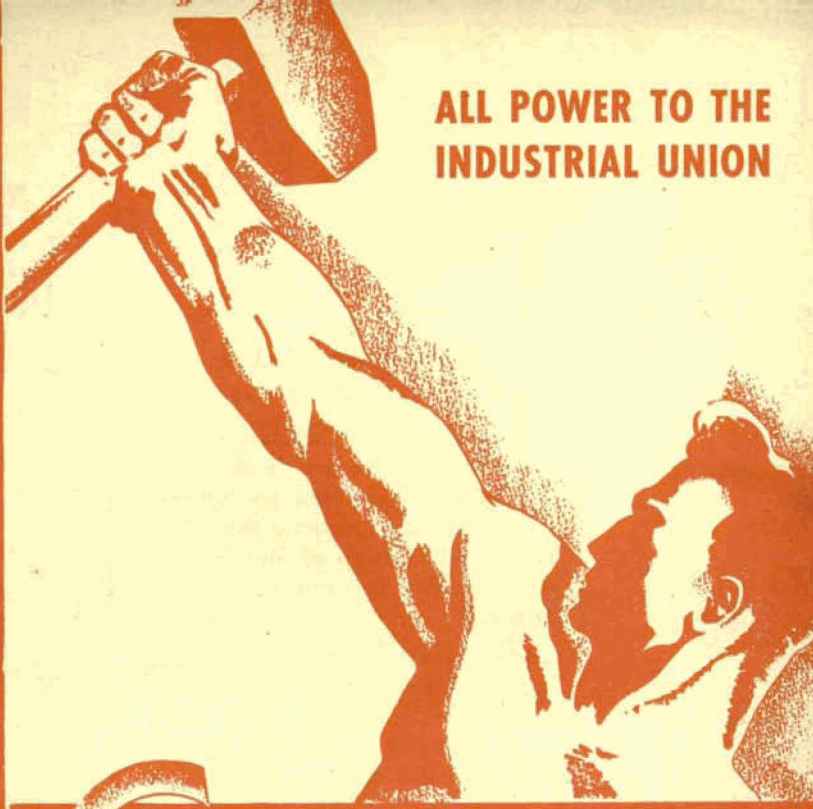
SOCIALIST LABOR PARTY

ALL POWER TO THE INDUSTRIAL UNION



CAPITAL and LABOR

10¢

by ARNOLD PETERSEN

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INTRODUCTION.

There is no subject on which so much futile oratory has been spent, or for which so many "solutions" have been proposed during the last fifty or sixty years, as that ever present, ever vexing problem of "Capital and Labor." And if even a casual second thought is given to the subject, the reason should become perfectly plain. For the "Capital and Labor" problem is *the* social, economic and political problem of today. It is the problem in which are involved the very constitution and functioning of the prevailing economic order, capitalism, and the real question is whether or not this economic order can be made to function, not merely as it has functioned in the past, but whether it can be made to function in the present complex social mechanism which is becoming ever more complex day by day. The question, in short, is whether the system of capitalism, with its inseparable underlying basis, wage-slavery, can be patched up, even as the upholders of chattel slavery one hundred years ago attempted to "patch up" the system of Southern slavery, and who believed that it was possible to reconcile it with the progressive capitalism of the North.

The Socialist answers these questions in the negative. He shows, by facts and unanswerable scientific argumentation and deductions, that every effort made to save capitalism results in plunging it deeper into the morass of social and economic bankruptcy. He exposes (as is done in great detail in the following pages) that the relationship between so-called "Capital" and Labor is a wholly unjust and untenable one—unjust in the light of the possibilities of the present productive capa-

city of labor; untenable, in the light of the ever increasing conflicts and contradictions resulting from that unjust relationship. And in the measure that the entire civilized world (and vast areas of the so-called uncivilized, or backward, parts of the world) become involved in these contradictions, in just that measure the hopes of those who, sincerely or otherwise, strive to save capitalism become utterly blasted.

The conflicts, and their resulting problems, produced by the anomaly of vast productivity of labor (which despite its productivity remains pauper labor), and the mechanization, not only of production, but of living labor as well, which is among the outstanding characteristics of the present decadent phase of capitalism, has been well described by Mr. Walter Lippmann when recently he wrote that "it is always true that the accumulation of property is an evil....it is always true that the arrival of masses without property will in the end destroy a civilization..... It is always true that a society of free men is a society of men with secure and sufficient property."

If we substitute for "property" the more embracing term wealth—social wealth—we can agree fully with this apologist of the system of capitalist property. The working class of today is stripped bare of "property"—of wealth—having no more wealth in the long run, and as a class, than have horses, cattle, dogs and other domesticated animals—and frequently less. And the workers are devoid of wealth (which they alone produce) not because of accident, not because they lack thrift, not because they cannot produce plenty for all, but because, in the existing capitalist premises, and in the working out of economic laws under capitalism, they are inescapably fated to become and remain a

propertiless class. Despite promises and efforts of politicians, each succeeding decade, each survey or census reveals an increasing pauperization of the vast majority of the people of the land—the wage-working people—and no politician, no president, plutocrat, dictator or magician, can do anything to alter this situation, so long as the capitalist system is preserved and upheld.

II.

There has scarcely been a Presidential message during the last sixty years or so which has not wrestled with the problem of "Capital and Labor"—in fact, beginning with Lincoln, who contributed more light on the subject than all his successors combined. The latest is the annual message just addressed to Congress by President Franklin Delano Roosevelt (January 4, 1939). Apart from the section of the message which constitutes the President's further agitation in behalf of a vast military machine, which he considers essential for the preservation of the American capitalist system, in anticipation of the world war which he apparently considers inevitable—apart from that part of his message, the President devoted his time to one more summing up of his supposed achievements for "the people," and the good things supposedly accomplished in behalf of labor. It may be self-delusion, or it may be the politician's craft, but, whatever it be, Mr. Roosevelt's claims are unfounded, his picture is distorted, and his expressed hopes are without justification, whether he speaks optimistically about saving capitalism, or, as he put it, "our traditional profit system," or whether he holds out promises for the wage slaves for a freer, fuller and more abundant life under this, his beloved,

profit system. As said, each attempt, every effort made —legislative or otherwise — has resulted in bogging down still deeper the capitalist system, and in further imperilling the present and future welfare of the millions of wage slaves, than was ever the case before. The best that may be said for Mr. Roosevelt's efforts is that he has succeeded, to a very limited degree, in slowing down the process of decay and deterioration, with the eventual destruction of his hopes and promises rendered still more certain in a reasonably foreseeable future.

On October 22, 1933, the President delivered one of his "fireside chats." In this he alluded to the unemployment situation when he took office eight months before. "There were [then]," he said, "about 10,000,000 of our citizens who earnestly, and in many cases hungrily, were seeking work and could not get it." And he went on: "In the short space of a few months, I am convinced that at least 4,000,000 have been given employment—or, say it another way, 40 per cent of those seeking work have found it."

Today the number of unemployed is variously estimated to be from 12,000,000 to 14,000,000, with a few claiming as low as 10,000,000, and some as high as 15,000,000.

With regard to the President's price control measures (dealt with in this pamphlet), Mr. Roosevelt has fared no better. A striking example is that of cotton, one of the country's most important products, on which the economy of the South largely rests. The following table is taken from the weekly cotton market review of the New York Cotton Exchange firm of Harriss & Vose, as reproduced recently in the New York *Herald Tribune*:

Cotton Control: Before and After

THE FIGURES FOR FIVE YEARS OF REGULATION.

When Approved May 12, 1933

October cotton was	9.20 cents
Government held	2,255,000 bales

That Season

	Bales
Crop was	13,002,000
Exports were	8,426,000
Production of foreign growth was	10,500,000
Consumption of foreign growth was	10,266,000

At This Time

October contracts are	7.45 cents
Government expected to hold	11,000,000 bales

This Season

	Bales
Crop is	12,008,000
Exports estimated	4,000,000
Production foreign growths estimated	16,250,000
Consumption foreign growths estimated	16,340,000

In Other Words Compared to 1933
This Season

	Bales
Production of foreign growths has increased	5,750,000
Consumption of foreign growths has increased	6,000,000
Our exports have declined approximately	4,500,000
Our own production has decreased	1,000,000
And total government holdings will have been increased	8,750,000

The same situation is found with respect to other staple products. Thus wheat in 1933 sold at 89½ cents; in 1938 at 64½ cents. Corn in 1933 was 48⅜ cents; in 1938 44½ cents. Oats sold in 1933 at 37½ cents; in 1938 at 25⅛ cents. Rye in 1933 was 62 cents; in 1938 it sold at 43⅛ cents. And so forth. Mr. Roosevelt by this time should have learned that he might, indeed, just as well try to control the tides, as to try to control, or set at naught, the economic laws underlying capitalism! For in the degree that labor-"saving" machinery is introduced, in that degree the value of commodities is lowered, with a corresponding lowering of price—other things being equal.

Despite the fact of the irrepressible conflict of capital and labor—that is, of *capitalists* and *laborers* (over the product of labor), the President hopefully speaks (in his latest message) of finding "ways to end.... employer-employee disputes"! Of bringing "capital and man-power [!] together"! As well speak of ending the "disputes" between the highway-robber and his victim! As well urge the harmonious blending of oil and water, or reconciling the conflict between day and night!

And with complete imperviousness the President repeats the (under capitalism) hoary economic falsehoods and absurdities—viz., that it is possible to secure for "every man and woman who wants to work a real job [!] at a living wage." No magician can provide jobs where none is to be had; and as for "the living wage"—*that* is the slave's reward which Mr. Roosevelt dangles temptingly before the country's wage slaves! He speaks of "acceptance by labor of *the truth* that the welfare of labor itself depends on increased balanced output of goods." The truth, Mr.

President? With due respect to the President's office, it is an economic falsehood, sir! For the more labor produces, the sooner the individual laborers work themselves out of their jobs, and the lower, by and large, is the already pitifully small share which now is theirs out of the fabulous wealth which they alone produce.

III.

The contempt in which wage labor is held by the capitalist exploiters, and their political and editorial lackeys, was splendidly illustrated in the recent violent outbreak in France, which for a moment threatened to assume the proportions of a general strike, and "civil war," so-called. When, for the usual reasons (as also dealt with in this pamphlet) the French workers were again crushed, the plutocratic New York *Herald Tribune* jubilantly published an editorial which it entitled, "The French Victory"! And the credit for this "victory" was given to "the French people." Unparalleled impudence! The "French victory" constituted the victory of the small, plutocratic class over the vast majority—the workers! The "French people" thus are identified as the infinitesimal number of capitalist exploiters, whereas the workers are not included among the "people" at all! In thus appraising the "victory," the organ of the plutocracy unconsciously gives recognition to the class rule fact, that it is the propertied, slave-owning, or slave-driving class, which really is "the people," while the slave class (whether chattel or wage slave) is not to be counted among the "people"—no more, indeed, than ancient Athens counted its hundreds of thousands of slaves among the population of Athens!

And what was the occasion for this struggle which resulted in this "victory"? Why, none other than that "patriotic" capital had taken flight from France, and in order to induce the noble "patriot" to return, it was demanded of the French proletariat, i.e., the *useful* French workers who alone had produced all the wealth, that they must accept lower wages and work longer hours! As that plutogogue par excellence, Walter Lippmann, phrased it in one of his columns at the time (*Herald Tribune,* December 1, 1938), "The problem [of poor French "capital"!] can be solved only by inducing French capital, which is a refugee [!] abroad, to return to France and by inducing French labor to work longer hours." Nobly spoken, Mr. Lippmann! Again, then, the bandit's ransom, only this time not the totalitarian bandit, but the nice, "democratic" gangster who held the gun of private property to the temple of French labor, saying: "Stand, and deliver!" Deliver more wealth, at less compensation—or else! And when the French capitalist bandits scored their victory, when, perforce, French labor yielded to the robber's terms, and submitted to increased fleecing, at longer hours of toil, and less pay, the Fascist and Nazi bandits were jubilant, and they unhesitatingly expressed their admiration for Daladier and his French fellow-gangsters! There, Mr. President, and editorial ladies and gentlemen of plutocratic servitude, is your modern conflict—not between French and German, not between Italians and British, but between French capitalists and French wage workers; between German industrial feudalists and their economic serfs; between Italian exploiters and Italian wage slaves; and, all around you—now, in the past, and as long as the cursed capitalist robber system prevails—right here, the struggle is be-

tween American capitalist exploiters and their mercilessly fleeced American wage slaves!

