A Marxist Exposure of

The FALLACY of

TECHNOCRACY

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INTRODUCTION

Man has at last conquered scarcity; he has achieved abundance. The Technocrats see that enough for all is too much for the Capitalists, who find that they cannot distribute plenty—at a profit. Of course they can't. Their remedy, therefore, is to stop the machinery, as they are doing now; and hereafter to control production to keep it well under human need and so maintain prices and profits. They cannot do it under the competitive system, but they will try it with a Fascist dictatorship, if labor will stand the misery and terror of the useless experiment.

To Communism “overproduction” spells plenty of food, shelter, and clothing. Mass Production methods, which Soviet Russia is adopting (minus the Capitalists), means a rich people. The Soviet Russians can distribute all this wealth. The Technocrat's rising permanent unemployment curve, which graphs starvation and misery here, means to Socialist Russia and Communism—mass leisure.

Technocracy, in brief, provides the figures to prove that with machinery and without the Capitalist and Capitalist profit, the Communist near-future of Man will be one of short-time labor and long-time leisure for all, the bountiful free time being prepared for under the U. S. S. R. Plan as an opportunity for every individual to develop his own peculiar talents and character, free of fear and force. Now read—

LINCOLN STEFFENS.

NOTE:

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The Fallacy of Technocracy

PAUL MALLON, in a United Press dispatch from Washington says that: "Government officials are glad to see the publicity that Technocracy is getting. They hope it will be as popular a subject as appendicitis once was. That will center public attention on machine-made unemployment."

Naturally, the government officials are glad. All the hired brains of capitalism were unable to offer any scientific explanation of the crisis. The only scientific explanation was offered by the Communists, the disciples of Karl Marx. That explanation doomed capitalism and clearly pointed to the working class as the builder of the new social order. But along came Technocracy which not only pretends to have an explanation and a solution of the crisis without reference to class struggle but even provides a pseudo-scientific jargon to give their explanation the appearance of exactness. Of course, real social scientists will be suspicious of the mysterious sounding terms these self-styled technologists use, but that mysteriousness really helps them, for it covers a multitude of confusions.

Science Above Classes?

The Technocrats speak of "planned production" without Socialism, of freeing man from the drudgery of toil but declare they have no interest in overthrowing capitalism, in a word of a "purely" scientific (technological) approach to sociology untainted by class antagonisms.

How do they accomplish this marvelous feat? By a series of verbal gymnastics which according to themselves "has definitely shattered ALL old social theory, from that of the ancient Greeks, through Karl Marx up to Veblen." That's a rather large claim, but humbleness is no part of our "scientists."

Their thesis is a concoction of badly digested statistics, half-truths, and hopeless fallacies.

We may list their assertions under three general heads:

(1)—The rapidity of technical advance in industry is the cause of unemployment. Technique has caused the role of labor in production to dwindle, making industry completely automatic and man largely unessential.

(2)—The cause of the crisis is the "price system" wherein the dollar is used as the medium of exchange instead of a metrical measure such as an erg.

(3)—Only the technologists (not the workers and farmers or anyone else) without politics or economics can solve the situation.

Price System and Capitalist System! Not Same

Let us consider the assertion number one: George Soule, in the December twenty-eighth issue of the New York liberal magazine "The New Republic," says that this is what Karl Marx said ninety years ago. In fact, that is a very misleading half-truth. What Marx did say was that unemployment is increased by the introduction of machinery UNDER THE CONDITIONS OF CAPITALIST PRODUCTION. This is a very vital distinction. Some
careless readers of the articles of Howard Scott and Wayne Parrish have taken it for granted that where these Technocrats say "price system" they mean "capitalist system." In fact, George Soule in his article in the "New Republic" inserts the word "capitalist" in parenthesis when Howard Scott says "price system." This is a serious error. The term "price system" as Scott and Co. use it, simply means systems where gold or silver currency is a medium of exchange. It is precisely because government officials realize Scott does not mean the capitalist system but only the "price system" that they "are glad to see the publicity that Technocracy is getting."

Why should this be so?

