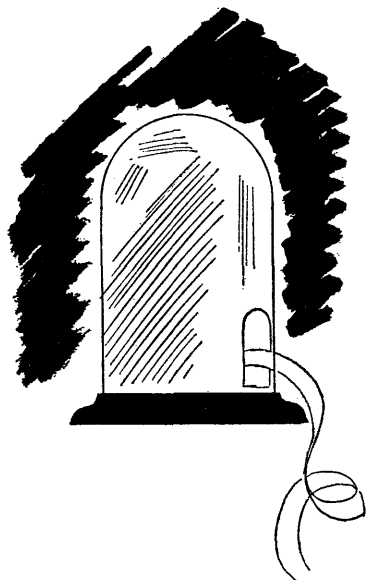
## *Socialism by Endowment*

*THE FUTURE OF SOCIALISM* by C. A. R. Crosland. The Macmillan Company, New York, 1957, \$7.

**M**R. Crosland, an economist, was a Labor member of the British Parliament from 1950 to 1955. In this compilation of the ideas of the dominant wing of that Party, he has certainly given the Left a broad target to shoot at. Little of the new revelation is omitted.

What's wrong with "traditional" socialism, Mr. Crosland finds, is that it hasn't caught on to the fact that the concentration of ownership in the hands of a small class matters very little in this day and age. The owners no longer really control the corporations, as that function has been

snatched from their nerveless fingers by the managers. Private profits, be they ever so high, can hardly be objected to, as profits "must be the rationale of business activity in any society, whether capitalist or socialist, which is growing and dynamic." The "traditional capitalist ruthlessness has largely disappeared" from the pursuit of profits, from investment policy, from dealings with competitors, and from labor policy. So far as socialist objectives are concerned, it is proving easier to attain such things as equality, rising living standards, planning, efficiency of operation, and other measures of general welfare without a public-ownership economy than it would be with one. Therefore—and we turn to the jacket blurb by the American publishers who don't feel so hemmed in by left-wing opponents and summarize Mr. Crosland's thought a bit more forthrightly than he himself is willing—"the author shows why such socialist aims as nationalization of industry should no longer be part of the Labor program."



The idea that ownership is no longer really "private," since the owners have been expropriated by the managers, is one of the most puzzling notions in current thought. If its proponents mean merely that the functions of management and operation have become professionalized, and that there is no "capitalist collective," by which all the shareowners can participate directly in the affairs of the corporations in which they hold shares, then they are merely stating a truism of long standing. Corporations so huge that many of them approximate or exceed in wealth and employment some of the nations of the world are no longer owned by a single individual or partnership of a few. It was to escape such limits to the scale of accumulation that the corporation was devised. As the huge modern corporation is designed to be owned in common by a whole social class, and as a class is an impersonal concept calling for embodiment and representation, the rise of

a selected managerial and executive personnel was to be expected as the only way to make the corporation work.

But this is certainly not all that is meant. The persistent implication is that there is some kind of basic conflict between the capitalist class of shareholders and the management personnel. Not just personal conflicts, which are common to all institutions, but social conflicts of aim and motivation. Thus Mr. Crosland tells us that the profit motive is weakened by the new arrangement, that the manager is increasingly "independent" both of his own stockholders and of the capitalist class as a whole, and pursues different and increasingly social objectives.

**A**LTHOUGH this idea has become commonplace, it is hard, with the best will in the world, to extract much juice out of it. Obviously, the managerial class is a potent group. But where the imagination boggles is at Mr. Crosland's resolve to make us see this grouping in conflict with the capitalist class or basic capitalist motivations. In the first place, the dividing line placed between the managers and owners is a conceptual fiction, handy for conversational purposes but not to be carried too far. The managers are almost invariably also owners. They may not own a big percentage of the stock, but then, no individual does or can, given the size of the giant corporation today. They certainly hold their own with the other shareholders. (Witness the embarrassing scenes before our Senate investigating committees when some of our top managers come up for appointment to government posts, and have to reveal the extent of their holdings.)

In the second place, it is the shareholder class, the one percent of all families which, in this country, owns two-thirds of all shares, which supplies the managers, as the various studies of the big business executive show. The professional managers are not a separate social layer, apart from the capitalist class, hired and fired like chauffeurs. They are the most vigorous, able, ruthless, best-connected, or best-trained from among the capitalist owners themselves, selected out by competition and nepotism, know-how and know-who, to run the common property of the class to which they belong. It hardly takes sinister or conspiratorial measures to effect this; just the natural selection from a pool formed by education, wealth, and common business and social life. None of this denies the minor percentage of admissions to the managerial stratum from other classes, especially in a period of rapid industrial growth, but such newcomers are winning their way into the capitalist class, not into a managerial elite apart from it.