*

This modern conflict, this unbridgeable chasm, cannot be solved or bridged while capitalism is maintained, however much Mr. Roosevelt may speak feelingly about maintaining "our traditional profit system" — ours, that is, *your* profit system, Mr. President, the system by which you and your class, and retainers, *profit!* The President may sincerely believe, probably *does* sincerely believe, that the capitalist profit system can be saved, and that, in saving it, the welfare of the "90 per cent," that is, the wage slaves, can be advanced and protected. There are indications that at times Mr. Roosevelt suffers delusions of grandeur, or that he attributes a craft and a skill to himself as a politician equal to, or superior to, any problem that may arise. One of the President's biographers, Emil Ludwig, a few months ago, reported the President as saying that Woodrow Wilson failed because in the solving of his problems he lacked the politician's skill. "That," Mr. Ludwig quotes the President as saying, "needs a politician like me." (New York *Times,* June 5, 1938.) Mr. Roosevelt, as a politician, is well behind the needs of his age, far behind the truly progressive, the revolutionary spirit of our times. And his class view, his class interests, will see to it that he never catches up! Thus, in the end, he will stand defeated—with empty hands, or dross in his feeble grasp, and possibly even betrayed by his fellow members of the very class whose social system he so desperately is trying to save!

It remains for the working class to organize politically and industrially in order to put an end to the nefarious system of wage slavery—to organize on the

lines of the Socialist Labor Party, to save the working class from complete disaster, from undisguised slavery and misery: to organize to rear the republic of the brotherhood of man, the Industrial Union Government of Labor with its guarantees of freedom for the individual, happiness, peace and plenty for all.

ARNOLD PETERSEN.

January 5, 1939.

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Means to keep workers from uniting on class basis: Diversions (sports, radio, etc.); race and nationality questions, race superiority myth, religious question—all exemplified today in German and Italian dictatorships.

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CAPITAL

(*Weekly People, September* 10, 1938.)

> CAPITAL comes [into the world] dripping from head to foot, from every pore, with blood and dirt.—*Marx.*

> CAPITAL is said .... to fly turbulence and strife, and to be timid, which is very true; but this is very incompletely stating the question. Capital eschews no profit, or very small profit, just as Nature was formerly said to abhor a vacuum. With adequate profit, capital is very bold. A certain 10 per cent will ensure its employment anywhere; 20 per cent certain will produce eagerness; 50 per cent positive audacity; 100 per cent will make it ready to trample on all human laws; 300 per cent, and there is not a crime at which it will scruple nor a risk it will not run, even to the chance of its owner being hanged. If turbulence and strife will bring a profit, it will freely encourage both.—*T. J. Dunning,* "Trades Unions and Strikes," London, 1860.

I.

"What is capital?" Ever and anon this question is asked, now by the honest inquirer and seeker of truth, now by the hired editorial *landsknecht* whose business it is to confound and confuse. And the answers naturally vary according to the material interests or idealism involved, and, to be sure, in accordance also with the knowledge and understanding, or the lack of them, on the part of those who undertake to supply the answer.

Being something in the nature of a trinity, some-

thing to be regarded as sacred, capital (from the viewpoint of its owners, and the defenders of these) takes on the characteristics of a deity with attributes as definitely mystical as they frequently turn out to be mythical. As a divine trinity *capital* is apparently nowhere, yet everywhere; it is the "father," the "son" and, last but not least, it is the "holy ghost"! It is *three,* yet *one;* it is *all,* yet *none!* It is all-pervading, yet insubstantiality itself! Like all deities, it possesses also man-like attributes—like mere mortals this god *capital* suffers pain, manifests anger and fear! It has a "soul," yet it is soul-less! In short, as a mystery it is the holiest of holies. And so it is natural that it should appear to mortals veiled, and "speak" to them as through a cloud—that is, through the tribe of Moseses, the college professors, as when Jehovah spake unto Moses: "Lo, I come unto thee in a thick cloud, that the people may hear when I speak with thee, and believe thee forever."!

In his playful fashion, the Frenchman, Paul Lafargue, expounded the god-like qualities of this divinity, capital: "Capital is the true, only and omnipotent God. He manifests himself in everything. He is found in glittering gold and in stinking guano; in a herd of cattle and in a cargo of coffee; in brilliant stores that offer sacred literature for sale and in obscure booths of lewd pictures; in gigantic machines, made of hardest steel, and in elegant rubber goods. He is everywhere....He is the only God that has not yet run against an atheist."

II.

These reflections are prompted by the reading of some editorials and articles that appeared recently in the plutocratic New York *Herald Tribune.* One of

these writers (Isabel Paterson, who is otherwise possessed of a rather keen and logical mind) attempts to unravel the "mystery" of capital, succeeding instead merely in enriching our lore of the subject with new myths and amazing interpretations. In the course of her tussle with her subject, the *Herald Tribune* writer discovers, among other things, that "machinery and plant which are used to turn out other objects for sale are obviously industrial capital," which, as a definition, is only half bad; also (seemingly rather irrelevantly) that "Marx needs scrutiny no less than Adam Smith." Also, unhappily, that Marx "saw the machine age" (as if that had now passed!), and the sight of it "put him in the mood of a Jeremiah." (We are retrogressing—from Jehovah to Jeremiah!) Then suddenly the good lady lapses into a discussion of the sewing machine that had belonged to her grandmother, and which apparently the granddaughter now operates once in a while all by her little self! And again referring to Marx (for whom she seems to feel genuinely sorry) the *Herald Tribune* columnist utters this profound thought:

"Thus, in Marx's time, it was natural enough to think of industrial capital as something essentially physical [!], fairly durable and capable of being seized and taken over for the benefit of a new political 'system.'" (!)

Now, in our time, in the present rarefied social atmosphere, says the *Herald Tribune* writer, "those postulates are no longer true"! (Which reminds one of Marx's satirical thrust at Proudhon: "Thus there has been history, but there is no longer any." The *Herald Tribune* "economist" would have it: "Thus there have been revolutions, but society ain't goin' to revolutionize

no mo'!") Just as the gods once walked this earth, later to retire, and remain hidden, on their Mt. Olympus, in their Valhallas and respective Edens, so "industrial capital" has (so it would seem) become quite ethereal, and yet "like an electrical dynamo, as compared to a steam engine." And "Enterprise [ah! now we have it!] is the vital spark, and the transmission lines consist of human relationships"! And, behold, "when the relationship involved ceases, it isn't there at all"—just like James Whitcomb Riley's little naughty boy who wouldn't say his prayers: why "when they turn't the kivvers down, he wuzn't there at all!" And the little *Herald Tribune* lady repeats and solemnly warns us that (having now presumably become metaphysical, or a pure abstraction!) "It [capital] can't be taken over by revolution, by mandate or by any arbitrary action." Tsch! Tsch! Tsch!

If our *Herald Tribune* political economist had said that capital is *also* a social relationship, instead of merely a "human relationship," we might have given her 25 per cent on that answer, though the correct, yet still incomplete, definition would be, "Capital also is a social relation of production," the "relationship," however, being of a special kind—"a relation of *production of bourgeois society,*" as distinguished from primitive communist, chattel slave, feudal, *and future Socialist relations of production.*

But let us not be too hard on the lady. There are those whom knowledge of danger makes cowards, or at least timid. With others, possessing knowledge, the mood becomes one of courage tempered with caution. It is evident that with our *Herald Tribune* economist it is a case of knowing little or nothing about the subject of capital, hence she has rushed in where angels

would have feared to tread! But her consolation must be that of the many who came to grief on the question, she has done as well as—certainly not much worse than—those others whose professorial degrees lent to their *ex cathedra* pronunciamentos an air of authoritarian finality, as of Jehovah from Mt. Sinai!

III.

By turning now from columnist to editorial writer, we are going to be even more entertained, with the degree of enlightenment yielded in inverse ratio to the vastness of entertainment offered! Under the title "France's 'Capital Strike,' " the editorial writer of the plutocratic paper which shelters such divers and varied an assortment of "talent" as the "public relations counsel" Sokolsky, the solid and rather ponderous (though not at all pompous) Mark Sullivan, the plutogogue Walter Lippmann, the somewhat hysterical, volatile and "gabby" Dorothy Thompson, and our "political economist," Isabel Paterson — the *Herald Tribune* writer of the aforementioned editorial, we repeat, succeeds to an amazing degree to present himself as the embodiment of all the confusion, mysticism and contradiction created by capitalist apologists in handling the subject capital. Our editorial writer quotes the French ex-Premier, Leon Blum, as complaining about the "flight from the franc," M. Blum also whining that the outlook for French recovery would be better "if French capital were patriotic," if French capital (as M. Blum's critic puts it) "were not prepared to flee the country at the slightest provocation." Leon Blum is further quoted as referring to the "flight" as "desertion" and "almost treason," which the *Herald Tribune* writer likens to such references as "strike of capital" by "cer-

tain New Dealers." The *Herald Tribune* writer goes on to chide, quite properly, "those who cherish the quaint notion that 'capital' has a mind and a soul of its own," charging them with "indulging, of course, in a form of animism." (Etymological note: "Animism: The regarding of inanimate objects as possessing personal life or soul."!) And he adds that "it would be quite as sensible to scold a stream of water for not flowing up-hill [ah! those eternal verities!] as to castigate 'capital' for flowing in its natural direction, namely, in the direction where it may most reasonably expect a fair degree of safety and remuneration"—as, for instance, to Dunning's supposititious 300 per cent, and to the risking of "its" owner's (not "its own") neck!

With increasing scorn, and with the air of superiority that goes with a complete sense of knowing all about it, the *Herald Tribune* writer lashes poor M. Blum, asking him if France offers such a "haven" of safety to this soul-less thing, capital. And insisting that if capital has gone "on strike" in France, there is nothing unique about that, since all countries have their "'hot money' problem today." And why is this so? Why, says the *Herald Tribune* scorner of believers in "capital animism," 'tis so "because capital has become highly nervous in recent years"; and in further compassion for this soul-less thing, this mysterious thing called capital, the writer observes that "there are obvious reasons for its [capital's] nervousness which have nothing to do with patriotism." And having thus cleared capital of the foul charge that it is unpatriotic, the *Herald Tribune* writer concludes (still referring to capital):

"It is fearful of war, for one thing; it finds the

budget situation unencouraging, for another thing; and finally it is not sure what the attitude of such Leftists as, for example, M. Blum will be when Parliament reassembles and M. Daladier's economic policies again become a political issue."!

What an amazing thing this mysterious capital is! And what marvelous minds these capitalist editorial writers have! First the *Herald Tribune* writer ridicules with supreme scorn the assumed existence of a soul in capital, arguing that to imply that capital has a soul is to indulge "in a form of animism." Thereupon the same writer invests capital with all the attributes of a poor mortal: It is *patriotic* and *nervous!* It is capable of experiencing *fear!* It can *reason* about the budget situation! It has definite *political views,* these being obviously conservative, for example, like Mr. Hoover's! And it entertains *doubts* as to what M. Blum himself will do to shrivel its poor soul (but there wasn't any soul in capital, was there?!)—to shrivel its poor what-you-might-call-it, still more!

Thus we see that although capital has no soul, it is otherwise equipped, like any average normal human being, with emotions, with a highly sensitive nervous system, and with a thinking apparatus developed sufficiently, at least, to qualify it to enter into public debate on public questions! Truly, amplifying Paul Lafargue's catechism, we may fancy this astounding "creature," capital, saying: "I animate and transform everything—myself included, even to the point of endowing myself with a soul, *Herald Tribune* editorial writers to the contrary notwithstanding!"

Out in the small town of Lorain, O., a little brother to the plutocratic *Herald Tribune* puts in its teaspoon

oar in the struggle over definitions of capital. In this case we have naivete added to amusement and contradictions. The Lorain *Journal* a while back took to task "The Socialist Labor Party—followers of the socialistic doctrine according to Karl Marx, are pointing to Capital as the Big, Bad Wolf of human society—the fundamental force that exploits labor [sic!]." And the sheetlet adds indignantly: "This is not true!" Whereupon it lists a number of things constituting the virtues, rights and capacities of this noble thing, capital. Among other things we are told that "Capital is justly entitled to interest—wages—the same as labor; for [startling *non sequitur!*] Capital is created by labor—directly or indirectly, sooner or later." (Sic!)