Because if we accept the theory of the Technocrats then we must reach the conclusion the mere introduction of the machine causes unemployment. In fact, the United Press writer says precisely that government officials are glad that Technocracy "will center public attention on machine-made unemployment," not capitalist-system-made unemployment. If the mere introduction of the machine irrespective of whether it is introduced under a capitalist or Socialist system (both of which the Technocrats call "price systems") causes unemployment, then how do these gentlemen explain that the introduction of machinery in the Soviet Union has not only failed to cause unemployment but that simultaneous with the introduction of machinery in the Soviet Union a shortage of labor came into existence. We look in vain for the answer in the writings of the Technocrats.

Wherever the Technocrats reach a point in their writings where the facts of Socialist growth in the Soviet Union force them to say something about these facts, they confine themselves to cries about "pathetically inadequate theories," "emotional popular" economics, and other such unconvincing clamor.

What Causes Unemployment Under Capitalism?

There are many factors arising out of the chaotic state in which capitalist production always operates which create widespread unemployment, especially the lack of scientific co-ordination between production and the market. But the basic factor is the creation by the producers of surplus value. Commodities are sold approximately for their value. The wages paid to the producers however, is only a part of the total value. When workers buy on the market they can only buy back part of what they produced. Of the balance the capitalists can personally consume only a small share and they must sell the greatest share of the balance in other than home markets. Each individual capitalist and capitalist group striving to become the richest of all re-invest their profits and expand production and must therefore expand their markets. There are also other factors making for expansion. Capitalism can only live by continual expansion. In the early days of capitalist society when Mother Earth still had large areas with untouched markets, the need of expansion did not cause any crisis. There was plenty of elbow room. But, in this the imperialist epoch, when Mother Earth has all her areas well divided up among the imperialist pirates,
capitalism has no more room to expand and therefore is in crisis, one of the main features of which is vast unemployment. The introduction of machinery greatly accelerated this process because it intensified the exploitation of labor and increased the surplus value produced.

Thus the introduction of machinery, of itself, is not responsible for unemployment—but its introduction under the property relations of capitalism accelerated the growth of unemployment.

Some (such as Soule in the New Republic) will say that the above description is what the Technocrats mean by the "price" system. But the factors forcing expansion and crisis which exist under the capitalist property relations do not exist in the Soviet Union. The products of their toil are returned to the toilers in wages, social insurance and other benefits and in the operation of the workers and farmers government. If the introduction of machinery helps produce an unnecessary surplus then hours are cut. Then there is no surplus value produced for private owners who must forever expand or have their profit system collapse.

**Capitalism Glutted to Death**

That that is the crux of the matter can be seen from recent figures on the division of what is produced in the U. S. From 1921 to 1929 national income increased 30 billion dollars. Out of this

<table>
<thead>
<tr>
<th>Year</th>
<th>Workers' Share</th>
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<tbody>
<tr>
<td>1921</td>
<td>63%</td>
</tr>
<tr>
<td>1926</td>
<td>54%</td>
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<tr>
<td>1929</td>
<td>48% (approx.)</td>
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Only a small part of the 37% which did not go to workers in 1921 was consumed by the capitalists, landlords and other parasites. The greatest part had to be sold on foreign markets. But since at the height of our "prosperity" we could only sell somewhat under 10% of what we produce in foreign markets one can readily see how the bulk of what the workers didn't get back (the surplus value) went into storage as unsold stocks. Not only were additional amounts of unsold stocks added every year but because the rate of exploitation of the masses increased yearly, thus increasing the amount of surplus value each year, the accumulation of unsold stocks proceeded at a faster annual rate until 1929, when the total accumulation had become so great that industry shut down. It is clear that the factories would not continue to produce when the owners could not sell what they already had on hand.

**Blame Machinery, Not Capitalism?**

In their official statement the Technocrats say:

If we consider any industry in this country, we discover that in the beginning employment was small, that it increased as the industry grew until a point was reached where technical improvements began to displace men, where a single machine could do what 5 or 10 or 50 or 500 did before. In other words the rate of replacement of men by machines exceeded the expansion of the industry.

