the american socialist quarterly

a
socialist journal
of opinion

autumn 1932
vol. 1 no. 4
25 cents

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Vol. I No. 4
Autumn, 1932

Published quarterly at 7 East 15th Street, New York
by the American Socialist Quarterly
Subscription One Dollar a Year
Application for entry as second class matter is pending.

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A Program for American Socialism

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THE American Socialist movement is in its infancy. It has a history of some decades; it has had its moments of achievement (or apparent achievement), and its moments of great hopes. A serious and frank stock-taking, however, reveals the following picture.

(1) The Socialist vote in national elections depends, not on the spread of sound Socialist sentiment, but rather on such circumstances as the popularity of the candidate, or the immediate economic and social situation. There is no fixed, strong Socialist following than can be counted on. A study of the national vote is instructive.

In 1904 Debs received 400,000 votes.
In 1908 Debs received 400,000 votes.
In 1912 Debs received 900,000 votes.
In 1916 Benson received 600,000 votes.
In 1920 Debs received 900,000 votes.
In 1924 there was no Socialist candidate.
In 1928 Thomas received 250,000 votes.

In 1932, because of the growth of Thomas' fame, and because of the depression he will receive a larger vote, reaching, according to the Literary Digest forecasts, 2,000,000.

(2) In certain localities (e.g. Milwaukee and Reading) there are, or recently have been, Socialist municipal administrations. An honest evaluation of these must lead to the conclusion that these administrations have been upright, efficient, fearless and devoted to labor interests—but, largely because of the political structure of the American municipality, they have not functioned as Socialist administrations.

They could not. Except within very narrow limits, the legislative and economic power of an American city is nil.

(3) The American working class, after fifty years of exposure to Socialist agitation, is still impervious to Socialist thought. There are good reasons for this circumstance. They are: Deleonism in the nineties; the I. W. W. campaign; the war; the post-war prosperity; the tradition of individualism; the efforts of the Catholic Church; corrupt bargains between certain labor leaders and capitalists; the radio; sectionalism; the newspapers; the moving pictures. A thousand more reasons can be adduced. The fact remains: the American worker is not a Socialist. May we not add to the reasons already listed, in all humility, one more? I suggest that it may be—the inadequacy of the Socialist movement, its mistaken tactics.

(4) There is no Socialist movement among the farmers. Socialist voting strength among the farmers, as in Oklahoma some years ago, and perhaps this year in Iowa and elsewhere, is a vague and evanescent thing, here to-day, gone to-morrow. It grows like a mushroom when crops are bad, or the land banks oppressive; it melts like snow in spring when the price of crops is high and credit easy.

There is no Socialist agrarian program that will hold the attention of the farmer in good years as in bad.

(5) The average man, the man who reads as he runs without much discrimination, has a vague notion that once the Socialists were "reds"; to-day, however, their dangerously radical tendencies have been taken over by the Communists. The Socialists,—so runs the legend,—are safer now; they have a program of somewhat utopian legislation but they mean well, and they are on the whole good fellows.

(6) To this same man the Communists are **personae non gratae,** but when he is forced to recognize the inadequacies of capitalism, when he loses his job and faces hunger, he looks longingly at Russia. Scraps of dimly remembered phrases, idle newspaper articles, the inspired reports of Soviet agents come back to him. "Russia!" he thinks. "At least they're doing something there." By contrast the tale of Socialist weakness here, the picture of Von Papen ousting the

Socialist officials in Prussia, of MacDonald working hand in hand with Baldwin, seem uninspiring.

It is plain that the net result of fifty years of Socialist activity is painfully small. When we add that no serious American Socialist journal has so far survived for long, that American Socialist literature is on the whole insipid and weak, and that Socialism (which everywhere else is at least a profound intellectual influence) is here intellectually without weight, the plight of the movement is indeed grave.

A program to remedy this situation is badly needed. This program need not be startingly new. It can be simple, straightforward and on the whole easy of application.

To begin with, the A S Q believes that the main emphasis of Socialist activity for the next few years **must be on education.** The rank and file of the party must become permeated with the fundamental teachings of Socialism. The Socialist movement, to grow to its maturity and strength, must clarify and simplify its theoretical position. The Socialist Party is the party of the workers. It accepts the class struggle and fights with the workers against capitalism for immediate demands, and for the ultimate overthrow of capitalism. Its aim is the end of the exploitation of labor, and the establishment of a society in which the worker owns and democratically controls industry.

Less than this is not Socialism.

It is tactically foolish to make the Communists a present of Marx. It is not true, as one important Socialist worker has said to me, that Marx is a liability, and that the sooner we free ourselves from bondage to his ideas, the better. The theories of Marx are in essence sound. The movement, in so far as it wishes to be more than an expression of aimless benevolence, must be based on his theories, at least until a better set of theories is advanced.

The party must develop a literature that shall range from propaganda leaflets written simply for the most ignorant worker, to thorough studies of social conditions, and thorough discussion of theoretical considerations. Respect for fact, for

accuracy, the habit of interpretation,—without these the Socialist agitator is helpless.

The party must develop a trade union policy. There can be no growth of Socialism except in so far as the workers become Socialist in thought and action. Socialists cannot take the position that the function of a man as trade-unionist is one thing, and as a Socialist is another. The Socialist trade-unionist is, because of his Socialism, a different entity from the non-Socialist member of the union. His unionism and his Socialism must fuse, and he must seek to direct the union into the Socialist channel. If he does not, he is neither a good Socialist nor a good unionist. This means that the Socialist Party as such must study its attitude towards the unions, and if necessary revise it. It must encourage the organization of all workers; it must devise means of reaching the organized workers, and of winning them from political lethargy and traditionalism. This is a difficult task, but one that cannot be evaded if the movement is to grow.

To do this involves the question of discipline. Once the party takes a position, that position must be upheld. Within the party there may be difference of opinion. To the outside world there must be only one Socialism. The meeting described by Kantorovitch, at which one speaker asserted in the name of the Socialist Party that the A. F. of L. was the worst enemy of labor, and another that the A. F. of L. had the only true labor policy, is ludicrous and of far too frequent occurrence.

Party discipline must extend to the control of members who compromise the party by participation in either bourgeois or communist political activity; of members who utter non-Socialist doctrine and call it Socialism; of members who publish as Socialist, books and periodicals that contradict Socialist principles. Socialists must not fear that such discipline is an interference with liberty of expression. No Socialist will stop any individual from saying anything he pleases, or from defining Socialism as he pleases. But the Socialist Party **as such** cannot allow irresponsible individuals to commit it to theories and programs that do not represent its views.

The Socialist Party must define its agrarian program. This program must not be merely a patch-work of current demands based on the present needs of farmers. It must be based on the growth of farm tenancy and of a farm proletariat. It must involve the theory of the socialization of the land. It must wean the agrarian away from his middle-class prejudices and teach him his kinship with the city proletarian. It must fight the mutual fear and hatred of the farmers and the city workers.

The Socialist Party must end its appeal to the consumer and to the middle classes. In its literature it must emphasize the gradual disappearance of the middle classes, and must appeal to these classes as proletarians-to-be.

The Socialist Party must develop a more active interest in the youth. The Y. P. S. L. is in one sense more important than the party itself: it can become the training ground for party activity. It will never become this as long as it is neglected for the apparent exigencies of political activity. It will never grow to maturity unless serious and responsible older comrades make it their chief preoccupation.

The Socialist Party must develop a policy toward co-operation. Instead of allowing the co-operatives to function feebly on the fringes of the movement, the Party might well stimulate the growth of consumers' and producers' co-operatives. In every country in Europe where there is real Socialist strength there is also a strong co-operative movement. This must be more than an accident, when we consider the degree of social effort that co-operation demands.

Only after the movement has a sound educational foundation, a sound theoretical position, a trade union policy, an agrarian program and a youth movement is it prepared for real activity. This is not to say that political efforts cannot be made while the other phases of the movement develop. In America, which is in a peculiar sense politically minded while it is also politically immature, political activity is accompanied by a grave danger. The fascinating business of campaigning for votes may (and at times has) become an end in itself. This difficulty can be avoided if the movement de-

velops in all its phases with the unfolding of political activity.

The political activity of the Socialist Party should be two-fold. Its present program admirably states the ultimate aim of Socialism.

"It (the Socialist Party) proposes to transfer the principal industries of the country from private ownership and autocratic, cruelly inefficient management to social ownership and democratic control. Only by these means will it be possible to organize our industrial life on a basis of planned and steady operation without periodic breakdowns and disastrous crises."

It also lists an excellent program of immediate social and legislative changes. But a platform is not enough. Our activity must avoid leaving the impression that we render lip-service to the ultimate, but that our hearts are in the immediate palliatives.

We are far, in America, from any power, or the possibility of power. Nevertheless we must now—when we can still be objective—develop our attitude toward such vexed questions as coalitions and revolution. There is much laboratory material abroad for an intelligent study of what Socialist majorities and minorities can and cannot do.

The A S Q does not wish the party to take an impossibilist position. It does not hold that immediate legislative and economic reforms are useless or unimportant. It merely asks that they be seen in their proper perspective, not as end-goals, but as means to the great end.

A program such as this will bear certain fruit, not at once perhaps, but in the days to come. It is worth sacrificing an ephemeral political strength, which in the end is an illusion, to the development of a following that will not be easily won away; to the development of agrarian strength; to the growth of the youth movement which will give us five members who will stay with the party for ten votes that we have to-day and lose to-morrow; to the deepening and strengthening of Socialist thought; to the spread of understanding of international affairs that touch us directly.

An abandonment of that politcal opportunism that expresses itself in the nomination of popular figures will be a

great gain to the movement. Certainly we must nominate candidates, candidates who can win the respect of the electorate. Certainly we must nominate men and women who can present the Socialist point of view fairly and adequately. But we must concentrate on the movement, and not the man; we must develop Socialist thought rather than votes. We must so work that the votes when they come, will mean a Socialist mandate, clear and unclouded.

Only so can the political and industrial strength of Socialism grow.

The 1932 Socialist Campaign and the American Political Scene

LOUIS WALDMAN

OUR eleven million jobless bear tragic witness to the need of fundamental change in our economic and political institutions. After three years of catastrophic depression, the industrial machine still refuses to function. Although society is able to produce plenty for all, there is bitter poverty, unemployment and insecurity for the great mass of our population.

What is the reason for it all? Plainly it is our policy of drifting, of muddling through, during as well as before the depression. Big business and little business has been given a free hand to exploit our workers and consumers. We have permitted unbridled competition to be followed by unbridled mass production both combining under profit-economy, to produce conditions so chaotic and so bad as to lead Mr. Justice Brandeis to describe them as "more serious than war".

This policy of drifting and muddling through is an expression of the outworn political philosophy that we are still living under a system of "individualism". It arises from the failure to recognize that we are living in an age of collectivism, and that the individualism which existed in our pioneering days, is now outdated by a century. Resting on this outworn political philosophy, our legal and governmental institutions have failed to fully measure up to the social interests.

* * *

In any consideration of the causes contributing to the present economic collapse, and the remedies which may be found to bring about a readjustment of our economic balance,

to the end that there may be no recurrence of similar calamitous conditions, it is important to recognize one fact.