And so, wonder of wonders, capital becomes transformed into a wage earner who is entitled to a "fair wage"! Perhaps we shall even find that capital is a member of a trade union. This particular editor improves upon the practice of telling nursery tales about "capital and labor" by telling a real bedtime story about a Scotch collie named Sandy who saved the "huntsman's" baby from a bad wolf, killing the wolf. When the huntsman returned, "Sandy" greeted his master with bloody paws, and, not seeing his child, the huntsman killed poor "Sandy" who had simply seen his duty and done it! We don't know who the child in this bedtime story represents, but we are told that "Sandy" represents capital; the big bad wolf is monopoly, and the huntsman is none other than "the followers of Karl Marx who act before they look"! It is all so bewildering, for we had naturally supposed that "the followers of Karl Marx" would be the villain in the piece, and now it turns out that monopoly is the Dillinger! Anyway, capital appears in a new, startling role

—as a faithful dog which destroys its own legitimate offspring, monopoly. Verily, capital is what she ain't, and the Socialists appear in this strange drama as the father of something which good, old faithful capital guards and saves, itself giving up the ghost!! It would be very convenient for all concerned if these various apologists and defenders of capital would get together and agree on a few fundamentals, not to mention the adoption of bedtime stories that even a five-year-old child would not walk out on.

IV.

However, let us turn from the mysterious and theological, from the grotesque and naive, to more serious business. What *is* capital? We may quote first Daniel De Leon, the foremost American Marxist. "Capital," said De Leon, "is that portion of wealth which, being privately owned in a society where proletarians abound, is used to produce more wealth by a system that exploits the capital-less proletarians." We are now getting somewhere. Karl Marx, the father of Socialist science, of scientific economics, quotes the following as a typical example of what in his day was offered as a definition of capital by the professorial "economists":

"Capital consists of raw materials, instruments of labor, and means of subsistence of all kinds, which are employed in producing new raw materials, new instruments, and new means of *subsistence*. All these components of capital are created by labor, products of labor, *accumulated labor*. Accumulated labor that serves as a means to new production is capital. *So say the economists*. What is a Negro slave? A man of the black race. The one explanation is worthy of the other."

Marx thereupon proceeds to show when "instruments" become capital instead of mere wealth-producing tools. We read:

"A Negro is a Negro. Only under certain conditions does he become a slave. A cotton-spinning machine is a machine for spinning cotton. Only under certain coditions does it become capital. Torn away from these conditions, it is as little capital as gold by itself is money, or as sugar is the price of sugar."

Summing up his findings, Marx said:

"It is only the *dominion* of past, accumulated, materialized labor over immediate living labor that stamps the accumulated labor with the character of capital."

In short, a machine operated by the owner himself, producing things for his own immediate (or ultimate) consumption, is not capital. Such a machine, moreover, is not producing commodities—it is producing simple use values. Isabel Paterson will now understand that her grandmother's sewing machine (which she herself uses, and which, she says, "runs well enough," even though she does not remember when it was last oiled!) is *not* capital, despite her inclusion of it in her discussion of "industrial capital." And it would still not be capital even if she sold the things she sewed together on that sewing machine. For the one vital and determining feature would be absent: THE EMPLOYMENT (i.e., *exploitation*) OF WAGE LABOR TO OPERATE THE MACHINE.

There are several "varieties" of capital: "Money capital," "merchant's capital," "money-lender's capital," "industrial capital" (or capital in its general or proper sense); etc. Collectively, however, all these

constitute CAPITAL. However, in the actual process of capitalist production, Marx distinguishes between two major "parts" of capital, and two minor manifestations. The part of capital represented in machinery, raw material, etc., is transferred to the new product without any change in quantity—that is, it does not increase, nor, of course, does it decrease. In the language of Marx: No matter how useful raw material or instruments of production may be, if they cost, say, $1,000, they cannot possibly add to the value of the product more than $1,000. *"Its value is determined not by the labor process into which it enters as a means of production, but by that out of which it has issued as a product."* Hence, Marx calls this part *constant capital*—it remains unchanged or constant. The part which is represented by labor power undergoes a quantitative change—*it expands in the labor process.* If labor power is represented by an expenditure of $5 per day, and assuming that it takes the worker two hours to produce the equivalent of this amount (or of the value of his own labor power), then in eight hours he has expanded the original investment to $20, the difference, $15, being the surplus value withheld by the capitalist. This process of expanding, or transforming, this part of capital from a constant magnitude into a varying amount constitutes the secret of capitalist expropriation of labor's product. Because this part expands, because it varies, the degree of variation depending on circumstances, Marx calls it *variable capital.* The objective factors in the labor process are (a) means of production; (b) labor power. Subjectively (that is, viewed from the point of producing surplus value), they present themselves (a) as *constant capital,* and (b) as *variable capital.*

But besides *constant* and *variable* capital, there are the subsidiary categories—*fixed* and *circulating* capital. Many people frequently confuse these various forms or manifestations of capital. It is not uncommon, even among students of Marx, to find those who mistake *fixed* capital for *constant* capital, and *circulating* capital for *variable* capital.

To summarize, we distinguish between constant and variable capital. We also distinguish between fixed and circulating capital. As we have just seen, constant capital is that part of capital which is invested in machinery, implements in general, raw material, etc. Variable capital is that part of capital which is invested in labor power. Fixed capital is a part of constant capital, that part which does not change its use form immediately or quickly in the productive process (machines, buildings, etc.) A linotype machine remains a linotype machine as often as it is used until it is finally discarded. The parts of the machine which may be said to be worked into the new product are computed on an annual percentage basis, usually ten per cent. This is charged to the depreciation account which means that in, say, ten years the entire value of the machine has been written off the books, that is, it has been transferred to the products produced for that period. On this supposition the machine assumes the money form by degrees, until at the end of the ten years it has completely assumed this form, whereupon it is reconverted from money into a machine again.

Circulating capital consists in variable capital and those parts of constant capital which are not fixed, as, for example, raw materials, and auxiliary materials (coal, gas, oil, etc.), and which are directly transferred to or absorbed in the product. In so far as these mate-

rials are entirely consumed in the labor process, they transfer their value entirely to that product, and become transferred into money, and from money into raw materials, etc., again. Hence, this capital is constantly circulating. All fixed capital is constant capital, but not all constant capital is fixed. Fixed and variable capital, accordingly, cannot be used as polar expressions.

Marx, in a memorandum on the subject, pauses to point out that previous economists had confused fixed capital with constant capital, etc. As he put it:

"Apart from the fundamental mistake—the confounding of the categories 'fixed capital and circulating capital' with the categories 'constant capital and variable capital'—the confusion of the economists in the matter of definitions is based on the following points, etc..... Ramsay..... also confounded fixed capital with constant capital...."

It is obviously of vital importance to note and remember these distinctions between constant capital and fixed capital, on the one hand, and variable and circulating capital on the other, in any serious discussion on the question of capital. Professorial economists and capitalist apologists, and confounders of the term and concept *capital,* are obviously eager to trip up the Marxist and to attempt to create the appearance that he either does not know his subject, or that Marx himself is fundamentally wrong in his analysis of capitalist production. The examples cited in the foregoing of such confusion and confounding of what should be regarded as a simple subject in our day constitute sufficient warning to be on guard.

V.

Apart from the mysterious and mythical susceptibility of capital to pain, fear, anger, etc., it also, according to its owners and their lackeys, possesses, or *should* possess, privileges, like human beings. Stony-faced, hard-eyed gentlemen talk mysteriously about the part capital plays in production, and about the rights of capital which labor must respect! And what is this capital, this mysterious force which is equal to, or placed above, labor? Stripped of all mysticisms, of all irrelevancies, it, as we have seen, is nothing else than *past* and *dead* labor, in the shape of instruments of production, etc. Machines, plants, etc., privately owned, constitute capital. And as all men know, these machines were produced by labor, hence, as said, represent past labor expended, or dead labor. Name the thing needed in social production which labor has not previously supplied, or which it does not supply from day to day! And the workers supply the inventive genius, the managerial skill, the will and the power which keep the productive mechanism in constant operation. When present workers operate these machines, etc., it means, then, that present and living labor is joined to past and dead labor, and the result is the abundance of good things all around us—solely, then, the product of labor, yet for the greater part denied to labor.

If we remember these simple truths, the seeming mystery surrounding capital disappears. If we only remember that capital is simply a term given to the things labor produced in the past, but which were stolen from labor, and used by the thieves to extract more wealth from living labor, the foolishness and dishonesty of those who prate about capital in terms of a human being, and who demand rights for capital, become

patent. Those who confound and confuse simple questions perform the immoral act in this case of juggling the terms, "capital" and "capitalists." When they say that capital has rights, that it is "nervous," that it is "fearful" of this or that politician or governmental dictator, or that capital is needed in production, they do not mean the absurd thing that machinery, etc., has "rights," etc., etc., nor the obvious thing that machinery, etc., is needed in production. They deliberately confound their victims by confusing capital (i.e., means of production) with the *private owners* of capital (i.e., the capitalist owners of the means of production). If they were to say what really is in their minds, they would say that capitalists have inherent, *natural* rights *as capitalists,* and that *capitalists* are needed in social production, and *that,* they realize, would be as patent a fraud, and as obvious an absurdity, as if they were to say that thieves have natural or social rights *as thieves,* or that potato bugs are needed to grow potatoes! And so, in sleight-of-hand fashion, they bedevil the issue by implying something which is denied by the plain and well known facts—something which in the nature of things is not and could not be so.

Another absurd statement often heard is that "capital and labor are brothers"; that "what is good for capital is good for labor," etc. We can now perceive the palpability of this fraud. It is obvious that machinery and the workers are not, cannot be, brothers. It just does not make sense! It is equally absurd to say that machinery, etc., and the workers have common interests. The thought it is intended to convey is that the *capitalists* and the *workers* are brothers. Yes, they are "brothers" exactly in the same sense that the Southern slave owner and his Negro slave were brothers—

no more, no less! They are "brothers" exactly in the sense that the tiger and the lamb inside him are "brothers"—no more, no less! It is in the interest of the *capitalist* to buy labor power as cheaply as possible in the labor market. It is in the interest of the *worker* to sell that labor power as *dearly* as possible. And the longer the capitalist can make the working day, the better he likes it, whereas it is obviously exactly the reverse with the worker. Moreover, and that is of determining importance, the capitalist is a parasite, pure and simple. He lives solely on the unpaid labor of the workers. To get rid of this parasite, of this incubus, is naturally in the interest of the workers. And so it is as absurd to speak of "brotherhood" between capitalist and worker as it is to speak of *capital* and *labor* being brothers—though for different reasons.

Since *capital,* properly understood, represents the means of production and all that relates thereto, and all these having been produced by labor, though divorced from labor through a system of legality, which has no more *social* validity now than the slaveholder's legal ownership of the Negro had once the Civil War indicated the end of chattel slavery, it follows that all that is needed is simply to bring together the machines and the workers—minus the private owners, the thieving capitalists—and effect an organization (an *industrial organization*) enabling society to produce for the needs of all. And by *all* is meant those who in one way or another are needed to help produce wealth, and, of course, the children, the sick and infirm, but it definitely does not include the present private owners of wealth production, and their servants and retainers, except in so far as they accept the status of useful labor. With the workers organized in industrial units to carry on

production for use, the institution of private property disappears, as do the political agencies now needed to protect private property. And with the disappearance of these, capital as such will also disappear, that is, the instruments of production, etc., will lose their capital character, and simply become what they are—means for producing use values for the consumption of the producers, exactly as the Negro emancipated ceased to be a chattel, a piece of merchandise, though naturally remaining what he really was, a human being who happened to be black-skinned. Gone also, then, will be the market in the sense the term now conveys, hence also the quest for foreign markets, the primary cause of wars and of the rise of gangster dictatorships. And with inter-regional social-productive arrangements the world over, the things needed everywhere for social production, though found only in certain parts of the world, will be distributed when and where needed on an equitable basis. Artificial boundary lines will cease to be more than reminders of a dead past or simple and harmless survivals of linguistic differences. And the earth's bounties and nature's blessings will be brought into harmonious relations with man's needs, and his capacity for satisfying these needs unhindered by false illusions and propagandized fears and superstitions.

In thus exposing the sham nature of the claims made for capital by the capitalists and their defenders, we have at the same time revealed the disease which is attacking society, and which keeps it in a state of internal disorders, and the only useful class, the wage workers, in misery and poverty. And, finally, we have indicated the remedy—the Socialist industrial organization of the workers to administer the means of pro-

duction as soon as the artificial quality of capital, and the legal claims of the present capitalists, have been cancelled through the social revolution, effected primarily through the ballot-box—civilized man's noblest attestation of social rights and wrongs.

PRICE CONTROL

(*Weekly People, March* 5, 1938.)