Thus they say that technical improvements replaced men faster than industry could expand. But they do not explain what kept industry from expanding further. That's pre-
cisely the fallacy of attempting to explain the crisis by technological methods in a disorganized capitalist system. Industry could not expand further because there were no markets for its goods. Internally the producers were only paid part of what they produced and could not buy back the part acquired by the owners, externally the foreign markets had been divided up and glutted by the imperialist powers. Thus the holding by the capitalists of vast unsold stocks is exactly what's choking their system to death. This contradiction between the unlimited growth of productive forces and the limited market for its goods and the need for capitalism to expand or die will never be understood by Scott and Co. because of their rejection of Marxism.

Are Workers Necessary?

If a publicist starts with the assertion that his writings are "above classes and class struggle" we can take it for certain that he is developing a new apologia for capitalism. The Technocrats are no different.

First they "proved" that the cause of unemployment is the machine, not capitalism. According to them that gave them a purely scientific (technological) approach, free from "economics and politics." Having thus disarmed their audience they now proceed to lead them into the arms of the boss class. Their process of thought is a classic of bourgeois logic.

Marx, almost 100 years ago, pointed out that the development of capitalism was making the capitalists non-essential to society, in fact they were becoming harmful by their continued existence because they blocked further progress. In the early days of capitalism the owners of industry were very essential because they were the organizers and leaders of the productive process. Today they are pure parasites. They are rentiers, that is coupon clippers—people who do nothing useful but have vast incomes purely by clipping the interest and dividend coupons from their bonds and stocks. They are able to do this because the workers as we have already shown in the first article produce surplus value, which capitalists acquire through ownership of the industries represented in the stocks and bonds. Thus the class of capitalists are today useless to production, and are a debit to society as a whole.

"Workers Not Essential"

But Howard Scott and his Technocrats "prove" the exact opposite. We do not find one word about the non-essentialness of the capitalists—but we find an elaborate theory to prove that the workers are non-essential. In their official statement they say:

The importance of man as a worker has dwindled and is dwindling even more rapidly now.
And further:

Consider the shoes that you put on in the morning. They are made from leather, the hide of a cow that ate grass to provide the heat to warm her body and the energy to chew yet more grass. The grass itself, received by way of the chlorophyll in its blades,
energy from the sun. Removed from the cow's back, 
the hide was tanned, put into a car built of steel 
smelted by heat energy and transported over a rail-
road using steam or electric energy. It arrived at a 
factory and with machines driven by electric or steam 
energy, was made into shoes. When you eat your break-
fast, consider the source of your bacon and eggs, con-
sider your newspaper, how it was made and what it 
was made of, consider the street car or automobile in 
which you go to work, how they were made, of what 
they were made, and how they do their work. EVERY-
WHERE ENERGY, THE SOURCE, THE ONE AND 
ONLY SOURCE of life, is applied to matter, and be-
hold the wonder is apparent.

All of this sounds very learned and very new. It is 
neither. The worker will never become non-essential to 
industry. The capitalist is already non-essential. If you 
read Scott's description of the productive process, you 
cannot find anywhere mention of the existence of a work-
er. He speaks, in mystic tones about "energy" which 
when "applied to matter" bring about production. He has 
overlooked one important factor—who does the applying? 
Certainly it is clear that machines, railroads, bacon, etc., of 
themselves do not produce themselves. His overlooking 
that factor is not accidental—it is necessary for his theory 
of proving the non-essentialness of the workers.

Scott Never Read Marx

Had Scott read Marx, he would have found in volume 
one of Marx's Capital a sentence reading:

It is as clear as noon-day, that man, by his industry 
changes the forms of the materials furnished by Na-
ture, in such a way as to make them useful to him.

This truth is the key to the question. Water power has 
significance ONLY AFTER MAN WITH HIS LABOR 
HAS HARNESSSED IT. All the billions and trillions of any 
measure of energy going over the precipice at Niagara 
Falls is meaningless for the productive process unless man 
has labored and created the means of its utilization. All 
the energy contained in the wood of the forest, in the 
minerals and metals underground, and in the vegetation 
on the surface has no significance in modern production 
except if labor power is applied to make it utilizable in 
the productive process.