Within the borders of our own country there is no lack of the goods and materials necessary to provide comfort and a good life for every one, nor of the means to produce them.

It becomes therefore simply a question of how we may be enabled to distribute these things equitably and fairly, so that all may share in them sufficiently to be assured against want and the uncertainties of age, sickness and unemployment.

Broadly speaking the major problem which America faces to-day is the more equitable distribution of wealth. Only a plan which will provide and maintain increased purchasing power for the great masses of the people will be adequate to bring about a return of prosperity and insure its stability.

It is the seeming inability or unwillingness, at any rate, the failure of those who control our governemtnt and who direct our financial and industrial destinies to recognize the importance of this fact that is directly responsible for the present crisis.

It is why millions of our people are in need of food, clothing and shelter, lacking the barest necessities of existence, when there is a superabundance of all these things available, or the capacity to make them available. These are the things that the Socialist Party has been striving to make plain to the people of America for the past thirty years.

Even in the days of our greatest prosperity the working classes, who have created the wealth, have not shared in it sufficiently to have a purchasing power commensurate with their needs, much less to sustain the rapidly expanding production, which their labor created.

The lack of balance and disproportion between production and potential consumption is clearly shown by the fact that from 1923 to 1929, the value of manufactured products increased $9,000,000,000, from $60,000,000,000 to approximately $69,000,000,000, while the total wages in manufacturing industries increased only about $414,000,000. The disproportion between the national income and the total national wages received by all people gainfully employed, tells the same story.

For the year of 1929 the national income was estimated to be approximately $90,000,000, whereas the national wage-bill was estimated at about $41,000,000,000.

Prior to the dark days of the depression, American business leaders paid lip-service to the theory of the economy of high wages. But their practices belied the theory. The facts are that between 1923 and 1928, regarded as five "fat" and prosperous years, there was an actual decrease in the real annual earnings of the workers in the manufacturing trades, according to Dr. Willford I. King of the National Bureau of Economic Research.

How does America live? I mean the America comprising the great masses of the population. Paul H. Nystrom in his book "Economic Principles of Consumption" compiled a table which shows graphically what a small share of our huge wealth the American salaried and wage workers are permitted to enjoy. His table is an analysis of the standard of living not of to-day, when they have been alarmingly lowered, but of the years 1927, a year of so-called prosperity. The table is as follows:

	Approximate population of group	Per cent. of total population
Public charges	1,000,000	0.8
Tramps, work-shy, etc.	2,000,000	1.7
Poverty level	7,000,000	5.9
Bare subsistence	12,000,000	10.1
		18.5
Minimum for health and efficiency	20,000,000	16.8
Minimum comfort	30,000,000	25.2
Comfort	20,000,000	16.8
Moderately well-to-do	15,000,000	12.6
		71.4
Well-to-do	10,000,000	8.4
Liberal standards of living	2,000,000	1.7
		10.1
Total population	119,000,000	100

According to this analysis, 22,000,000 of our people live on standards of bare subsistence, or below it. Adding to the 20,000,000 living at the level of minimum "health and efficiency", we have 42,000,000, or 35.3 percent. of our population getting so little of the riches of the country as to be forced to live below decent standards, somewhere between the "poverty level" and the minimum for health and efficiency. Only 12,000,000, of our entire population are classified as enjoying "liberal standards of living" or as being "well-to-do"; 107,000,000 or 89.9 percent. are not among the privileged.

Of course conditions to-day are incomparably worse. With the annual loss in wages of about $12,000,000,000, American labor has never known such bitter poverty as it knows to-day.

Economic facts underlying the foregoing table explain our business collapse more eloquently than all the theories advanced by industrial and old party leaders.

True, there was speculation, there was overexpansion, there was waste, but all of these are the natural result of our capitalist civilization in which producers are denied the just fruits of their product, while the owners are permitted to build huge reserves and amass great fortunes out of profits. These reserves and private fortunes find their outlet in economic activities which not only do no good, but do positive harm.

Someone has said that no ruling class in history ever filed a voluntary petition in bankruptcy. That is true enough. But history is full of instances where a rising class, to which an insolvent prevailing Order was indebted, filed an involuntary petition in bankruptcy, appointed its own Receiver and managed the affairs of the insolvent Order in the interest of this rising class and of the community as a whole.

Our country is in that position now. The workers of hand and brain and the farmers are the great social class to whom the American insolvent ruling class is indebted. The great wealth produced by this rising class has been misapplied by our Rulers. These Rulers have not permitted workers and farmers to share in that wealth even in the good old days of so-called prosperity.

And the reserves and private fortunes built out of labor's efforts are now denied to the destitute and needy unemployed. President Hoover was kind enough to explain the philosophic basis for that denial when he said in an address urging a national drive for voluntary donations for unemployment relief, that "a cold and distant charity which puts out its sympathy only through the tax collector, yields a very meagre dole of unloving and perfunctory relief."

The alternative to this "cold distant charity through the collector", is to permit our jobless to starve. The unemployed are callously left to shift for themselves. The public relief agencies are tragically inadequate. In New York City, 55,000 families are receiving relief averaging about $.50 a day. An equal number of families who are known to be destitute are not cared for at all for lack of funds. The amounts doled out to the needy unemployed in Philadelphia, Chicago and St. Louis and other centers are as low or lower. Certainly no family can live on the sums now allowed to them without undermining health, decency and morality. The pauperization of American labor has been going on since the crash of 1929 under an administration pledged to eliminate poverty forever from the United States.

In face of the crucial questions of these times, what is the American political scene?

* * *

The policy of the Republican Party is, apparently, to sit tight, scare the Nation into electing that party again on the ground that in a great national crisis, a change in leadership may create a turn for the worse; as if it were possible to have things worse.

The Democratic Party is making a two-faced campaign. It reassures the conservatives of Mr. Roosevelt's essential "soundness", and at the same time bids the liberals to "come hither". The liberals are to be captured by making strong attacks on the "Insull Monstrosity" now that Insull is a dead figure in the utility world, while saying nothing about the Floyd L. Carlyle monstrosity or the Morgan monstrosity in Mr. Roosevelt's own state. Liberals are also promised vague

and general reforms such as greater publicity of security issues and bigger and better regulation.

Regarding the important issue of the relation between business and government, Mr. Roosevelt sums up the position of the Democratic Party thus:

> "The government should assume the function of economic regulation only as a last resort, to be tried only when private initiative, inspired by high responsibility, with such assistance and balance as government can give, has finally failed. As yet there has been no final failure, * * *".

Three years of economic prostration and social disaster is not enough evidence for Mr. Roosevelt of the failure of private business. To him there has been, "as yet", "no final failure". Just what the Democratic presidential candidate means by final failure is not made clear. Plainly the Democratic position is outright evasion. It is an adroit attempt to please both sides,—the business interests and the victims of unemployment.

* * *

No survey or discussion of the American Political Scene to-day would be complete without briefly referring to the dubious position of organized labor. The leaders of the Movement are learning slowly. They are still pursuing the futile policy summarized in the phrase of "Rewarding your friends and punishing your enemies". They are still following the outworn philosophy of "non-partisan" politics.

Their program however is wiser than their philosophy. Great economic pressure and strong sentiment in the ranks has compelled the American Federation of Labor to favor the six hour day and five day week, **through legislation,** a demand of the Socialist Party of many years standing. The American Federation of Labor also reversed itself on the question of unemployment insurance. They favor it now.

All of this is to the good. It is impossible for the government to pass laws, drastically cutting the hours of labor and providing for a system of unemployment insurance, without at the same time organizing the labor market and without taking measures for the control of industry and of the job.

With the job closely tied to governmental action, labor will begin to view government in a new light. Their present indifference to it will change, and they will try to control government in their own interests as their employers have been doing in their interests, for a long time.

* * *

The progressives in this campaign cut a sorry figure. They are generally divided into three types: The beer progressives; the progressives who talk liberally but vote for and run on the old party tickets; and, the economic progressives who are none too numerous.

The progressives are without a program. They are timid in their political action. They are anxious not to break completely with the ruling political parties. Many of the left wing progressives are envious of the power of the Bolsheviks in Russia but lack the courage to embrace Communism. Some of them are deeply impressed with the Russian "experiment", but shrink from its logical conclusion, the dictatorship. Still others are genuinely desirous to see a change in America along socialist lines, but are not willing or ready to go through the patient work of building a party from the ground up, committed to the principle of industrial democracy to be attained by democratic means.

The liberals and progressives are divided and scattered. They are without practical significance in the political battles of the day.

* * *

The Socialist Party of the United States, facing the greatest task in its entire history, is the sole organized political force around which enlightened discontent and socialist sentiment can rally.

The intelligence with which the Socialist Party discharges its task, will be the measure of its capacity to become the party of effective opposition, and, ultimately, the ruling party in the United States.

Above all, the Socialist Party must be dynamic and aggressive. It must use all weapons available to it, and must take its political work seriously. Whether elected to office or

not, government as a functioning institution in City, State and Nation must be its direct concern.

In his campaign the Socialist program alone presents an alternative to the present economic and political chaos. Conditions being what they are, our program constitutes a real challenge to the two major parties.

Programs however, do not get themselves accepted unless they are pushed and emphasized at every opportunity. And here is where we are confronted with sensitive tactical problems, if not difficulties.

What part of the program shall receive the greatest emphasis? The answer to this question, of course, depends upon the audience, the time and the place. There is no universal formula. Sometimes it is best to emphasize the general socialist aspirations and ideals; sometimes, the concrete program.

Today the general ideal of a planned economy based on social ownership and democratic management of industry is the most popular issue. This issue is always basic, but not always popular.

Yet in times like these when there is great distress, hopelessness and despair, it is of the highest importance that we tell the people what we can do for them **now**. Can we help them, somehow, **now**? Is there any relief for them in sight?

Four important points should be stressed as of immediate practical importance to American labor.

First of all, is the great need of feeding and housing the destitute unemployed and their families. That is to be done through governmental agencies in a way that will not bring to the recipients of relief, physical and moral deterioration. Provision must be made for them not by way of charity, but as a measure of justice. This requires new forms and methods of taxation. Untapped wealth of the country is to be reached. Such taxation of wealth has always created a major political issue, dividing the parties of the rich from the party of the poor.

In the second place, we must press for a program offering some measure of economic security to American wage and

salaried workers. They must be freed from the dread of unemployment, sickness and old age.

Unemployment insurance has proven itself to be a sound social and economic policy in every advanced industrial country of the world. In Germany there are 16,738,000 workers covered by unemployment insurance. In Great Britain and Ireland 12,000,000 are similarly protected and in all of continental Europe a total of 47,500,000 wage earners are entitled to receive insurance benefits during periods of unemployment.

Of all advanced industrial countries in the world American labor is least insured against the risks of unemployment.

According to the United States Department of Labor less than 226,000 out of 49,000,000 wage earners have any sort of unemployment insurance and even these are loosely and inadequately protected. It is clear therefore that voluntary unemployment insurance cannot be relied on. It must be accomplished by law.

The principle of old age insurance, thanks largely to thirty years of Socialist agitation, is beginning to gain a foothold in American life. Public pressure on the two old parties has compelled them to recognize the need for it to some extent, although they have emasculated the principle and offered sugar-coated poor laws instead.

