

THE FALLACY OF TECHNOCRACY

ARTICLE I.

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

"Oh, Science! What Sins in Your Name!"

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

Science Above Classes

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

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

"Blame Machinery—Not Capitalism"

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

We may list their assertions under three general heads:

- (1)—The rapidity of technical advance in industry is the cause of unemployment. Technique has caused the role of labor in production to dwindle, making industry completely automatic and man largely unessential.
- (2)—The cause of the crisis is the "price system" wherein the dollar is used as the medium of exchange instead of a metrical measure such as an erg.
- (3)—Only the Technocrats (not the workers and farmers or anyone else) without politics or economics can solve the situation.

"Price System and Capitalist System! Not Same"

Let us consider the assertion number one: George Soule, in the December 28th issue of the "New Republic" says that this is what Karl Marx said ninety years ago. In fact, that is a very misleading half-truth. What Marx did say was that unemployment is increased by the introduction of machinery.

Science Above Classes? — "Price System" Is Not Same As Capitalist System — Effect of Machine As to Unemployment in U. S. and Soviet Union — Technocratic Bluff.

By SAM DARCY

INERY UNDER THE CONDITIONS OF CAPITALIST PRODUCTION.

This is a very vital distinction. Some careless readers of the articles of Howard Scott and Wayne Parrish have taken it for granted that where these Technocrats say "price system" they mean "capitalist system." In fact, George Soule in his article in the "New Republic" inserts the word "capitalist" in parenthesis when Howard Scott says, "price system." This is a serious error. The term "price system" as Scott and Co. use it, simply means systems where gold or silver currency is a medium of exchange. It is precisely because government officials realize that Scott does not mean the capitalist system but only the "price system" that they "are glad to see the publicity that Technocracy is getting."

Why should this be so?

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

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

"What Causes Unemployment Under Capitalism?"

There are many factors arising out of the chaotic state in which capitalist production always operates which create widespread unemployment, especially the lack of scientific co-ordination between production and the market. But the basic factor is the creation by the producers of surplus value. Commodities are sold approximately for their value. The wages paid to the producers however, is only a part of the total value. When workers buy on the market they can only buy back part of what they produced. Of the balance the capitalists can personally consume only a small share and they must sell the greatest share of the balance in other than home markets. Each individual capitalist and capitalist group striving to become the richest of all re-invest their profits and expand production and must therefore expand their markets. There are also other factors making for expansion.

Capitalism can only live by continual expansion. In the early days of capitalist society when Mother Earth still had large areas with untouched markets, the need of expansion did not cause any crisis. There was plenty of elbow room. But, in this the imperialist epoch, when Mother Earth has all her areas well divided up among the imperialist pirates, capitalism has no more room to expand and therefore is in crisis; one of the main features of which is vast unemployment. The introduction of machinery greatly accelerated this process because it intensified the exploitation of labor and increased the surplus value produced.

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

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

"Capitalism Glutted to Death"

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

in 1921 workers got 63 %
in 1926 workers got 54%
in 1929 workers got 48% (approx.)
Only a small part of the 37% which did not go to workers in 1921 was consumed by the capitalists, landlords and other parasites.

The greatest part had to be sold on foreign markets. But since at the height of our "prosperity" we could only sell somewhat under 10% of what we produce in foreign markets one can readily see how the bulk of what the workers didn't get back (the surplus value) went into storage as unsold stocks. Not only were additional amounts of unsold stocks added every year but because the rate of exploitation of the masses increased yearly, thus increasing the amount of surplus value each year, the accumulation of unsold stocks proceeded at a faster annual rate until 1929, when the total accumulation had become so great that industry shut down. It is clear that the factories would not continue to produce when the owners could not sell what they already had on hand.

