

american socialist quarterly

Socialism and Monetary Policy—G. D. H. Cole

Circuses and a Little Bread—David P. Berenberg

Socialism and Democracy—Andrew J. Biemiller

The German Catastrophe—Theodor Dan

Europe's War Clouds and

America's Foreign Policy—Kirby Page

Socialism of the Hopeless—Haim Kantorovitch

spring 1934

vol. 3 no. 1

25 cents

Digitized by the Internet Archive
in 2024

**the
american
socialist
quarterly**

**Vol. 3 No. 1
Spring, 1934**

Editorial Staff
David P. Berenberg
Haim Kantorovitch
Devere Allen
Andrew J. Biemiller
Roy Burt
Harry W. Laidler
Anna Bercowitz
managing editor

Official theoretical organ of the Socialist Party of America

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.

Table of Contents

	Page
Austria	3
Socialism and Monetary Policy By G. D. H. Cole	5
Circuses and a Little Bread By David P. Berenberg	12
Socialism and Democracy By Andrew J. Biemiller	20
The German Catastrophe By Theodor Dan	29
Europe's War Clouds and America's Foreign Policy By Kirby Page	39
The Socialism of the Hopeless By Haim Kantorovitch	47
Books Reviewed	
The American Federation of Labor By Lewis L. Lorwin	54
Individualism and Socialism By Kirby Page	58
America at the Crossroads By David P. Berenberg	60

The A S Q assumes no responsibility for signed articles. Such articles express the opinion of the writers. The A S Q strives to serve as a free forum for all shades of opinion within our movement.

Austria

WHAT has happened in Austria is a symbol of what capitalist reaction proposes to do, if and when it has the power and the opportunity. The socialist movement in Austria lies in ruins. Its last heroic struggle, undertaken against odds its leaders and its rank and file knew to be overwhelming, earned for it the admiration of friend and foe the world over. Yet short of a concerted rising of the workers of all Europe, its last efforts were foredoomed to failure. Now the Austrian working class lies prostrate and reaction triumphant is in the saddle in Vienna. The fascism of Dollfuss will furnish an easy transition to the fascism of Habicht and of Hitler. Anschluss will follow, and Austria, like Germany, will have gone back completely to that pre-war autocracy and militarism that the western powers fatuously thought they were destroying forever.

The Austrian Socialists fought greatly and not in vain. They have demonstrated to a world, aghast at the easy surrender of the German Social Democrats, that International Socialism still maintains that tradition of revolution that made it great in 1848, that inspired it in the Paris Commune in 1870, in the Russian Revolution of 1905 and 1917. If the Austrian Socialists are to be criticized for allowing that power which they had in 1918 to slip from their fingers,—if they are in a measure to blame for temporizing with Dollfuss when he was still weak, and for allowing him to develop the Heimwehr and to grow strong,—if they allowed better opportunities for revolt to pass by, and permitted the fascist enemy to choose the time and the circumstances for the final struggle—it would be ungracious to insist at this moment on their errors of commission and omission. Whatever they did was done, whether mistakenly or not, with the interests of the workers at heart. They fought well. There was no break in their ranks. Now it is known that the slanders spread by Dollfuss and his mercenaries, and eagerly accepted by the local com-

The American Socialist Quarterly

munists, that Otto Bauer and Julius Deutsch, their leaders, had run away from battle and had saved their skins by escaping to Czecho-Slovakia, were false. Not until the revolt had collapsed did Bauer and Deutsch leave Vienna. So long as the fight went on they were in the thick of it, nor did they escape their share of wounds and hardship.

The Austrian Socialists will fight on. As in the Russia of the Czars, as in Germany to-day, the movement will go underground. When reaction is in the saddle, it determines the course of revolution.

The battle of the Austrian workers is the battle of the workers the world over. Fascism triumphant in Germany, in Austria, in Italy, is raising its ugly head in France. Given the opportunity it will arise elsewhere, and in America, too, eager not only to frustrate the future hopes of the workers, but to wipe out all that has been accomplished in centuries of struggle as well. It is for the workers of the world to realize this, and to re-form their lines so that the fascist reaction may be defeated. It is for the workers of America to organize, for the first time, a movement that shall call a halt to the advances of reactionary capitalism. A movement that shall, for the first time, give life and substance to the American pretenses that ours is a land of liberty and opportunity. It is for the workers of America to realize that the work of liberation was not completed in 1776, nor in 1863 when the slaves were freed. It is for the workers of America to understand that when Austrian workers die for liberty and democracy, that that sacrifice was made for liberty and democracy here as well as in Austria; that when Germans and Italians fight against medievalism they, too, are fighting America's battle. For the world cannot exist "half slave and half free".

The last two issues were completely sold out.
Send your subscriptions and orders at once.

Socialism and Monetary Policy

G. D. H. COLE

The author reserves all serial rights. This article cannot be reprinted in part or as a whole, without permission of the author.

WHEN the mechanism of capitalist society goes wrong, then comes the opportunity of the monetary reformers. At such times, there are always plenty of people who blame all the world's troubles on to the monetary system, and explain that if only we will adopt some particular change in monetary organization or policy, all will be better than well. Socialists are by no means immune from the attentions of these monetary reformers, and a good many socialists fall victims to their ideas. Yet the monetary reformers are, for the most part, essentially of the bourgeoisie, and of the petite bourgeoisie in particular; for the special attraction of most of their theories is that they promise to cure our troubles without anything so unpleasant as a social revolution, and to make the poor richer without making any of the rich, except the bankers, any poorer. Socialists catch the complaint because everywhere the socialist movement is full of well-meaning petits bourgeois, who wish for nothing better than to salve their consciences by a painless advance to a sort of Socialism that will not prevent them from continuing to be as bourgeois as ever.

There are two things above all that socialists who are socialists have to get into their minds about the monetary system. The first is that it is quite impossible to make any real advance towards building up a Socialist Society without getting control of the banking machine. The second is that no manipulation of the banking machine or of monetary policy can be a substitute for constructive Socialism in the industrial and commercial field.

For money is essentially an instrument for the effecting of exchanges within a particular economic system; and no

The American Socialist Quarterly

change in the monetary machine can by itself change the character of the economic system within which it works. The control of currency and banking can be an exceedingly important element in socialist policy, as it is in capitalist policy to-day. But the banking system is not a source, but an instrument of policy, to be used in accordance with the needs of the prevailing economic system and the nature of the forces in control of that system. Capitalist and socialist banking technique may be in many respects the same: the root differences between them will arise out of the differing characters of the economic systems within which they are applied.

It is plain nonsense to suggest that, merely by a change in monetary policy, men can be made much richer all round, or the contradictions of capitalism be overcome. It is perfectly true that bad banking methods can lower, and good ones improve, the wealth of either a socialist or a capitalist society, but not so as to cause either type of society to depart from its essential character.

Take the question of enlarging the supply of money in order to raise prices or increase production. There are situations under capitalism in which such a policy is undoubtedly sound from a capitalist point of view. It can be so used as to stimulate employment and production, and above all so as to increase profits. It can help capitalism in restoring capitalist prosperity—and of course when capitalism is prosperous, some share of the advantage comes the workers' way. But monetary expansion does not get capitalism away from the tendency to create out of prosperity a renewed crisis, because of the disproportionate piling up of profits which it involves. The more credit a capitalist banking system puts in the hands of capitalist producers and speculators, the more certain is it that the demand for consumers' goods will lag behind productive power, so as to engender a new capitalist crisis. It may be none the less worth while for capitalists to 'inflate'; for it is preferable to have a boom followed by a slump to living in a perpetual depression.

Even if credit were to be advanced to consumers instead of producers, as some of the monetary reformers propose, this

Socialism and Monetary Policy

would not put matters right. For a) if these credits had to be repaid at a later stage, as in instalment purchase systems, the real purchasing power of the consumers would be only temporarily increased, and the repayment of the credits would at once cause a crisis; while if more credits continued to be created on a cumulative scale, the point would soon be reached at which their sole effect would be to raise prices, and not purchasing power, and to lay upon the consumers an ever-increasing and wholly unrepayable burden of debt. If on the other hand b) the credits were not repayable, that is, if they were sheer gifts to the consumers of additional money, they would raise prices in the same way, put huge profits in the capitalists' pockets, and lead on to a crisis in which money would lose all its value, as it did in Germany in 1923. Nevertheless, if capitalism could be persuaded to advance consumers' credits of this second sort up to the point needed to bring the unemployed resources of production into use, the effects would be more beneficial to the workers than if the credits were granted to the producers. There would still be a new crisis in the long run; but meanwhile the workers, more than the capitalists, would have got the temporary benefit. For that reason, capitalism is not likely to look favorably on projects for the issue of unrepayable consumers' credits.

No method or policy of issuing credit can, by itself, alter the fact that capitalism is a system of production for profit, and can provide employment and incomes only if the capitalists are allowed to make profits out of production. To alter that situation, and secure that all the available resources of production shall be fully and permanently employed, and the product distributed in the freest possible way, what is needed is socialization, not only of the banks, but of the means of production as well.

A capitalist society, as Marx long ago pointed out, makes money and not commodities the end of production. Its formula is MCM and not CMC. For a Socialist Society on the other hand money can never become an end, or rise above being a mere medium of exchange. A Socialist Society will manage money as an auxiliary to the productive system, and will

The American Socialist Quarterly

never allow money to become the dominant factor.

In a Socialist Society, there is a certain supply of productive resources, including human labor. The problem is to use these resources to the full in the best possible way, and to secure the best possible distribution of the product among the members of the community. A Socialist Society will probably distribute some products free of charge, so that no money will pass when they are supplied to consumers, and consumers will get part of their incomes directly in goods. But there will be far more things that will continue to be sold, in order to give consumers the widest possible range of choice; for money prices will be, under Socialism, a harmless way of allowing consumers to express their preferences. Both these prices and the incomes spent in paying them, will be settled under Socialism not by private monopoly or in the higgling of the market, but by society itself, through its appropriate economic organs. The problem of monetary regulation, in this field, will be simply that of issuing enough money to correspond to the level of incomes and prices determined in this way. It will not matter whether incomes and prices are high or low, provided that they balance, and the amount of money will be, in this field, simply a function of the price and income policy.

But money is used not only to buy finished goods, but also in many intermediate transactions, when unfinished goods are sold from one business to another. Socialism will be able to eliminate completely the confusion of monetary policy which at present arises from this cause. For in many cases it will not need money or credit at all to finance those intermediate transactions, which will then be simply accounting transactions between different branches of the public service. When it does continue to use money for such transactions, it will certainly not use the same sort of money as is employed for consumers' purchases. Moreover, when the provision of new capital for industry has become a public instead of a private function, the supply of finished capital goods will also be a matter of book-keeping, and the money issued as personal income to consumers will not be used in purchasing

Socialism and Monetary Policy

goods of this type. The supply of consumers' money will need to equal the price of the available supply of consumers' goods and services, and nothing else; and any money retained for other purposes will be only money of account, and will not be mixed up with the consumers' money. This separation will greatly simplify the monetary problem.

