

The WEBBS, the STATE, and the WORKERS

I HEARD an unkind story about Mr. and Mrs. Webb the other day. It was a remark of a certain younger member of the aristocracy with socialist leanings. A Fabian friend had been reproving a young man of socialist leanings for lack of appreciation of the Webbs. The young man replied :—“Well, perhaps you’re right. I certainly did hear the other day that the Webbs have just written a socialist book !”

Yes, Mr. and Mrs. Webb have at last left the cautious ways of detailed research, and have launched their assault on the capitalist system.* It is a devastating assault, it is brilliantly written, and no socialist can afford to pass it by on the bookshelf unread. But if we were asked as Marxians to put our fingers on what we considered the main flaw in the argument, I wonder what most of us would say ?

The substance of the case presented in the book is this :—The present economic system is run for profit, and wealth is unevenly distributed. The latter fact means starvation at one pole and luxury at the other. The former fact means that the economic system is not governed by what is socially useful (*i.e.*, what promotes the maximum economic welfare), because in many cases what is *profitable* to the individual is not the same as what is *useful* to society as a whole. This is aggravated by the fact of inequality, which means that “effective demand” for Rolls-Royces being large, Rolls-Royces are produced in preference to more bread for the poor, although

* *The Decay of Capitalist Civilisation*, by SIDNEY and BEATRICE WEBB.
(Fabian Society and Allen & Unwin, 4s. 6d. net cloth, 2s. 6d. paper boards.)

the social need for bread is far greater. In addition to this, capitalism as a working machine is beginning to break down. Competition has evolved into monopoly coupled with Imperialism. The "dictatorship of the capitalist class" has produced a psychological revolt against it. Hence, it is necessary to supplant "production for profit" by "production for use" by gradually increasing the extent to which the State (or bodies with powers delegated by the State) interferes in the control and administration of industry.

Now, the first part—the purely economic part—of this assault on capitalism is one which in the abstract even orthodox economists admit. Prof. Pigou in his *Economics of Welfare* makes a large point about "exceptions" to the dictum of the classical economists, that each by following his own interests will promote the interests of all. And in those instances where it can be shown that the profit and price measure is not adequate as a measure of social utility, here the argument proves the desirability of State intervention and possibly socialisation.

This part of the Webbs' case does not go very far. It argues for the partial supersession of private capitalism by State capitalism. It does not give a case for a revolutionary or complete change.

Of more revolutionary implication is the argument based on the fact of (1) monopoly cum Imperialism; (2) the class struggle.

We may summarily describe Imperialism as the effect of the growth of big combines, and aggregations of finance-capital, which have developed during the last forty years, and which have from their size and centralisation immense *political power, i.e.,* control over the State. Consequently they are able to use the State for more directly economic purposes than before, *e.g.,* securing control of raw materials abroad for these combines. The result is that the competition between the big national combines of the various countries takes a new form—a political rivalry between States. This is Imperialism.

Let us be candid. Marxists sometimes degenerate into mere mechanical interpreters of every event solely in terms of economic factors. We chant the slogan, "economic power dominates political power," and then fold our hands until economic power shall have miraculously descended from heaven upon us. Few of us are entirely guiltless in this respect. But to interpret events in this way is to neglect the dominant part which *control of the State* plays in imperialist capitalism. True, it may have been their control of industry and finance (combined with their revolutionary *action*) which originally enabled the bourgeoisie to control the State; but to-day it is probably more their control of the State which enables them to keep their hold on finance and industry, than *vice versa*.

Therefore, the whole crux of the matter, quite transcending

in importance any purely *economic* issue of nationalisation *v.* private enterprise, is the control of the State. What group of persons dominates the State? In other words, Where does political "sovereignty" actually and in fact rest? That is the fundamental question to be asked in approaching such proposals as those of the Webbs. Herein lies the difference between the Fabian school and the Marxian school of thought. The Fabian emphasises the issue of social *v.* private enterprise in industry. The Marxist emphasises the issue of *class in relation to the State*.

We have just said that two of the fundamental problems which face the world to-day—and the Webbs admit their importance—are these two political struggles; the one between national States (Imperialism), the other between classes for possession of political "sovereignty" (the class struggle). It will, therefore, make all the difference in the world to the solution of these problems, whether the State which does the socialising is a Capitalist State or a Workers' State. The Webbs' proposals, in fact, amount merely to control of industry by the capitalist-controlled State—State Capitalism. They may hope thereby to mitigate a little Imperialism and the Class Struggle; even if they are successful in their mitigation, it will not be a solution. Thus we see that the centring of one's attention on industry to the exclusion of the important role played by the State in imperialist capitalism causes one to deem sufficient the socialisation of industry *before the political struggle for power has been fought out* and before the balance of political power (control of the State) has been changed.