Automatic Energy and Class Relations

No matter how automatic machinery becomes, labor will 
be necessary for its maintenance, for its replacement, and 
for its proper control. If machinery, however, becomes 
highly automatic under a socialist society, it will not 
abolish labor but will emancipate man from labor. It will 
make man master of the machine, the machine will give 
man more leisure for cultural pursuits. The development 
of the automatic machine under capitalism makes man a 
greater slave to the machine. Today automatic machinery 
increases overproduction, and creates unemployment. The 
competition on the world market then forces the various 
capitalist groups to undersell each other. For this purpose 
they cut wages, increase hours and thereby make man a
greater slave to the machine. Our problem is not in the field of natural energy. This is a more or less settled factor. Our problem lies in the relations between men and men in human relations, in the economics and politics of life, which determines what the effect of the technological changes shall be.

**Fail to Consider Class Relations**

Because the Technocrats do not understand this they have produced their fallacious theory of energy in production, and either perverted or completely omitted the factors of class relations. Consider for example the facts they give about the suppression of inventions by big corporations. They do not realize that this has its source in the development of capitalism into its monopoly stage which is also in its dying stage, imperialism. They attribute this condition therefore to the fact that some corporations have reached "a stage of complete mechanization." Were this true then under a socialist society there would also be stagnation in technology when industry reaches the same degree of "complete mechanization" that capitalist industry had reached. Yet we know that is not so. The Soviet Union not only takes over every invention it can from capitalism but strives with every force to advance inventing to the Nth degree. What then causes technological stagnation under capitalism? Lenin answers:

However, like all monopoly, this capitalist monopoly (imperialism) infallibly gives rise to a tendency to stagnation and decay. In proportion as the monopoly prices become fixed, even though it be temporarily, so the stimulus to all progress tends to disappear; and so also arises the economic possibility of slowing down technical progress. For instance, in America, a certain Mr. Owens invents a machine intended to revolutionize the manufacture of bottles. The German bottle manufacturing trust buys the patent from Mr. Owens and keeps it in its strong rooms, thus holding up its utilization. Certainly monopoly under capitalism can never completely and for a long time set aside competition on a world market. Certainly the possibility of diminishing the costs of production and increasing profits by introducing technical improvements is an influence in the direction of change. Even so the tendency to stagnation and corruption which is characteristic of monopoly continues to make itself felt, and in certain spheres of production, in certain countries, for certain periods of time, it takes the upper hand.

(Imperialism: Last stage of Capitalism).

**Technocracy Is Betrayal**

Scott and Co. don't like this conclusion because it inevitably means the destruction of capitalism in its imperialist stage and the establishment of a socialist society. Thus for the engineers, the chemists, the physicists, etc., the solution lies in sphere of Marxist economics, in the Communist way out, in freeing their talents from the stifling hand of a dying capitalist order. To the engineers and other technicians, Technocracy is a betrayal, since it
leads them into the camp of their enemies, the capitalist class.

Technocracy's Solution

We have already said that Technocracy has for its role, an explanation of the crisis without reference to class relations. It is for this purpose that they quietly "bumped off" the entire working class by the simple process of declaring that their role in industry is approaching "close to zero." It is also for this purpose that they worked out their theory of "electric dollar" or "erg measurement" as a measurement of value and as a solution to the crisis.

Such a solution has the appearance of being purely scientific, because it leaves out labor-time the measurement of value in the exchange of commodities, and thereby eliminates the role of labor time also in exchange. Its scientific character is of course false—it is the reactionary utopian dream of capitalist idealism which can find no comfort in the materialist realities of life, which feels its life ebbing, knows it is losing in its battle against the working class and dreams of a world without a working class.