There is probably no subject on which so much confusion prevails as on that of wages and prices. One might add "value," but the average "statesman" knows nothing about value except in so far as he uses value as a synonym for price, and then, of course, he still knows little or nothing about it. Recently President Roosevelt's "price-study" committee [February 18, 1938] made its report. It is signed by the members of the committee, Henry Morgenthau, Secretary of the Treasury, Henry A. Wallace, Secretary of Agriculture, Frances Perkins, Secretary of Labor, Marriner Eccles, Chairman of the Board of Governors of the Federal Reserve System, etc. The report is a gem! As one finishes reading it, the question immediately presents itself: Are these ladies and gentlemen rational human beings, or are they suffering from some strange malady which causes them to view things that are upside down, as if they were right side up? It is as if they might be saying: We are going to have zero weather tomorrow, so let's go and cool off at the sea shore!

Although there is a studious avoidance of the phrase "price control," that is precisely what the President proposes. He calls his plan "a balanced system of prices." He might have called it abolition of prices, and it would still be price control. There is significance in this studied avoidance of the term "price control." One might reasonably infer that the President and his committee realized the absurdity and hopelessness of controlling or regulating prices while capitalism still op-

erates, and, either practising self-delusion, or attempting to delude the rest of us, chose the meaningless and seemingly innocuous phrase "balanced prices." The general trend of the argument seems to be that prices of certain commodities must be determined in relation to prices of certain other commodities, between "price levels and the level of debt burdens and cost," and by the "direction and rate of the *general price level.*"!! But, once again, all this jargon might have been dispensed with, and the President and his committee might have contented themselves by saying: "Prices must be controlled; we don't know how we are going to do it, but we'll do it arbitrarily; and we'll do it when we think it is proper to do it."

Now, prices may be momentarily changed by artificial methods, that is, by inflation. But inflation in itself would change nothing, except that it might act as a means of expropriating individuals and groups unable to stand the effects of inflation, as we witnessed in Germany following the war. It would also affect wages momentarily, that is, until they had been adjusted to the new "price level." Otherwise inflation will, of course, affect all commodities in approximately the same degree, and presently the identical situation would prevail. For it should be perfectly clear, even to a New Deal "economist," that if today we have—one week's cost of subsistence=$20, with an income of $20, and tomorrow we have—one week's cost of subsistence= $40 with an income of $40—precisely nothing has changed.

For wages, being nothing else than the price of the labor power of the workers, will, of course, respond to inflation like the price of any other commodity, modified only by the law of supply and demand—that is, if

we assume that the value remains unchanged. In short, if the figure on both sides of an equation is increased in the identical degree nothing is changed. Or, as Marx puts it:

"It would be the same as if the State were to make the one-pound bills represent a fifteen times less valuable metal or a fifteen times smaller weight of gold. Nothing would be changed but the nomenclature of the standard of price.... Since the name would now stand for a fifteen times smaller quantity of gold, the prices of all commodities would increase fifteen times and two hundred and ten million one-pound bills would now be actually as necessary as fourteen millions had been before."

If it be argued that the price of labor power (wages) would not rise with the rise in the general price level, the answer is that there would have to be a special circumstance to cause the exception, and that special circumstance would have operated on the old price level exactly as it supposedly would do on the new price level.

All this does not mean that monkeying with the currency would not have a disastrous effect on production and property rights. It would, the extent depending upon the suddenness of the inflation, and the degree. When order would again be restored, a redistribution of wealth would have been effected, with wealth concentrated into fewer hands, and the ranks of the proletariat increased by the influx from the capitalist class—that is, those who lost everything would have to go to work for a wage, or starve.

If President Roosevelt and his committee had the slightest inkling of the real nature of prices, wages, and, of course, value of commodities, they could never

have proposed price control (to use the proper term), for they would have understood that it is not possible in the long run, and that to the extent they might momentarily succeed through the desperate means of inflation, they would simply still further undermine the social system which they are so desperately trying to save. For they can hardly delude themselves to the extent of imagining that they can indefinitely control inflation. "It [the State] may throw into circulation any desired quantity of paper bills of whatever denomination, but with the mechanical act its control ceases. *Once in the grip of circulation and the token of value or paper money becomes subject to its intrinsic laws.*" (Marx.)

The very designation "price" precludes artificial control exactly as a yardstick precludes elasticity, or as the mercury on a thermometer precludes arbitrary fixity. Price is not something that has been handed down from above; price reflects certain definite economic facts under a social system which produces commodities, that is, articles for sale in the market. Price is first of all the expression of the *value* of a commodity—the monetary expression of value, as Marx puts it. Price is determined *immediately* by the condition of the market. That is, if the supply of a commodity is plentiful and the demand weak, the price will be low. Conversely, if the supply is limited, and the demand is keen, the price will be high. But "low" or "high" as to what? Since price is simply the monetary expression of value, the question, then, to answer is: What is value? Value is, in the words of Marx, "a mere congelation of homogeneous human labor, *of labor power expended without regard to the mode of its expenditure.*" That is, just as a string of figures may be re-

duced to a common denominator, so varying degrees of so-called skilled labor may be reduced to the common denominator, homogeneous or simple human labor. Now, since nothing can be produced without the exercise of human labor, and since that is measured by the clock, it follows that the value of a commodity is determined by the amount of socially necessary labor time expended on its production. Normally value is exchanged for value in the market—that is, if a hat required two hours for its production, and a pair of shoes four hours, two hats would exchange for a pair of shoes. To put it concisely, in the long run commodities sell at their value. But if the market is glutted and there is a lack of desire to possess a particular commodity, the price will fall below the value of the commodity and vice versa. In the long run, however, the "above" and "below" will cancel each other, always remembering that prices merely reflect the relation between supply and demand. As the ultimate, controlling price factor stands *value,* for it is around value that prices oscillate. It is clear, then, that the less socially necessary labor time there is incorporated in a commodity, the lower is its value, hence, eventually, and other things being equal, the lower is the price of the commodity. Or the *more* socially necessary labor time a commodity contains, the higher is its value, again, all other things being equal.

Accordingly, in order to lower prices (barring accidental or artificial circumstances), the amount of socially necessary labor time must be reduced. Prices can only be raised by momentary scarcity (which means that the commodity would sell *above* its value), or by artificial means—inflation, etc. Both would in time be offset and adjusted. The normal tendency is, of course,

for prices to decline, since the normal tendency is for value to decline. And value declines because less labor is required to produce commodities. And less labor *is* required to produce commodities because the productivity of labor constantly increases. And the productivity of labor is constantly increased because improved machinery is constantly introduced which makes it possible to produce more commodities in the same time, or the same quantity of commodities in less time, which comes to the same thing.

Wages are similarly affected. The wage is simply the price of labor power. Labor power is a commodity whose value is determined like that of all other commodities. Let us suppose that labor power can be produced (or replaced) at an expenditure of two hours of labor—that is, that food, shelter, clothing and a family "cost" two hours of socially necessary labor time per day. Suppose further that the worker sells his labor power to a capitalist for five dollars per day. Five dollars is then the monetary expression of the value of labor power. But if the worker only gave his boss two hours of labor, the latter would simply be replacing the five dollars he had handed his wage slave. And so it's in the "contract" that the wage slave is to work, say, eight hours for his boss. In other words, the worker works two hours for himself, and six hours for his boss, *and for six hours of labor the boss pays him nothing.* It is clear that the value of the commodities produced by the worker is not determined by what it costs the worker to produce his own value, as is sometimes mistakenly stated. The value of a commodity is solely determined by the amount of labor time required for *its* production, and necessary under certain social conditions. Accordingly, it is equally erroneous to assert

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that wages determine the value of commodities, or, as capitalist employers put it, that high wages increase the price of commodities. As we have shown, they cannot do so, and experience has demonstrated again and again that wages may be, relatively, high, and yet prices be low. What does happen is that when, or if, the worker does succeed in raising his wages (other things being equal), the share that he turns over to the boss (and which is called surplus value) is reduced. And that is why the employers howl when the workers demand higher wages. If the employer could recoup his loss suffered in paying higher wages, by the simple process of increasing the price of the commodity, he would never worry about demands for higher wages. *Wage increases, shorter hours, etc., are effected at the expense of the employers' surplus value* (profits, etc.)

In the light of the foregoing, it is clear that any attempt at "controlling prices" is doomed to failure. For tumbling prices are caused ultimately by tumbling value, and there is no way that the President can prevent or even temporarily halt the fall in value of commodities—none, that is, unless he organizes an army to destroy machinery and organizes still another, and larger, army to prevent reintroduction of labor-displacing machinery! When the President learns how to control or offset, the power of the moon on the ocean, and, hence acquires power to dictate when or whether the tides shall flow, then he may be able to control value and price—that is, he may then become the final and absolute arbiter of social evolution, and the destiny of the human race!

CASSANDRA BABSON

(*Weekly People, September* 18, 1937.)

Roger L. Babson is the great present-day prophet of profits. To his words plutocrats and middling capitalists listen with bated breath. One might perhaps even say that "As Babson goes, so goes Capitalism." But that would be an optical and, in certain circumstances, a fatal illusion. For one thing, the slogan should read, "As capitalism goes panicky, so goes Babson panicky." For another, wise enough though Babson be, he might misjudge the speed of trends, and so his clients, if they followed him blindly, might get caught "short."

Nevertheless, and notwithstanding, Mr. Babson is a wise man in his generation. He possesses the instinct of the preying wolf, combined with a great deal of experience in matters financial. He generally knows when to "follow through," and when to "lie low." In 1930, for instance, taking a "long range" backward glance at the development of American capitalism, with a view of determining the cause of the "depression," Mr. Babson rather sagely observed:

"Our present troubles started not in 1929, but in 1770, the birthday of the famed industrial revolution. The change from goods made at home, by hand, to goods made in factories, by power machinery, was a revolution of cyclonic intensity. It whirled the world in a sling. It began with the invention of the steam engine.

"Mass production is manless manufacturing. In-

stead of seven thousand men, a certain job requires only seventy men when handled by modern methods. Those figures are not figurative but actual. The most startling output of machinery is its putout of men.

"Whenever you see a steam shovel digging for the foundations of a skyscraper, you will always notice that the pit is rimmed with a crowd of idlers watching the machine at work—they are symbolic! In an industry such as automobile manufacturing, the developments of ten years have reduced the labor requirements for a given production from a hundred workers to about twenty-five workers. In various other industries production in the last few years has been stepped up fifty per cent, or one hundred per cent, while simultaneously labor has been pared down about ten per cent. For production as a whole, a rough estimate of unit output is as follows: twenty-five years ago, one hundred men; today, seventy-five men; twenty-five years hence, fifty men—"

Not so bad for a dyed-in-the-wool capitalist economist, and counselor to Wall Street investors. Mr. Babson correctly places his finger on the source of capitalism's trouble (though he does not name it precisely), namely, THE LAW OF VALUE. The Marxian law of value, briefly, decrees that ever larger quantities of commodities may be and (given competitive capitalism) *will* be produced at an ever decreased expenditure of *socially* necessary labor time. As a corollary of that law of value (which, within capitalist production, operates with the same inescapable certainty and regularity as the law of gravity in the field of physics), there are to be noted the concentration of capital, further displacement of labor by the machine, the increased com-

petition in the world market, and the military collisions to which it inevitably leads, as we witness today in the expansion moves of Nazi Germany, Fascist Italy, and pluto-theocratic Japan.

The law of value does not say: "The more you labor, the more your product is worth." It *does* say: "The *less* you labor in a manner that is *socially* useful, or necessary, the less your product is worth." Or, conversely, the more *socially* necessary labor time you vest in a product, the greater its value. It further says that the greater the productivity of labor (that is, the laborer), the *lower* the value of the laborer. For the value of the commodity labor power is in inverse ratio to the quantity of commodities produced, *and producible.* Hence, if labor-saving, or *labor-displacing,* machinery is introduced, more commodities are produced, *and more workers are dumped, idle, into the labor market.* Labor power, a commodity, is bought and sold in the LABOR MARKET. And so we find that the glutting of the labor market proceeds alongside a glutting of the general commodities market. Commodities, generally speaking, are inanimate things—or, when they are not, their living or dying does not matter greatly, and certainly no ethical principles are involved in their living *or* dying. But with the commodity labor power the situation is different. For the laborer is also a human being; the theologians say he has an immortal soul, and all agree now that the unemployed worker, however superfluous in the *capitalist* scheme of things, cannot be poisoned, or put in a gas chamber, or sent to the glue factory. However superfluous from the capitalist standpoint, somehow his status as a human being has to be recognized, and so the *commodity* problem of labor power results eventually in a *social* problem in-

volving primarily the wielder and possessor of that commodity, viz., the worker. But the settlement of that problem involves the settlement of the entire social problem. For so long as capitalism prevails, there is bound to be a labor market. So long as there is a labor market there is bound to be a *labor power* problem, or briefly, a *labor* problem. And that inescapably spells a *social problem.*

To the Babsons this social problem reduces itself to the proposition of accepting as natural and normal the periodic cycles of capitalist "prosperity," depressions, crises, etc., with their concomitants, unemployment on a huge scale, intensified competition, bankruptcies of "middling" and small capitalist concerns, etc., etc. This situation, to Mr. Babson, is not something mere man can do anything about—oh, no! It involves a natural law—as Mr. Babson puts it:

"Those who feel that panics are now merely a matter of historical interest are making a great mistake. Just as the ocean tides will continue to ebb and flow, so will the economic tides continue to rise and fall. There is no Supreme Court which can declare the law of action and reaction unconstitutional."