"Blame Machinery, Not Capitalism"

In their official statement the Technocrats say:

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

Thus they say that technical improvements replaced men faster than industry could expand. But they do not explain what kept industry from expanding further. That's precisely the fallacy of attempting to explain the crisis by technological methods in a disorganized capitalist system. Industry could not expand further because there were no markets for its goods. Internally the producers were only paid part of what they produced and could not buy back the part acquired by the owners, externally the foreign markets had been divided up and glutted by the imperialist powers. Thus the holding by the capitalists of vast unsold stocks is exactly what's choking their system to death.

This contradiction between the unlimited growth of productive forces and the limited market for its goods and the need for capitalism to expand or die will never be understood by Scott and Co. because of their rejection of Marxism.

"Technocrats Predicted Crash"

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

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

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

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

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

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

"Thomas Agrees With Both"

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

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

- (a)—the almost miraculous achievements of applied science ((technology - S. D.) in the increase of productivity....
- (d)—The arrest in the processes which Marx logically thought would lead to recurring crises and increasing misery... by the appearance from time to time of new industries like the automobile industry in America to take up the slack.

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

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

"Only Marxism Shows the Way"

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

The Contradictions of Capitalist Stabilization and the Inevitability of the Revolutionary Collapse of Capitalism

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

"The spasmodic and feverish development of technics bordering in some countries on a new technical revolution, the accelerated process of concentration and centralization of capital, the formation of giant trusts and of 'national' and 'international' monopolies, the merging of trusts with the State power and the growth of world capitalist economy cannot however, eliminate the general crisis of the capitalist system. The break-up of world economy into a capitalist and a socialist

which is owned and operated by the workers' government, is held personally responsible both by the state and the local rubber workers' union for the health and safety conditions in the plant. The administration has its Department of Labor Safety, composed of two technical experts, a secretary and its chief, Engineer Ivanov.

Workers Control Inspection

The factory committee, elected annually by the plant's union membership, has its Division for Labor Protection, headed by a woman worker, Shuronkova. She works closely with the social insurance committee. Shuronkova and her comrades are charged by the factory committee with seeing that all workers' suggestions for improving working conditions are collected and acted upon; and that the administration's Department of Labor Safety carries through all necessary measures for safeguarding labor's health.

Benzine fumes formerly averaged 5 to 6 miligrams in every quart of air. In a few departments it ran up to 10. Yet, scientific research has demonstrated that five tenths of miligram is the minimum which the human lungs can stand, without risk of serious injury. Today the ratio of benzine has been reduced even below this minimum: to three-tenths and in some department to one-tenth of a miligram to a quart of air.

102,785 Given as Communist Vote by Associated Press

SAN FRANCISCO, Cal., Jan. 9.—The Associated Press already admits that the Communist vote for the Country in the recent elections has reached 102,785. They state that these are the final results.

Results for the other candidates are given as follows:

Roosevelt, 22,813,786; Hoover, 15,759,266; Thomas, 881,951; Harvey, 53,446; Reynolds, 34,034.

Despite the wholesale stealing, of which hundreds of incidents have been given to the Communist Election Campaign Committee, the figure is more than twice the 48,000 given in 1928.

California workers can see how seriously this figure can be taken, from the fact that the vote for California is given as 1,023. In Arizona where the vote for Comrade Peterson running for Tax Commissioner was 16,276, the vote for Foster is given as 256.

In spite of the efforts on the part of the bosses to ridicule and minimize the strength of the Party, millions of workers have been reached during the campaign and thousands won to Communism.

sector, the shrinking of markets and the anti-imperialist movement in the colonies intensify all the contradictions of capitalism, which is developing on a new, post-war basis. This very technical progress and rationalization of industry, the reverse side of which is the closing down and liquidation of numerous enterprises, the restriction of production, and the ruthless and destructive exploitation of labor power, leads to chronic unemployment on a scale never before experienced."

NEXT WEEK

Will An Electric Dollar Solve the Crisis?

Why is the Technocratic Theory of Energy in Production False?

What Lenin Said About Technology.

Benjamin Franklin and Karl Marx versus Howard Scott!

READ

THE FALLACY OF TECHNOCRACY

ARTICLE 2 — By SAM DARCY

In Next Week's "Western Worker"

Subscribe Now!