In the proposed solution of the crisis the Technocrats are in the same fog as in their analysis. Howard Scott in his official statement says:

The cause of our trouble lies in the fact that during these years instead of thinking of our well being and of the operation of our country in terms of energy, we have thought of it in terms of something purchasable with dollars. IF WE ARE TO UNDERSTAND THE PROBLEM AT ALL WE HAVE GOT TO GRAPPLE WITH THIS QUESTION OF ENERGY; upon it everything else rests.

It is a fact that all energy of whatever sort may be measured in units of ergs, joules, or calories. That is of utmost importance. The solution of the social problems of our time depends upon the recognition of this fact.

A company can examine the sample of a certain grade of gasoline and tell you in figures that will never change exactly the maximum number of heat units that can ever be exacted from that grade. He can measure exactly and that exact measurement is absolutely necessary in running our system. But can the sales manager in the office next to the laboratory tell you the price of gas next month, next year or ten years hence? It is absolutely impossible and because it is impossible we are playing with dynamite when we attempt to harness the system to price.

This jumble of jargon is obviously intended to impress the superficially minded. For a Marxist it can only produce a hearty laugh.

Let us leave our "scientists" for a while in order to examine the question of exchange.

Labor Basis for Value

On the surface it appears as if all exchange value is measured in terms of gold and silver money. We say that
a certain article has a certain price. Indeed an article doesn’t always have the same price. Consider a pair of shoes—not only can you buy the same size shoes at quite varied prices (for example between $1.00 and $15.00) but even the very shoes that cost $1.00 today may cost only ninety cents or $1.25 a few days later. Now the question arises—What explanation can we give for these differences? Why can’t a pair of shoes cost the same amount of dollars at all times?

For the answer we must go beneath surface appearances. Let us consider the reason for the same pair of shoes fluctuating in price. There are many factors, that account for this. For example if the market has a great volume of shoes on hand and small demand for them the dealer will sell cheaper in order to close out their stocks. If, as in war time, there are not enough shoes and the demand is great the dealer will ask more money for them. This question of supply and demand is one of the most important ones determining the fluctuations. But if we examine closely then we find that the fluctuations are always around a certain given point. Our problem is to find out—what determines that point? And by this we will understand why a certain measure of gold or silver money must be paid for a certain commodity.

Karl Marx in his book called the Critique of Political Economy says:

The first sensible analysis of exchange value as labor-time, made so clear as to seem almost commonplace, is to be found in the work of a man of the new world... That man is Benjamin Franklin, who formulated the fundamental law of modern political economy in his first work which he wrote when a mere youth and published in 1721 (A Modest Inquiry Into the Nature and Necessity of Paper Currency): He declares “It is necessary to look for another measure of value than precious metals. That measure is labor. By labor may the value of silver be measured as well as other things.”

Gold, Silver Also Commodity

Thus, the reason that a certain pair of shoes cost a dollar, is because it took approximately the same labor to produce the gold one dollar as it took to produce that pair of shoes. It took labor a certain amount of time to produce all commodities.

It is the amount of labor time contained in each commodity (varying for different periods according to technique) that gives it its value. The reason that gold and silver is used as a medium of exchange is because of all commodities it was found in practice to be the least perishable, the most convenient to handle and findable in sufficient quantities to carry on trade and commerce. Except for this, gold and silver is no different a commodity than any other product of man’s labor under capitalism. Despite the danger of monotony we must repeat: Commodities are sold approximately for their value but the producer only gets back part of the value he puts into them by his labor. The balance goes to the owners. They
cannot consume or sell the greatest part of it, and therefore accumulate their goods. When these unsold stocks reach sufficient size the factories shut down since there is no sense producing more when what is on hand cannot be sold.

In the light of this exchange process let us consider the "solution" of the Technocrats.

**Retain Profit System**

The Technocrats do not propose confiscation of the means of production. They are careful to make it clear that they do not want a Communist program of abolishing the exploiting class. Therefore the profit system the cause of the crisis remains, and their "solution" is no solution at all.

The Technocrats only propose to complicate matters by changing the medium of exchange. Instead of a gold or silver dollar they propose to use an "erg." An erg is simply a certain measure of energy. The worker would under their system receive no cash wages but credits. He could then go to the store and buy things and have them charged against his credits. This is really a type of industrial feudalism.