In fact, under socialist conditions a large part of what is now the monetary problem will cease to be monetary, in the present sense of the term. Instead of a bank system of granting producers' credits in accordance with considerations of security and financial profit, there will be an economic planning authority, rationing the supply of materials and capital goods to the various branches of industry. The control of productive activities will be economic, and not financial, even if it proves still more convenient to express certain of the decisions of the planning authority in monetary terms, and to preserve some sort of bank credit system for the use of socialized industries. Money, in this field as well as in that of consumers' purchases, may still survive; but it will survive only as an accounting device, and this sort of money will be kept wholly separate from the money issued as income to the consumers.

Of course, there will remain the problem of money used for the making of international payments; and this problem will remain difficult, especially if the socialist country is trading with countries still under the capitalist system. But one of the early acts of a Socialist Party in power will clearly be to establish a monopoly of foreign exchange through the socialized banking system; and a Socialist Society will of course carry on all foreign trade by means of a public institution, or perhaps a number of related institutions. The problem therefore will be only that of using the foreign money obtained by the sale of exports for the purchase of goods from abroad; and even this can be dispensed with when exchanges of goods can be arranged on a basis of direct barter. Where this cannot be done, the socialist trading institution will sell goods not needed at home for what they will fetch in foreign currencies. It will then use these currencies to

The American Socialist Quarterly

buy imports, and price the imports in its own money at a level that will cover the cost of the exports for which they have been obtained in exchange. There is no need for foreign trade, conducted on these terms, to upset the working of the monetary system within the socialist country.

It will, however, be necessary to maintain rates of exchange between the domestic and foreign currencies. These will be 'managed' rates, under control by the socialized Central Bank, which will presumably so manage them as to let the value of the socialist country's currency fluctuate in relation to other currencies as nearly as possible in accordance with changes in the relative prices of goods and services in the various countries. A socialist country will not, I think, work on the gold standard, or on any other purely automatic standard. It will be far more likely to let its foreign exchanges fluctuate in order to fit in with its internal monetary policy. For a socialist currency is bound to be a 'managed' currency, since it will have to be kept in adjustment to the needs of the socialist economic plan.

Beyond these general indications, I do not believe that it is desirable to lay down in advance what a socialist monetary policy will be, much less to pin ourselves down to any 'penny-in-the-slot-brings-paradise' type of currency or credit scheme. Socialist monetary policy and organization will need to be experimental and it is impossible to lay down in advance the working of the money machine under economic conditions so different from those of capitalism as we socialists are seeking to establish. What we can say plainly is, first, that we mean to take the entire financial machine into our hands as an indispensable instrument of our economic policy—and still more as certain to wreck our economic policy if we were to leave it in private hands—and secondly that we are under no delusion that we can make the world prosperous merely by printing more currency or manufacturing additional supplies of credit. Our task is to socialize the machinery of production, and to bring the fixing of both prices and incomes firmly under socialist control, using the money machine as a subordinate instrument in the process of

Socialism and Monetary Policy

socialized production and social exchange, but not mistaking the money tickets which are used in the exchange of goods and services for anything more than they are. We have to make money the servant instead of the master of the economic world, and to rid our minds of petit bourgeois illusions that it can possess a creative role. Monetary policy is of primary importance to capitalism, because capitalism makes money instead of goods the object of production. It will become far less important in a Socialist Society, in which monetary policy will only reflect and implement the real decisions already taken in the economic sphere.

A WORD ABOUT OUR CONTRIBUTORS

G. D. H. Cole

Outstanding British economist and socialist theoretician. Member of the Socialist League. Author of many books on socialism and the labor movement.

Andrew J. Biemiller

Chairman of the Education Committee of the Socialist Party; feature writer, Milwaukee Leader.

Theodor Dan

One of the leading theoreticians of the Russian Social Democratic Party. At present one of the editors of its official organ "Sozialisticheski Vestnik."

Kirby Page

Editor of the World Tomorrow; author of "Individualism and Socialism" and other books.

Circuses and a Little Bread

DAVID P. BERENBERG

WE have now had nearly a year of Roosevelt. What has been accomplished? The administration, its spokesmen, and its more enthusiastic supporters beat the cymbals and sing its praises. Its opponents, insofar as they come from the bourgeois camp, pull their punches. They look on in fear and trembling, while one after another of their favorite economic "principles" is trampled under foot. They do, indeed, protest, but mildly, with meek words, for the NRA experiment may, they fear, succeed after all. In that case, undue opposition now will keep them from climbing on the band-wagon later.

The worker need have no such misgivings. To him the success or failure of the NRA resolves itself into the immediate question of bread and butter. This the administration knows very well, and it knows, too, that the re-election of Roosevelt in 1936 (and this is the shining goal that the administration has always in view) depends on convincing the workers and the farmers that for them the NRA is a brilliant success. To this end the administration has recently added the ballyhoo of songs, exhortation, movie shorts to its more serious efforts toward "recovery".

To this end also the administration has begun to throw overboard the last vestige of economic theory, and to put its faith in the dole. The word "dole" is never used, of course. The administration is politically too shrewd to use a word so obnoxious to the recipient of its charity, or to the ultimate giver. Yet it is hard to see what other name can be applied to the distribution of gifts that began with the functioning of the Civil Works Administration, and that will, if the President's Budget is adopted, be continued for two more years.

It may be well to trace our progress from the beginning of the Rooseveltian recovery efforts to the present sad situation. In March and April of last year, the economic position

Circuses—and a Little Bread

of the country was at lowest ebb. The re-opening of the banks, and the consequent partial revival of industrial life gave the young administration a magnificent start. Things had been bad. Now they were better ! Score a point for Roosevelt.

Toward April, however, prices began to sag again, and the initial impetus that had given a false sense of well-being was spent. Dramatically, then, Roosevelt announced the suspension of gold payments. This let loose the most vigorous stock market boom since 1929. From April until well into the summer prices on the stock market rose, not in response to increased earnings, but because the retreat from gold had brought about a devaluation of the dollar. Commodity prices rose at the same time, and for the same reason.

With dramatic skill the administration allowed these developments to create the desired effect. A new hope appeared, conjured up out of nothing, and based on no real change in our economic life. There was no really increased demand for goods. There was no true increase in purchasing power. There was only a light-headed optimism. The magic of the Roosevelt sleight-of-hand was working like strong drink.

To add to the exhilaration produced by its psychologically, if not economically, well-conceived moves, the administration pushed the move for the repeal of the Eighteenth Amendment. State after state was induced (it is said that the patronage club of the shrewd and tireless Farley had much to do with the result) to add its vote to the growing demand for repeal. Repeal, would mean increased demand for agricultural products, for labor, for capital, and increased revenue from taxes. Repeal was an integral part of the glamorous new hope that pervaded the country. By mid-summer it was a certainty.

Before the inevitable reaction in the stock-market set in (it came in mid-summer) the NRA was set up. Again the showmanship of the administration was superb. The NRA, we were told, was the **New Deal**. It would employ all who were employable. It would set the wheels of industry moving. It would, without disturbing the essential character

The American Socialist Quarterly

of privately owned industry, eliminate those abuses against which liberals and radicals had so long inveighed. It would recognize labor's right to bargain collectively. It would establish a minimum wage and wipe out the sweat-shop. It would abolish child labor. It would abrogate unfair methods of competition and would set up codes of fair practices. It would, in brief, combine all the best features of all programs of social reform; it would give capitalism a new lease on life and, by pulling the country out of the depression, prove that Socialism was unnecessary.

The story of what actually happened is too long for a single article. In its outlines it is familiar to the readers of the ASQ. It is enough here to recall the bitter struggles in the coal, oil, steel and automobile industries over the labor clauses in the codes; the bitter fight put up by the newspaper publishers against the recognition of their reporters as workers under their code; the evasions and subterfuges to which unregenerate capitalists, to whom the New Deal was poppycock, resorted when the codes were at last adopted; the flagrant violation of all codes; the breakdown of the NRA machinery for redress of labor grievances.

Only a few weeks after the NRA began to function, it was evident that industry would sabotage and delay. To obviate this difficulty the Blanket Code was set up, to cover all industries, until the specific code for each industry was formulated. With the proclamation of the Blanket Code came the ballyhoo for the Blue Eagle, and the old, familiar routine of parades, banquets and speeches. All the technique of war days was involved to persuade or bully workers and employers to join the procession.

When the tumult and the shouting died, it was evident that the mountain had labored, and had brought forth a mouse. Several million men and women, it is true, were back at work, but at lower wages. Every worker knows of people dismissed from jobs, so that others might be employed at NRA wages. No one knows, no one can ever know, how many of the newly employed would have been taken on in any case because of the usual autumn increase in business.

Circuses—and a Little Bread

No one can know how many more have been employed by industries, acting virtually under compulsion, where there was no real need for additional workers. But there were still, in September, ten millions without work, and it was becoming clear that recovery was not proceeding at the expected rate.

In September a general price rise had been anticipated. It did not materialize. Nor did the anticipated improvement in the condition of the farmers become evident. While the workers had been bidden to put their faith in the NRA, the farmers under the Agricultural Adjustment Administration were also looking to the government to pull rabbits for them out of its magic hat. They were not forthcoming.

The general increase in grain, tobacco and cotton prices, promised in return for crop limitation, did not develop. There was an upward movement in the spring in response to the abandonment of the gold standard. That was all. Part of that advantage was lost when, in mid-summer, stock-market prices sharply receded. In the given situation, farmers in several places proved far more determined than the industrial workers. In five or six states open rebellion occurred,—rebellion so emphatic and ominous that the governors of the states involved went hot-foot to Washington to ask for immediate relief. They came back disgruntled without the relief they wanted—but not quite empty-handed.

The immediate response of the administration to the clogging of the NRA machinery, and to the farm revolt was the now famous Warren gold-purchase plan. It is one of the major illusions of the more reckless capitalist apologists that the gap between value and wages can somehow be bridged by juggling with the currency. Under the gold-purchasing plan the government, with funds provided by the RFC buys gold, and announces daily what the dollar price of gold is to be. This is not a return to the gold standard. It is intended to raise the price of domestic goods, to stimulate the export-trade. It has been in effect now for three months, and has been productive of much heated debate, but of no appreciable increases in domestic prices. Its effect abroad has been to invite reprisals.

The American Socialist Quarterly

Once embarked on the dangerous sea of monetary experimentation, the administration has been driven to the next step: it has purchased some twenty-four million ounces of silver at sixty-four cents an ounce, while prior to this purchase, silver was quoted at thirty-one cents. This act, dramatic as have been all the deeds of the administration, has raised the twin ghosts of bimetallism and inflation. Senators Wheeler and Pitman have announced their intention of trying to achieve the free coinage of silver. Senator Wheeler has even dared to evoke the Bryanite formula,—sixteen to one.