It is when the proponents of this theory get around to trying to show that, in practice, an independent managerial group has gained the power to flout the wishes of the major owners, that their case becomes pathetic. Mr. Crosland does not undertake to cite any examples, and that must be for the reason that he could not think of any.

But let us listen to A. A. Berle Jr., one of the originators of this theory, in a recent Fund for the Republic pamphlet, "Economic Power and the Free Society":

*It is commonly believed that the holder of 20 percent or 25 percent of a corporation's stock can control that corporation. This was the inference in the recent du Pont-General Motors case. This is not true. It is true that with 20 percent or 25 percent of the stockholders' list of a large corporation plus control of the directors it can be done. But if the directors of General Motors decide not to vote with du Pont, it is very doubtful whether the du Pont interest is sufficient to be able to go out and get the other 30 percent of General Motors stockholders which it would need. This is not pure theory. When a certain gentleman ran Standard Oil of Indiana he did various things that induced the so-called controlling group to want a change. They canvassed the board of directors and asked whether they would not fire the man. The directors said they would not. Thereupon the controlling group went to work to try to win the next election. Between their own and allied holdings they had slightly over 20 percent of the stock. They did control in the end, and the man was fired. But they achieved it only by spending about \$800,000 on a stockholders' campaign.*

Obviously, the story ends the opposite of the way it ought if Mr. Berle's point is to be proven. John D. Rockefeller and associates did fire Robert W. Stewart, even if they had to spend some of the company's money to do it. But what matters most in the tale is that like all corporate fights, when a dispute arises as to managerial authority, the recognized court of last resort is the owners, or at any rate that portion of ownership which can be banded together into powerful blocs. If in the process the scattered small shareholders are disfranchised or manipulated, that has nothing to do with Mr. Berle's or Mr. Crosland's theory.

**I**N the same way, Mr. Crosland's vein of talk about a "humanized" capitalist class, guided in its actions by social considerations rather than by the drive to maximize profits, assays about an ounce of fact to the ton. To cite modern public-relations suavety, or foundation and orchestra endowments in the U.S. as evidence of a basic change is obviously too weak. Crosland tries to supplement this by asserting that corporations no longer create ghost towns by pulling out their investments when they find a more profitable area in which to do business. The experience of innumerable New England textile towns, of Detroit auto plants, and of other American industrial centers that have been left with great pools of permanent unemployment in recent years does not speak for Mr. Crosland's theory. The corporate managers and directors have

not been notably more inhibited in this regard than their capitalist fathers.

If this is not a particularly well-reasoned book, it is a plentifully reasoned one. And, like most talkative persons who keep on pouring out reasons long after their best ones have been exhausted, Mr. Crosland does more harm than good to his own case by his glibness. On page 28, in demonstrating that the capitalists have lost their power, he finds proof in the bitterness of the possessing classes: "The best evidence of the change, at least during the period of Labor Government, was to be found in the intense antagonism of the better-off classes." On the very next page and in the very next paragraph, he finds that "The other test lies in social and political attitudes. Here the contrast with both the facts and expectations of the 1930's was complete, most obviously during the period of Labor rule. Pre-war socialists often anticipated violent, if not unconstitutional, opposition from private business. . . . The event was very different . . . generally the atmosphere was one of amiable amenability. . . ." Thus within a space of two paragraphs, it is demonstrated that things had changed in Britain because the capitalists behaved with "intense antagonism," and also because they showed "amiable amenability." One of the reasons might have been all right—either one—but both are just too many.

Still, Mr. Crosland's book contains much that will be of interest to American readers. The discussion of advanced welfare needs and the measures that might be taken to meet them is so far ahead of anything that goes on here as to open a whole new sphere of ideas. Much factual material about the social framework of the British economy is presented, and providing the reader is careful not to go overboard along with Mr. Crosland, can prove enlightening. The figures show that very little redistribution of income has been accomplished by the nationalization of 20 percent of industry, given the drain on these industries by securities paid to former owners. Nor is the welfare state a free gift, as the working class pays in taxes an amount easily sufficient to cover everything it is getting back in health and welfare benefits. Finally, while the share of distributed income going to wages has risen by about ten percentage points since 1938, undistributed profits have, as in this country, risen so heavily as to modify that picture quite a bit. The Tories, moreover, have since their return to office reversed the income trend slightly in favor of the unearned incomes.