Well spoken, indeed—if capitalism is accepted as *of* and *for* all time, as the Babsons do accept it, even as the sane Marxians reject it as such.

The story is told of Cassandra, daughter of King Priam of Troy, that she was gifted with power to foresee. And foreseeing the destruction of Troy, she proclaimed it, her wailings echoing and re-echoing, through the halls of her father's palace. In much the same way Roger Babson proclaims the destruction of capitalism, though he professes to see its safe emergence

after each crisis, which he otherwise considers inevitable and regular as the tides of the ocean. Considering the standing of Mr. Babson in the world of capitalism, it is worth quoting some of his utterances on the present situation, and what he conceives to be the prospects for the immediate future. To capitalists he presents a gloomy picture—at least, if they grasp the implications of what he is saying. Let us listen to him for a few moments. To begin with, he says: "There is, of course, going to be another depression some time." Well, that settles *that!* He then goes on:

"When this next crash will come I do not now know. No one knows. But able men are beginning to think about it. They are not falling prey to the belief that control of credit, managed money, and other legislation can prevent another crash. The characters may be different, but the plot will be the same.

"Business is now above normal. It will continue to rise. Commodity prices will increase, retail trade will swell, real estate will soar, stocks will make 'new highs.' We may have the biggest boom in our whole history. But over-expansion will take place somewhere along the chain! Sooner or later a weak link will break.

"Some of the factors which will probably snap the chain are installment selling, public spending, crop loans, high construction costs, or mad world armament races. Some of those trends are already pretty far along today.

"Take installment financing, for instance. Hundreds of articles are now being bought on 'time.' Incomes for months ahead are mortgaged by 'time' payments. 'Easy payment' plans accounted for about 65 per cent

of the automobile sales so far this year [1937]! Big mail-order houses now handle $10 orders on 'time.'"

And he continues:

"Many people feel that Washington, while not being able to prevent another depression, can at least shorten its length and severity. I disagree. I believe exactly the opposite. I feel that the country is going into the next depression with so much more debt and so many unseasoned laws that the panic may be worse than the last one."

And as to unemployment, he offers this:

"While millions of workers lost their jobs from 1930 to 1934, other millions were kept on the payroll by considerate employers, who felt they could get along with less personnel. Now with the new unemployment insurance program and the precedent of federal relief, employers and communities will quickly dump the whole load in Washington's lap."

And he winds up on this note:

"The only possible flaw I see in my program is the threat of inflation. To stave off the inevitable panic, the government might launch a currency inflation program that would create the wildest boom we have ever seen. Eventually, of course, the boom would collapse; but in the meantime those who had kept their funds in cash and bonds would have been wiped out!"

"Eventually, of course, the boom would collapse." Precisely, Mr. Babson! And you might have added: "Eventually, of course, capitalism will collapse."

The apologists for the plutocrats—the Lippmanns, the Dorothy Thompsons, and the rest of the "pluto-

gogues," to use the descriptive phrase coined and applied to these apologists by Professor T. V. Smith of the University of Chicago*—these plutocratic poodles continually yap about the beauties of capitalism if capital and labor would only stop quarrelling. They extol the democracy we enjoy in plutocratic America, and contrast our vaunted liberties with the situation in Germany, Italy, Japan, and so forth. Let us grant that we are still able to indulge in certain civilized activities which are taboo under those gangster governments, but the question reduces itself simply to one of degree. What the plutocratic apologists carefully refrain from discussing is the fact that the overwhelming majority of the useful people in this country are reduced to slavery—wage slavery—and subjected to the fiercest process of exploitation. This vast majority of the people of the United States enjoy no liberties, no democracy, in the field where these matter most—on the economic field—the field of production. Here they are slaves, working for a slave's pittance—mere food, shelter and clothing, mostly unfit for decent human beings—and they do not even have the security generally accorded the chattel slave in pre-Civil War days.

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*Explaining the meaning of "plutogogue" Professor Smith says: "Demagogue we all know as the personage who mistakes the empty echo of his own cadences for the very heartbeats of humanity. Plutogogue, however, is not so well known nor so easily identified. Plutogogue is the voice of the wealthy when they can no longer speak for themselves, the successor of the plutocrat of other days. He is not Allah, but Allah's public relations counsel. You will hear his soft-spoken message in the columns of our sophisticated Walter Lippmanns and our unctuous Glenn Franks. You will see or gently feel his gloved hand in the eulogistic releases of our late Ivy Lees and our ever present Edward Bernays." We are grateful to the professor for the excellent word he has coined, and for applying it so definitely and correctly to the outstanding representatives of "plutogoguery." Henceforth we shall understand that "plutogogue" and "Lippmann" are synonymous.

Essentially, then, the Babsons, the Lippmanns and all the other well paid plutogogues are at one with respect to preserving capitalism. Babson, however, is realistic, and also confines himself chiefly to advising the plutocracy as to when and where to invest, and how and when to withdraw investments. That is important, but far more important is it for the plutocrats to have their slaves kept in the proper mental condition, and the Lippmanns are doing their utmost along that line in order to earn their "wages" of $60,000 (or more), which they pocket annually. And because the work of the Lippmanns is so important, their bedevilling and mentally corrupting stuff appears as "features" on prominent pages, whereas the Babsons present ***their*** stuff on the financial pages, which are rarely read by wage slaves.

But shrewd as are the plutogogues and financial advisers of the plutocracy, they are but fools when it comes to matters revolutionary, and the prospects and possibilities of continuing the cursed system of capitalism. In these respects they will be proved history's laughing-stock. And we know how mercilessly history *can* laugh by looking back and reviewing the attempts made to save earlier despotisms and robber systems by the contemporary apologists of those systems. And we who today are in the forefront of the battle for social revolution and human freedom will be laughing in unison with history, while the Lippmanns sophisticate, the Dorothy Thompsons "yell to high heaven," and the Babsons utter Cassandra wails in the halls of the plutocracy! Despite them all, we say (and we are taking steps to make good what we say) that—

CAPITALISM MUST BE DESTROYED.

LABOR POWER AND THE POWER OF LABOR

(*Weekly People, October* 29, 1938.)

> Labor [labor power] is like any other commodity in the market—increase the demand for it, and you increase the price of it.—*Abraham Lincoln,* Annual Message, December, 1862.
>
> The distinguishing sign of slavery is to have a price, and to be bought for it.—*John Ruskin.*

I.

We are approaching the election in what thus far has proved the most fated year (1938) in American history since the bombardment of Fort Sumter, which precipitated the long and bloody civil war in which the fundamental issue was whether or not chattel slavery should be ended. Strictly speaking, we should say "in the world's history," rather than American history, for the reason that while we of the United States are primarily concerned about the grave problem which confronts this country, and upon the proper solution of which depend the very lives and elementary rights of the mass of the people in this country, it is impossible to disregard the momentous events which are transpiring in Europe, as well as in Asia and Africa. For the world has long ceased to be a collection of more or less isolated nations, ceased to be more or less self-sufficient and independent, having become, instead, a community of political entities, none of which is self-contained—all of which are interdependent. What is happening in China at this moment is profoundly affecting, in one way or another, the standard of living

and ultimate fate of millions of workers in the United States; this is true also with regard to the great European upheaval which recently threatened to engulf the entire world in a war of such dimensions as to have rendered doubtful the survival of the social system—capitalism—under which the mass of humanity everywhere still barely draws breath. And the reason for that is plain: The basic cause of the savage war in China, and of the world-shaking events in Europe (and the, as yet, incidental struggles in Africa) is to be found in the desperate struggle for existence on the part of every so-called civilized (and semi-civilized) country the world over. The object of these struggles, for the greater part, is the conquest of foreign markets, or the subjugation or elimination of other national units, through the attainment of which the supposed victorious nations hope or expect to find the means that will enable them to terminate, or at least suspend, this desperate struggle for existence. Successful in these efforts, and the victorious nations will enjoy temporary prosperity (at least for their ruling classes); unsuccessful, and the masses in these countries are plunged into still greater poverty and nameless misery.

Two phenomena are evident as a result of the process of development of the last century or so. On the one hand, we witness an enormous increase in the capacity to produce the things needed by civilized man to sustain life, and enjoy it on a fairly comfortable and rational basis. Machinery has made possible that enormous increase in productivity. On the other hand, we witness a huge increase in the world's population, especially in some of the important industrial countries, though the increase is by no means confined to these. But great as is the increase in the number of human

beings on this globe, that increase still trails far behind the increase in the world's capacity to produce goods. And yet, one of the immediate causes for the far-reaching events that are taking place in Europe and Asia is, nevertheless, the fact that in some of the oldest and most highly industrially developed countries it has become impossible for the vastly increased populations of these countries to exist within the political boundaries, which in the past made it possible for them to grow to maturity and great power. In other words, capitalism, viewed as a universal economic order, has developed the world's productive capacity to the point where the needs of the earth's teeming millions could easily be satisfied, with plenty for all. But because of the purely artificial lines separating one country from another, and constituting barriers to intercourse, and because of the private ownership of the socially needed means of production, individual nations find it impossible to satisfy the needs of their particular millions, while elsewhere other nations possess the raw materials essential to the continued operation of the industries of the former, but which raw materials these latter cannot put to profitable use, or dispose of profitably in a vanishing world market, with consequent starvation and misery for *their* millions of suffering humanity.

Stating the problem in simpler terms, it can be said that world capitalism has outgrown its political, that is, national clothes. Being unwilling or unable to discard these "political clothes," such countries as Japan, Germany, Italy (to mention the most important) are being strangled to death within their confinements, and, gasping for breath, their millions of human beings on the verge of starvation, these desperate peoples (acting through their ruling classes, which happen

to be organized as dictatorships) savagely strike out in total disregard of the hitherto recognized rules of international intercourse, precisely as shipwrecked, or fire-trapped, human beings will revert to brutal animalism in order to escape death. And if we ask ourselves: Why this contradiction between world sufficiency and national insufficiency; why this contradiction between world abundance, this potentiality of superfluities beyond our present ken, while millions everywhere starve, the answer is simply: *capitalism,* or the capitalist system. And if we examine the capitalist system, its laws and mode of production, we find the key that unlocks, not only our national problems, but every social and economic problem which besets peoples everywhere.

II.

Capitalism is the name given the social system under which the land, machinery, railroads and all the means of production are owned privately by a small ruling class, while the vast majority operate these means of production in the service of the few owners. How the *few* came to *own* without working, while the *vast majority work* without owning, is too long a story for recital here. Let us consider the facts just stated, which no rational and honest person can, or would care to, deny. The vast majority are people who work for a wage—if or when they find work! Having no possessions, the means of production being held in private and exclusive ownership by the few (the capitalists), these millions of propertiless persons (the wage workers) must go to the owners and beg them for permission to use the machines and plants of production in general. The capitalists will, in effect, say to these

workers: "We own this land, these railroads, these mines, these oil wells, this machinery, etc., etc., but they are useless to us without labor, or labor power. On the other hand, you have labor power, or ability to work at some job or other, but that labor power is no use to you unless you have access to the land and machines, etc., which we own, but can't operate ourselves. Very well, we will make a deal with you. If you will agree to work for us, and let us keep all you produce, we will pay you back just enough to enable you to live and raise a family. Experience demonstrates, and our experts estimate, that in two hours you can produce what you need in order to live and raise a family. We will allow you to keep for yourself what you produce in those two hours of labor, provided you will continue for six hours more, we to keep for ourselves everything you produce in these additional six hours. We *own,* and do no work, but we keep the bulk of what you produce. You *work,* but own nothing; you produce all, but you keep just a small fraction of the things you produce. Fair enough?"