How would this solve the problem? If the capitalist system is not abolished, then the owners of industry would still accumulate vast unsold stocks same as now. How many ergs would go to the capitalist and how many to the worker? Who would own and control the means of production? If not the capitalist then the engineer? Who would determine how many ergs shall be credited to the engineer? Assuming what is obviously ridiculous that the capitalists would voluntarily surrender their ownership of industry and turn it over to the engineers, would not the engineers become a new exploiting class? What guarantees are there that this would not happen? Maybe their high moral character? Maybe engineers are more god-fearing than capitalists? That's clearly idealistic nonsense.

**Want to Measure Use Value**

But many other problems remain unanswered. They say that all life has its sole source in natural energy. If the engineers will control the distribution of this natural energy, then will it be divided equally amongst all? Or if it will be divided according to how much work is done, then how will they measure it? For example: How many ergs did it take to produce the brilliant theory of Technocracy? And how much would the quacks who produced that theory be paid? And who would decide that?

It is increasingly clear that the entire Technocratic structure is so unsound that not even one of our well known building inspectors could be bribed into passing it. A lot of engineers, indeed!

How stupid are some of their assertions can be seen from their claim that while the money value of let us say gasoline changes from time to time, the "energy" value will never change.
Religious people create a god. Then they endow him with great mysterious powers. That makes him independent, nay, greatly superior to ordinary people.

Then they become slaves to that god.
So with the Technocrats. Man made gasoline. Gasoline or any other commodity is their god. Gasoline, for them, has "value" because it contains "heat energy," (Not because man made it useful), that because the number of "heat energy units" always remains the same, its value never changes and therefore this is the scientific system of exchange. And the labor that man gives to the commodity which is what gives it exchange value, has no more role than the work of the religious in creating a god.

Value Not Absolute
In the first place we cannot consider the "value" of gasoline without considering its utility to man. Before the automobile was invented gasoline was a wasted by-product in the distillation of petroleum. It had no value at all because man did not have any use for it that he knew of. He therefore threw it away. The exchange value of the other petroleum products in that distillation process was much greater because all the labor time put into the process had to be paid for by them alone without any income from the gasoline. When gasoline became useful in automobiles the labor time put into its production was paid for out of its sales, and the other commodities produced in the same process fell in exchange value proportionally. On the other hand when two men stand at a river, the water has great use value, but can they sell it to each other? But in a nearby town, to which the water must be transported, it has the same use value, but now it also has exchange value, because it contains labor.

Thus the value of a certain product can never be eternal, absolute or mysterious. The source of its value is its utility and the source of its exchange value (price) is the average amount of socially necessary labor time that it takes to produce it in a usable form. Even so we have not given even all the main factors which change both the use value and the exchange value of a commodity.

The same gasoline in a poor machine might give less energy in the productive process; in an improved machine a greater amount. Also the value of a certain article is modified by the discovery of substitutes. For example if sufficient water power is harnessed for electrification it might be cheaper to use it in machinery than gasoline; possibly a good engine using coal oil, or other substitute for gasoline might be invented which gives better and cheaper service than gasoline; in any of these cases gasoline would lose both in exchange as well as in the degree of its use value to man.

With the erg, joule, calorie, or other measure of energy or heat, Scott has a partial measure of use value but he thinks he has a measure of exchange value. This can be better understood if one realizes that ordinary air currents contain energy But who will buy air? When air is obtained
from concentrated oxygen, in other words after labor has been applied, then it gets an exchange value.

Old Argument

The discussion of this question is not new. In 1900, Eugen Bohm-Bawerk, head of the famous Austrian school of economics, published a book in which he also "finished" Marxism. Being far more intelligent than the Technocrats he did not deny completely the role of labor in determining value, but he did make the charge that Marx's labor-time theory of value does not take "nature" into consideration and that it "denies the participation of nature in the production of goods." This charge was false.