Veterans of industry should receive annuities or pensions as a matter of right just as veterans of war or employees in the Civil Service are pensioned.

Regarding the necessity of federal health and maternity insurance laws for labor, a State investigation conducted in Ohio, one of our largest industrial states, disclosed that even in normal times the burden of sickness falls with crushing force upon the working people.

About twenty per cent of the population are disabled for more than one week each year. One fifth of these are disabled from four to eight weeks, 6.4 per cent are disabled for from eight to twelve weeks and 3 per cent for more than six months.

It is estimated that in the city of New York, 350,000 people are annually disabled or incapacitated from illness for from

four to eight weeks and the 140,000 persons are disabled from eight to twelve weeks each year.

A recent study by Dr. Louis I. Dublin and Robert J. Vane, Jr. on the causes of death by occupation shows that the death rate from tuberculosis, to mention only one serious affliction among the working population, is from 2½ to 4 times as high as among professional, mercantile and agricultural groups.

In other words, for every one who dies from tuberculosis in the professional, mercantile or agricultural classes four working men die from that fatal disease.

In Germany close to 32,000,000 are insured against invalidism and sickness. In England 18,000,000 are so insured; and in France, by an act signed July 1930, over 9,000,000 persons are so protected.

On the other hand not more than 1,000,000 people, mostly of the wealthiest class, out of our entire population of 120,000,000 are partly insured against illness and invalidism. The 49,000,000 wage and salary workers and their families are not protected by private insurance against disabling sickness. The reasons are plain. They simply cannot afford it, as the average wage for 35,000,000 wage earners, even in the so-called prosperous years prior to 1929 was $23.17 a week.

Most of what there is of disability insurance does not cover the great mass of our working population. Compensation laws cover disability due to industrial accidents arising from unemployment only. All other non-industrial accidents and diseases are the hazards of the unfortunate victims, who are often compelled to become objects of charity or to suffer real privation. The worst sufferers, of course, in the event of illness of the breadwinner are the women and children.

In the third place we must press the need for the reduction of the hours of labor, for the establishment by law of the six-hour-day, five-day week, thus distributing the available work among all workers.

The tremendous increase of productivity in the last decade alone demonstrates that industry can well afford such a cut in hours. It can only be obtained, however, by legislation,

for industry will not make the cut voluntarily and the labor organizations are too weak numerically or too ineffective to compel it, especially at this time.

A study of eleven leading industries shows that from 1919 to 1927—the latest date for which available figures could be found—the average productivity of these industries had increased 60 per cent, while the number of hours remained substantially the same, in some cases even showing a slight increase.

In most of the other industries the hours of labor have equally remained stationary, while productivity has increased at a trementdous rate.

For the country the average work-hour-week is about 54, with the average for New York slightly lower. It is estimated that about one worker in four is now unemployed and a large number are on part time. A universal reduction to 30 hours a week, therefore is necessary to place all workers at full time employment and keep them at work.

It may be objected that the establishment of a 30 hour week would result in wage-cuts or a further curtailment in production. The suggestion raises a question more apparent than real.

Wages are generally reduced in a glutted labor market. Where there are many more men than jobs wages will go down unless resistance is made by powerful and aggressive trade unions. Even these are often helpless.

Conversely, wage standards are generally maintained not by the "enlightenment" of the employers or by the long hours of work, but rather by the scarcity of labor. As a matter of fact, industries that pay low wages also force upon their workers long hours. The economic power which imposes the one also imposes the other.

Paradoxically enough the shorter the hours of labor the higher are the wages. With the establishment of the 30-hour week, labor will be automatically protected from wage slashes.

In the fourth place, there must be a determined fight in City, State and Nation for the immediate drastic cut in rates

charged by the companies to the consumers for electricity, gas, telephone, railway and railroad services. The average American family could increase its purchasing power materially by cutting the rates and charges they are compelled to pay annually to the profiteering utility interests. Public ownership and control is the only effective way of cutting rates.

Of course there are other problems which under special circumstances require discussion and emphasis. I mean issues like education, taxation and finance, revision of the criminal laws, civil liberties, corruption in government, and others.

The task of the Socialist Party these times is not merely to wage an effective campaign but to press the immediate and ultimate program upon the attention of the community after the campaign is over.

The logic of events requiring a readjustment of industry along Socialist lines has created conditions most favorable to the future development and growth of the Socialist Party in America.

A WORD ABOUT OUR CONTRIBUTORS

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Secretary of the Labor and Socialist International

The Erfurt Program

KARL KAUTSKY

IN 1931 the fourth decade after the adoption of a new program by the German Social Democratic Party at the Erfurt Congress (Oct. 14-20, 1891) came to an end. The Erfurt Program achieved great significance in the history of Socialism for it was—this may as well be stated at the outset—the first in the long series of Socialist party programs that had a pronounced Marxian character; it was the first to attain international importance.

It is a little embarrassing for me to write about it, because I was personally too deeply involved in the formulation of this program. But I am urged to undertake the task and I find it difficult to decline.

To many the assertion that the Erfurt Program is the first Marxian program in the history of Socialist parties may seem questionable. Marx himself had as early as 1880 worked out a party program, in conjunction with Engels, Lafargue and Jules Guesde, who had come to London in order to take back to France a practical program for a Socialist Labor Party in process of formation. The Socialist congress at Havre (November 1880) adopted this program by a great majority.

The introduction to the program, the "basic principles" (considerats), was entirely the work of Marx, Engels writes to Bernstein about it. ("The Letters of Frederick Engels to Eduard Bernstein published by Bernstein, p. 34.)

"Marx dictated the "basic principles" to him (Guesde) in the presence of Lafargue and myself, here in my room: 'The worker is free only when he is the owner of his tools—and that he may be either as an individual or collectively. Individual ownership is outmoded by economic development, and becomes daily more so. Only collective ownership re-

mains, etc.' This is a masterpiece of effective argument with few parallels presenting the case to the masses in a few words. Its conciseness astonished even me."

This is altogether correct, and yet I should not call the Marxian program of 1880 a thoroughgoing Marxian program since it could be endorsed also by many a non-Marxian Socialist.

It would be ridiculous to assume that Marx was not capable of giving more explicit expression to his point of view. If he did not, we must seek the cause not in Marx but in the historic situation.

At the time a comprehension of Marx's way of thinking was limited to a very few individuals. The working class would not have understood an explicitly Marxist program. To Marx, however, one step toward building a real movement was always more important than a dozen programs. At the time the most important thing for France seemed to him to be the organization of an independent Socialist labor party. Its program was to be of a nature that made possible and facilitated Marxist propaganda, but it was not to frighten away those participants in the class struggle who were not dominated by Marxist thought, but who were prepared to do practical work of Marxist value.

Several years passed before conscious Marxism began to spread. As early as 1884, when I spoke in an article of the Marxian school, Engels wrote me that I was ahead of my times.

Neverthless the Marxian school was in process of becoming. A group of Socialist theoreticians and organizers had already begun to grasp the Marxian teaching and to spread it. Among them were the aforementioned Guesde and Lafargue in France, Hyndman and Bax in England, Plechanoff and Axelrod among the Russians, Bernstein and I in Germany. The English Marxists had the smallest success. The two men mentioned themselves never advanced to a logically impregnable Marxist position. To date the number of Marxists in England is small, and their concepts often differ from those of their continental comrades.

In France, too, the Marxian method met with serious obstacles. Marxian theory struck deepest root among the Russian intellectuals. Among the masses, however, the Marxian theory and Marxian conduct of the proletarian class struggle in the face of capitalist development is most widespread in the lands where German is spoken.

This process took place under the most adverse circumstances under the Exception Laws. When these were instituted the German Social Democracy was as yet non-Marxist; when they were repealed it was a Marxist party. Paralleling the struggle with the police the party simultaneously carried on a struggle for clarification of principles. The same development, to be sure, was going on at the same time in Russia and in Austria; the latter was at the time following in the wake of Germany.

When in Austria after the devastations of the Exception Laws and of the party split, the Social Democratic Party was organized anew, at the congress of Hainfeld at the end of December 1888, it already stood on a Marxist foundation. Its leader, Victor Adler, was a conscious and thoroughgoing Marxist. The program that he outlined to the congress, and that was adopted, bears witness to the fact.

In the meantime the Marxian character of the movement was not so pronounced as to be epoch-making. That was the less possible since the Austrian movement was small and was therefore held in little respect by the other socialist parties.

The position of the German Social Democracy was quite different. It had become the most powerful of the Socialist parties in the world. It had achieved the power to overcome the iron chancellor, before whom Europe trembled, and to break the Exception Laws. It had succeeded in doubling its votes in three years (1887—763,000; 1890—1,427,000 votes), and in tripling its parliamentary seats (1887—11; 1890—35 seats).

When the victorious party now went to work to frame for itself a new program, it affected the whole world. And since this program turned out to be explicitly Marxian, Marx-

ism became the dominant theory of the international Social Democracy.

Between the Havre Congress for which Marx had framed the French Party Program, and the Erfurt Congress eleven years elapsed. More than a decade of zealous propaganda of Marxism had gone by. That became evident as soon as the draft programs that were worked out for the Erfurt Congress became public. There were four such drafts, and all of them were more or less Marxian.

The party executive was the first with a draft probably in great part the work of Wilhelm Liebknecht, who could rest on the criticism of the Gotha Program which Marx had written in letters to Liebknecht in 1875. Besides, this draft, before it was published, had been sent to Engels for approval; he expressly became its sponsor. His comments on the original draft, found among Liebknecht's papers, were published in the "Neue Zeit" (XX, I p. 5 ff.).

J. Stern of Stuttgart proposed an opposition draft, which unfortunately was in spots rather naive. Another proposed program, put forth by the comrades in Magdeburg, among them Paul Kampfmeyer, met with a better reception. But this draft had the disadvantage of too great length.

All these attempts induced Bernstein and myself to work out our own proposals. Bernstein took on himself the formulation of our immediate demands, and I the theoretical preamble. To lay a foundation for the program we published in the "Neue Zeit" (IX, 2) a series of articles under the title "A Plan for the New Party Program". Three of the articles were written by me, one by Bernstein. Since the whole was the work of both of us the plan was proposed neither in Bernstein's name nor in mine, but in that of the editors of the "Neue Zeit".

I started out from the proposition that there was no more searching and no clearer exposition of the aims of modern social evolution, and therefore of our movement, than that which Marx himself has furnished toward the end of his "Capital", in the famous section about the "Historical Tendency of the Original Accumulation". My draft was

therefore a popularization of this classical analysis, and I ascribe to this circumstance the universal recognition with which it met.

Engels stated that my draft was the best submitted. Bebel, too, declared for it. The Erfurt Congress appointed a committee of 21 members to discuss the various drafts. In this committee Bebel moved that my draft be accepted in place of the proposals of the party executive, as the basis for discussion. To my surprise this motion was carried.

The committee, which included among its members, besides Bebel and Liebknecht, Schöndank, Vollmar, Molkenbuhr and myself, did not make many important changes in my draft in the course of its very thorough deliberations; it merely edited a number of phrases, and robbed my draft of the conciseness at which I had aimed. The program committee added several separate sentences to which I could not object from the other proposed programs and embodied them in mine.