There is no question that both the gold-purchase plan, and the purchase of silver have added to the President's popularity. The farmer, the silver miner, the gold producer feel that these moves directly benefit him. The man on the street, the industrial worker, feels that, while he does not understand what is going on, the rages and tantrums of Wall Street are good enough evidence that the administration means to act against the interests of the bankers, and therefore in his. Conceived as political strategy, the moves are therefore effective. The economic philosophy back of them is reminiscent of the French king's "After me—the deluge!"

Dramatic was the sudden recognition of Russia. This move, made inevitable by the diplomatic situation in the Far East, and by the need for a foreign market, was nevertheless inaugurated and carried through with banners flying and the blowing of trumpets. Even the futile gesture involved in the clauses in the recognition statement relating to the religious rights of Americans resident in Russia was good propaganda.

Repeal, when it came in December, was another circus. Whatever the economic value of repeal is to be, still remains to be seen. Unquestionably there will be greater employment both of men and of capital because of it. Some of this has been anticipated. Some of it will have to wait on time. Grape-growers the country over must wait a year before they can cash in on their hopes. Distillers must wait even longer. What of it? From the Rooseveltian point of view, keeping the election of 1936 always in mind, the great thing is repeal itself.

Circuses—and a Little Bread

Circuses there have been in plenty. What of bread? When in December it became clear that neither Repeal nor the Gold Purchase Plan, that neither NRA nor PWA nor RFC was proving successful in starting the wheels of industry moving, it also became evident that something more than circuses was needed to stave off rising discontent. Then came bread—in the form of the Civil Works Administration. Some six hundred million dollars were found to be available for what amounts to a dole. It was Christmas time, and the Roosevelt administration could not afford to let its first Christmas in office be less happy than Hoover's last. It was therefore announced that four million men and women would be employed at Civil Works at once.

In fact, some two million were at once engaged. No one asks whether the work they do has economic value. The important thing is that they are on a pay-roll. Room will be found for the others, as long as the money lasts. And then?

By the time the 600 millions of the CWA are used up, the administration will have at its disposal the ten billions asked for in the President's Budget in January 1934. The Budget message staggering as it was, was yet effective in the sense that it was at the same time circus—and a promise of bread. Congress, sensing the temper of the voters, dares not refuse to vote the huge sum. And when the appropriations are voted, the Federal Reserve Banks will be coerced into buying the bonds to provide the money. Then for two more years the dole will go on—in the forms now existing and perhaps in new forms still to be invented.

There are men in Congress, in the banks and in business who ask "How will the money be repaid? How high will income and other taxes go, in years to come?" They ask these questions, but no one answers them. The administration is chiefly concerned with votes. It has virtually abandoned all pretense of any economic philosophy. It banks all on the hope that, with ten billions more of pruning, the machinery of industry will begin to move.

It may. If it does, all will be well. Roosevelt will be

The American Socialist Quarterly

the greatest of Presidents, and only a few will realize that he will have been, in truth, the greatest of gamblers.

If industry does not revive, and there is no sound reason to suppose that it will, there will be a crash far worse than that of 1929. In that case the administration is lost—but in that case it doesn't matter.

While staging his political circuses, and giving workers the bread of a disguised charity, President Roosevelt is quietly building up the navy to war strength. Navy planes make spectacular trans-Pacific flights. Even the withdrawal of the fleet from the Pacific has its ominous aspects. The President has tried, in the Wilsonian manner to disperse the gathering war clouds with a word. If they refuse to be dispersed—is there anyone who doubts that we shall find ourselves "forced" to resort to arms?

In his inaugural address, President Roosevelt deplored the effort to overcome the depression by resort to optimistic phrases. He has been more guilty than his predecessor in his resort to psychology. Where Hoover tried to persuade the nation that prosperity was around the corner, Roosevelt has been telling us that it is here, that men are at work; he has been trying by tricks of prestidigitation to convince the worker that his job will last, although there is no sound reason to suppose that it will.

Pep-talks, songs, flying banners and "confidence" will not pull us out of the mire. Nor will the talk about "social reconstruction", or the much advertised intention of Professor Tugwell to "eliminate the profit-motive" in agriculture.

The administration has no intention of making a real attack on the problem that confronts us all. The great industries will not be nationalized. On the contrary—all is being done to save them for their present owners. Private banking will not give way to government banking. Labor will be given no voice in the control of industry; even its power to control wages and hours will be curtailed in time if the Roosevelt program has any measure of success.

Yet, in spite of it all, there is no more enthusiastic supporter of the Roosevelt administration than the worker. Cir-

Circuses—and a Little Bread

cuses—and a little bread! The formula is as old as Rome, and older. Better than any of its other modern exponents the President knows how to play this game.

NEXT ISSUE, JUNE, 1934.

A WORD BY THE CHAIRMAN

OF THE N.E.C.

Leo Kryzycki

THE DANGER OF FASCISM IN AMERICA

Devere Allen

PROBLEMS FACING OUR PARTY

Maynard C. Krueger

IMMEDIATE DEMANDS

David P. Berenberg

THE WHITE COLLAR WORKER AND THE

SOCIALIST MOVEMENT

Harry W. Laidler

EDUCATION AND PROPAGANDA

Andrew J. Biemiller

SOCIALISM AND THE TRADE UNIONS

RE-STATEMENT OF SOCIALIST FUNDAMENTALS

Haim Kantorovitch

SOCIALISM AND THE FARMER

THE YOUTH MOVEMENT

Arthur G. McDowell

Socialism and Democracy

ANDREW J. BIEMILLER

I.

AT the present time socialists in all parts of the world are busily engaged in a discussion of the struggle for power and particularly of the role which democracy will play in that struggle. The strong faith placed in contemporary democracy as a weapon during the 1920's is being seriously questioned. The discussion has been brought on chiefly because of the failure of the British Labor government to make any significant socialist advances, and the complete collapse of the German Social Democrats before the triumphant rise of the Nazis. These sections of the international socialist movement had long placed more faith in the value of current democratic procedure as a technique for achieving power than had many others and their failure has hence evoked wide-spread revaluation of tactics.

The discussion of the relationship of democracy to the means of achieving power is by no means new in our movement. A considerable literature on the subject had appeared before the War. Most of the theoreticians of that day were increasingly skeptical of the value of the existing parliamentary processes, for achieving the working class goal of a Socialist State. But in the decade following the War, most socialist theoreticians and politicians seemed to enter blindly upon a policy of accepting democracy as the exclusive means of gradually achieving that goal.

This tendency on the part of many socialists probably developed because they completely lost sight of the Marxian analysis of the state and democracy. They seemed to forget that the state functions as the executive committee of the industrialists and financiers and that our present democracy is not true democracy; it is a bourgeois democracy designed to function in the best interests of that economic class. Many

Socialism and Democracy

socialist theoreticians forgot their own early work, particularly Kautsky.

Certainly no one seriously questions that the aim of the socialist movement is democracy. Socialists desire to create a society in which full social, economic, and political equality will prevail. We intend that every person have an equal opportunity to influence the affairs of that future society. We wish to abolish special privileges connected with the private ownership of our economic life. We will not permit any person or small group of persons to be able to exert undue influence over the mass of the population because of the ownership of a chain of newspapers, or movies, or radios. In other words, men will be free, because no individual will be in a position to control the livelihood of others. Real freedom, real equality, will be the result of ending economic inequality. Under such conditions true democracy can flourish. A classless commonwealth can be established.

Obviously we do not have true democracy today. Where such gross economic inequalities obtain, there can be no true political or social equality. Where the ruling class owns the workers' jobs and controls all the important avenues of influencing public opinion and behavior—the press, the radio, the movies, and the schools—equality does not exist.

What we have is a bourgeois democracy. Our present democratic forms permit political equality only in so far as it does not upset existing economic inequalities. Our present governmental structure grew from the need of the rising commercial and industrial classes to obtain legal and political freedom for their own actions. Its chief function is the protection of existing property relationships. That means keeping the working class in subjection. While it is true that during the nineteenth and twentieth centuries in every western European and American country suffrage has been extended so that practically all adults have the franchise, our voting system has been used by the minority, the owning class, to keep the majority, the working class, in subjection. And whenever democratic institutions became dangerous to the welfare of the dominant economic class, it has not hesitated

The American Socialist Quarterly

to use legal or illegal means to suppress them. Under present democracy, complete equality exists only for the capitalists. They well understand that the chief purpose of the state is to keep the workers in subjection.

We shall certainly not jump overnight, no matter what the means of achieving power may be, from bourgeois democracy, from capitalism, to true democracy. We shall first pass through a transitional stage when workers will have control of the state and will use it for their own class purposes. Complete equality will exist only for those that work. Another form of democracy will prevail—proletarian democracy. When the workers gain control of the political power the capitalists will still have control of the economic power, they will still own the industries, the transportation systems, the banks. The workers will have to proceed at once to socialize the economic life of the nation, to move in this manner toward a classless society where true democracy can be realized. During that period they will use the state power to destroy existing property relations and create new ones and they will keep the present owners from blocking that process. When they have completed the task of socialization, all class lines will have been obliterated and there will be no further need for coercion. The way will then be opened for the realization of a true democracy; full and complete equality will have been established. That is our goal. How long the process will be, no one can say.

II.

Naturally the question arises, can the workers use the instrumentalities of bourgeois democracy to achieve proletarian democracy, and thus prepare the road for the realization of true democracy? The answer depends on the realism with which workers approach the existing democratic instrumentalities.

Certainly present day democracy must not be considered as an exclusive *modus operandi*. Whatever rights have been gained from it should be protected. They are valuable. But perhaps we shall have to protect those rights by other than

Socialism and Democracy

legalistic methods. That was the great error of the German Social Democrats; they had become wedded to legalism. They insisted they could only act within the framework of the constitution.

Valuable rights like freedom of speech and press, the right to organize, or the right to elect representatives, we want to retain permanently for the workers. But when they are threatened by an undemocratic procedure, we shall have to retaliate in a like manner. We must never forget that seldom in the class struggle does the working class have the choice of weapons, and we must be prepared to meet any kind of attack from the opposition. We are not against legal methods but recent events in Austria have once more demonstrated that you can't fight an army in the courts. The opposition may not wait for the decision even if it does control the courts.

We shall not gain our ends through the ballot box alone, as some in our movement seem to think. The socialist fight is on three fronts, the cultural, the economic, and the political. All are equally important.

Our movement must be broad enough to pervade the entire life of its members and sympathizers. We must provide them with entertainment, recreation, and education the year around. Workers' classes, dramatic groups, dances and social affairs, a workers' press, a proletarian literature, are all of vital importance in building a lasting and truly class conscious movement. Workers must be divorced from capitalist influences wherever and whenever possible. They must be prepared to really establish a workers' world when power is achieved. Socialism must become a way of living, not just a theory that is discussed at election times.