Well, the toolless worker, himself and family starving, is not likely to be much concerned about fairness at this juncture, and so he is likely to say, in effect: "Very well, you own me and my life, because you own that whereon my life, and the lives of my dear ones, depend. I have no choice but to accept your terms, even if they do seem like the terms of highway robbers. I find that the products of my labor per hour are worth $2.50 in the market, and so, as you say, in two hours I shall have produced $5 worth, which is what it costs me to live a day. But since in two hours I produce $5 worth of wealth, it means that in eight hours I produce $20 worth. And so, for the privilege

of using your machinery, etc. (which I and my fellow workers made for you in the past), I will give you $15 out of the $20 worth of wealth I create daily. Come —let's get going. I and mine are hungry, and there are others outside trying to beat me to it. Here's my labor power—I sell it to you for $5 per day, and you keep everything that I produce during the day, day after day, week after week, as long as it pays you to use me, and as long as I can stand it."

Now, this is not the precise language of the buyer and seller of labor power, but stripped of all the hi-falutin verbiage, that is what it amounts to. For the worker, in fact, sells his *labor power* to the owner of the plants, offices, etc., etc., and receives on the average a *living* wage, that and nothing more. In fact, at this stage he is lucky if he gets that. The labor power, or the ability to labor, is a salable "article," a piece of merchandise, or, in more precise language, *labor power is a commodity*. Like all commodities it commands a price. In the case illustrated that price was $5 per day. The $5 expressed the *value* of the labor power, and that value, as we said, was equal to the quantity of social necessities required by the worker to live and reproduce his kind. But, generally, the price the worker may command for his labor power—his services, his ability to work—depends, like the price of all commodities, on the supply and demand—in this case of *labor power* in the market, or, in other words, it depends on the number of workers competing for the available jobs.

At this point we pause long enough to point out that since the working class produces all the social wealth, and since the workers only receive a fraction of that in wages (varying from one-fifth to one-sixth, or

less, of the total the workers produce), it follows that by far the greater portion must be disposed of in the market—less the amount, of course, consumed by the capitalist class through luxurious living, and the amount paid in taxes, etc., in order to insure protection to the capitalists of their unearned increment, and protection, also, for their social system, capitalism, which enables the capitalists to fleece the workers legally! And as the domestic market cannot absorb all the surplus value produced by the workers, foreign markets are invaded, the ultimate result of which, as we have already noted, is the clashes between competing nations, and all that thereby hangs. And all this *basically* because the workers must, in effect, sell themselves as commodities in the *labor market.*

III.

When we say that *labor power* is a commodity, we are, in reality, saying that the laborer is a commodity. For when the laborer sells his commodity *labor power,* he actually sells himself (even if it is only by the day or week), since he cannot send his labor power to the factory or office, while he remains at home reclining, or goes pleasure-hunting. And all commodities, as we all know, are bought and sold in their respective markets. Automobiles are sold in the automobile market; potatoes in the potato market; chickens in the poultry market; fish in the fish market, and cattle in the cattle market, etc., etc. *And labor is bought and sold in the labor market.*

How do we workers like being classed as commodities, and sold like potatoes in sacks, cattle on the hoof, or like fish gasping for breath on the counter? We

don't like it at all. But there are some workers who laugh at the idea of there being a labor market, where labor is being bought and sold. The idea, being sold like slaves on the block! Well, it is not exactly done on the block, but the effect is the same as if this were done. And if there be deluded workers who deny the existence of a labor market, their capitalist masters are more realistic. They *know* that there is a labor market. For years the state of New York published a bulletin regularly, dealing with the supply and price of labor power (that is, of the workers) in the state, and the title of that bulletin was *The Labor Market!* (Some politician must have discovered that this title was a dead give-away, for it was later given a different, a more euphonious designation! And at the election of 1938 voters of New York State were solemnly called upon to enact into law, and *did* enact into law, the proposition that "Labor of human beings is not a commodity nor article of commerce and *shall never be so considered or construed"!* Yet the very law voted into effect carried this further provision that "employees shall have the right to organize and to bargain collectively. . . ." Bargaining implies purchase and sale of articles or commodities. So that the law in the first place says that labor is not a commodity, whereupon it goes on to say that the seller, labor, may drive a hard bargain for the sale of—what?—the commodity labor! The voters might with equal logic and effectiveness have enacted into law that the moon is made of green cheese, or that the earth is as flat as a pancake! Yet, at the very moment that the politicians in New York called upon the voters to deny that which economic law under capitalism inexorably decrees, Elmer F. Andrews, formerly Industrial Commissioner in

charge of the New York State Unemployment Insurance Bureau, and now administrator of the Federal "Fair Labor Standard Act," in a radio interview on October 24, 1938, insisted that under the new "Wages and Hours" dispensation "the wage-cutting employer no longer can beat down wages *in an overstocked labor market"!* Mr. Andrews in New York State argues that labor is no commodity, which logically implies that there can be no labor market. But Mr. Andrews, Federal Administrator, retorts that there is a labor market! What else is bought and sold in that labor market if not the *commodity labor?*) Employment agencies regularly send out to employers catalogues listing various kinds and qualities of labor power, with prices, just as other firms send out catalogues of their goods, or like bookstores sending out book catalogues with titles and prices, etc. Only the other day (October 12, 1938) the plutocratic New York *Herald Tribune,* repeatedly and in a cold-blooded matter-of-fact way, referred editorially to the *labor market.* Under the title, "The Disturbing Mr. Biggers" (Mr. Biggers is the gentleman who, in the service of the federal government, had for his duty that of counting the *reserve supply* of labor on the hoof—that is, to count the number of unemployed!) —the *Herald Tribune* says:

"Then he [Biggers] points out that there are 2,740,000 more women at work or looking for work than the 1930 census led the experts to expect; and he surmises that the number of women in *the labor market* has an important bearing on the whole unemployment problem."

Again, in the same editorial, we read:

"Subtracting Mr. Biggers's estimate of the unem-

ployed from his estimate of those on the *labor market,* we find. . . . etc."

And more than a year previously (March 29, 1937) the *Herald Tribune* editorially observed: "What we must know besides the exact number of jobless is the other side of the picture—the constant changes in industry affecting THE LABOR MARKET." In the same editorial the demand is made by the organ which represents the plutocratic buyers of the commodity labor, that this commodity be tabulated and catalogued at Washington like any other commodity. We read: ". . . . There should be an agency in Washington devoted to the comprehensive and continuing study of THE LABOR MARKET in the same manner that the Department of Agriculture studies crops, or the Federal Reserve Board keeps tabs on finance, *and like them it should issue periodic bulletins.*"

Oh, yes, there it is—THE LABOR MARKET! And the buyers of the commodity labor demand that labor on the hoof be handled with the same statistical accuracy that cattle on the hoof is handled, or as wheat and cotton are handled, so that the respective buyers of these commodities may not be fooled into paying more for this merchandise than the market decrees! Incidentally, has anyone ever heard of a "banker market," a "merchant market" or a "capitalist market"—that is, a market where capitalists generally are bought and sold? No—no more than one ever heard of a market where plantation owners, i.e., slave owners, were bought and sold!

It is to be assumed, of course, that no one will deny that the market—any market—is a place where commodities are bought and sold.

IV.

And so we find that while at election times the capitalists and their lackeys (the politicians, editors, "public relations counsels," etc., etc.) hail the workers as noble citizens, and speak of the dignity of human labor, and the rest of the claptrap dished out for the workers on special occasions, in the practical, everyday considerations of these same capitalists and their lackeys, this "nobility" and "dignity" disappear, and labor becomes what in fact it is under capitalism—so many pieces of merchandise, quoted in terms of commodities, and listed on the "Labor Exchanges" like stocks and bonds on the stock exchange, or like bales of cotton or tons of pig iron!

But now, fellow workers, your votes are solicited, and you are told a great deal about the nobility, the rights and dignity of labor! Do you ever hear these capitalists and their political henchmen rave about the nobility of a sack of potatoes, about the rights of pig iron, about the dignity of a bale of cotton? No, you do not, and the reason is that potatoes, pig iron and cotton do not vote! But we of the working class do have the vote—at least most of us, even if on one crooked pretext or another we are often deprived of the opportunity to cast that vote. For, despite our commodity status under capitalism, we are also human beings, difficult as it is sometimes to realize that fact in view of the degradation we suffer as wage slaves. We are dumped, like so many superfluous sacks of potatoes, in the market, there to rot if we cannot sell our labor power to a capitalist master. We are shipped like cattle by trainloads and boatloads, by our capitalist masters, to the battlefields of the world, there to slaughter and be slaughtered, in order to give these

masters the opportunity of exploiting other fellow workers, to rob them, as they rob us, of the major portion of the wealth we workers *alone* create! Though we are free to roam around like wild beasts in the forests, in search of scraps of cheap food, we are, in a larger sense, no freer than the chattel slave of a century ago. As *wage slaves* we are bound to a grinding machine, or a soul- and mind-destroying office, at little more than starvation wages (which is what slaves of all ages received), and at pain of complete starvation we *must* obey the dictates of our autocratic, capitalist master!

The struggle against chattel slavery 80-odd years ago bears a close resemblance to the struggle against wage slavery (against capitalism, or the private ownership of the things to which we *must* have access in order to live), and the arguments of the slave owners against the Abolitionists are almost word for word like the arguments of capitalism against the Socialist program of working class emancipation, and the brutality of today's Girdlers, Weirs, du Ponts, Fords, and the rest of the "owners" of the wage slaves of today, and their brutal henchmen (the Hagues, Hitlers, etc.), is essentially the same as the brutality practised by the slave owners and their political errand-boys in Congress, and in state legislatures, however much our modern slave owners and their political errand-boys in Congress, etc., may wag silken tongues, and sheathe their brutal fists in velvet gloves! In 1855 Chas. Sumner, Senator from Massachusetts, was brutally assaulted in the Senate by a representative of the slavocracy of South Carolina, and left all but dead on the floor, and for four years he was incapacitated. Nothing was ever done about it. This is the brutality practised by

the Hagues, the Hitlers and the Girdlers against those who dare oppose their rule. Just eighty years ago this October, William H. Seward delivered his famous speech at Rochester, wherein among other things he said: "It is *an irrepressible conflict* between opposing and enduring forces, and it means that the United States must and will, sooner or later, become either entirely a slave-holding nation, or entirely a free-labor nation." And pointing to the utter futility of appealing to the ruling class party for a settlement of this conflict, Seward exclaimed: "To expect the Democratic party to resist Slavery and favor Freedom, is as unreasonable as to look for Protestant missionaries to the Catholic Propaganda of Rome." As then, so today, we are in the midst of *an irrepressible conflict* — the conflict or struggle between the capitalist class and the working class, between the idle or useless "haves," and the useful and toiling "have-nots." As in 1858 Lincoln and Seward realized and stated that this nation could not survive half slave and half free, so say we of the Socialist Labor Party today, that this nation and world cannot survive 90 per cent wage slave and 10 per cent plutocratic! We shall either go down in the grip of a ruthless despotism, compared to which the old slave power will seem like freedom, or we shall emerge *all* free, and masters of our own destinies! And it is as useless today to look to any of the parties of capitalism for a settlement of this conflict, as it was to look to the pro-slavery Democratic party one hundred years ago for resistance to slavery! Every party in the field this campaign, except the Socialist Labor Party, is committed to the proposition that in one form or another wage slavery shall or must endure. For each and every one of these parties—be it the Democratic

party, the Republican party, or the fake "American Labor party," the fraudulent "Socialist party" of the Norman Thomas brand, or the equally fraudulent "Communist" party and their offshoots—each and every one preaches the doctrine that capitalism must be mended, at least to the extent of making it possible for the wage slaves to endure it. The out-and-out capitalist parties, the capitalists and the politicians, make no pretense of wishing to end capitalism, the cause of all modern evils. On the contrary, they obviously favor its continuance, so that they and theirs may continue to live in the sweat of labor's brow! The reform parties urge the patching up of capitalism, advocating to that end measures and institutions which differ in degree only from those advocated by the Hoovers, the Roosevelts, the du Ponts, Fords, and so on. But even as eighty years ago the anti-slavery propagandists thundered: "The slave system cannot and shall not be mended, it *can* and *shall be ended,*" so the Socialist Labor Party, the only true representative of labor, today thunders: "The capitalist wage slave system cannot and shall not be mended, it *can* and *shall be ended!*"

We, therefore, call upon the wage working class—the useful, the productive men and women wearing the degrading badge of wage slavery—to vote for the candidates of the Socialist Labor Party, thereby declaring their determination to put summary end to the capitalist system of slavery, poverty, war and all-around human misery! But the Socialist Labor Party also calls upon the workers to organize their power into Socialist Industrial Unions, in order that the vote cast may have behind it the *force* to make it effective, in order that working class right may rest securely on working class might! Let the workers inscribe on their banner the

revolutionary watchwords: "Abolition of wage slavery! The might of the Revolutionary Socialist ballot consists in the thorough industrial organization of the productive workers!" Voting the Socialist Labor Party ticket—organized into Socialist Industrial Unions to enable them to take, hold and operate the industries for the benefit of the useful producers, and these alone, the workers will have taken the steps that at last shall make them free! Thus, and thus alone, can wage slavery be ended! Thus and thus alone may happiness and plenty be ours! Thus and thus alone may we as workers emerge as free men and women, emerge out of our present degrading commodity status, and take our rightful places in the sun of the new day, under the aegis of the Socialist Industrial Republic of peace, plenty and liberty!