My reader will not be interested in studying in detail the amendments made in my draft. Any one who is interested in this information can compare my draft as it is printed in the "Neue Zeit" (IX 2, pp. 825, 826), with the familiar form in which the program was finally adopted. I should like to take this opportunity to warn the student against accepting as mine the formulation which appears in the minutes of the Erfurt Congress (pp. 16-18) under the title "The Draft Program of the Editors of the 'Neue Zeit'." This version is incredibly and quite incomprehensibly garbled. So, for example, it makes me say that the Social Democracy constitutes, as opposed to all other parties, a reactionary mass. Of this there is not a single word in my draft, and in discussing it in the "Neue Zeit" I have expressly branded as false the concept of the "reactionary mass". (p. 752.)

In the end the Program Committee unanimously adopted the draft as amended by it. Liebknecht, although somewhat piqued because the executive's draft had been rejected, reported to the Congress on the labors of the commission, which the Congress as a whole likewise adopted unanimously,—without debate. Lack of interest was not responsible, but

the unfortunate fact that almost the whole session of the Congress was taken up with the elucidation of internal difference, by which the unity and the harmony of the party was threatened: differences toward the right with Vollmar, who was reproached as a state socialist and to the left, with the "Youth", who did not consider the party sufficiently revolutionary.

Many of these have since landed among the anarchists, others became skeptical about Socialism or even went over to the bourgeois camp. The great majority benefited by the drubbing they got at Erfurt and became useful party members.

Because of these pressing internal conflicts there was too little discussion of the party program, but no discussion could have produced essentially new points of view. In the discussion in the press, before the congress, and in the program committee during the congress sessions not the smallest objection was raised to the Marxian concepts that the program represents.

It seems all the more strange, therefore, that only a few years later criticism of the most acrid nature arose within our own ranks, levelled against the Marxian structure, and also therefore against the Erfurt program. This was the movement for so-called "Revisionism", led by men who a short while before had themselves been active co-workers in the creation of the Erfurt program.

For this change we must not blame the inner fickleness of the comrades in question, but a change in the world about them.

When Marx wrote "Capital" free competition and free trade still prevailed in the methods of capitalist production. Capitalism was proceeding in regular cycles of prosperity and crisis, at intervals of about ten years.

Then came the crisis of 1873, which was not so soon followed by an industrial uprising. It lasted so long and was so painful that the end of capitalism seemed to be near. When, however, the crisis was overcome, at the beginning of the nineties, there followed an equally long era of prosperity. This, however, proceeded from an altogether new form of

capitalism. In place of free competition there were now trusts, in place of the winning of markets through free trade came the policy of protective tariffs and of colonial expansion.

Capitalism now seemed altogether changed, and to be sure, in a way that had its advantages for the proletariat as well, for in the era of prosperity wages rose, the unions gained in strength, unemployment measurably decreased. Under these circumstances Revisionism arose, i.e., the opinion that important conclusions of Marx's "Capital", and therefore the Erfurt program were false, or at least, exaggerated.

The struggle between the critics and the defenders of Marx lasted a long time. It was still in progress when the long era of prosperity came to an end. There were crises again in 1901 and in 1907; there was again unemployment. All the phenomena that Marx had disclosed in all their ramifications in "Capital", appeared again. Neither trusts, nor high protective tariffs, nor a colonial policy abrogated the economic laws discovered by Marx. These laws made themselves felt constantly.

And how much the world war has deepened the irritating effects of capitalist industry!

Consider, for example, the two paragraphs of the Erfurt program that do not come from my draft, but were taken with some editorial changes from the draft of the party executive, and which I gladly accepted:

> "The number of the proletarians grows constantly greater; always more numerous grows the army of superfluous workers; always more violent becomes the contrast between exploiters and exploited, always more bitter the class struggle between the bourgeoisie and the proletariat which divides modern society into two hostile camps, and which is a feature common to all industrial countries.
>
> "The abyss between the propertied and the propertyless is widened by the crises that are deeply rooted in the very nature of capitalist production, which grow more inclusive and more devastating, and which make general insecurity the normal condition of society."

I had not included these sentences in my draft, because

they constituted merely a repetition and illustration of a statement occurring just before in the program, and because I was striving for the greatest brevity possible.

But aside from this I had no objection to the statements in these sentences. Only the phrasing—that modern society is divided into two hostile camps,—seemed to me to be doubtful inasmuch as it could be interpreted in terms of the theory of increasing misery, and might lead to an under-valuation of the contrast in the bourgeois camp. In one sense the statements are quite correct.

All these sentences in the program were later attacked by the revisionists. It was claimed that they were out-of-date. And yet, unfortunately, they were never so true as in the last decade.

Nevertheless it would be stupid to assert that nothing has changed in the world since the adoption of the Erfurt program. Capital and its tendencies, in spite of certain changes (which are not improvements!) in its outward appearance has remained essentially as depicted in Marx's "Capital". But that is only one phase of modern social evolution. Marx himself in the already mentioned chapter on the historical tendency of capitalist accumulation pointed this out:

> "With constantly diminishing number of capitalist magnates, who usurp and monopolize all the advantages of the change, the mass of misery, the pressure, serfdom, degradation, exploitation are growing, but revolt of the constantly growing working-class, self-taught, organized and united by the mechanism of the capitalist process of production, is also growing". (Capital I, Popular German edition, pp. 690, 691).

There are then two tendencies within capitalist production, which determine its character: the capitalist and the proletarian. Neither can find complete freedom of action; each meets with the opposition of the other in the class struggle.

Until now the capitalist forces have dominated. These Marx could study carefully; they have not changed materially since the publication of "Capital". This book still is the best point of departure for the understanding of capitalist trends.

On the other hand, the revolt of the always growing working class grows very slowly. Marx had the opportunity to study only it beginnings, in the Chartist movement, in the unions and fraternal orders, in the struggle for the normal work-day in England. Marx died just when the mighty upward trend of the modern working-class movement, based on its democratic gains, began. To be sure in this field, too, Marx had predicted as early as 1847, in the Communist Manifesto, the greatness to which the proletariat would climb out of its deep misery. But the forms which this rise has assumed he could not foresee, nor could he see the consequences that followed out of the strengthening "revolt of the working class in the democratic state against the tendencies of capitalist exploitation". The most recent problems arising out of the proletarian class struggle are not discussed in "Capital". To know them we must study the present.

After the revolution of 1918 the Erfurt program was no longer adequate. The immediate demands made in it were at that time in large measure met. This fact alone made the program futile.

This, however, must not blind us to the fact, that the fundamental consideration on which it is based, and the great goal which it announces, are the same for the revolutionary proletariat to-day as for decades ago. We remain what we were, fighters against all class-privilege, against every form of exploitation and oppression, whether it be directed against a class, a party, a sex, or a race.

Because of lack of space, the third chapter of "The Social Philosophy of Marxism" by Haim Kantorovitch will appear in the next issue of the A S Q.

The Economic Depression
Its Social Significance

HARRY W. LAIDLER

AWHILE ago I was in the city of Denver, Colorado. This mid-Western city was somewhat late in feeling the depression. But when I arrived there, things were in a tragic condition. The unemployed were seen on every side. Thousands were facing hunger and starvation. Private charity was becoming exhausted. Life was an increasingly desperate affair for working class family after working class family.

I was asked one evening to meet some of the social workers of the city at a private home and to discuss the unemployment situation with them. In the discussion, I tried to analyze the causes of industrial crises and of unemployment in general and to point out the remedy.

One woman in the small group listened for a while and then broke in with the observation:

"Yes, it is very well to discuss these remedies, but today I was at a charity relief agency. I came across a mother with seven children. She had practically no food in the house, no wood or coal. The relief organization could not help her. I went to her house. I was able to do something for her, give some food and provide some money for coal. But I cannot do that for long and there are scores like her that I am in no position to aid. The city says it can't provide further funds. What can we do about these people tonight and tomorrow? That's what I came to hear."

In a crisis like this, relief work must go on. Socialists and other radicals have been in the very forefront of those who have demanded that the city, state and federal govern-

ment provide relief on a scale commensurate with the needs of the situation.

But one of the reasons for these recurring periods of hard times is that too many people, during industrial crises, have devoted their entire attention to "ambulance work", to the relief side of the unemployment problem and have done no fundamental thinking on the cause and cure of this industrial insanity. And when the crisis was over, they gave a great sigh of relief, threw their hats into the air, proceeded to play bridge, watch the ticker, lose themselves in the fortunes of their favorite baseball, football or movie star and to regard any agitation on unemployment as thoroughly un-American. Thus we have drifted and bumped along from one depression to another without making the first effort to grapple with the situation in a realistic and fundamental way.

Today we are in the midst of the longest and in many ways the most serious depression of the last half century. Since 1890, we have had severe depressions in 1893, 1907, 1913-14, 1920-21, outside of the present industrial cataclysm, and milder recessions of business in 1890, 1896, 1900, 1903, 1910, 1918, 1923, and 1927.*

From 1885 to 1927, we had some 13 business cycles, each with its upward and downward curve. These cycles lasted on the average a little over 3 years (between 39 and 40 months), with an upward curve—indicating increased industrial activity, extending between 22 and 23 months, and a downward curve, lasting on the average between 16 and 17 months.*

The present period of contraction began in the early summer of 1929, although the country scarcely awakened to the fact that it was once more on the industrial taboggan slide until the Wall Street crash of November of that year. We have been sliding down hill almost continuously since that date for about 39 months, the longest period of economic contraction since the panic of 1873. In previous extended de-

* See Wesley C. Mitchell, *Business Cycles*, p. 387; *News-Bulletin*, National Bureau of Economic Research, No. 43, Sept. 19, 1932.

* National Bureau of Economic Research, *Recent Economic Changes*, p. 892.

pressions, the length of the downward curve was as follows:*

1920-21	20 months
1913-14	24 "
1907-8	13 "
1902-4	23 "
1882-5	38 "
1873-9	65 "

The present crisis is not only the most protracted depression of the last half century, but is likewise the most universal. A recent study of the National Bureau of Economic Research has indicated that, in thirty-four countries analyzed, including all of the principal countries of the world with the exception of Russia, business is in a depressed condition in 1931. Some of these countries—Japan, Mexico, Turkey and Rumania,—have been panicky since 1926. While in two other periods during the present century, industrial crises have been world wide in character, namely in the years 1908 and 1914, the present crisis differs widely from these former international debacles both in its intensity and its length.

The general situation in the United States at the present time is well known and there is little use in piling detail upon detail in its description. There are, at least between eleven and twelve million men and women out of employment in the country. During the summer, William Green of the American Federation of Labor, estimated an unemployed army of over 11,400,000. If we consider those partly unemployed, the number would probably reach 15,000,000. In July nearly two out of every three members of the building trades belonging to the American Federation of Labor were out of work. In the 1921 crisis, on the other hand, the involuntarily idle were estimated at from 4,200,000 to over 6,000,000, or hardly half of the present number. The steel industry in the country is running at about 15 percent of capacity. In July. 1932, the gross income of Class I railroads was 33.4 per cent less than in the corresponding month of 1931; building trade awards were 55 per cent under the year before; steel production was 58 per cent less and bituminous coal production, 40

* *Ibid*, p. 892.

per cent less.* Industry in general is getting along on but one cylinder.