Today, class lines on the economic front are drawn closer than ever. As capitalism decays, struggles between employers and employees become more intensive and extensive. In our own country the NRA is rapidly drawing a sharp line between owners and workers. Socialists must be in the forefront of these struggles. During the last few months our record has been exceedingly good. In the strikes of the shirt

The American Socialist Quarterly

workers in Pennsylvania, the garment workers in New York and St. Louis, the taxi drivers in Philadelphia and New York, the auto workers in Detroit, the shoe workers in Massachusetts and Wisconsin, to mention only a few, socialists have been extremely active. That work must be continued. We must win the workers to a realization that there is a political implication to their union battles. They must be prepared to use the strike as a political, as well as an economic weapon.

But certainly we must never forget that we do not win the unions to a clear cut class position by simply railing at them for their backwardness or by forming dual organizations. The labor movement will be won to Socialism by hard and consistent work on the part of socialists in its day to day struggles and by the building of a powerful socialist press and educational movement.

The unemployed must also receive special attention from our movement. Gradually they are beginning to realize that under capitalism their chances of ever again getting a job grow slimmer day by day. The forgotten man has been only partially remembered by the New Deal. The CWA has left more still without work of any kind than it has given temporary jobs. And many CWA workers are keenly aware that their present employment is nothing but an ill-disguised dole. They are a fertile field for socialist propaganda.

So far no one has seriously tried to organize the unemployed, save in isolated spots. Many of them are looking for action. If socialists do not give them leadership, fascists will step into the picture. Let us not forget that the mass of Hitler's recruits came from the ranks of the unemployed—men and women looking for action. They have nothing to gain or lose by a retention of the present economic order. They can be rallied to the socialist banner, providing we present a clear cut socialist program. Halfway measures will not suffice.

If good socialist work is rapidly done on the economic and cultural fronts, the task of political organization is greatly simplified. The masses that do not directly join the Socialist Party will be under its influence. Our leadership will be ac-

Socialism and Democracy

cepted. Our prestige will grow. Under such conditions it is probable that socialists can be voted into control in those countries where bourgeois democracy exists. But then comes the real test.

Will we be able to retain control? Will we be able to socialize the country and abolish class lines? If we will, we must make some drastic changes in governmental structure. The police power of the state must be directed against the owning class. Measures of socialization must be taken swiftly and dramatically. The workers will probably never again tolerate gradualist policies like those of the last British labor government—they will want to see fundamental changes made.

The owning class will fight back. We should not look for an unconditional surrender. If they fight, they must be suppressed. The socialist government's program for socialization must be backed by general strikes or by force if necessary.

Furthermore once in power, socialists should not relinquish it. The socialization of our economic life cannot be achieved quickly. And the return of a capitalist government in a partially socialized nation would paralyze the entire process. If necessary, anti-working class political movements will have to be suppressed. The newly developing attitude of the European socialists toward the fascist movement is a healthy indication that the movement is realizing this need.

Some will say "But you are advocating the dictatorship of the proletariat". Maybe I am. I think a great deal of confused thinking exists concerning that term. Most people conceive of dictatorship as one-man or oligarchic rule. That is not and never was the aim of the socialist movement. But, if to achieve Socialism the working class has to take repressive measures against the capitalists during the period of the transitional state that may be called a dictatorship. I prefer to call it proletarian democracy. The name does not grate so harshly on those afraid of the word dictatorship. And furthermore, the term proletarian dictatorship has been so greatly misused in Russia that it is in particularly bad repute. There

The American Socialist Quarterly

we have the dictatorship of a party, in fact of a clique in a party, over the working class. We cannot insist too strongly that both now and in a transitional state all democratic groups in the working class have, and must have, the right to be heard. Only anti-working class groups are to be denied participation in the government.

Naturally we shall want to end coercive measures as rapidly as possible. Socialists do not want to maintain a police state indefinitely. But there will be need for it until the task of socialization is completed. Then, and not before, we can attain real democracy, where true equality will exist, where there will be no more classes to dominate one another.

III

While much has been written on the general question of Socialism and democracy, very little has appeared on the more specific subject of Socialism and democracy in the United States. I wish to offer some tentative suggestions, hoping to return to this theme at a later date. It is to be hoped that others will apply themselves to this problem.

Democracy in this country originated in a manner somewhat different from European countries. Abroad democracy grew out of the struggle of the rising commercial and industrial classes against the feudal regime. It was the political counterpart of the freedom obtained in the economic field. Later the workers won the right of suffrage and the rights of freedom of speech, press and assemblage.

In this country the full rights of bourgeois democracy were extended to the entire populace before any considerable wage earning population existed. True enough, in Rhode Island as late as the 1840's workers staged a near-revolution to obtain full democratic rights, but in the middle western and far western states no such situation ever existed.

American democracy has three principal sources. First, from the English petty bourgeoisie who settled New England. They were the lower middle class rebels and practiced a complete political democracy inside their own ranks. Non-property owners did not vote at New England town meetings.

Socialism and Democracy

Second, from the writings of the French philosophers who deeply influenced the southern democrats like Thomas Jefferson and Patrick Henry, men who were in rebellion against the big plantation owners of the South. Third, from the American frontiersmen, among whom every man was equal to every other. Every pioneer had to stand on his own feet. To the early pioneering American farmer common problems were slight and they could easily be solved by voting. So much cheap and free land existed that the problem of property rights did not develop at an early date. That kind of democracy fitted the early American scene.

However, in one respect there is absolutely no difference between European and American democracy. Our government was created in such a manner that very effective checks were placed on the progress of any radical attempts to attack property rights. The executive and judiciary were removed as far as possible from the great mass of the voters. An upper house was created which was not elected on a democratic basis, and which, in the beginning, was also removed from the people. By this system of checks and balances, usually praised as the great virtue of our governing system, an effective method of blocking radical proposals that might get through the lower house was achieved. The government was supposed to do very little save keep the owners of property in possession.

This governmental structure worked effectively in the early days of the republic. It was a reflection of the prevalent economic life. But as the independent farmer becomes a tenant of the banker, as handicraft industry gives way to large scale factory production, as individual firms and partnerships are completely overshadowed by corporations, it no longer suffices. Today government bureaus for the regulation of our economic life multiply like guinea pigs. More and more the national government becomes a great corporation reflecting accurately the change in the economic structure. It has become the instrument of a corporate capitalism. The old agrarian democratic process disappears. The executive assumes more and more authority. The complex

The American Socialist Quarterly

political and economic mechanism can be run in no other way. The state governments fade into complete insignificance. They become more and more dependent on Washington.

These changes in governmental structure have not, however, killed the democratic tradition. It is firmly established, particularly in the middle west. No movement which talked about abolishing all forms of democracy would gain support there. But a movement directed against financiers and industrialists can gain support. Farmers listen to socialists today as they have never listened before. They even listen in a friendly mood to possible proposals for socialization of land. They show many evidences of a desire for solidarity with the workers. Here is the great opportunity for the Socialist Party.

The Roosevelt administration has shown us a technique whereby a government designed to function in an agrarian society can rapidly be transformed to function in a highly complex industrial society. Governmental departments that didn't exist twelve months ago now are the most important in Washington. All this has been done on the plea that the people gave a mandate for action in an emergency.

A socialist government would also be presented with an emergency. It would need to commandeer all industry and abolish private ownership. Resistance by an owning class would be met by an aroused group of farmers and workers. Once the farmers and workers had control of the government, it should not be relinquished. The object of such a government would be to achieve the abolition of all classes with the least amount of trouble possible.

When that goal is reached, we will have democracy in America.

ONE NEW SUBSCRIBER through each present subscriber will help us reach the 5000 mark.

The German Catastrophe

THEODOR DAN

Translated by ELIAS MILLER

(This article by one of the leading theoreticians of the Russian Social Democratic Party is of special interest to our readers because the real position of the RSD is so little known in America. Revolutionary events in Austria make it even more timely.)

AFTER the Italian revolution "Fascism" became the designation of every kind of dictatorial power which the dominating classes utilize to halt and liquidate the the revolutionary processes let loose by the world war. These processes took and are taking place in countries of different political, economical and social structure although developed within the same frame of dominating capitalism. Hence the different forms and the different social implications of fascism in different countries. Notwithstanding all these differences the counter-revolutionary meaning of fascism is always constant, namely, its tendency to adapt the political forms of government to the task of strengthening or restoring the social-economic relationships injured by the war and post-war developments.*

The triumph of fascism in Germany has a special world significance because there for the first time fascism came into power not in a socially and economically backward country but in a country which, industrially, is the most highly developed capitalist country on the European continent.

It cannot be said that Germany's social-economic relations are being developed because of the pressure of world

* This alone, it seems, is enough to make clear the absurdity of the demagogic and unhistorical attempt of A. N. Potresov ("Zapiski Socialdemocrata" No. 19) to equate the dictatorships of Fascism and Bolshevism. Potresov could even, if he likes, take the Bolsheviks for the same kind of adventurers as the Hitlerites because the Bolsheviks also seized power by force and fraud and also make use of that power for the selfish interests of their own clique. But be it so (and it is absolutely not so!) even then, it seems, one thing should be clear to Potresov and that is, that the Bolsheviks did not make it their purpose to liquidate the revolutionary processes unloosed by the war but on the contrary, to foster them to the point of a World Conflagration.

The American Socialist Quarterly

capitalism. Germany itself is one of those mighty foreposts of capitalism, which determines the direction of development for backward countries of the world. In Germany for the first time fascism comes to the fore clearly as an instrument in the fight for the preservation of decaying capitalist society. This society is apparently no longer in a position to master the colossal productive forces which are its own offspring, and to assure a somewhat normal functioning of the social organism.

Therefore, not only the working class but also the petty bourgeoisie of the cities and villages (who are the main social support of the capitalist order) begin to revolt against the basic assumptions of this society. The revolt of the petty bourgeoisie tears the ground from under the feet of the democratic forms of control of the capitalist bourgeoisie. In order to preserve its social and economic domination capitalism is compelled to surrender its commanding political position to declassed elements. Only these elements that have nothing to lose appear in such a moment to have enough mobility and adventurous boldness to risk the surgical operation which seems to the capitalist to be the only anchor of safety. By giving the counter revolution the appearance of a popular, plebian "revolution" they attempt to utilize this revolt of the petty bourgeoisie, which is originally anti-capitalist, first—to destroy the working class movement, the moving spirit of the anti-capitalist revolution—and then the petty bourgeoisie itself, and in such a manner to strengthen the existing social and economic order on a new, not democratic, but dictatorial foundation.