LABOR UNITED—LABOR TRIUMPHANT

(*Weekly People, September* 3, 1938.)

For the lords and liars are quaking
At the workers' stern awaking
From their slumber of the ages; and the workers slowly rise,
And with hands locked tight together
One in heart and one for ever
Watch the sun of Light and Liberty leap up into the skies!
—*Francis Adams.*

I.

Of all revolutionary classes in history the workers of today possess the greatest capability for unity, a greater capacity for maintaining a perfect union. Yet, the workers of today find it more difficult to establish a common basis for unity than any other class in history. The explanation of this seeming paradox, this apparent contradiction, lies close at hand: For the reason for the latter is to be found in the circumstances which made possible the former.

If we ask: What do we mean by "workers," some one is apt to say scornfully: "That's a silly question; everybody knows a worker—the horny-handed son of toil." But the question is not silly, and in the supposititious reply is revealed one of the reasons for the confusion created when the question is posed: What constitutes a worker? For all workers are not "horny-handed sons of toil"—quite to the contrary. Nor is it enough to say that a worker is one who works. All but those who are entirely incapacitated physically, or

the utterly indolent and permanently idle, "work" in one sense or another. The burglar works, and so does the banker, but neither is a worker. The spy, and the hired plutocratic journalist who supplements the efforts of the spy, both "work" like the very devil but neither is a worker! Lawyer, beggar, merchant-man, thief—all "work," but none of them is a worker! The propertied farmer, who tills his own soil, works hard enough, but he is not a worker in the modern revolutionary sense.

What, then, marks a person a worker in the modern meaning of the term? *He* is a worker, in the revolutionary scientific sense, who has nothing to sell but his labor power, and who sells or offers for sale, for a price, i.e., a wage, that labor power to a capitalist, or a group of capitalists—that is, to individuals *who live by owning,* whether it be farms, mines, mills, factories, railroads or other means of distribution and communication. And it makes no difference whether the seller of that labor power wears a white collar, a blue collar, or no collar at all. (Indeed, they *all* wear a collar—the collar of wage slavery!) If he sells his labor power —his ability to perform a needed and otherwise legitimate function—and receives a *wage,* then he is a worker, hence a wage slave.

As implied in the foregoing, the workers of today, as a class, are propertiless and, what is more important, incapable, *as a class* of acquiring property, and therein lies the peculiar distinction of the modern revolutionary class, the wage working class. Former revolutionary classes either owned property or took over (expropriated) the property of the dethroned ruling class. As John Stuart Mill observed: "The conflicts of the past have always been conflicts between classes, both

of which had a stake in the existing constitution of property." And Mill adds shrewdly (with reference to the modern workers) that the new factor introduced is "a class [the working class] that has next to no property of its own." (With more scientific accuracy Mill might have said, "that has *no* property of its own"!) The modern working class, then, neither owns property, nor will it be able to constitute itself as a property-owning class. In the first place, property is an accompaniment of class rule, and when the workers achieve emancipation, class rule comes to an end. In the second place, property implies individual ownership. ("Property" is derived from the Latin word "proprius," which means "one's own," as contrasted with the word "communis," also Latin, which means "in common.") Socialism, or the Workers' Republic, will establish common, or social, ownership of what today is called "property," hence what is owned by all is owned by no one in particular, though all who perform useful labor will share amply in the proceeds.

When the feudal system was overthrown, the land and property in general of the feudal lords were largely taken over by the new ruling class, the capitalists, who, of course, included many of those who had belonged to the old ruling class. But except for their common opposition to the feudal lords, the capitalists were by no means united. Private property, which they all coveted, constituted the bone of contention, keeping them fighting among themselves. And private property, however useful in the past as a vehicle of progress, is the greatest disrupter of social peace and order. Accordingly, owning no property, having no opportunity as a class ever to acquire private property, the workers would ideally be, as normally they would in-

stinctively become, a homogeneous unit in the pursuit of their class interests, which are directly opposed to the interests of the capitalist class. Labor produces all social wealth, yet owns none, having yielded legal possession of the bulk of their produce to the capitalists by reason of the fact that these own the means of production, to which the workers must have access in order to live. The capitalists produce no wealth—as we have said, primarily *they live by owning,* which is to say that they subsist by robbing labor of the larger part of what labor produces.

Owning no property under capitalism, the working class, accordingly, is the only class which has no material or economic interest in preserving the present capitalist system. Once the workers understand their class status and class interests under capitalism, they will almost instinctively be drawn together, since it will then be clear to them that their *common* interest is to abolish capitalism; to abolish the social system which reduces them to slavery, and which compels them, willy-nilly, to surrender to the capitalist parasites by far the greater portion of the wealth which they alone produce. Owning no property, the workers are not subject to the disruptive and disrupting effects which keep the property-holding elements at each other's throats. Having attained in this highly developed country an extraordinary degree of homogeneity as a class, owning no property, and being practically in complete *possession* of the means of production, it follows that the working class is the only really organizable class in society, and, normally, or ideally, the one class above all others, past and present, *capable* of being united, of being kept together in a perfect union.

II.

By reason of their class status the workers can make no political move *as a class* which does not carry with it revolutionary implications. If they move at all *as a class* it follows that they must move against the capitalists *as a class, s*ince logically there *is* nothing else for them to move against. And to move against the capitalists as a class naturally means to move against interests of capitalism, which is to say that they must move against, and out of, the capitalist system, which is simply another way of saying that if they move *as a class* against capitalist interests, they move to destroy capitalist property relations, *to destroy the capitalist system itself.*

All of this is clear to the capitalist class—or certainly to the wisest among the topmost layers, i.e., the plutocracy. And where understanding is wanting, ruling class instinct asserts itself. No ruling class in history has ever yielded to the dictates of social progress, nor willingly surrendered to the class below it, that is, to the revolutionary class. In our own country we have two outstanding proofs of these contentions: The British Crown attempted by force to maintain its rule over the colonies, refusing to yield the property rights and privileges of the British ruling class. Eventually the usurping British ruling class was overthrown. The Southern slavocracy, having a property interest of two billion dollars in the slaves, refused to yield to social progress, refused to surrender this "property," and the class privileges resting on slavery. Eventually the slave institution was overthrown by the then carrier of progress, the capitalist class of the North.

The present ruling class, the capitalist class, differs not at all in this respect from previous ruling classes.

It, too, will defend its property and its class privileges to the last ditch. And realizing clearly that if the workers understood their own class interests they would soon unite to a man in a political party of their own, and in a *class* union on the economic field, which soon thereafter would mean that they would move to overthrow capitalism—realizing all this, the capitalist class has for decades exerted every effort toward keeping the workers from uniting on a class basis, and they have hitherto largely succeeded in this because they have so far been successful in keeping the workers in ignorance of their true class interests. "Divide and Rule" was the motto of the ancient despot who played one faction against the other in order that *he* might subjugate them all. And to the extent the capitalists have been successful in their application of that motto to the efforts made to unite the workers, to that extent have they been successful in maintaining the capitalist system of robbery and suppression of the working class. In this they have, of course, been aided by traditions and institutions which have come down to us through the ages since the beginnings of human slavery, and which the modern ruling class, the capitalists, have not been slow to utilize for their own purposes, and in order to keep the workers from following their natural instinct of uniting on a common basis.

III.

The means employed by the capitalist class to prevent the realization of the instinctive straining for, or natural working class tendency toward, unity are many and varied. The ancient device of entertaining the proletarians in order to divert their attention from

their real problems has been translated into many forms in the various periods of social struggle. The Roman satirist cynically said: "There are but two things which the people eagerly demand—bread and circus games!" The political errand boys of the plutocracy of today are found feeding the poor on special occasions, thereby "earning" their gratitude; and baseball, football, horse-racing, etc., etc., are the modern equivalents of the Roman circus games through which the mass of the workers are to be diverted, even at times when the most burning questions of working class interest are clamoring for their undivided attention. And with supreme cunning the plutocratic henchmen utilize that modern marvel, the radio, for the same purpose, so that when serious discussions concerning working class issues might "rule" the air-waves, veritable circus shows, and sense-and-thought-numbing sounds, miscalled music, occupy the attention of the workers.

And when the "panem et circenses" (bread and circuses) device fails, the race and nationality question, the religious question, etc., etc., are introduced. Religious creeds are always used by a ruling class about to be dethroned in order to keep the members of the oppressed class quarrelling among themselves over matters of no concern to their economic and social welfare, and as there are thousands of creeds, so there are thousands of false battle-cries, and endless divisions among those who should stand as one in their struggle against the common oppressor—those who should heed the poet who sang—

> "Shall I ask the brave soldier who fights by my side
> In the cause of mankind, if our creeds agree?"

Drawn by Walter Steinhilber.

"The smooth speeches of the wicked are full of treachery."—*Phaedrus.*

"Deadly poisons are often concealed under sweet honey."—*Ovid.*

"With such deceits he gained their easy hearts,
Too prone to credit his perfidious arts."—*Dryden.*

"A false mind is false in everything, just as a cross eye always looks askant."—*Joubert.*

"The fox barks not when he would steal the lamb."—*Shakespeare.*

"False face must hide what the false heart doth know."—*Shakespeare.*

"The instruments of darkness....
Win us with honest trifles, to betray us
In deepest consequence."—*Shakespeare.*

"Who makes the fairest show means most deceit."—*Shakespeare.*

"No one has deceived the whole world, nor has the whole world ever deceived any one."—***Pliny the Younger.***

And as to the race and nationality questions — these have ever been used by usurpation to justify or conceal usurpation's wrongs. Of late these destroyers of working class unity have been particularly employed by the bandit dictators in Germany and Italy. The spurious nationality theory is extolled and worked early and late in order to destroy any move toward universal working class solidarity. Yet, economic realities expose as fraudulent the claims of modern capitalist nationalism, and of false patriotism. "Patriotism," it has been truly said, "is the last refuge of the scoundrel." And that scoundrel may wear the uniform of a general, the livery of a lackey, the business suit of a lying capitalist editor, the cut-away and high silk hat of the diplomat and politician, or the cloth and tiara of a cleric! And the race question is equally fraudulent, especially as revived by the Nazi and Fascist dictators. "Aryans," they call themselves, humbugging themselves and others into the belief that there is such a thing as a "pure Aryan," or any other "pure race," except possibly the lowest tribes surviving in the primitive parts of the globe! Long ago Defoe, the English satirist, exploded the race myth in his poem, "The True-Born Englishman," showing that that "strange" being was compounded of nearly all the races on earth—

> "A race uncertain and unev'n
> Derived from all the nations under Heaven..
> Thus, from a mixture of all breeds began
> That heterogeneous thing, an Englishman....
> Fate jumbled them together, God knows how,
> What e'er they were, they're true-born English now."

The same applies to all other races: The race su-

periority myth, the "Aryan," "Anglo-Saxon" and "Nordic" superiority claim is a thoroughly fraudulent claim, rejected by the courts of science and common sense alike. Yet, this race superiority myth has been used, and is being used, with deadlier effect than any other in modern times, in order to disrupt working class unity, hence to frustrate attempts to achieve working class emancipation.

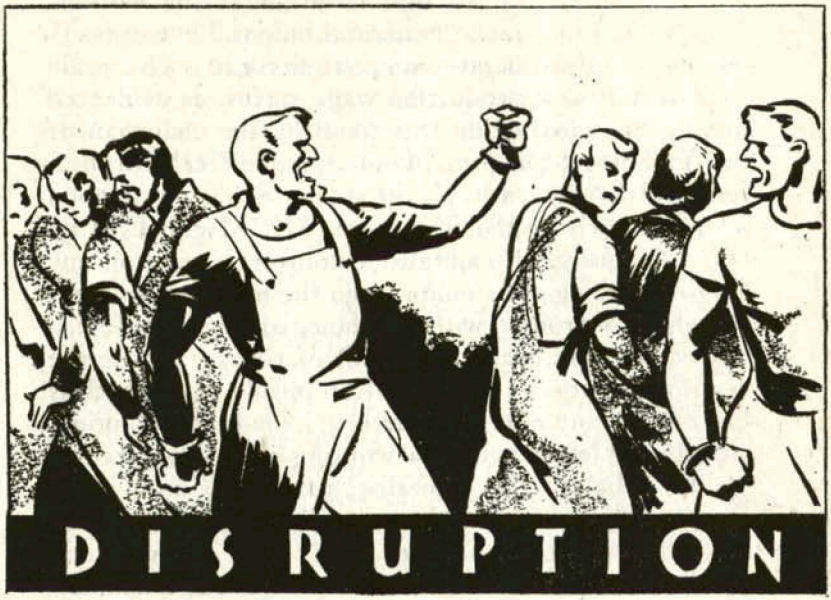
IV.

