

THE FALLACY OF TECHNOCRACY

Benjamin Franklin and Karl Marx Agree on Labor Basis of Value; But Scott Discovers the Erg which Bohm-Bawerk Found 57 Years Ago; Gasoline Replaces the Lord in the Religion of Technocracy; How Scott's Grandfather "Finished" Marx; Technicians Should Be Communists.

Article III.

We have already shown that Technocracy is an attempt at explanation of the crisis without reference to class relations. This appealed to the ruling class ideologists. But this is precisely the fallacy of Technocracy.

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

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

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

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

This jumble of jargon is obviously intended to impress the superficially minded. For a Marxist it can only produce a hearty laugh. Let us leave our "scientists" for a while in order to examine the question of exchange.

LABOR BASIS FOR VALUE

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

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

point. Our problem is to find out—what determines that point? And by this we will understand why a certain measure of gold or silver money must be paid for a certain commodity.

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

GOLD, SILVER ALSO COMMODITY

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

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

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

RETAIN PROFIT SYSTEM

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

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

How would this solve the problem? If the capitalist system is

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

WANT TO MEASURE USE VALUE

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

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

How stupid are some of their assertions can be seen from their claim that while the money value of let us say gasoline changes from time to time, the "energy" value will never change.

Religious people create a god. Then they endow him with great mysterious powers. That makes him independent, nay, greatly superior to ordinary people. Then they become slaves to that god.

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

VALUE NOT ABSOLUTE

In the first place we cannot consider the "value" of gasoline without considering its utility to man. Before the automobile was invented gasoline was a wasted by-product in the distillation of petroleum. It had no value at all because man did not have any use for it that he knew of. He therefore threw it away. The exchange value of the other petroleum products in that distillation process was much greater because all the labor time put into the process had to be paid for by them alone without any income from the gasoline. When gasoline became useful in automobiles the labor time put into its production was paid for out of its sales, and

the other commodities produced in the same process fell in exchange value proportionally. On the other hand when two men stand at a river, the water has great use value, but can they sell it to each other? But in a nearby town, to which the water must be transported, it has the same use value, but now it also has exchange value, because it contains labor.

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

The same gasoline in a poor machine might give less energy in the productive process; in an improved machine a greater amount. Also the value of a certain article is modified by the discovery of substitutes. For example if sufficient water power is harnessed for electrification it might be cheaper to use it in machinery than gasoline; possibly a good engine using coal oil, or other substitute for gasoline might be invented which gives better and cheaper service than gasoline; in any of these cases gasoline would lose both in exchange as well as in the degree of its use value to man. With the erg, joule, calorie, or other measure of energy or heat, Scott has a partial measure of use value. This can be better understood if one realizes that ordinary air currents contain energy. But who will buy air? When air is obtained from concentrated oxygen, in other words after labor has been applied, then it gets an exchange value.

OLD ARGUMENT

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

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

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

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

CONFUSE PRICE AND PROFIT

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

Under the present price system we manufacture goods not to use, but to sell—and make a profit; and profit as we have previously seen in a debt claim.... The sublime irony of our situation is that we must fight and strangle our competitors to get rid of our products at a price.

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

Profit is not a mere "debt claim." To so define it hides capitalist appropriation of labor products.

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

TECHNICIANS SHOULD RALLY TO COMMUNISM

The engineers and other technologists throughout the world, eliminated from production, their talents made useless by a decaying capitalist society which sends them to the breadline, look longingly at the Soviet Union and hope for a place in a system of such great opportunity. The Technocrats, who are at best only pseudo-technologists not real scientists try to mislead the technicians by telling them that there is no difference between the Soviet Union and the U. S. By this they hope to keep the technicians from the revolutionary movement. Undoubtedly they are aided by the middle-class intellectual tendency to hesitate, waiver and doubt between the two main classes of society, the matur-

ally. The Philippine Constitution must be approved by the United States. Any amendment to the Constitution must be approved by the President. In fact, the President has a blanket right to suspend any law they enact.

While these chains are being made fast in the twelve transition years, provisions give American imports preference and enable them to increase their stranglehold, a very important matter to any Imperialist country. In 1930 American imports amounted to \$78,133,028—or 80% of the total.

MILITARY BASES RETAINED

Freedom is to found only in the fists of the workers themselves, and in organization they are fighting back. Realizing this, and admitting the growth of the mass revolutionary movement and the influence of the Communist Party in the Islands, Hoover based his veto in part on the claim that during the transition period American Imperialism "would be daily faced with the likelihood of having to employ military measures to maintain order in a degenerating military and economic situation." The group he spoke for held it unsafe to release, even the slightest bit, complete control for at least fifteen or twenty years.

The "independence" bill provides for the permanent retaining of all military bases, which may be increased at will during the twelve years remaining. This is, as Hoover goes on, "because the political dangers of the situation are greatly increased by the present instability in the Orient." Meaning, of course, the spread of the Chinese Soviets and the growth of the Communist influence in the Islands. American-Japanese rivalry in Asiatic markets is a determining factor in increasing naval bases for "the spirit of Imperialism and exploitation of peoples by other races has not departed from this earth." America fears "the entry into the Philippines of a neighboring military power," added the hypocrite Hoover.

ANTI-IMPERIALIST CAMPAIGN

Against this vicious fakery, backed by the A. F. of L. leadership, the beet-sugar bosses, and the bourgeois Philippine nationalists, the Anti-Imperialist League is rallying support. Their 6 points enumerated include immediate and unconditional independence, no tariff barriers, no immigration exclusion, immediate withdrawal of American armed forces and battleships from the Islands, the stopping of terror against workers' and peasants' organizations and the release of those now in Filipino jails for anti-imperialist activities. For this country, an end of discrimination against the thousands of Filipino workers is demanded.

ing vigorous proletariat and the old rotten capitalist class. But the best elements amongst these technicians will not be misled—they will rise above the confusion of Technocracy and other similar middle-class and capitalist philosophies and join the revolutionary masses. Some of Technocracy's catch-phrases in a more distilled form may become part of a Fascist ideology in this country. It may affect some sections of the workers and poor farmers. But that depends largely upon the leadership of the Communist movement, who must now conduct a bitter struggle against Technocracy, giving them no less quarter or toleration than any other group of capitalist misleaders.

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

(THE END)