Religion, state, patriotism, nationalism—from this arsenal—the ruling classes always draw the weapons for their ideological domination over the masses, particularly when these masses begin to doubt the "sacredness" of capitalist private property. In Germany, militant nationalism became the chief ideological weapon for the fascist mobilization of the anti-capitalist revolt of the petty bourgeoisie, which served only to uphold capitalism. That an unusually favorable background for such a mobilization was created by the destruction

The German Catastrophe

caused by the war and by the national humiliation of Germany is well known and it is idle to talk about it. It is more important to emphasize the fact that militant nationalism played the part only of an **ideological** weapon and was by no means the fundamental source of German fascism. For the source of German fascism we must look to the social processes of the disintegration of capitalist society in the womb of which, for many reasons, there were not sufficient forces for socialist regeneration. The fact, that the rising and the declining line of national socialism runs in diametrical opposition to the rising and the declining line of economic life in Germany, can serve as a positive proof of this. The years of relative economic stabilization were the years of catastrophic decline of German fascism and the strengthening of the republic. But then came the long, hard, unprecedented crisis, creating a tremendous army of unemployed, chaining the hands and feet of those employed; tearing up by the roots and hopelessly ruining millions of peasants, small tradesmen, artisans and white collar men; heightening the feeling of revolt against capitalism among the petty bourgeoisie, but at the same time barring the way out for this revolt along the road of the victorious socialist attack of the proletariat. And within three short years of this crisis national socialism, rising like yeast, became a "peoples' " movement of many millions. More easily than the leaders themselves expected, it came into power through doors opened for it—lest we forget—not by a "peoples' revolution", but by the ruling classes themselves; by magnates of finance, industry and landowners who were looking for safety from revolution.

National socialism very clearly emphasized by word and deed in the first few weeks of its honeymoon the real social significance of its victory. Not a war with France, but a war with "Marxism", with the working-class movement, became its fundamental issue and militant nationalism was directed not so much against the foreign enemy as against the internal one—against the Jewish competitors of its "Aryan Landsknecht". It unceremoniously pushed aside the unlucky politicians of the Hugenberg type who forgot that full power was

The American Socialist Quarterly

the price that the ruling classes had consented to pay to the fascists for their social and economic safety and who were still dreaming of at least a "division of power". On the other hand fascism demonstrated its readiness to observe the conditions of the agreement: industry got a dictator in the person of its greatest representative—Krupp, and at the conference of the landowners of East Prussia, Hitler declared that "all the rumors that he or the government are preparing a blow at big industry are untrue; that he will most decidedly fight all those who will dare to make an attempt on the smallest rights of the big landowners; that the program of creating small parcels out of large holdings is not a national but a bolshevik program." Capitalist and landlord private property is declared "sacred and inviolable". The expropriation ardor of fascist "socialism" was fully concentrated on the open robbery of the property of the working-class organizations: political, trade union and co-operative.

Fascism - Marxism—such are the ideological labels of the forces in the present and the future struggles between the proletariat and the bourgeoisie in Germany. Here is erected the barricade upon which will be fought the decisive battle between Socialism and capitalism.

But, Germany is not only one of the most highly developed countries in the capitalist world, it is also one of the countries which determines its general development, the policies and ideology of both extremes, of the bourgeoisie and the proletariat. Therefore the fate of Germany throws a light on the future development of the whole capitalist world. It is understood that the process of "fascisization" of the capitalist class in its fight for the preservation of its social-economic domination will not take place in all countries at the same time and with the same speed. Its development will not reach its culmination in all countries by the time history places the social revolution of the proletariat on the order of the day.

The course of events in Germany strengthens, in unprecedented degree, the conviction, a conviction which was corroborated by the whole post-war development, that when the historical moment of the proletarian revolution approaches,

The German Catastrophe

the same process of fascisization will appear with still greater force in other capitalist countries; that in all capitalist countries the ruling classes will attempt by means of fascist dictatorship to destroy the democratic forms of state and social life, and by the same means attempt to block the way of the proletariat toward peaceful struggle and push it on the road to violence; that the fight between "fascism" and "Marxism" will become—if not universal—a definite ideological concept embracing the world struggle between capitalism and Socialism.

The catastrophe of the German labor movement can be understood only in relation to the general catastrophe of the German revolution, the chief stimulator of which was the proletariat, and which could, for this reason, be victorious only as a socialist revolution. But this revolution took place at a time of colossal general destruction, of a bleeding proletariat, of a social, cultural and moral degradation, created by the war. It took place in a devastated country, where all these conditions were increased a hundred-fold by its exhaustion and by the material and territorial losses inflicted on it by the victors; in a country where—unlike Russia with its immense distances and primitive economy—its daily bread literally depended upon the grace of its victors. If a revolution in Germany (as well as in Austria) could not become a socialist revolution, then this was primarily a direct result of the war and the fact that the war was ended not by a people's revolution, but by the victory of one imperialistic coalition over the other. With such a conclusion to the war capitalism did not save itself. On the contrary, with the world butchery and the exploitation of the vanquished by the victors, capitalism inflicted on itself incurable wounds and hastened its own decomposition. At the same time it destroyed the means of a socialist exploitation of this situation. Socialism in Germany and Austria was throttled by the hands of the imperialist victors; the enemies of yesterday proved to be the strongest allies of the ruling classes of the conquered countries.

But even in the years following the war the German

The American Socialist Quarterly

proletariat could not move forward in the democratic republic, which it had established. On the contrary, it was constantly compelled to retreat, and proved unable either to prevent the catastrophe, or even to weaken its destructive force by a revolutionary resistance to those acts of open counter-revolution which began July 20, 1932, and were crowned with the triumph of the fascist dictatorship. The burden even of slow but steady attack proved too much for the German proletariat to shoulder. Such an attack requires the maximum concentration of strength and energy, but this was prevented from the very beginning of the revolution by the split and fights in its own ranks. This split became a factor which perpetuated and deepened the diametrically opposed. Fatal "mistakes" were made by both wings of the torn movement. The basic "mistake" was the inability of either part to free itself from obdurate traditions and therefore the inability, in the face of the most imperative need, to look for ways which, suiting these conditions, would prevent the split. Thus a situation was created where one part of the organized labor movement with suicidal zeal damaged at its roots the republican democracy which allowed it to flourish and cleared the road for fascism; and the other part, setting itself, justly, the task of defending the democratic republic, indirectly facilitated the triumph of the same fascism by basing this defense on compromises with more and more reactionary forces: with the capitalistic bourgeoisie, with the Catholic church, with the pre-war militarists, etc., up to the time, when Bavarian and even Prussian monarchy began to seem the last trench of democracy against the approach of Hitlerism. Consequently, the German revolution not only did not show any signs of "evolving" into a socialist form (although historically this was its only salvation) but even as a bourgeois revolution it proved to be an historical abortion.

This fact has an important bearing on the fate of German fascism. It can draw strength not only from the inability of the capitalist world to solve the contradictions brought out by the war and the post war period leading up with rigorous logic to the economic crisis, but also from the inability of the

The German Catastrophe

German revolution to solve the historic problems placed before it. A new Bismarck, but of a crueller, more counter-revolutionary, more barbaric type—Hitler—emerged as the pretender who would solve these problems, the completion of German unity and the clearing away, from German soil, of the remnants of the feudal-caste rubbish. Unsolved in a revolutionary spirit, these problems are going to be solved now in the spirit of counter-revolution. Unrealized by methods of republican democracy, they are going to be accomplished now by methods of the all-German fascist prison, which is, like bourgeois democracy, based on formal "equality", but on the "equality" not of free citizens, but of galley slaves, all chained by the same fetters.

Indeed, fascism will be much less able to straighten out the inner contradictions of overripe capitalism than democracy. On the contrary, it is apt to sharpen these contradictions. Because, after all, democracy with its free play of social forces, with the cultural uplift of the masses, etc., is not a casual accident but a lawful offspring of capitalism and at the same time an indispensable condition of its development. It would be erroneous to think that those "short waves" of upsurge which are still possible in the general decomposition of capitalism, should inevitably stop at the threshold of fascist Germany, and that therefore the Hitler regime must automatically perish under the pressure of boycott by other capitalist countries. This boycott, was at first a natural moral reaction to fascist barbarism. However, it is naive to suppose that **not** selfish interests and **not** mutual competition, but moral indignation will define economic policies in relation to fascist "cannibalism". Even the one country which theoretically could subordinate policies of economic selfishness to proletarian-revolutionary expediency, even Soviet Russia preferred to renew a commercial pact with Hitler's government and exchange with it expression of mutual "friendship"! The proletariat cannot rely upon the hopes of an automatic economic catastrophe, or upon an economic boycott of fascist Germany by the ruling classes of other capitalist countries.

The American Socialist Quarterly

But the danger of war provoked by fascism represents a real danger to the German, as well as, to the world proletariat. Surely, not only the ruling classes of all countries but even Hitler himself realize what they risk by unloosing war. Therefore Hitler does everything possible to conclude an alliance with his "hereditary enemies", with revision of the map of "Versailles Europe" as the price for a new alignment for the seemingly less dangerous task of dismembering Soviet Russia in the name of combatting world communism. He will try in every way to cover the weakness of his "patriotic policies" and his fear of a real war with bold nationalistic phrases and military gestures. But conditions are stronger than the best intentions, and the less he can manage his internal difficulties and satisfy the appetites roused by him, the more nationalistic and chauvinistic will become his chief weapons. In short order, we shall have a situation where cannon will begin to shoot by "themselves". Fascism is war. It is in all circumstances an uninterrupted threat of war.

One can understand the attitude even in certain circles of International Socialism, that only outside pressure, only an anti-fascist war, perhaps even a preventive war starting when German fascism is still weak and has not yet succeeded in arming itself to the teeth—that only such a war can put an end to the domination of Hitler. Such a frame of mind, as well as the "defeatism" in some circles of the German proletariat, manifests a natural psychological reaction to the catastrophe so unmercifully disclosing the weakness of the German and the international proletariat and the vanity of that national-patriotic ideology to which this proletariat paid tribute. It would have been fatal if such a frame of mind, which is more dangerous than the continued attempts of adaptation to fascist nationalism, should to any degree define the policies of the German and the international proletariat. It must be clearly stated, remembering the social nature of fascism, that the only real anti-fascist war can be a war led by a country of a victorious proletarian revolution. No coalition of capitalist countries can conduct an anti-fascist war, not only because within any coalition will appear some fascist

The German Catastrophe

and half-fascist countries, but also because, thanks to the general conditions of the capitalist world, a war will also serve as a powerful stimulant in every individual country towards fascisization of its bourgeoisie. It will also serve as a powerful stimulant not to weaken but to strengthen the Hitler regime. Hitler will get the opportunity to come out in the role, not only of a "unifier" of Germany, but also as a defender of her "national" interests, in the role of a fighter to free his country from the yoke of Versailles, almost in the role of an apostle of peace against Socialism which is preaching war*.

And meanwhile, due to the gigantic development of military technique, a new world war will create infinitely more material and moral destruction than the war that ended fifteen years ago. This war will, undoubtedly, deal a severe blow to world capitalism. But, if at the very moment of its declaration it will not become a signal for the proletarian revolution in the more important countries, it will deal a more severe blow to Socialism. It will hasten the disintegration and destruction of capitalism but it will also destroy the possibility of a socialist victory.

* * *

By placing fascism on the screen, the bourgeoisie itself places the capitalist world in a dilemma: either forward towards Socialism or backwards towards the Middle Ages! What's to be done in order to prevent a catastrophe? The answer is simple for those who look with open eyes upon the social processes going on under the banner of fascism: to exert all efforts to **prepare a proletarian revolution**.