To give a concrete illustration: The nationalisation of the coal mining industry under the Sankey Scheme would scarcely change the balance of power in society as between the classes at all. The representatives of the consumers would be representatives of "heavy industry"—of Vickers, John Brown, Cammell Laird, and other such; the representatives of the State would be business experts or civil servants drawn from the capitalist class. We know it makes no profound difference to the actions of a Sir E. Geddes whether he is acting as a State official or as President of the F.B.I. *Plus ça change, plus c'est la même chose!* In effect, therefore, the nationalisation of the mines might actually strengthen imperialist capitalism. It would replace the somewhat chaotic and wasteful administration of the industry under somewhat stupid and short-sighted petty capitalists by a co-ordinated administration...in the interests of the F.B.I. and the combines of British heavy industry!

Similarly, if the French Government ran the mines in the Ruhr, it would merely run them for the greater glory and power and profit

of the Comité des Forges and French heavy industry. What matters it to Stinnes if the German Government control the railways so long as Stinnes has the whip hand over the German Government? Proposals in abundance have been made by Fabians and others for the nationalisation of mines, railways, land, banks. But if they proposed the nationalisation of Vickers, John Brown, and the rest of British "heavy industry" might they not provoke that very revolution which the Webbs so eloquently urge the ruling class to avoid? But even supposing the existing State took over the control of Vickers—would this make any *serious* difference to the balance of political power, and hence to the essential problems of Imperialism and the Class Struggle? (I do not claim necessarily that there would be *no* difference.) The "bosses" of Vickers, instead of fluctuating profits, might get steady salaries from the State as State administrators; but would not the "whip hand" be still very much the same hand as before? Would not the "herd complex" of the capitalist class dominate things just as before; and in all probability would not an essential element of that "herd complex" be the ideals of Empire, the superiority of bourgeois culture, and all the rest of the capitalist ideology? It would involve merely a merging of the capitalists with the capitalist State so that the two were indistinguishable, but the psychology of the industrial administrators would be *at bottom* the old psychology of a class society and not the new psychology of a classless society. It would be State Capitalism; it would be the Servile State, which Belloc saw over ten years ago as the logical outcome of Fabianism; it would not be Socialism. Those who say that the war proved the triumph of Socialism are talking nonsense, unless by Socialism they mean merely State Capitalism: State Capitalism is the logical apotheosis of Imperialism. The actual form in which industry is administered matters comparatively little; *who has control of the State, and hence of industry, matters a great deal.*

If the criticism, therefore, contains some truth that many of us at times have made Marxism too much "an interpretation of politics in terms of economics," instead of "an interpretation of history in terms of class struggle," what should be the central point of our theoretical teaching so far as it is applied to existing problems? If a suggestion may be ventured, I would propose the following in rough outline:—

1.—The essential problems of to-day are political struggles—the struggles of rival national states and the class struggle for control of the State. "The decay of civilisation" can only be arrested in so far as these problems can be solved by the passing of sovereign

power in society—a sovereign power at present embodied in the centralised State—from the capitalist class to the working class.

2.—This question of where ultimate power resides is the important thing, and not the mere superficial *forms* of industrial administration. However far in response to economic expediency the forms of industrial administration in Russia may be modified to a superficial resemblance to capitalist forms (*e.g.*, scientific management, bonus wage-payments, credit and currency system, etc.), Russia will remain separated by a great gulf from the capitalist world, *so long as supreme power rests with the working-class.*

3.—The duty of a real workers' party must be, therefore, to convert every sectional workers' struggle, whether in the field of industry or of Parliament, into a *political struggle*—a struggle to get power. It must judge every tactic, *e.g.*, nationalisation, not by whether it advances an ideal "principle" of Socialism or is near to Socialism in superficial form, but by whether it will strengthen the power of the working class in its struggle.

4.—To do this a workers' revolutionary party must not be composed of mere pure-milk-of-the-word-theorists, nor must it be a mere *pot-pourri* of all "men of goodwill." It must comprise the active members of the working class, who are alive to this struggle, and are educated to see its true nature and implications. It must be an *organisation*, under efficient central control and *direction*, not a mere aggregation of groups and individuals, as have been Socialist parties in the past. Its power to weld the sectional struggles of the workers into a united struggle for power will be proportional *not to the numbers of that party but to its influence in action*—to the extent to which its members spontaneously take the lead, are respected and followed, in all the phases of working-class activity.

That is where the party which the Marxist envisages differs in objective and in constitution from the party which the Webbs have in mind. Our working-class education is of little use unless it goes on from mere description and analysis of what is, and from weighing up of probabilities (*not* inevitability) in the future, to an *application* of Marxist theory to the how and wherefore of *action*. Let us hope, too, that we may so build up the quality of our education—fearlessly scrapping old formulæ which have become hindrances instead of aids to thought, and resolutely remoulding and re-fashioning anew—that the exponents of our point of view may be as erudite scholars, as clear thinkers, and as brilliant writers as Fabian Socialism has in the Webbs.

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