**B**UT, interesting as some parts of the book may be, the decisive economic categories are all but omitted. No real thought is given to the semi-war economy, which takes a whacking one-eighth out of British output. Britain's precarious situation in the world market, and her dangerous international location at a focus of the world conflict, get little attention. How the future of British socialism can be weighed apart from these overwhelming forces is

one of the mysteries Crosland does little to clear up.

In the end, the book comes up with an approach so washed out as to give little purpose to a Labor effort to get back into power. The emphasis is on fiscal policies to avoid inflation, which Crosland accounts the main danger, and to encourage a high level of re-investment of profits. His policy for the unions is delicately put: "To prevent a wage-price spiral the Government should, while eschewing a national wages policy, avoid an excess of demand in the labor market. . . ." Beyond that, he can see little more than the re-nationalization of iron and steel, and some government entry into a number of other industries by "competing public companies": "In any event, further nationalization is now of less importance to the achievement of socialism owing to the declining significance of industrial ownership as a determinant of social and economic relations." From Mr. Crosland's book, one might draw the lesson that, not only doesn't it matter any more who owns industry, but it also matters little whether the Conservative or Labor party runs the government. Fortunately, there are other forces in the Labor Party that are not so smugly satisfied.

H. B.

## The Prodigal Son

*THE MEMOIRS OF A REVOLUTION-IST*, by Dwight MacDonald, Farrar, Straus and Cudahy, New York, 1957, \$4.75.

**I** READ most of the essays that make up this book in MacDonald's old magazine, *Politics*, a dozen years ago. It was stimulating reading then, and surprisingly, much of it reads pretty well even after this lapse of time. I say surprisingly, because MacDonald is neither an original thinker, nor a learned scholar, nor a perceptive critic. These pieces don't rate as sociological studies, they have little value as political analyses, they will not endure as works of social criticism. But they are very good journalistic fare. MacDonald is an exceptionally talented journalist; no question about that.

If the reader asks wherein this talent is displayed, that is not so easy to answer. His writing style is lucid and serviceable, but not especially caustic or brilliant. The content is generally a melange of warmed-over ideas tastefully dished up. As I dope it out, MacDonald has two special qualities which give his writing its distinctive status: First, an uncanny ability to pick out the subjects, moods, attitudes, ruminations, and gossip that are going the rounds in circles of the intelligentsia, and then to fit out, in virtuoso style, each of the dominant themes with a set of smooth-flowing variations in both major and minor keys; second, his utter frankness—call it integrity, honesty, naiveté or frivolity—in dutifully recording each and every one of his intellectual perambulations and gyrations

while half-ironically making asides on same.

For a journalist these are gifts. His stream of consciousness mirrors to one extent or another the changing loyalties of many of the intelligentsia; and people like to read about themselves. They get a warm feeling from the conviction that what is passing through their heads are problems of moment disturbing other great minds of the age. Even the embarrassing candor of his intellectual odyssey has its distinct appeal. Look at Boswell's biography of Dr. Johnson. For two hundred years it has captivated readers because it held back nothing, whether it was the details of Boswell's dress, or his day-dreams at morning, or whoring at night. MacDonald also revels in telling all, although in his case, the confessional is confined strictly to the ideological sphere. That is probably why his audience is so much smaller. Far more people are interested in biology or psychology than politics, especially small-circle radical politics.

**M**ACDONALD is not only a member of the ex-radical intelligentsia, but in a sense has been of its avant-garde. A rebel of the Mencken variety at Phillips Exeter Academy and at Yale, he became, upon graduation, a member of the Executive Training Squad at Macy's Department Store in New York. He soon realized that he was not meant for business, and got a job, through a Yale classmate, on *Fortune*, which Henry Luce was just starting. Growing increasingly leftist during Roosevelt's New Deal, our author finally quit *Fortune* when the last of his notable articles on the U.S. Steel Corporation was mangled by the editors. For a short while, he was a Stalinist fellow-traveler, but broke on the issue of the Moscow Trials and joined the Trotsky Defense Committee.

In 1937, MacDonald joined as one of the editors of the literary periodical, *Partisan Review*, which for a brief spell was slightly sympathetic to Trotskyism. He moved quickly into the orbit of the Trotskyist movement, was a full-fledged member from the fall of 1939 to the spring of 1941. Then he moved away, and in 1944 launched his own magazine, *Politics*, which ran for five years, the first three as a monthly, the last two as a quarterly. At the start, he still wrote from a vaguely Marxist standpoint, but after a while drifted to anarchism and pacifism. "My thinking," he says, "took its natural bent toward individualism, empiricism, moralism, estheticism." Natural or otherwise, he was not the first American intellectual who felt the hopelessness of revolt against this powerfully entrenched system and decided to concentrate on cultivating and improving man's inner life.