But this simple answer includes in itself a number of the most complex problems placed with all their acuteness before the proletarian conscious of the German catastrophe: the problem of democracy and the methods of struggle for democracy and its adaptability to our time; of the conquest of power by the working class and the realization of this conquest ("dictatorship of the proletariat"); of the mutual relationship between the socialist struggle of the proletariat and

* These lines were written before the session in Germany of the so-called Reichstag. Hitler's speech at this session and the subsequent infamous capitulation of the Social Democrats proves better than anything the theory stated above.

The American Socialist Quarterly

the anti-capitalistic movements of the petty-bourgeoisie, especially of the peasants; of establishment of unity in the working class movement; of war and the fight for peace; of the role of the Soviet Union, the only country where dictatorship had a revolutionary origin and preserves revolutionary features in the new stage of the world working class movement.

In this article there is no space to deliberate on, or even to pose these problems. At all events they should serve as objects of the most earnest and fearless study by the whole Socialist International and by each of its parties, especially by the German party in the near future. Only by such labors can Social Democracy in the various countries and in its international unity as a whole, heal the wounds inflicted by the German catastrophe: to secure its regeneration and its stormy upheaval; to prepare itself for the fulfillment of the great tasks placed before it by history. In the fight against fascism, more than in any other crisis is the testament of Marx justified: The deliverance of the Working Class is the affair of the Working Class itself!

DATES OF PUBLICATION

Heretofore, the first number of the year, the winter number appeared in January and the fourth number, the autumn, in November. No issues have been missed. Beginning with this issue the ASQ will appear on the following dates:

Volume 3, Number 1, Spring	March
Volume 3, Number 2, Summer	June
Volume 3, Number 3, Autumn	September
Volume 3, Number 4, Winter	December

Europe's War Clouds and America's Foreign Policy

KIRBY PAGE

ANOTHER European war may not be absolutely unavoidable, but certainly the clouds hovering over that continent are blacker than in 1913. Fear and hatred and greed have produced many armed conflicts in the past and are now being compounded in a highly explosive manner. The passions of nationalism have never been fanned to a whiter heat than at the present moment, and the rivalries of capitalism have never been more terrific. Only by unmerited good fortune will the governments of Europe be able to avoid plunging their paralyzed peoples into the fiery furnace.

If there is to be even a remote possibility of preventing another world war, leaders of public opinion in the respective countries must realize clearly the nature of the existing peril to international peace. To assume that Hitler is the mad-dog whose fury threatens the safety of his neighbors, or that Mussolini as a modern Caesar intends to despoil his unoffending rivals, is to ignore the realities of European politics. Such propaganda serves well in fanning wartime passions, but can only serve as a smoke-screen under present circumstances. At the outset of this discussion it may be well to remind ourselves that the common people of all the belligerent nations in the World War thought that they had an invulnerable case. Professor Gooch has somewhere reminded us that if the fundamental premise of the respective belligerents be granted, each nation in the hour of crisis did exactly what might have been expected. Moreover, each government explained its actions in almost precisely the same terms. Every participant in that conflict interpreted its belligerency as an act of self-defense; a struggle for the rights and security of

The American Socialist Quarterly

allies, especially of small and defenseless countries; a war to save civilization from barbarism; and a crusade in behalf of the Kingdom of God. And however despicable may have been the hypocrisy of statesmen, the rank and file in every every land sincerely and passionately believed themselves to be fighting for high ideals and noble objectives.

If there is another European war it also will be the result of a collision of good cases and its victims will imagine themselves to be suffering and dying for home and country and humanity. It is of the utmost importance therefore that we probe to the roots of the reasons why the masses are so easily deluded. To account for the outbreak of modern wars solely in economic terms is to overlook half of the evidence. War in our time has come to be so expensive and so devastating that all sane men are fully aware that it cannot be justified on economic grounds. All belligerents in the World War lost the war economically, and in the event of another titanic conflict, there will be no economic winners. It is true, of course, but not especially significant, that in every country profiteers do grow rich out of the carnage. The greed and ruthlessness of wealthy men are insufficient to provoke war. Armament makers, international bankers, and speculators combined do not themselves possess the power to drive peoples to battle. Nor is it adequate to say that war is the result of bitter economic competition. Rivalry between textile manufacturers in Massachusetts and in North Carolina may be as relentless as that displayed by economic competitors in Paris and in Berlin, but the consequences are utterly different. To say that war is the result of capitalism is true but not sufficiently illuminating.

For that reason it is imperative that we dig deeply under the surface of the present European crisis. Let us begin with the French peasant or urban worker. He is pacifically inclined and desires only to be left alone by foreign powers. He has no desire to wage war against Germans or Italians or Englishmen. Yet the French masses are resolutely supporting a consistent foreign policy which is maintained regardless of which party holds office. Successive administrations

Europe's War Clouds and America's Foreign Policy

are adamant in their determination to maintain an armed establishment vastly superior to that of France's neighbors, and to continue the series of armed alliances with Poland, Roumania, Czechoslovakia, Jugoslavia, and Belgium. French fortresses along the German border are incomparably more impregnable than any other nation ever had. The French people in general view with favor the official policy of training African colonial troops for battle along the Rhine. Yet forty million Frenchmen speak with one voice in demanding that Germany be prevented from re-arming. What does all this mean and what is its significance?

The motives of the masses of France are a compound of fear and passion, pride and greed. They remember with anguish the ravages of wartime and are resolutely determined that their soil shall not again be invaded. Suspicion and enmity toward Germany is always latent and intermittently flashes into flames of passion. France's dominant position on the continent is regarded with satisfaction not alone because of the increased security afforded, but also because of patriotic pride in the power of French diplomacy backed by French arms. Like the citizens of other imperialist powers, Frenchmen also labor under the illusion that colonies are a source of economic profit for the entire nation. Thus we see that, although France maintains the mightiest armed establishment ever possessed by any power not actually engaged in war, the French people are not more militaristic in sentiment than are the inhabitants of the United States. Indeed, the evidence is conclusive that if the American people were placed in a comparable geographical and historical situation they would quickly become far more bellicose than Frenchmen are at the present moment. All of this, however, is not intended to minimize the significance of the fact that French foreign policy now constitutes an alarming threat to the peace of Europe.

The reasons are apparent when we view the situation from across the Rhine. The rest of the world is rapidly coming to the conclusion that Hitler's Germany is a mad-dog nation that can only be resisted with armed might. The

truth of the matter is that Hitler is no more the head of a mad-dog nation than the Kaiser was in 1914. The German people at this hour are acting precisely as might have been predicted, indeed as was frequently predicted by countless sober students of world affairs as early as 1919 and 1920. Let an American citizen put himself in the shoes of a German worker and live imaginatively through the past twenty years. A proud and arrogant nation, with a glorious history and a marvelous record of achievement was savagely crushed by the overwhelming forces of the Allies. The German losses in blood and treasure were stupendous beyond computation, and were rendered even more intolerable by the crushing terms of the Treaty of Versailles. The economic burdens imposed by the victors were increased in weight enormously by emotional resentment and hostility. The disruptive consequences of the French invasion of the Ruhr, the catastrophic effects of the currency inflation which robbed German money of its value, the appalling prospect of continuing reparation payments through two generations, the terrific repercussions of the world-wide economic crash, the tragedy of six million unemployed, and the cumulative evidence that this ghastly nightmare must be endured for fifty years to come—all this proved to be more than could be endured. And the most amazing aspect is found in the fact that the explosion did not occur a decade sooner than it did.

Hitler's power has flown directly from the Treaty of Versailles and the determination of the Allies to keep Germany in an inferior position. And if the Nazi chieftain spurs his people on to some mad adventure, the Allies will simply be reaping what they have sown. In such an event the war-like actions of the German people would be prompted only in small part by conscious economic desires. Far more important would be hatred, the desire for revenge, racial and national emotions, and the passionate determination to secure release from oppression and frustration. If this generation of Germans were convinced that continued resistance to France's domination would result in immeasurable economic losses, including a lower standard of living, they would count

Europe's War Clouds and America's Foreign Policy

that a small price to pay for the recovery of national freedom and an equal status among the great powers. War is not caused primarily by the desire for economic gain, but comes chiefly as the result of a collision of policies which are backed by fear and hatred, a profound feeling of frustration and an eager longing for security.

These facts are full of meaning for socialists. To say glibly that war is an inevitable consequence of capitalism is true only if the statement implies capitalism-plus-nationalism-plus-racialism. And it is not enough to declare that capitalists make use of national and racial emotions in deluding the masses. Only a minute portion of the propaganda in behalf of patriotism and racialism is consciously motivated by the desire for economic gain. The motives even of munitions makers and bankers are multiple, not merely the desire to reap profits. War profiteers sometimes patriotically urge their sons to enlist for service in the trenches. Officials of the American Legion are far more effective in promoting militarism than are armament firms with generous subsidies. Many a patriot on a small salary and with no thought whatever of financial gain zealously promotes the policies which make war inevitable.

Recent events in Europe reveal clearly the fallacy of placing excessive emphasis on economic incentives and the minimizing of emotional and political factors. If this article were being written for publication in a conservative journal, I would emphasize the perils to world peace inherent in capitalism, but in a socialist publication this emphasis is not needed. Indeed in such a magazine, it is highly desirable to place the whole problem in truer perspective by linking together capitalism and nationalism. Moreover, such a procedure furnishes a firmer foundation of hope that another world war may be avoided. If it is true that war is certain to continue so long as capitalism and fascism endure, then the prospect for this generation of Americans is utterly hopeless. Unless the present policies of the nations are changed drastically within the next decade, there is every reason to expect a world conflagration before the end of the nineteen-forties.

The American Socialist Quarterly

Who among us really believes that capitalism and fascism will have been dealt fatal blows prior to that time and a socialist commonwealth fully established? And if another world war does come, what assurance have we that it will be followed by the enthroning of Socialism in the various countries? The evidence points rather in the direction of utter chaos and disintegration, or of a prolonged series of civil wars. In neither case will the outcome be Socialism. In the former event we shall have wholesale starvation and the disintegration of civilized society; and in the latter case, socialists are likely to be imprisoned or shot by fascist or communist dictators, if they are not slaughtered first from the right and then from the left. How an American socialist can derive any satisfaction whatever from the doleful prophecy that this country is certain to go to war so long as capitalism survives is beyond my understanding.

Without diminishing in the slightest degree our hostility to capitalism or in any way weakening our determination to establish Socialism, let us explore carefully other ways and means of reducing the likelihood of war. It is imperative that time be gained, since the creation of a socialist state is not the work of a year or a decade. It may be that we can transform some of the menacing aspects of nationalism more quickly than we can abolish capitalism. Toward this end I should like to suggest that socialists devote themselves unceasingly to the following measures:

1. Abandonment of the practice of armed intervention by American troops in foreign lands. This objective is in no sense Utopian, but may actually be realized within a decade if sufficient intelligence and vigor are put into a national campaign of enlightenment. Hard-boiled business men are rapidly coming to realize that armed intervention does not pay, that it costs more in suspicion and ill will than it gains in immediate profits. The masses certainly have nothing to gain from intervention, and may be enlisted in a no-intervention movement.