Summing up the year 1931, the Standard Statistics Service declared: "The completion of another year of continuous deflation has left us with a heritage of almost overwhelming despondency and rising doubts as to whether the existing economic order can continue to function under the strains imposed by the world-wide dislocation of time-honored trade and social relationships. Following a period of a year and a half, during which the rudimentary phases of depression held full sway, the twelve months now ending have witnessed a violent assault on the second line of defense of the old order."* While Dean Donham of the Harvard School of Business Administration, maintained a few months ago that, "if something is not done to change the situation, we may well be facing an immediate major breakdown of capitalism." The situation is, in fact, a far different one than that envisaged by Herbert Hoover in his Madison Square address of 1928, when he declared:

> "The slogan of progress is changing from the full dinner pail to the full garage. Our people have more to eat, better things to wear and better homes... A job to every man has been made more secure. We have in this short period (seven and a half years) decreased the fear of poverty, the fear of unemployment, the fear of old age; and these are fears that are the greatest calamities of mankind... A continuation of the policies of the Republican party is fundamentally necessary to this progress and to the further building up of this prosperity."

Herbert Hoover, Andrew Mellon, Alfred Smith, John J. Rascob, Franklin Roosevelt and other political and economic "statesmen" of those days had little idea of the crisis that was "Hoovering around the corner". And today they seem to have little knowledge of what it all means or how it and similar depressions may be dealt with.

What is back of the present depression? How can economic depression be cured?

The length and the intensity of the present depression

* Labor Bureau, Inc., *Facts for Workers*, Sept., 1932.
* *Standard Statistics Service*, December 28, 1931.

have undoubtedly been affected by our world relationships: by the problem of debts and reparations, tariffs, the abnormal political conditions in Europe and South America, the comparative isolation of Russia, the flow of gold and credit, the fluctuations in price levels and other factors.

It has been affected by the wild cat speculations in American securities on the part of corporations, financial and industrial leaders and of masses of people here and abroad.

Fundamentally, however, there are two basic causes of our depressions: the great extremes in wealth and income distribution and the lack of social planning in this country.

Under our system of private ownership of the nation's industries, a large part of the national income goes to those who own the industries and the land through rent, profit and interest. In 1925, Professor Willford I. King estimated that, of the total realized income of the country, $46.8 billion, or 57 per cent, went to employees in the form of wages ($30.8 billion), salaries ($15 billion) and pensions, benefit and compensation ($1.1 billion), while about $35 billion, or 43 per cent, went to entrepreneurs, investors and other owners of property, in the form of rent, profit and interest. Some of these owners obtained but a small income. Others secured millions of dollars a year as a result of their ownership. Thus in 1929, 511 men and women in the United States obtained incomes of a million dollars or more a year, while the average worker, considering unemployment, obtained about $1200 a year, or slightly more than $23 a week.

The mass of workers with their limited purchasing power were thus able to buy back only a part of the goods which were produced. Other portions of the goods were bought by the well-to-do owners, and their retainers.

When a family secures a moderate income, it is likely to spend the large proportion of that income immediately in purchasing food, clothing and other necessaries and comforts.

The sum and substance of this distribution of the social product has been that too little money has been available to the mass of people to buy the goods that could be turned out with such great rapidity by our mass production processes.

Too much money has been turned back by corporations, the extreme wealthy and others in new productive machinery, for the purpose of turning out more goods for the mass of the people to buy. The result has been a lack of balance between industry's power to produce and the workers' and farmers' power to purchase goods.

During the post-war period, this gap between productive and consumptive power has become ever greater. This is emphasized by a recent study of Professor Frederick C. Mills of the National Bureau of Economic Research.

It shows that, from 1922 to 1929 inclusive, our production increased at the rate of about 4 per cent a year, a rate considerably higher than before the World War, when it was slightly more than 3 per cent.

This increase was reflected both in the larger volume of consumption goods and the great amount of production goods. It is of marked interest, in this connection to note that, capital equipment, used in the production of further goods, increased at a far higher rate than did the volume of consumption goods. While the volume of consumption goods expanded at the rate of 3.7 per cent a year, that of capital equipment leapt upward at the rate of 6.4 per cent. For every 100 pounds of consumption goods produced in 1922, 131 pounds were produced eight years after, in 1929. For every 100 pounds of capital equipment in 1922, there were 170 pounds in 1929. "The equipment for producing goods for ultimate consumption," declares Professor Mills, "was being augmented year by year at an exceptionally rapid rate. An increasing proportion of our total annual output of goods took the form of equipment designed to further the processes of roundabout production. So wide a margin raises a question as to whether too large a proportion of the country's productive energies was being devoted to the construction of capital equipment. The subsequent collapse, and excess capacity of which there were signs even before the break in 1929, would suggest that this was so."

Further, when we analyze the kind of consumption goods bought during the post-war period, we find that the purchase

of so-called *durable* goods in the form of new houses, automobiles, radios, electrical refrigerators, etc., increased at a rate of 5.9 per cent a year, while that of *non-durable* or perishable goods—foods, gasoline, newspapers, etc.—advanced at the rate of only 2.8 per cent annually, or at less than half the rate of durable goods.

In other words, the volume of production of non-durable goods was 23 per cent greater in 1929 than in 1922, as compared with a 59 per cent increase in the case of durable goods. "These figures", declares Professor Mills, "tell a great deal about the character of the economic advance that occurred between 1922 and 1929. The pressure of advertising, of installment selling, of all the devices which tended to speed up buying during that period, had their richest fruits in the marketing of durable consumption goods. Combined with this was the great advance in the production of capital equipment, also durable in character."

At first this fact might seem to have no special significance. When analyzed, however, it is of very great importance. For when a consumer indulges in the purchase of a consumption good that will last him a long time, he is not likely to go back immediately into the market and buy more. He retires from the market for a considerable length of time as far as that kind of goods is concerned. He doesn't buy a new house or a radio every day. And, as Professor Mills declares, "the possibility of a material diminution of the volume of buying is very much greater when a large percentage of current purchases goes to the buying of durable goods than it is when perishable are relatively more important... In this respect the output of durable consumption goods may be expected to resemble in many ways the production of capital goods, which is notoriously highly variable, and which reflects in exaggerated degree the cyclical ups and downs of business."

Thus, during our post-war period of the new capitalism, we were able to prolong the period of so-called prosperity for a while by putting up more factories and installing new machinery and selling on the installment plan all sorts of new

toys to the people, but the demand for that kind of goods was bound, under our unbalanced system, to lead to increasing disaster to the workers after a series of years.

Professor Mills' study likewise shows—a thing which all of us know in a general way—that the owners of industry benefited far more during this period of the new capitalism than did the wage-earner. From 1923 to 1929, the per capita output per wage-earner increased at the rate of 3.3 per cent a year, or at the rate of 22 per cent for this period. From 1919 to 1929, this advance totaled 43 per cent. The work that required 100 men to do in 1919, could be done by 70 men in the year of the Wall Street crash.

Real wages advanced during those years at the rate of 1.4 per cent a year, at a rate of slightly more than two-fifths that of the increase in product per worker.

On the other hand, profits grew at a phenomenal rate. For all corporate groups, the rate of advance averaged 7.3 per cent a year, a rate five times that of the increase in wages. "Of the constituent corporate groups", declares Professor Mills, "enterprises in the field of finance showed the most striking gains in net income, averaging no less than 16 per cent a year. The net income of construction and public utility corporations (including railroads) increased at rates approximating 10 per cent a year... Somewhat more conservative, but impressive enough, is the increase of 5.3 per cent a year in the net income of manufacturing corporations, the largest single group in the aggregate."

At the same time, the aggregate dividend payments increased during the period from $3,437,000,000 in 1922 to $8,356,000,000 in 1929, an average rate of increase of 12.8 per cent a year.

Thus in our much boasted era of the new capitalism, an increasingly large amount was going each year to the owners of capital in the form of profits, while the wage-earning population were finding it ever more difficult to buy the goods which our large mass industries were capable of turning out. Under these circumstances a period of depression such as that through which we are passing was inevitable.

Our recurring crises are due not only to the great and increasing inequality of wealth and income, but likewise to the lack of any planning by the system as a whole under our social order.

Professor Wesley C. Mitchell of Columbia, formerly President of the American Economic Association, declares:

"The economic machine was never designed.... Every individual competes with every other individual for jobs, or customers, or goods, or investment. The whole situation looks anarchical.... The real mystery is not that the economic machine—if we are to continue to call it that—now and then gets out of order; the mystery is that most of the time this machine runs after a fashion. There are forces at work, it is true, that tend toward equilibrium, but they move slowly and uncertainly; before they correct one maladjustment, another is upon them. And unless we are ready to modify the habit of individual choice in the interest of planning and order, we cannot design the economic machine."*

Elsewhere Professor Mitchell writes:

"In detail economic activity is planned and directed with skill; but in the large there is neither general plan nor central direction... These defects in the system of guiding economic activity and the bewildering complexity of the task itself allow the processes of economic life to fall into recurrent disorders which constitute crises and depressions."*

The chief saving grace of this depression is that people in any large numbers are, for the first time, realizing the failure of our individualistic system and the need for genuine social planning as a means of avoiding the tragic ups and downs of business.

Of course social planning does not mean the organization of economic councils under a capitalistic order. These councils might assist in gathering statistics and in demonstrating to the people the need for further planning, but they will have little real power. Social planning has little in common with the suggestion of Gerard Swope that big corporations within each industry be permitted to get together and fix

* *Mechanical Engineering*, Feb., 1931.
* Mitchell, *Business Cycles*, 1927, pp. 172-3.

prices under some sort of vague supervision by the Federal government. Mr. Swope's plan would still further concentrate power in the hands of the giant corporations. To the extent that it helped to stabilize prices, it would probably stabilize them at a high level, thus further decreasing the purchasing power of the masses and leading to further unemployment and insecurity.

Genuine social planning requires the elimination of an economic system based on profit. It requires the inauguration of an economy where industries are run for the service of the community and where men and women receive a reward as a result of service rendered and not as a result of ownership of our natural and technical resources. That, of course, implies the social ownership and democratic control of the essential industries of the country. For only when the community of workers owns and controls its industrial life can it direct the flow of capital, of production and distribution and can it adjust wages and hours according with the needs of the situation.

We must either go forward to a socialist, a cooperative order, or we must plunge deeper into the mire of insecurity. We have muddled out of the crises of the past. Periods of depression have been followed by periods of so-called prosperity. These periods of prosperity did not bring much prosperity to the masses. They gave more employment, but insecurity was ever present, and wages were usually low. Following the severe depression of 1921, we had a short upward turn of business, succeeded by a mild recession in 1924, another one in 1927 and the collapse of 1929. During the most prosperous years of this "prosperous" post-war period there were anywhere from a minimum of a million and a half to four million out of jobs. They were victims of seasonal unemployment, of technological unemployment—of unemployment due to the fact that the man of iron and steel had taken the place of the man of brain and brawn. In the beginning of the century, from 1899 to 1914, an average of 21 men out of every 1000 employed were separated from their manufacturing establishment, while, for the same period, accessions

averaged 149 out of every 1000. In the period 1923 to 1929, however, while separations averaged 49 to every 1000, accessions had dropped to 45 to every thousand.