MacDonald had been away out in front of his circle in his espousal of ultra-radical politics. It must be said to his credit that he moved back to the mainstream of political conformity and apathy slowly and reluctantly. He was well in the rear on the return passage, and for much of its career, *Politics* had a note of rebelliousness and

iconoclasm. Only in 1952, in a debate with Norman Mailer, did he announce that he was lining up in the cold war.

In a piece printed in the spring of 1957 in the British periodical *Encounter* (reprinted as the book's introduction) he informs British intellectuals that "We are less interested today in radical parties. . . . Indeed one might almost say we aren't interested at all." (The "we" presumably standing for the American intellectuals.) What are "we" interested in nowadays? In MacDonald's case, "In recent years I have devoted most of my time to the *New Yorker*, where I have been able to write the kind of social-cultural reportage and analysis that now interests me more than political writing."

MacDonald says in connection with his "lesser evil" decision, "this choice is not very stimulating." And then reverting to his inimitable Boswellian manner, "The prodigal son must have found home life, once the fatted calf was eaten, as boring as ever."

I take it the title, "Memoirs of a Revolutionary," was chosen with ironical intent, but who knows, maybe the author is dead serious.

B. C.

## Hydraulic Society

*ORIENTAL DESPOTISM, A COMPARATIVE STUDY OF TOTAL POWER* by Karl A. Wittfogel. Yale University Press, New Haven, 1957, \$7.50.

LIKE historians before him, Marx held that "there have been in Asia, generally, from immemorial times, but three departments of Government: that of Finance, or the plunder of the interior: that of War, or the plunder of the exterior; and, finally, the department of Public Works." The reasons for this, he wrote, were climatic and territorial, which made "artificial irrigation by canals and water-works the basis of Oriental agriculture and of Oriental despotism." The "prime necessity of an economical and common use of water, which, in the Occident, drove private enterprise to voluntary association . . . necessitated in the Orient . . . the interference of the centralizing power of Government."

Wittfogel's book relates the same story in greater detail. The major outcome of his endeavor consists in a substitution of terms—"hydraulic civilization" for "Oriental society." He believes that "the new nomenclature, which stresses institutions rather than geography, facilitates comparison with 'industrial society' and 'feudal society' . . . and by underlining the prominent role of government, the term 'hydraulic' draws attention to the agromanagerial and agrobureaucratic character of these civilizations."

According to Wittfogel, neither too little nor too much water leads necessarily to centralized water controls and governmental despotism. An economy, he says, must be neither too primitive nor too ad-

vanced to institute in a water-deficient landscape a "specific hydraulic order of life." This order, he relates further, has its own type of division of labor and necessitates cooperation on a large scale. Irrigation and flood control, as well as roads, defense systems, palaces and tombs, are government enterprises demanding commandeered labor. Forced or *corvée* labor is not slave labor, but it is less free than wage-labor. The power of hydraulic states—China, ancient Mexico and Egypt—is greater than the power of government in free enterprise systems. It extends over society as a whole by limiting property rights, by taxation and confiscation and a variety of managerial measures that "prevent the non-governmental forces of society from crystallizing into independent bodies strong enough to counterbalance and control the political machine" Often benevolent in form, hydraulic despotism is oppressive in content, and its "total power spells total corruption, total terror, total submission and total loneliness."

Because man "is no ant" and "neither a stone," his urge for independence and his conscience may lead to rebellion and this, in turn, leads to terrorism. "Like the tiger," Wittfogel says, "the engineer of power must have the physical means with which to crush his victims. And the agromanagerial despot does indeed possess such means. He exercises unchecked control over the army, the police, the intelligence service; and he has at his disposal jailers, torturers, executioners, and all the tools that are necessary to catch, incapacitate, and destroy a suspect." Of course, the "tiger's" means are not foreign to "non-hydraulic" societies, but in these societies, according to Wittfogel, "modern constitutional government restricts private violence more and more. It differs from agrarian and industrial apparatus states in that the size, quality and use of coercion are determined by the non-governmental forces of society." In Western capitalism, "multiple forces, however monopolistically inclined, counterbalance each other so as to preclude the exclusive leadership of any of them."