2. Abandonment of the doctrine that a nation must fight in defense of its rights as a neutral to ship its goods through

Europe's War Clouds and America's Foreign Policy

blockaded zones. The accomplishment of this objective would enormously reduce the likelihood of the United States becoming involved in war. It will be recalled that at a critical moment in our relations with Germany, Secretary Bryan proposed that the President issue a proclamation warning American citizens that if they went themselves or shipped their goods into the war zone, they must do so at their own risk, and that our government would not go to war in their behalf. It is my deep conviction that the rank and file of people in this country are now ready to support the policy of non-intervention-on-the-high-seas. For years I have discussed this problem with forums from the Atlantic to the Pacific and the response has always been overwhelmingly in favor of such a procedure.

3. Grant immediate independence to the Philippine Islands, on terms that will continue free trade for an ample period, and that will afford its people international security.

4. Permit the abrogation of the Platt Amendment to the Cuban Constitution, and agree to refrain from even non-military intervention in the affairs of that country. And, of course, withdraw immediately all American marines from Haiti and China.

5. Endeavor to reach an international agreement whereby it will be possible and advisable for the United States and Soviet Russia to enter the League of Nations, by divorcing that institution from the war treaties and by eliminating any possibility of recourse to armed sanctions under the Covenant.

6. Join the Soviet Union in advocating total disarmament or the maximum degree that other nations will accept.

7. Build a powerful, though perhaps numerically small, war resisters' movement, especially by enlisting the support of organized labor behind a general strike to prevent the outbreak of hostilities.

If substantial progress could be made in these seven directions the likelihood of another great war would be enormously diminished. Let us, therefore, while we are seeking

The American Socialist Quarterly

to supplant capitalism by the creation of a Socialist Commonwealth, endeavor unceasingly to transform the policies and practices of nationalism.

Many socialists will not agree with the opinions expressed in Comrade Page's article. The article is provocative and expresses the opinion of a small group within the Socialist Party.

THE STRUGGLE FOR REVOLUTIONARY SOCIALISM

By HEINRICH EHRLICH

Translated by Anna Bercowitz and Haim Kantorovitch
with an introduction by Haim Kantorovitch.

64 pages, price 25c. Published by the Bund Club of New York.

Heinrich Ehrlich is the outstanding leader of the Bund in Poland, as well as an outstanding leader of the left wing in the international socialist movement.

In this booklet he gives a detailed report and a critical analysis of the last conference of the Labor and Socialist International held in Paris, and of the conference of the "Left Socialist Parties" that was held in Paris about the same time.

Send orders to D. Baum, 74 Van Cortlandt Park South, New York.

Orders also taken by the American Socialist Quarterly, 7 East 15th Street, New York.

The Socialism of the Hopeless*

HAIM KANTOROVITCH

I.

THE Socialist movement throughout the world is restless. Everywhere, the feeling is growing that the socialist movement cannot, after the tragic experiences in Germany, and now in Austria, remain "just as it was". The years of revolution and counter-revolution, the advent of fascism, have left their mark on the socialist movement. The number of socialist voices demanding a revision of socialist tactics, a restatement of socialist principles is continually growing. Reformism, which reigned supreme until the German debacle is slowly, but steadily, yielding to revolutionary socialism. Even the German Social Democratic Party, the party of arch-reformism, has now abandoned reformism and its former democratic illusions, and has adopted a left revolutionary program.

The new program of the German Social Democratic Party declares frankly that "the great historical error committed by the German labor movement, which lost its sense of direction during the war" was that "it took over control of the state . . . sharing it, as a matter of course, with the bourgeois parties." The German Social Democratic Party promises, in its new program, that when it gets state control again it will organize "a strong revolutionary government based upon, and controlled by, a revolutionary mass party of the workers." "The first and most important task of such a government," the program continues, "will be to use the power of the state to make the victory of the revolution safe, to root out any possibility of resistance." It will undertake at once a series of revolutionary changes of society. Among these will be the "suppression of all counter-revolutionary agitation"; "immediate expropriation, without compensation, of large landed estates"; "immediate expropriation, without compensation, of

* "Socialism, Fascism, Communism", edited by Joseph Shaplen and David Shub. Published by the American League for Democratic Socialism, New York, 1934. Price \$1.50.

The American Socialist Quarterly

the heavy industries", etc.

But, what about freedom and democracy? The German Social Democratic Party has learned something from the tragic experiences through which it has gone; it has learned that the business of a socialist party is to fight for Socialism. Once Socialism is established democracy is safe and assured. The new program declares:

"only after the authority of the revolution has been firmly established and the feudal-capitalist and political sources of power of the counter-revolution have been completely destroyed, will the process of building up the new organization of the state on the basis of freedom be begun, by the convening of a national assembly, elected by universal, equal, direct and secret suffrage . . ."

In other words the German Social Democratic Party proposes to postpone the re-establishment of democracy until Socialism will be safe from all counter-revolutionary resistance. And what will be the form of government during this transition period? The program does not name it, but political science has only one name for it: Dictatorship. If one does not like this word, he may call it whatever he pleases. Nothing will be changed by changing one word for another.

The new program shows that the left tendency in the Socialist International has taken deep root also in the German Social Democratic Party. The cry "back to revolutionary socialism!" is growing everywhere, Germany not excepted.

II.

The forces of reformism are decreasing everywhere, but reformism certainly is not dead and will not be dead for a long time to come. It still is in a formidable majority in the international socialist movement. But, it has become apprehensive; it has begun to realize that it is nearing its end. The bankruptcy of reformism in Germany is so complete, that no amount of "explanation" by Karl Kautsky can hide the fact any longer. This explains why the reformists suddenly became active and articulate, not only in Europe, but also in America, where its main characteristic has been self-contented inactivity. The result of their sudden "com-

The Socialism of the Hopeless

ing to life" is a volume of 239 pages, called "Socialism, Fascism, Communism", edited by Joseph Shaplen and David Shub, inspired by, and introduced with, the blessings of, Comrade Abraham Cahan. In the "Foreword", the editors declare that "the purpose of this book is to present a point of view" on burning questions of international socialism and labor which has not had adequate representation in America. It is the point of view of social democracy as distinct from communist, quasi-communist and liberal points of view." This statement is utterly incorrect. This "point of view" has constantly been presented in most of the socialist papers in America. As a matter of fact, the bulk of the book consists of articles published in the "Jewish Daily Forward" which, though a foreign language paper, nevertheless moulds, to a very large extent, the public opinion in the American party. Utterly incorrect is the statement that this is the "Social Democratic point of view", unless the "League for Democratic Socialism" (which consists of less than a dozen people), believes itself to be the only social democratic party in the world. The Social Democratic Party of Germany has spurned this point of view in its new program. The French Socialist Party certainly does not share this point of view. As a matter of fact most of the contributors to the present volume do not like the French Socialist Party; it is too left for them. Instead, they tend to support the Neo-Socialist group of extreme right reformist-nationalists that have under the leadership of Renaudel, split away from the French Party. The Russian Social Democratic Party does not accept this point of view; the Social Democratic Bund of Poland does not accept the point of view; nor does the Social Democratic Party of Austria accept the point of view. What right then have these comrades to declare that "their" point of view is the social democratic point of view? The volume under consideration represents the point of view of a very small and continually diminishing group in the socialist movement that were so scared by the Bolshevik revolution in Russia that they would rather have no Socialism than anything resembling Communism.

The American Socialist Quarterly

The weakest contribution to the volume is "American Socialism at the Crossroads" by Joseph Shaplen. This is the only article in the book dealing with the American movement. Of 239 pages, twenty-three are devoted to the American movement, and these twenty-three pages consist of complaints that the American Socialist Party, for a number of years, "compromised" itself and "surrendered to Lenin outright or went in for compromise with Leninism." The main complaint however is that the American Socialist Party has neglected to develop "a specific school of American socialist thought and an American socialist method in harmony with American reality. It has relied for the most part upon old orthodox European formulae." To counteract this Europeanism, and to Americanize the movement, the author, as one of the editors of the book, has assembled a group of articles by German, Austrian and Russian socialists dealing with European problems, and published them for the American reader. What a strange way of Americanizing the American movement!

III.

What is the point of view that this volume represents? It is clearly stated in the article on "The Crisis of Capitalism and the Crisis of Socialism" by S. Portugeis. S. Portugeis (although the translation does not do him justice) is a brilliant and clever journalist. He is doubtless the best exponent of the point of view represented in the book. Even when he was connected with the Russian Social Democratic Party (Mensheviki) he was of the extreme right wing. At present, since no social democratic party is "right enough" for him, he is not connected with any party in the Labor and Socialist International.

There was a time, Portugeis tells us, "when the socialist movement was animated by the faith and conviction that capitalism would break its neck as a result of a particular crisis." It is different now. "The point is," Portugeis tells us, "that such faith and hope have virtually entirely disappeared from the consciousness of contemporary Socialism." He proves his point by calling on Karl Kautsky. "Such a true disciple of Marx as Karl Kautsky," the author tells us, was also com-

The Socialism of the Hopeless

pelled to revise his views. "Kautsky has come to the conclusion that it is quite impossible to foresee and determine the **economic** inevitability of the destruction of capitalism, and that this destruction would be the consequence not of economic but of the play of social-political factors." Kautsky, the author tells us, has come to the following conclusions: "*The more prosperous and successful the capitalist system of production is, the brighter the prospects of success for a socialist regime that will come to take the place of the capitalist one.*" (italicized by the author.) There were, there probably still are, "foolish socialists, and of course communists, who thought that for them there was no more important problem than not to permit this ruined capitalism to rise again." They were of course wrong, and Portugeis with glee reports that Kautsky (and of course he, Portugeis) were never so foolish. "At the national congress of workmen's deputies Kautsky warned against the policy of ruining the employers by putting forth extreme demands, demands which threatened the enterprises with inevitable destruction." That, Portugeis thinks was the best socialist policy. To make his point of view even more clear, he quotes with approval from the report made by Tarnov, representative of the German trade unions to the Leipzig Congress of the German Social Democratic Party in June 1931. Here is the quotation in full:

"He (i.e. Tarnov) argued that Socialism stands before the sick bed of capitalism not only as the heir of the capitalist order, quite ready to administer a dose of poison to the patient, if need be, to facilitate his departure, but also as a physician who is compelled to help the patient to recovery."

"The patient aroused very little sympathy in us, but the masses who stand behind him while he is in the process of agony are starving. And realizing this, we are ready to apply any medicine we may have, however doubtful we may regard its effectiveness in the long run, to alleviate the condition of the patient, provided such treatment will bring the masses food."