Increasingly numbers of men and women were unemployed in our society during out post-war era because they had committed the crime of becoming middle aged and employers wanted younger men with more pep and energy. They were unemployed because their firm went into bankruptcy or merged with another firm; because they were injured in the factory or the shop or contracted illness and could no longer make a profit for their master; or because of the general anarchy of our industrial system.

And yet, in the years 1921 to 1929, many forces made for comparative good times which cannot be depended on today. Following 1921, we started a great building campaign. We had suspended building largely during the war, and, after the crisis, we put up new factories and skyscrapers and high class apartment houses by the thousands. After 1921 we invested or loaned much money abroad and billions of dollars of our foreign loans and investments were used in buying goods from us.

In the former year the amount of private investment abroad was estimated at $8,831,000,000. By the end of 1929, that amount had increased to some $14,800,000,00.

After 1921 we put large sums of money into the automobile, the radio and other industries. We sold articles on the installment plan, as I stated before, on a larger scale than ever in our history. We cannot depend upon these factors now to lift us out of our present situation.

Undoubtedly, sooner or later, the curve will again begin to go gradually up. Many who are now holding on to their money—those who have any money left—will begin to buy needed clothing and other necessaries and will begin to repair their buildings and machinery, etc. This increased buying is likely to lead to an increase in prices. This increase in prices in turn will lead to further expansion of buying, as customers may fear that delay in buying might force them to pay higher prices the next week and the next.

However, under our mass production, this increased demand is soon likely to be satisfied, particularly since the masses have but few reserves and their wages and living standards have been depressed. Further, during our depression, many labor devices have been introduced and many industries can get along with fewer workers than ever before. The result will probably be that a larger number of workers will be left unemployed than in the former era of "prosperity" and the curve of business will soon point downward again.

It is possible, of course, that our "economic and political statesmen" may reverse their former practices and consciously work toward increasing the purchasing power of the masses. It is possible that they might raise wages and lower hours of labor commensurate with increased productivity; that they may encourage municipal or cooperative building of working class houses on a huge scale; permit the development of great reforestation, highway or other public works programs; stimulate business abroad through a reduction of tariffs, the cancellation of debts, the recognition of Russia and other international measures; push programs of social insurance and recreation and education; assist in the redistribution of wealth through drastic increases of income and inheritance taxes; endeavor to discourage wild excesses in business development and in this way prolong the next period of "good times."

There is little evidence that these reforms, or the bulk of them, will take place, but there is always a possibility. Even if these immediate constructive measures are taken, neither the problem of industrial crises nor that of insecurity in general will be solved. Their solution, as we formerly stated, depends upon a fundamental change in ownership and control of industry, a change which will ensure to the mass of the workers the equivalent of their toil and which will provide a commonsense and scientific direction to the economic forces of the nation. Ultimately it involves as well an international organization of our economic and political life. In this campaign no party except the Socialists suggests any adequate program for a democratic way out of the present tragic situation.

Ten Years of Fascist Regime

VINCENZO VACIRCA

WHILE these lines are being written Mussolini is celebrating with grandiloquent speeches and gorgeous parades the tenth anniversary of his seizure of the Government of Italy. A complacent international press is very graciously helping him broadcast the wonders and the blessings that the dictatorship has brought to Italy on the economic field.

It is, of course, a well planned campaign of lies of which foreign journalists, when they are not conscious accomplices, are unwitting tools.

The truth regarding the present economic situation in Italy compared with that of 1922, the last year of pre-fascist regime, can be summarized as follows:

Reduction in wages from 30 to 50%;[1] increase in unemployment 1000% (from about 100 thousand unemployed in 1922 to more than one million in 1932); increase in bankruptcies 400% (from four thousand in 1922 to sixteen thousand in 1931); reduction in the total private income 30%; increase in taxation about 50%; decrease in the total amount of commerce—of export and import, 50%.

These are round figures but none the less true.

Mussolini and his press-agents have tried to show that the desperate plight of Italy is a consequence of the universal depression under which the capitalist world is crashing. Were it so, one would have the right to inquire as to the benefit

1) A report at the National Convention of Fascist Unions of Agricultural Laborers (September 1931) admitted that wages among agricultural workers had decreased 30% in Emilia, 34% in Lombardia (the two richest agricultural regions in Italy) and 50% in other provinces.

In the factories the same rate of wage cutting has taken place.

to be gained by sacrificing public liberty and civil rights to an all powerful dictatorship if it cannot do better than the so-called democratic governments, under which, at least, a starving citizen has the consolation of criticizing and protesting.

But it is not so. The Italian economic crisis is specifically due to the Fascist regime; to its uncontrolled squandering of public money; to its enormous military expenses in support of a *politique de prestige;* to the unheard of corruption and graft in public offices; to the mammoth and costly police organization necessary to a regime of terror to keep in power a little band of racketeers and murderers against the will of the great majority of the nation.

The world depression, as is well known, started in the fall of 1929 with the Wall Street crash. After that date it gradually spread around the world. France has just begun to feel its evil effects this year. But since 1927, the Commercial Attachè of the United States at Rome sent, month by month, to his government in Washington detailed reports of the Italian economic crisis which was rampant two and a half years before the world depression began.

Some figures will serve better to illustrate this contention. The average number of bankruptcies, 661 in 1925, reached 1,087 in 1928. The national private income, according to the economists Gini and Boldrini who have published the results of their survey under Fascist censorship, from 1925 to 1927 was reduced by 22%. The savings of the Italian people dropped from eight billion lire in 1925 to five billion in 1928. There has been a gradual but steady destruction of private and public wealth brought about by the Dictatorship. For two reasons, its effects were not apparent during the first three years of Mussolini's rule:

First, because the economic structure of a great nation cannot be racked overnight;

Second, because the true dictatorship, that is, the total suppression of public opinion and parliamentary control really began in 1925, after the Matteotti murder.

The havoc produced in the Italian economic life and the

consequent countless sufferings of the Italian people, are reasons enough to explain the cruelty and the stringency of the Fascist regime in the political field.

Mussolini knows that could the Italian people enjoy even the very limited opportunity afforded by the semi-dictatorial regimes of Hungary, Bulgaria and the like, his days would be numbered. He must be as cruel as Nero, and as suspicious as Philip II of Spain to retard his possible downfall.

After ten years of unlimited power, he must depend on an enormous apparatus of police force, spies and **agents provocateurs** to defend himself.

The infamous **Tribunale Speciale** (a sham court of justice established by him and composed of five men picked personally by him from among the worst types of officers of the Fascist Milizia) in the first six months of this year sent 213 citizens to prison for a total period of 1,461 years and ordered the execution of two others. Besides, numberless citizens were deported to the "hellish islands" without trial, and without even knowing why.

* * *

But this very ruthlessness of the Fascist dictatorship shows at the same time how deep and wide is the opposition to the regime.

The opposition has two distinct aspects. One is moral, and finds its elements in almost every social class. One must actually live under a government of this kind to understand the repulsion that it engenders in every man or woman who is human. But the moral aversion would in itself be harmless, being an individualistic state of mind, a personal feeling, unable to find a practical outlet. Nevertheless it is very dangerous to the dictatorship, since it contributes in forming a social atmosphere in which a political opposition is facilitated and its activity encouraged.

The revolutionary political opposition to the Fascist rule is now divided into three currents: Communist, Socialist and Republican-Democrat. Whatever may happen in Italy tomorrow, the Communists have no chance of wresting power after the Fascist downfall. Few in number, though well or-

ganized, they have lost much of their former prestige among a certain section of the working class, principally because of the Foreign Policy of the Soviet Government, whose intimate relations with Mussolini have been a continuous political scandal in the last nine years. The telegram sent by Rykoff, after a two month vacation in Sorrento, to Mussolini, praising the perfect order and wonderful progress of Italy under his rule, and the magnificent receptions at Odessa to the murderer Balbo, Mussolini Minister of Aviation, are two things, among many others, that the Italian people will never forget nor forgive. And besides this Machiavelian policy of the Russian rulers, there is a deeper reason: Italy is tired of dictatorship, black or red. Liberty is such a profound aspiration that whoever will try to make of it a "putrescent corpse", as Mussolini once boasted, will be swept away.

The other two currents, Socialist and Republican-Democrat, are at present working hand in hand as in Spain under De Rivera. They represent four fifths of the Italian people. Workingmen, professional men, state and private employees, they form an alliance of industrial and agricultural workers with the middle class. The economic and political oppression has brought these two classes close together in a common aspiration for freedom and economic emancipation.

Of course only a small group of highly courageous men form the active part of the underground opposition. The records of the Special Tribunal show how intense their activity is.

Nobody can foretell how and when the overthrow of Fascism in Italy may take place. It is a problem of emotional and physical force; and of technical capacity to govern.

The Socialist Democratic Revolutionary Opposition is largely occupied in circulating printed pamphlets to convince the Italian people that the only alternative to Mussolini is not another Stalin; that Italy can be saved from further disaster, from war and abjection, through a coalition of "white collar" and hand workers, under a democratic government in order to enforce a quasi-socialistic economic program.

One must not forget that Italy with a population of 42,000,000, is first of all an agricultural country; that there

are only 2,900,000 workers employed in industry, and most of them in very small shops whose owner often is himself a worker; and that, a pure rigid, intransigent, socialist policy would be bound to meet with disaster, as it did in the years 1919-22. (Fascism, at its beginnings found its supporters in the intellectual and middle classes who were violently repulsed by the Socialist movement.)

And after all, in such an alliance, Socialism has nothing to fear. The Socialist Party and the workers unions will form the largest and most homogeneous group, having the clearest social philosophy and the greatest political experience, and following closely, Italian social tradition.

A glimpse at the panorama of the Socialist forces in Italy before the Fascist conquest will give some indication of their importance.

Up to 1921 one-third of the Parliament consisted of Socialist Party members; one-third of the Italian cities and towns were governed by a socialist majority and in the other two-thirds, in almost every municipal council there was a strong socialist minority. Of 69 provincial councils in the Kingdom of Italy, 25 were controlled by a socialist majority; the party was represented by a minority in the remaining 44. This is a national average, including the South, and the Islands of Sicily and Sardinia where our movement was just taking its first steps. In Central and Northern Italy, the richest, and politically and economically the most important part of the Nation, the working class was practically in control of 80% of the local government.

The Confederation of Labor, a majority of whose leaders, national and local, were members of the Socialist Party (there were few and unimportant local exceptions in Central Italy, where Anarchists and Republicans kept alive a romantic Bakunian and Mazzinian tradition among the workers and held sway over them) had a strength of 2,800,000 members, of which one million were agricultural laborers. They worked in strict alliance with the Socialist Party. And they were not an inert crowd of "machine-made" members of the prevalent American type, but an active, enthusiastic, idealistic mass

which vibrated to every international cause and was always ready to respond generously to any appeal without consideration for their direct interests. The large number of general national strikes for political reasons indicate the spirit of that mass.