On the political field likewise the workers are kept divided—another result of their being kept in ignorance of their true class interests. Though great numbers of workers are losing faith in the old capitalist parties, they follow avidly the same political humbugs under different and newfangled designations. But capitalist principles, capitalist economics, remain capitalist principles and economics, whether labelled "Republican" and "Democratic," or "New Deal," "Labor party," "Communist" or bogus Socialist. Where formerly the workers were divided into two or three capitalist or reform parties, they are now divided into five or six, with but one party, the Socialist Labor Party, representing their true *class* interests.

Most marked of all, however, is the division caused by capitalist interests among the workers on the economic field. Here the workers are either prevented from organizing altogether, or else they are "organized" into craft unions, or so-called "industrial" unions, the latter being merely an amalgamation of craft unions, based on the identical capitalist principles. These reactionary, disrupting "unions" assert their faith in capitalism as a social system. They insist that the capital-

ists and the workers are brothers with common interests. They claim that what is good for one is good for the other. They insist that the more efficiently capitalism functions, the better off are the workers. The Socialist Labor Party says that these are lies, frauds and swindles, advanced solely to confuse and confound the workers to the end of keeping them divided, and so that the capitalist exploiters may continue their labor-skinning game.

The American Federation of Labor splits, *disrupts,* the workers into hundreds of artificial divisions resulting, first, in endless jurisdictional squabbles that keep the workers fighting among themselves, instead of fighting their capitalist oppressors; second, when the workers in one craft go on strike, the workers in the other crafts, in the same or related industry, stay on the job, thereby aiding the bosses in defeating those on strike. This is what is called *organized scabbery.* In the end the workers not only lose the particular strike, but they become still more disrupted and divided, and therefore still less able to achieve emancipation from capitalist exploitation and wage slavery. And what is true of the A. F. of L. is true of the so-called C.I.O. The "C.I.O." arose, not in response to the need of organizing the workers in the mass industries for the benefit of the workers. On the contrary, the demand was made manifest, if not actually voiced, by plutocratic capitalist interests, which required unified control of their hundreds of thousands of wage slaves in the mass production industries, such as steel, rubber, automobiles, etc., etc., lest these workers get out of hand (*vide* the "sit-down strikes") and organize in *revolutionary, genuine* Industrial Unions, for the purpose of ending capitalism, and taking over "the works" to op-



Drawn by Walter Steinhilber.

"While the natural, or normal, impulse and driving principle inherent in the workers' status and conditions are toward *working class unity,* the prevailing capitalist interests, and the interests, in general, of reaction, tend to split the workers, and sunder them into innumerable separate groups or fractions."—A.P.

"The capitalist class knows no country and no race, and any 'God' suits it so that 'God' approve of the exploitation of the worker. Despite all seeming wranglings, sometimes even wars, among them, the capitalist class is international, and presents a united front against the working class. But for that very reason the capitalist class is interested in keeping the workingmen divided among themselves. Hence it foments race and religious animosities that come down from the past."—*Daniel De Leon.*

erate them in their own interests, i.e., in the interests of society. True, short-sighted individual capitalist exploiters resisted the attempt to organize the workers into the "C.I.O." fake "industrial unions," but, as said, the dominant plutocratic interests favored such organizing of the mass production wage slaves, as evidenced also by the satisfaction expressed by the chairman of the Wall Street-controlled United States Steel Corporation, and by the enthusiastic approval bestowed upon John L. Lewis by that chairman, Mr. Myron C. Taylor. Obviously, all capitalist employers frown on any kind of working class union, even the most reactionary. But when confronted with the choice of two evils (evils, that is, to capitalism), they will, of course, choose the lesser. As between the evil of an unruly working class that may at any moment march the road of revolution, and the far lesser evil of a working class organized in "unions" based on capitalist principles and interests, the plutocratic employers will, of course, choose the latter, i.e., the *lesser* evil. And the workers, swindled by fakers of the Lewis-Green-Dubinsky-Hillman type, narcotized by reform promises by the political swindlers of the "communist" and "liberal" varieties, interpret the yielding of, and concessions by, the plutocratic bosses as victories which they think they have won, whereas in reality the chains of wage slavery have only been the more securely fastened on their weary limbs! And yet, contradictory as it may seem, the workers have no choice but to fight against the encroachments of the capitalist bosses, even with these capitalist-inspired "unions," until they build better ones. For, in their everyday struggles with the capitalist masters they learn, not merely the inadequacy, the reactionary character of their "unions,"

the treachery of their leaders, and the servility of these to capitalist interests, but they also gradually develop that spirit of classconsciousness, that experience in class "warfare" which eventually steels them, and trains them for the larger struggle to which they must eventually dedicate their full manhood, their at present non-recognized tremendous potential power. They must stand their ground even now, desperate as the odds may be, hopeless as the struggle may seem. As Karl Marx said: "By cowardly giving way in their everyday conflict with capital, they [the workers] would certainly disqualify themselves for the initiating of any larger [i.e., revolutionary] movement." Or, as the great American Socialist, scholar and thinker, Daniel De Leon, said: "The attitude of workingmen engaged in a bona fide strike is an inspiring one. *It is an earnest that slavery will not prevail.* The slave alone who will not rise against his master, who will meekly bend his back to the lash and turn his cheek to him who plucks his beard—that slave alone is hopeless. But the slave who persists, despite failures and poverty, in rebelling, there is always hope for." But the Socialist Labor Party adds, with De Leon: "What you now stand in need of, aye, more than bread is the knowledge of a few elemental principles of political economy and sociology."

V.

We see, then, that while the natural, or normal, impulse and driving principle inherent in the workers' status and conditions are toward *working class unity,* the prevailing capitalist interests, and the interests, in general, of reaction, tend to split the workers, and sunder them into innumerable separate groups or fractions. Yet, in all this there is nothing strange, nor anything

concerning which one need despair. There are these important things to remember:

First: That a natural law, or tendency, will in the end override all artificial obstructions and interferences. Just as water, however dammed, will eventually find its own level, so working class interests, however damned and confounded, will eventually find *their* natural or own level in working class unity.

Second: That social evolution and working class progress, at this stage, run parallel. Or rather, they are so intertwined that one cannot go on without the other. *And social progress, social evolution, will not in the long run be denied.* Specifically, the economic laws of capitalism act, on the one hand, as the motive power of retrogression of capitalist power and interests, and, on the other, as a promoter of working class power and eventual victory. Economic evolution has so wrought, and the workers are so organized in the productive scheme of things under capitalism that they have become the one indispensable class in society—the class on which our entire civilization rests. And every consolidation, every concentration of capitalist wealth, spells ever greater disintegration to capitalist society, the while perfecting and strengthening the mold into which working class power will eventually, and sooner than many suspect, be cast. As Marx so prophetically put it:

"Along with the constantly diminishing number of the magnates of capital. . . . grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, *and disciplined, united, organized by the very mechanism of the process of capitalist production itself.*"

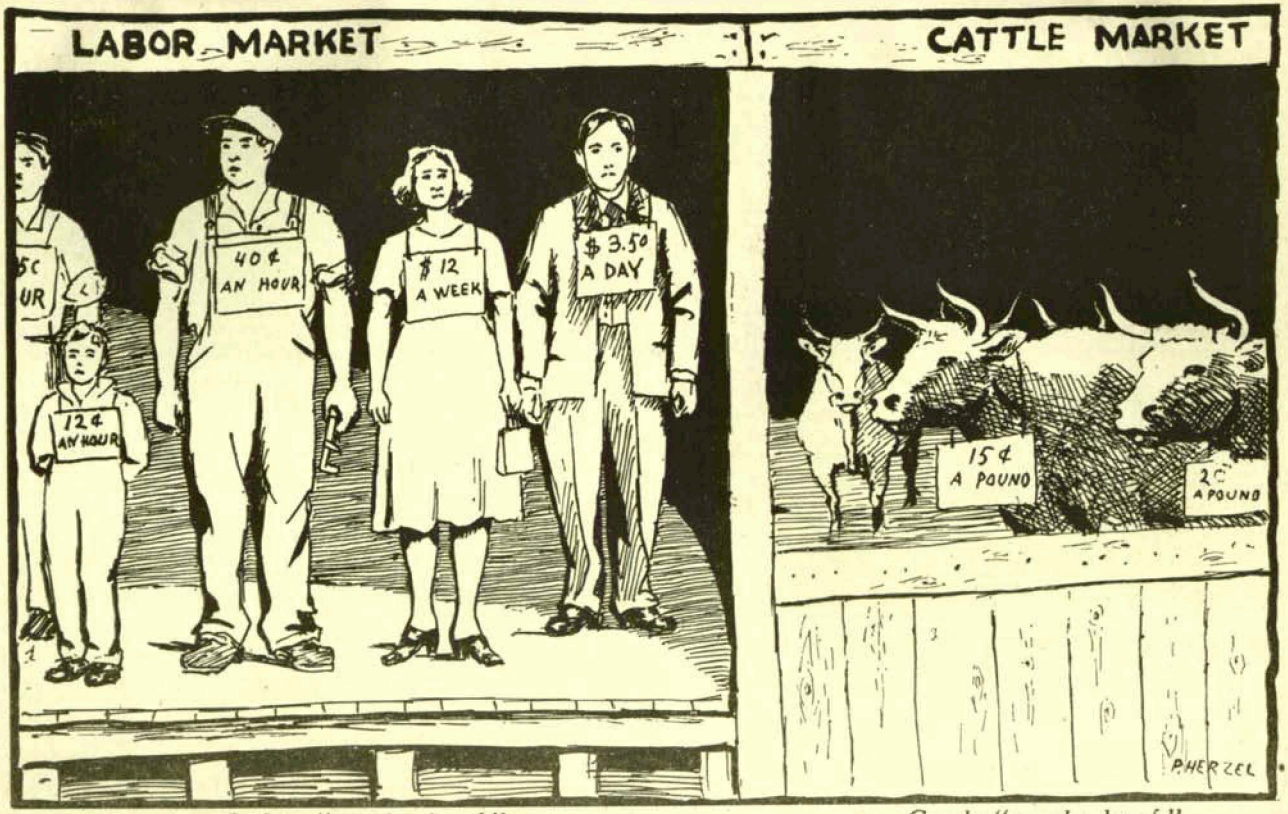
The Socialist Industrial Union of the working class reflects this process described by Marx. *The Socialist Industrial Union is the class-conscious, goal-conscious, working class manifestation of the concentrated economic machine of capitalism.* Organized into a political party for the specific purpose of *decreeing* the death-warrant of capitalism, of *capitalist private* ownership of the *social* means of production; organized *class-* and *goal-*consciously into revolutionary Industrial Unions, the workers will be prepared to take over the industries, and all that pertains thereto, and operate them for the benefit of all, as soon as, through political action, the end of capitalism has been decreed. There will then be an end of poverty, misery, wars, social crimes and class rule. Political government, resting entirely on private property, class rule and the suppression of a *ruled class,* will become superfluous, and in its place there will arise the magnificent edifice of the Workers' Industrial Union Government, in the classless, fraternal society of freemen! It will be, for the first time in history, the fruit and the concrete manifestation of Labor United and Labor Triumphant!

To the achievement of this glorious purpose, the labors of the Socialist Labor Party are unceasingly, irrevocably and uncompromisingly dedicated. And in ever vaster numbers the workers will heed the Socialist Labor Party's call: *Capitalism must be destroyed!* In ever increasing *class* strength, with ever increasing persistence and sternness, the workers, marching toward victory, will chant:

"We are the workers and makers!
We are no longer dumb!
Tremble, O Shirkers and Fakers!
Sweeping the earth—we come!

Ranked in the world wide dawn,
Marching into the day!
The night is gone and the sword is drawn
And the scabbard is thrown away!"

"Marching into the day"! The day of working class freedom, the era of general social affluence, and universal human happiness and everlasting peace!



Labor "on the hoof."

Cattle "on the hoof."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