In 1875 the Socialists of Germany in convention at Gotha adopted a program the first sentence of which read, "Labor is the source of all wealth and all culture." In sharp criticism of this Gotha program Marx wrote, "Labor is NOT the source of all wealth; nature is just as much the source of use values (and it is of these that material wealth consists) as is labor, which is of itself a manifestation of a natural force—human labor power."

The Technocrats now go much further than Bohm-Bawerk. They completely deny the role of labor in production under advanced technology and assign everything to nature (energy). We have already dealt with the labor theory of value. There are really two characteristics which wealth has: one, its use value; two, its exchange value. The participation of nature in the creation of use value cannot be denied but exchange value is purely an expression of the relations between man and man.

The essence of the fallacy of Technocracy in this question lies in the attempt to establish an absolute never-changing, eternal measure of the value of products. As we have already shown exchange values change as conditions among men change. Only their use value (if it is known to man) depends upon nature as well. Scott & Co. are so anxious to abolish the role of labor in society that they overlook this entirely.

Confuse Price and Profit

There are times when the Technocrats speak in a confused way about "profits." But there is a method to their confusion. They occasionally intermingle the word "profit" with the word "price." For example:

Under the present price system we manufacture goods not to use, but to sell—and make a profit; and profit as we have previously seen is a debt claim . . .

The sublime irony of our situation is that we must fight and strangle our competitors to get rid of our products at a price.

No one should be fooled by this phraseology. The few words stolen from Marx in the first sentence are not sufficient to hide the knavery in the rest of the paragraph. The Soviet Union is today still producing for sale at a price—but not to make profit. These two things are not the same.

Profit is not a mere "debt claim." To so define it hides capitalist appropriation of labor products.
Such a definition leads us back to the religious hokus-pocus which characterizes all Technocracy. Profit is a material thing—that part of the workers produce which the manufacturer has left over after paying the landlord and other sharers in the loot taken from the workers. The cause of the crisis, as we have already shown, is not the mere use of money, but the capitalist system of producing for private profit. Scott creates this confusion in order to blur the sharp line of demarcation between classes. He pretends that there is no difference between the U. S. S. R. and the U. S. because both have price systems. That's utterly ridiculous. The difference is so profound that the two world systems, capitalism versus Socialism (not to be confused with the capitalist misnamed Socialist Party) are in a deadly struggle which must end in the death of the present capitalist system. Inscribed on its banners is the Communist slogan, "From each according to his ability to each according to his needs." This system will emancipate mankind from exploitation as practiced in capitalist society.

**Technocrats Predicted Crash**

Despite these obvious fallacies in their theories the Technocrats calmly claim the power of sooth-sayers. For example Wayne Parrish in the New Outlook says that using this technique that is computing the replacement of men by machinery without regard to the question of markets or other consideration, they were able to predict the 1929 collapse. He says:

"The picture is so complete in this way that when the research was taking form in 1920, our present depression was clearly discernable, except that Technocracy had the crash occurring in 1930 instead of 1929—an error of about six months."

**"Hoover Predicted Everlasting Prosperity"**

They cannot produce a single document written BEFORE the crash to prove this assertion. Where were these gentlemen in 1929 when Hoover's conference on unemployment published a report under the title of "Recent Economic Changes in the United States?" In this report Hoover's aides said:

"The survey has proven conclusively what has long been held theoretically to be true, that wants are almost insatiable; that one want satisfied makes way for another. The conclusion is that economically we have a boundless field before us; that there are new wants which will make way endlessly for newer wants, as fast as they are satisfied.

We have the power to produce and the capital to bring about the exchange between the producing and consumer groups. We have communication to speed and spread the influence of ideas. We have swift and dependable transportation . . . We have a great national opportunity.

We seem to have only touched the fringe of our potentialities."