The cooperative movement was another expression of the socialist strength. In 1921 there were 8,000 cooperative groups federated into the powerful "Lega Nazionale delle Cooperative" guided by socialist leaders and a socialist policy. They were divided as follows: 3,600 consumers cooperatives; 2,700 construction and industrial cooperatives; 700 agricultural; 1,000 of various kinds, with a membership of more than two million, a capital of 600 million lire, and a volume of business that, in the year 1920, surpassed the huge sum of one billion and half lire.

Thus, the political, trade union, and cooperative movement formed such a complexity of forces that one wonders how it could have been swept away by a gale, even such a one as the Fascist. (The answer to this question requires an article in itself.)

There was no real, politically organized force in Italy in comparison with the Socialist organization. Only after the war did the Catholics organize a concurrent political party on a national scale imitating our type of organization.

The Fascist reaction may have destroyed the external apparatus of the socialist movement in Italy, but its spiritual roots escape the brutality and the physical violence. At every new blow, those roots penetrate deeper into the heart and brain of the Italian people.

A keen, although paradoxically a foreign observer, Valerio Marcu, thus wrote regarding Socialism in Italy:[2]

"In Italy, Socialism has dominated the general feeling, has prescribed the general outlook, has been more in accord with the national tradition than has any other political method. Was not Rome in rebellion against the Pope for five hundred years? Has not the same rhetorical demand for liberty been

2) Valerio Marcu: "Men and Forces of Our Time", New York. The Viking Press, (page 149).

thundered from the Capitol century after century? Was not the struggle against the House of Hapsburg the perennial conspiracy, the altar on which the dagger of revolt was whetted, the cause on whose behalf men swore to be faithful unto death? Think of Mazzini, of Garibaldi, even of Cavour. But as soon as these yearnings of the Italian nationalists had been fulfilled, Socialism presented itself as a new object for the heart's desire. Benedetto Croce tells us that in Italy Marxism has not only held sway over political life, but has been the vehicle of education and has permeated thought; it has been the manna of the poor, the debating ground of the cultured, the favorite topic of the scribes of the daily press."

Fascism brutally interrupted the process toward Socialism which, perhaps, in no other country, appeared so irrresistible and in so much in accordance with the nature of things. The process will be resumed to be carried on to its ultimate scope.

The Italian Socialists, in Italy and outside, never were so deeply convinced as in this, the tenth anniversary of their tragic defeat. And the cynical renegade who, under vociferous clamors, vainly tries to cover the squalid emptiness of a decade of bloody rule, is no less convinced than they.

The Secession of the I. L. P. from the Labor Party

DR. FRIEDRICH ADLER

THE world economic crisis, which has brought the political and trade union organizations of the working class face to face with gigantic difficulties, has in many countries also raised the problem, whether the Socialist parties are on the right tactical lines; and, as always happens in such times of doubt and uncertainty, the idea emerges in some quarters that an entirely fresh basis must be found for the political action of the workers, and that a new organization, formed in opposition to the old party, must be created. These problems have become specially acute in Great Britain owing to the inglorous end of the second Labor Government. The disgraceful betrayal of the Labor movement by MacDonald and Snowden has naturally cast a dubious light on all that was done under their leadership, and it is only too comprehensible that so severe a shock to their confidence should have driven many comrades far beyond the bounds of legitimate criticism.

The Labor Party was saved by the firm guidance of Arthur Henderson, and the energy and consistency with which the relations with leaders who had been at the head of the Party for decades were broken off restored confidence not only among the masses of the Party members, but also at the outset among the members of the Independent Labor Party. But the effects of the general economic crisis have continued to exert a strong influence inside the I. L. P. and the idea that an early collapse of the capitalist system may be reckoned on has become predominant in its ranks. Further, the peculiar problems of organization that arise in the British Labor Movement have become associated in a special manner with this

view of historical perspective, which had already found expression in the programme of "Socialism in our Time" before the most recent phase of the world economic crisis.

On July 31st, 1932, the special Conference of the I. L. P. held at Bradford decided, by 241 votes to 142, to leave the Labor Party, in the foundation and development of which it had played a prominent part. The battle was fought out around a problem of apparently secondary importance—the question of the discipline that Members of Parliament should observe with regard to the decisions of the Parliamentary Labor Party. The Labor Party's standing orders concerning the maintenance of unity of action in Parliament are far less strict than the corresponding rules of the Socialist Parliamentary groups on the Continent, partly owing to the special character of Parliamentary practice in Great Britain, where private motions can be moved by individual Members. The I. L. P., which has imposed far stricter discipline on its own Parliamentary Group, nevertheless demanded that even on important occasions the Labor Party should allow the I. L. P Members—who have, of course, the right to abstain from voting on grounds of conscience—actually to vote against the decisions of the Party as a whole. This demand represents the essential point in the problem of organization. The I. L. P. wished to continue to exist **as a Party within the Party** and to draw the fullest consequences from its right to self-determination as against the larger organism, the Labor Party.

Two years ago, in dealing with this problem, we explained in great detail that such an attitude involved an organizational anomaly which could not continue indefinitely. A party has already to face very great difficulties if it includes organized fractions, but the idea of a party within the party becomes quite impossible if the smaller party regards itself, not as the vanguard of the Party as a whole, with which it is prepared to collaborate in a spirit of solidarity, but as an opponent, which does not consider itself bound by the decisions of the whole Party.

For more than a decade the I. L. P. behaved in the former

of these two senses, as a vanguard of the movement as a whole. During the war, when for the first time it found itself in the most strenuous opposition to the majority of the Party, a breach was only avoided because it was realized that after the war the common interests of the working class would become definitely paramount and would ensure joint action.

The impossibility of a "Party within the Party" was plainly demonstrated when the Communist Party wanted to enter the Labor Party in order to carry on the fight for its own peculiar tactics under the most favorable possible conditions, and concurrently with the undermining of the structure of the Labor Party. The Labor Party saw through this manoeuvre and rejected the affiliation of the Communist Party.

Meanwhile the problem raised by the attitude of the I. L. P. was not tackled, notwithstanding the difficulties of organization that constantly made themselves felt. This was due above all to the respect and gratitude felt for the services rendered by the I. L. P. in bringing the Labor Party into being. But for years past it has been clear to every far-sighted person that in the long run **the situation could only develop in one of two ways**: either the I. L. P. must **abandon** the privileges of a party properly so-called and fit into the framework of the Labor Party as a propagandist group in the same way as the Fabian Society or the Social-Democratic Federation, or else it must take the consequences in the same way as the Communist Party and work as an independent party **outside** the Labor Party. The majority of the I. L. P., led by James Maxton and Fenner Brockway, has unfortunately chosen the second alternative, and has drawn a line of separation between it and the Labor Party. The way in which the minority of the I. L. P., led by the P. J. Dollan in Scotland and by E. F. Wise in England, and including the most prominent publicist of the I. L. P., H. N. Brailsford, and David Kirkwood, who has always been one of the left wing, will organize itself, will be decided at a conference which has been called for August 21st.

The withdrawal of the I. L. P. from the Labor Party is

involving, as its first effect, a severe disturbance in the internal structure of the I. L. P. itself. The first information to hand on the effects of the Bradford decision will decidedly not come up to the expectations of Maxton and his friends. Thus, out of the 44 party members on the Glasgow City Council only seven have joined the new I. L. P. group, whereas it had been exepected on the contrary that not even seven would remain faithful to the old group. In a few constituencies Maxton will certainly be able to rely on the support of strong groups, but however this may be, and even supposing that the I. L. P. had gone out as a united whole, this small organization which even in its most prosperous days has never had more than 30,000 members, and which to-day has far less than that number, is utterly incapable of performing the effective tasks of a Labor Party. And here we come up against the really tragic contradiction between the theory of the I. L. P. and its actual behavior. It believes that a turning point in the history of the world is immediately at hand, that the collapse of the capitalist system is imminent. And this is the time, when the working class ought to be joining all its forces, that the I. L. P. chooses to begin building up an entirely new party, to draw up a plan of organization, which could only lead in decades, if at all, to the formation of a mass party capable of action, but which the convinced supporters of "Socialism in our Time" must regard as the most impractical imaginable from the point of view of the objective aimed at.

The working class has unfortunately had ample opportunity of realizing the devastation caused by splits, of reflecting how utterly different would be the situation in the German Labor Movement and in the world but for the deplorable splits in Germany, and if the working class had been in a position to act as a single whole at the time of the revolution in 1919. No tactical error, no mistaken policy of which a Socialist Party is capable has more fatal effects than the failure to maintain unity of leadership and unity of action in the hour of crisis. And it is just because we are convinced that there may be a great deal of truth in the I. L. P.'s view of historical perspective, and because we realize that the collapse

of the capitalist system is confronting us with the most important tasks, that we regard any division and any splitting off from the movement as a whole at the present time as particularly fatal. We know what heavy secrifices are often necessary in order to preserve the unity of the labor movement; and yet we who, in Austria, were most strongly opposed to the policy of the Party during the war years are proud of nothing more than of the fact that, severe though the sacrifices involved were, we succeeded in preserving the **unity** and consequently the **fighting capacity**, of the Austrian labor movement.

On the same day on which the fateful decision was taken at Bradford to secede from the Labor Party, on the same July 31st, the Socialist Labor Party (S.A.P.), which seceded ten months ago from the German Social-Democratic Party on the ground of similar reasonings to those which moved the I. L. P., polled only 73,482 votes in the whole of the German Reich. This Party includes many good comrades, full of Socialist idealism, who are hoping to defend the purity of the Socialist creed against the compromises that everyday life makes necessary by isolating themselves in their little party from reality. But they cannot understand that this small group, which polls barely one-half of one per cent of Germany's working class vote, and has not succeeded in winning a single seat in the Reichstag, is acting, however great its internal intellectual activity, in isolation from world events, in isolation from the decisive class struggles. They do not understand that by their behavior they are not increasing the fighting capacity of the working class but are reducing it, that what in normal times amounts simply to a sacrifice of organizational efficiency, to the loss of a few seats in Parliament, may amount in time of important historical developments to a crime against the progress of the working class.

The Conference of the I. L. P. sent greetings to the German S. A. P. in its election campaign. By so doing, it clearly indicated what its own future is to be. All groups which, in the stormy times through which we are now passing, separate from the masses, which fail to understand the real necessity

of the hour—the consolidation of the workers' organization—not merely condemn themselves to impotence, but assume the responsibility before the judgment of history for having weakened the working class at a turning point of its destinies.

Book Reviews

A CONTRIBUTION TO CONFUSION

"Socialist Planning and a Socialist Program". Edited by Harry W. Laidler. Introduction by Norman Thomas. Falcon Press, N. Y. $2.00.

The name of this book is very unfortunate. In fact, it is misleading. A book called "Socialist Planning and a Socialist Program", edited by a well-known Socialist, with an introduction by Norman Thomas, published while the party is in the midst of a hot presidential campaign into which the liberals are trying hard to inject their newest fad of social planning, is sure to be taken by the reader, even by the best informed reader, as an authoritative, official statement of the party with regard to its progrem and to social planning. That such an official statement is very much needed now, no one will deny.