THE difference between "hydraulic" and "non-hydraulic" societies is then one between despotic and less-despotic states, between concentrated and less-concentrated power monopolies; and, choosing the lesser evil, Wittfogel prefers the latter to the former. There are, however, some difficulties. Marx, for instance, spoke of Russia as an Oriental despotism even though he knew that Russian agriculture was not "hydraulic." Wittfogel knows this, too, but solves the apparent contradiction by dividing the despotic world into "the core, the margin, and the submargin of hydraulic societies." Marginal hydraulic despotisms "appear at the geographical periphery of a hydraulic zone." Though Russia had no close hydraulic neighbors, in Wittfogel's view Mongols "began to introduce Orientally despotic methods of government," and though such cases as Russia are more the exception than the rule, "they serve to demonstrate that mar-

ginal agrarian despotisms may arise at a great distance from the nearest conspicuous center of hydraulic life." Even Western Europe, while under Roman influence, became "part of a loosely hydraulic Oriental society, without, however, adopting hydraulic agriculture; and eventually it returned to a submarginal hydraulic or altogether non-hydraulic position."

At first sight, Wittfogel's exaggerated emphasis on irrigation appears to be a rather harmless idiosyncrasy. No one, and least of all a Marxist, will deny that irrigation may be an important and, under certain circumstances, the most important factor in determining the mode of production and the character of political control. But the despotic state, and all that goes with it, is not the exclusive monopoly of "hydraulic civilizations." It can and did arise out of entirely different, "non-hydraulic" conditions. Neither are the despotisms of "non-hydraulic" states mere extensions of those in "hydraulic zones." They may exist in any class society whether "hydraulic," "feudal," or "industrial." Even in China, as has been pointed out by Wu Ta-K'un, the despotic state preceded hydraulic agriculture. "The ancient oracle bone inscriptions," he wrote, "are full of reference to rain and water, but have no words for canals or dykes, which were first constructed on any significant scale in the period of the Warring States (481-256 B.C.) when China was already into the Iron Age, long after the despotic state was finally established."

Wittfogel's great concern with despotism as the social policy of "hydraulic civilizations" is, however, more than just a new point of view which differentiates between feudalism and the "hydraulic society." By claiming marginal and sub-marginal extensions of Oriental despotism over a large part of Asia and into the heart of Europe by Chinese and Russian totalitarianism, he finds the whole of Western "industrial" civilization and even the future of mankind itself endangered. The fear of the "Yellow Peril" at the turn of the century which served the imperialist aspirations of Western capitalism is now revived by Wittfogel in a modified form. It is no longer a specific skin color but a specific Asiatic institution, and the way of life stemming therefrom, which imperils Western civilization. Asiatic revolutions are then not really revolutions since they merely perpetuate Asiatic despotism as it developed out of the state-controlled "hydraulic" economy. And even though industrialization has brought about undeniable economic alterations, the terrorist social forms of control remain the same and tend to engulf the whole world. This is a real and present danger and the West must learn, says Wittfogel, "to wring victory from defeat" by a "readiness to sacrifice and the willingness to take a calculated risk of alliance against the total enemy," but most of all, and here he quotes Herodotus, by fighting "not with the spear alone, but with the battle-axe."

PAUL MATTICK

## MORE CONTRIBUTIONS

**R**ESPONSE to our annual fund appeal, which went out last month, is running about even with previous years, so far as numbers of responses are concerned. But, without having made a detailed bookkeeping comparison, we are pretty sure we can notice a decline in the average size of contributions.

We are liable to be told, at this point, that, since we predicted this recession, it isn't our place to complain about its results, of which this falling off seems to be one. Still, we cannot operate without the necessary funds, and our annual appeal is an essential part of our budget, for reasons known to all readers. The fact that the contributors are just as numerous as ever is heartening, showing that even where readers feel they cannot give as

much, they still try to give something. But we are liable to be left with a deficit that can endanger our work and growth.

We can think of one solution: If readers can't give as much as in the past, we need contributions from more readers than before. We know many of you are planning to contribute, and haven't yet gotten around to it. Why don't you sit down right away, and send in your contribution? If it is \$10 or more, you get a one-year subscription (or extension of your present sub). But even if it is less, it will help keep us going in these leaner times. After all, the recession proves what we have been saying all along: That there is a need for socialism and a future for a socialist movement in this country. As the chance grows to break the hypnosis and get some truths across to greater numbers, we need your aid more than ever before.

\* \* \*

**T**HE just-formed Fund for Social Analysis announces that it is ready to accept applications for grants-in-aid for research and publication to social scientists analyzing or applying Marxist hypotheses. Its statement of policy says: "In making its awards the Fund will be guided solely by its estimate of the intellectual qualifications of the applicants and the significance of the problems they propose to study. . . . Topics bearing upon current problems will be given preference over those of purely historical interest. Topics bearing upon the United States will be given preference over those solely concerned with other countries." Communications should be addressed to The Fund for Social Analysis, Room 2800, 165 Broadway, N. Y. C.

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