**Thomas Agrees With Both**

This idyllic picture was answered only by the Marxists.
The Technocrats were nowhere to be heard. Now in the fourth year of crisis when capitalism needs new siren songsters to keep the masses from emancipating themselves these pundits appear to claim that they knew the crisis was coming right along. In fact, the very same people who were singing the song of “permanent prosperity” up to 1929 are now claiming that they predicted the crash. A case in point is Norman Thomas. This “socialist” party acrobat as late as June 1929 found that Marx’s prediction about recurring crisis was “out of date.” That technology had abolished recurring crisis under capitalism! I quote from his amazing article; which was printed in the New Leader, June 15, 1929:

The Marxian forecast of economic development... did not take account or sufficient account of certain things which are becoming familiar to our generation. Among the most important of them that we must consider I should list the following:

(a)—The almost miraculous achievements of applied science (technology - S. D.) in the increase of productivity...

(d)—The arrest in the processes which Marx logically thought would lead to recurring crisis and increasing misery... by the appearance from time to time of new industries like the automobile industry in America to take up the slack.

You see, Technocrats? Thomas thought that the advances in technology solved the problem for capitalism and in every way agreed, even anticipated, the claims of no more crisis made by Hoover’s engineers. But this same Thomas, joined you in your fake claims to have known all about the present crisis BEFORE it happened in another article he wrote in the New Leader, December, 1932. In commenting on your statement he says: “What we all knew in a general way they (the Technocrats) have made specific and vivid.”

A comparison of these two statements shows the opportunist character of Norman Thomas (and incidentally his party) ready to ride any wave that appears popular. But if you claim you predicted the crisis you are no less a liar than he. And the proof is that you cannot produce a single document to substantiate your claim.

Only Marxism Shows the Way

Only the Communist International and the Communist Party in the United States predicted the crisis was coming. Only a faker would claim that he could predict a crash was coming within a few months. But in its world Congress held in Moscow in October 1928, the Communist International wrote in its adopted program a section called the “General Crisis of Capitalism and the First Phase of the World Revolution,” from which we quote:

THE CONTRADICTIONS OF CAPITALIST STABILIZATION AND THE INEVITABILITY OF THE REVOLUTIONARY COLLAPSE OF CAPITALISM

“Experience throughout the post-war period had
shown that the stabilization achieved by the repression of the working class and the systematic depression of its standard of living can be only a partial, transient and decaying stabilization.

"The spasmodic and feverish development of technics bordering in some countries on a new technical revolution, the accelerated process of concentration and centralization of capital, the formation of giant trusts and of 'national' and 'international' monopolies, the merging of trusts with the State power and the growth of world capitalist economy cannot however, eliminate the general crisis of the capitalist system. The break-up of world economy into a capitalist and a socialist sector, the shrinking of markets and the anti-imperialist movement in the colonies intensify all the contradictions of capitalism, which is developing on a new, post-war basis. This very technical progress and rationalization of industry, the reverse side of which is the closing down and liquidation of numerous enterprises, the restriction of production, and the ruthless and destructive exploitation of labor power, leads to chronic unemployment on a scale never before experienced."

Technicians Should Rally to Communism

The engineers and other technologists throughout the world, eliminated from production, their talents made useless by a decaying capitalist society which sends them to the breadline, look longingly at the Soviet Union and hope for a place in a system of such great opportunity. The Technocrats, who are at best only pseudo-technologists not real scientists try to mislead the technicians by telling them that there is no difference between the Soviet Union and the U. S. By this they hope to keep the technicians from the revolutionary movement. Undoubtedly they are aided by the middle-class intellectual tendency to hesitate, waiver and doubt between the two main classes of society, the maturing vigorous proletariat and the old rotten capitalist class. But the best elements amongst these technicians will not be mislead—they will rise above the confusion of Technocracy and other similar middle-class and capitalist ideologies and join the revolutionary masses. Some of Technocracy's catch-phrases in a more distilled form may become part of a Fascist ideology in this country. It may affect some sections of the workers and poor farmers. But that depends largely upon the leadership of the Communist movement, who must now conduct a bitter struggle against Technocracy, giving them no more quarter or toleration than any other group of capitalist misleaders.

The building of the Communist Party, the greater distribution of Communist literature, the increased struggle against capitalist oppression, exploitation and demagogy will be the best teacher of the masses against the confusion of Technocracy and for a revolutionary way out of the crisis.

(THE END)