The great influx of new members into our party on the one hand, and the growing tendency within the party to be practical and not to bother about theories, have created a strange intellectual confusion in our ranks, a confusion unique in its kind. No one, any longer, seems to know what Socialism is. Party members believe and preach in the name of the Party, the most diverse ideas, from pseudo-Communism to social planning under capitalism. This confusion is a most serious hindrance to the future growth of the Party. It affords an easy way for our enemies to make the Party look ridiculous and is fraught with the danger of creating and multiplying

tendencies and factions within the Party. An authoritative statement by the Party on the important problems confronting it would greatly help in this situation.

The reader who will hope to find such an authoritative statement in this book, will be keenly disappointed. His first disappointment will arise when he learns that it is not the Socialist Party but the League for Industrial Democracy which sponsored and supervised the publication of this book. The L. I. D. is surely a fine and useful organization. To quote its president it is an organization that "does not commit its membership to any political movement, not is it affiliated with any political party" * The "near-Socialist" work of the L. I. D. may be of much value to the Socialist movement, if it keeps within the limit of a subsidiary educational organization, but it may become positively harmful if it will attempt to take the place of the Party. An authoritative statement on the Socialist program must come from the Socialist Party; it cannot come **from** the L. I. D. **to** the Socialist Party.

The contents of the book will disappoint the reader even more. The book seems to have been hastily put together. Some articles are very carelessly done, and there is very little in it either about the Socialist program or social planning. Most of its contributors are very enthusiastic about planning. Together with the liberals they seem to believe that social, or rather industrial planning, is a Russian invention. That the "anarchy and planlessness of capitalism" was used as the strongest criticism against it since the time of Marx and Engels, none of the contributors seems to remember. Stuart Chase certainly is a fine and able writer. His article "Society Adrift" is as usual very well and very effectively written. We fail however to see its significance for the Socialist program or for Socialist planning. (Is he for Socialist planning?) For the readers of the "Survey Graphic" from which it is reprinted it may have been a revelation. For Socialist readers it is only a repetition of what has been emphasized in Socialist literature for years.

Nearly all of the contributors agree that social planning

* This statement was made in 1930 in a letter to the New York Times, but it holds true today as well.

under capitalism is impossible. Pierce Williams finds that the recent proposals for national economic planning ". . . represent attempts to rationalize (using the term in the psychological meaning) the conflict which has developed between our instinct and our intelligence". This at least is original! But unfortunately the author does not elaborate his original thesis and goes on to criticize, often quite successfully, the various proposals for social planning. After disposing of the "recent proposals", the reader naturally expects to hear Mr. Williams suggestions to the Socialists. What are they to do meanwhile? But Mr. Williams leaves this part to the other contributors. And the other contributors never take it up. So the one thing to interest the Socialist reader most, the question "If social planning under capitalism is not possible, what else do you suggest" — remains unanswered. Mr. Frederick V. Field does put the question — what of the meanwhile. But his answer is not very comforting. "Meanwhile," he says, "preliminary and preparatory steps should be taken. Among these, two are worth special attention: The collection and analysis of factual data, and the drawing up of an international bill of rights." This may be a fine thing for some scientific society, but the book is about the Socialist program, and we are not sure that it would be "practical" for the Socialist Party to be turned into an academic group with such purely academic tasks as Mr. Field suggests. Even Paul Blanshard who brings to an end part one of the volume, that is the small part of the book that does deal with planning, has nothing to suggest. It is true he bravely declares that "we Socialists flatly say that we prefer social revolution to the return of that kind of prosperity" meaning the prosperity which preceeded the present crisis, but Paul Blanshard is after all not as "red" as one may fear. "We propose," he declares, "to accomplish that revolution peacefully and gradually if the American upper classes will permit a peaceful transition." He has much to say about the growing power of Socialism all over the world; about what the Socialists would do "if we gained control of the American government." We would write, according to Blanshard, some

real revolutionary amendments to the constitution. As to our road to gain control of the American government, he is as silent as the liberals are silent on how they will bring about social planning under capitalism.

Part III of the book is devoted to the road to Socialism. Mr. Andrew F. Biemiller opens this section with an article on democratic vs. fascist forces in America. Mr. Biemiller is very optimistic. He finds that "increasing numbers of college students are becoming active in the Socialist Party", that "the depression is also having salutary effect on the thinking of the average college man or woman". He finds gratifying signs in the ranks of the American trade unionists though the "technicians still lag behind". The "American middle class are becoming interested in Socialism", etc. There seems to be only one thing necessary in order to build up a "strong disciplined organization backed by militant unions". The thing to do is to reorganize "locals that have remained stagnant for ten years" and that these locals must "learn to welcome new members and educate them, instead of driving them away with talk of the old days, and European phraseology."

The trouble with American Socialism has been, it seems, that locals will not welcome new members. Instead of writing an article on it, Mr. Biemiller should prefer formal charges against such branches. But how would Mr. Biemiller advise us to "educate" these new members? What shall be used instead of the "talk of the old days" ? And what is this talk? Does it include the history of our party? And what is "European phraseology"? Is the Social Revolution European phraseology? Is the Class-struggle? Is Marxism? And shall we also abandon the newer criticism of Marxism, that was so enthusiastically received in some American Socialist circles, because it is European? And has Mr. Biemiller a new, one hundred percent "American phraseology" to replace the European? If he has, why does he not tell us what it is? What is the use of repeating generalities that really do not mean anything?

More explicit in his advices to the Party is B. Charney Vladeck. "No real political progress can be made in this

country before the stranglehold of the political machine on our political life is broken or at least weakened?" And, "the purely Socialist task does not as yet face us anywhere except in those places where the old machine has been killed and there is room for the display of democracy." The logical conclusion is that "it is more important for the Socialist Party to contact with and to direct along the path of Socialism the Farmer-Labor Party of Minnesota than to do almost anything else." Outside of Minnesota and Wisconsin, the time is not yet ripe not only for Socialism, but even for a Socialist Party. "First of all," Mr. Vladeck says, "we must rally and lead under our banner all those who are against the existing order for whatever reason." "Every one who claims to be going in our direction should be given a chance to join us". "In New York or Chicago, I would promote any movement against the reigning political machine, irrespective of its motive." In other words, Mr. Vladeck would turn our Party into a series of loosely united local groups, holding quite privately, for future purposes, some loose Socialist ideas, meanwhile being active in the various "Good Government Committees", "Citizens Leagues" and other such mushroom progressive organizations that spring up in different localities on the eve of municipal or state elections.

In spite of a few really fine and valuable articles, such as "Politics and Economics" by Felix S. Cohen, "The Socialist Aim" by Morris Hillquit, the articles of J. B. Matthews, Louis Waldman, James H. Maurer and others, articles mostly of a general Socialist character, the book will help very much to strengthen and deepen the ideological confusion that is already rampant within the Party.

HAIM KANTOROVITCH.

REBELS AND RENEGADES

By Max Nomad. Macmillan $3.00.

LIKE Faust the rebellious and intellectual and self-taught ex-worker has two souls dwelling in his breast. Taken as a group he is originally, like the worker, at the bottom of the social ladder. He shares the worker's hatred and resentment against a system that denies him the good things of life. Side by side with the worker he struggles against privilege and thus develops all the heroic qualities which that struggle calls forth. But his interests are not identical with those of his humbler associates. He has his education, his invisible capital, which, sooner or later, as the struggle progresses enables him and his social group to rise to a position of comfort within the existing or the 'transitional system'—while the worker is told to expect it only under 'pure socialism' which only his grandchildren will live to see. Along with the flame of revolt, a fire less sacred burns in the heart of the leader—the lust for power and its material rewards. Gradually his personal, group and class interests prevail with him over those of the laboring masses; and his mind, always ready to rationalize his desires, is forever finding convincing arguments to justify his new course. Having achieved recognition, influence or power, the apostles of yesterday become apostates, the tribunes become traitors, and the rebels —renegades".

This long quotation from pages VI and VII of the Foreword of Max Nomad's "Rebels and Renegades" admirably states his thesis. The rest of the book is an effort to establish the thesis by a study of the lives of eight well-known figures in the revolutionary world. Considered as biographies, these sketches do not here concern me. They may or they may not be adequate and fair. It is the thesis and its application that I find arresting.

Nomad's position is not new. There has always been on the fringes of the Socialist movement a deep resentment of the "intellectual". For the most part this hatred and distrust of the intellectuals is created and fomented, as in this

case by an intellectual. It takes subtlety and a mental grasp to evolve so intricate a case against Scheideman, MacDonald and Pilsudski as Nomad here presents. No simple worker could possibly acquire so facile a knowledge of psychology without becoming an intellectual.

His argument is plain. There are wheels within wheels; the proletariat is not one, but many classes, constantly splitting away from each other, and each offshoot trying to seize something for itself in the struggle. The latest offshoot—the intellectual proletariat (meaning now the skilled workers, the civil servants, the clerical workers) having gained something for themselves, now have something to lose and so became less revolutionary. In a crisis they will betray the revolution.

The difficulty seems to lie in this, that the simple, unintellectual worker seems incapable of organizing his revolution without evolving intellectuals of his own, who in the end betray him. None of the rebels selected by Nomad for discussion, is fully acquitted of personal ambition, unless it be the most futile of all, Enrico Malatesta. Trotzky and Foster are treated by him with rather more consideration than Scheideman and MacDonald receive, yet they, too, are cursed with intellectuality and to that extent they have clay feet.

Just what Nomad would have us do about the unfortunate habit of the human mind to grow is not clear. He does express a preference for equality of income as the endgoal of the unskilled, simple proletatriat. That this is an intellectual conclusion which he shares with that other intellectual proletarian George Bernard Shaw, troubles Nomad somewhat, and on page 157 he rather clumsily tries to make a distinction between his point of view and Shaw's. Here and elsewhere he seems to assert (1) there must be a violent revolution, and (2) that this violent revolution must provide equality of incomes. This, of course, means that even Soviet Russia has not lived up to Nomad's expectations, a conclusion that he admits. (P. 258 text and footnote).

The working class then, according to Nomad, is in a bad way. Friendless (but for him) it waits in vain for the revolution that the intellectuals sabotage. This revolution is

not delayed because capitalism is still strong, or because the workers still are unconvinced of its necessity; social and economic conditions have little to do with the failure of working class revolt. The intellectuals and their needs—these are the obstacles.

Driven to a logical conclusion, Nomad's theories would lead to a destruction of all books and all theories; there would be no daily struggle for wages and hours, for social legislation, or for any amelioration. The movement would become a simple Blanquist conspiracy of the brutal and the ignorant, who at the word of their leaders, would spring to arms.

And even then, Mr. Nomad, it would be led by intellectuals.

David P. Berenberg.

A Chant for husky tramps,
Great refusers.
Men freed from the tether,
Men owned by the weather
Only.
Lost men and lonely,
Drifting north,
Drifting south,
Weary-eyed,
Loose of mouth,
Begging meat,
Stealing bread,
Here singing on the highway,
There dead in a byway.

A Chant for husky tramps,
Slaves freed,
Gaunt reminders of man's need
Of sun and sky,
And a song to live by.

D. P. B.

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