Portugeis, however, is afraid that his readers may think

The American Socialist Quarterly

that this was the point of view only of German Social Democracy. This, he tells us, is a mistake. "In substance it has become the position of the entire International." This is exactly what the revolutionary Marxists in the Socialist International are fighting against, and what the volume under consideration is out to defend.

The *leit motif* of the book is hopelessness. Portugeis tells us that when capitalism is sick we must approach it not as executioners, but as physicians. Everywhere, capitalism now is sick and will be sick, it seems, for quite a long time. There is, therefore, nothing else for socialists to do but to help capitalism out of its difficulties, make it healthy, strong and prosperous, and . . . then what? To this last question there is no answer in the book.

IV.

This "New Socialism" was tried out in Germany. It failed lamentably. Is there anything that we are to learn from the German failure? No, answers Karl Kautsky in his contribution to the present book "Hitlerism and Social Democracy". For one, who like the writer worshipped and revered Kautsky for years, though not always agreeing with him in every particular, it is painful to read Kautsky's article. Gone is his vigor, his acute sense of analysis, his clear Marxian way of thinking. There is really no conviction in his arguments. This is Kautsky's explanation of the German tragedy:

"History willed it that victory should go first not only to the anti-capitalist, but also to the anti-democratic elements of the politically untrained portion of the proletariat as against the democratic groups. This happened in Russia where it led to the dictatorship of the Bolsheviki. (p. 96)

and

"Many German socialists now declare calmly that they made a mistake in supporting the policy of the lesser evil. They have no reason, however, to don sack-cloth and ashes—certainly not until it is demonstrated that any other policy could have averted the Hitler dictatorship."

The Socialism of the Hopeless

(p. 59.)

No one can, of course, "demonstrate" what **would have happened** if any other policy would have been used; therefore this ends the discussion. No one being able to demonstrate what any other policy could have accomplished, Kautsky feels justified in making the following defense of the tactics used:

"The Social Democratic policy at least made possible the averting for a time of the greater evil, the Hitler dictatorship."

It is characteristic for reformists to believe that the choice before us is either reformism or communism. "Had the socialists followed the policy of the communists, the socialists themselves would have put Hitler in the saddle." (p. 59.) No revolutionary socialist would, of course, have advised the German socialists, or any one else, to follow the communists. That the communist movement in Germany, as well as everywhere else, has been a counter-revolutionary force there can be no question; that the Communist International is more responsible for Hitler's victory than the strength of Hitler's own forces, is now acknowledged by everyone. But it does not follow that by carrying out a revolutionary socialist policy, the Social Democrats could not have conquered the reactionary elements of the right, as well as of the left. The left tendency in the International Socialist movement does not lead to communism. It leads away from communism as well as away from reformism. Its motto is: back to revolutionary Socialism.

The book also contains an article by Kautsky, "Marxism and Bolshevism", an article by Yourievsky (by far the best and most important article), "From Lenin to Stalin", an analysis of fascism by W. Ellenbogen, and an analysis of the communist movement according to official figures, by D. Shub.

As an expression of the extreme right reformist point of view, most of the articles are excellent. The contributors know what they want, and explain their point of view in a clear and forceful manner.

Book Reviews

THE AMERICAN FEDERATION OF LABOR

by Lewis L. Lorwin. The Brookings Institute, Washington, D. C.

Dr. Lorwin's book on "The American Federation of Labor", its history, policies and prospects, was written before the NRA was put into operation. In his chapter, "Interpretation and Outlook", Dr. Lorwin indicates what he calls a trend towards what may be designated as quasi-public or governmental unionism. One would like to know Dr. Lorwin's reactions after observing the functioning of the trade unions under the NRA, and what he now thinks of quasi-public or governmental unionism as an effective instrument for the labor movement.

We know only too well that no trade union movement can be effective unless it has its own political philosophy, unless it is prepared to fight for its rights on the political as well as on the economic fields. What a policy of quasi-public unionism would engender would be a greater degree of the class-collaboration policy. And of this policy, to a large extent, the A. F. of L. has, particularly in recent years, made a fetish. We know that the class-collaboration policy is acceptable to the capitalists only when it redounds to their interests. Even under the NRA, although industry at first seemed all too willing to meet labor with open arms, it accepted minimum codes, and in some instances union recognition, only because it was the last straw to which industry could cling in its hope for existence. What antagonism really existed became evident when it came to the adoption of codes and the recognition of the principle of collective bargaining.

As for the advantages to labor, the A. F. of L. may have increased its membership to 4,000,000 or thereabouts, but in the main the increase came from those industries in which there had been some form of trade union organization, and

Book Reviews

particularly where there had been a strong union. In most of the basic industries, packing, steel, auto, practically no unionization has taken place. What form of organization has developed has been the company union, engineered by the magnates.

And what has been the attitude of the A. F. of L.? It welcomed the NRA as the "New Magna Carta", little realizing that this was but another sop. And even if it had been a "New Magna Carta", how effectively has the A. F. of L. utilized its opportunity? How great has been the stimulus to organization, and what new and revolutionary concepts has it developed?

Under the heading "Prospects for a New Unionism", Dr. Lorwin states it is possible to discern some forces which are driving the Federation in a new direction and cites the United Mine Workers. This organization is representative of the quasi-industrial union. "The fact that the union has been forced to advocate industrial stabilization with governmental aid, as embodied in the Kelly-Davis Bill, is of paramount significance. The government is thus assigned a positive part in making collective bargaining a recognized policy in the industry. This is a long step from the traditional philosophy of the A. F. of L., which abhorred intervention by the government in collective contracts between employers and unions." (Page 456.)

At its last convention, 1933, when the question of the industrial form of unionism once again was raised, it was again turned down. What vision! With the concentration of industry, with craft and skilled operations constantly being wiped out, with semi-skilled and unskilled workers replacing the skilled because of the change in the mode of production, the industrial form should be the logical method of organization. But the A. F. of L., in convention assembled, was dominated by the leaders of a few, powerful international craft unions, the bulwarks of conservatism, and voted to sustain the present form of organization, defeating the resolution for industrial unionization.

The Federation did, however, make one decided departure

The American Socialist Quarterly

from its usual policy and did come out for unemployment insurance. But, this was done only after unemployment was sky-rocketing, and when the membership and dues was rapidly declining. Of course, this is an encouraging beginning. How little the A. F. of L. realizes the power it could exert if it could rely on a working class political party when making demands on the political field, in the same concerted manner as it does on the economic. Even in one office, the Secretary of Labor, which one logically would believe should be occupied by a representative of the A. F. of L., so far, its recommendations have been ignored.

"Should a quasi-public trade unionism develop it would mean a considerable modification in the functions of the Federation," Dr. Lorwin states. "The need for organizing drives would be reduced to a minimum. On the other hand, conciliation and arbitration between unions and employers would be a greater function and the Federation might play an important part as it did during the war. Inevitably, if the government lends its aid to unionism, it will demand in exchange that the unions surrender some of their traditional liberties and adhere more and more closely to strictly constructive functions in industry." (Page 460.)

"The trend towards a semi-legal, quasi-public unionism in the United States," Dr. Lorwin goes on to state, "is a phase of a movement which seems world-wide in character. In all industrial countries, the voluntary or so-called "free" type of unionism is having difficulties in maintaining itself, if it has not been entirely destroyed."

"The free trade unions based on voluntary group cooperation and achievement, is thus likely to be forced to give way to a new unionism whose features are incorporation in the economic and administrative system of the country and the performance of publicly recognized functions affecting the worker in relation to industry." (Page 462.) Wherever this has taken place, it was, however, not voluntarily accepted by the workers but was forced upon them. Governmentally controlled unions are never unions in the interests of the workers. If it is true that we face this danger the A. F. of L. should

Book Reviews

fight against it.

Dr. Lorwin sees variations in this world-wide trend and sees the course of the American labor movement in the near future shaped by the struggle of three tendencies: one, efforts by employers to eliminate unionism and develop benevolent unionism, the company union; two, efforts by workers to revive and extend the present form of trade unionism; and three, as the difficulty becomes aggravated by economic conditions, governmentally aided unionism will become stronger and assert itself against the other two.

Should the depression continue, Dr. Lorwin feels the radical trend in the A. F. of L. will become more pronounced. Should there however be a revival, and no serious modification take place in the industrial system, the trends noted before 1930 are likely to continue. To the charge that the A. F. of L. was "on its death bed" Dr. Lorwin replies that such predictions are wish thoughts. The A. F. of L. has passed through many crises and may weather the present one also. Nor does he see any evidence that "either communism or any other radical group now in existence have either the resources or the capacity for the task" of replacing it.

In order to weather the changes, the A. F. of L. will have to make decided changes in function and structure if it wishes to meet the complex problems of the changing conditions and it must develop greater political articulation, according to Dr. Lorwin. It might be well to cite here some of the characteristics which distinguish the American labor movement from the European. Among these, as cited by Dr. Lorwin, are its non-socialistic character, denial of the theory of the class struggle, indifference to the idea of a historic mission of organized labor, its pragmatic outlook and business policies. Will the A. F. of L. come to a realization of its historic mission? Certainly here is just where valuable work can be done by active participation on the part of members of the Socialist movement.

There has been a crying need for an interpretive history of the A. F. of L. Dr. Lorwin, one of the very few persons in the United States qualified to handle the material, assisted

The American Socialist Quarterly

by Jean A. Flexner, has done an admirable job in this book, as he has done in all of his works. No student of the labor movement can possibly afford not to have a copy for ready reference, and everyone interested in the labor movement should read the book. In addition, there are valuable appendices giving tabular information, and the present status and problems of selected unions, as well as a bibliography.

Anna Bercowitz.

INDIVIDUALISM AND SOCIALISM

by Kirby Page Farrar & Rinehart, New York, 1933 Price \$2.50

Individualist capitalism receives in this book as good a popular description of itself as it is likely to get. Non-violent Socialism receives as adequate a defense as it is possible to give it. "Individualism and Socialism" has appeared at the end of the individualist capitalist era, and raises the question in our minds (though not in Comrade Page's) as to whether a new socialist tactic is not needed to meet the new day of collectivist capitalism.

In the first half of the book, the advocates of "less government in business" from Adam Smith to Hoover speak for themselves. Exposed by their own statements and their own statistics, the individualists are caught at the double game of shouting for no governmental interference at the same time that they parade to the government demanding subsidies in the form of land grants, tariffs, a wide-spread consular service, and in extremity, armed intervention. Not only have they consistently denied that they wanted anything, while they took all they could get, but they have used every effort to keep the government out of social welfare as well, through continuous opposition to public education, health and recreation services as well as to social insurance of any kind.

The material in these first three chapters will save many a hurried socialist days and weeks of research for just the right group of statistics, just the telling quotation out of the mouths of the protagonists of capitalism. For the practical

Book Reviews

socialist, this analysis and illustration of capitalism is invaluable.

But the blatant individualism is not the form of capitalism which workers will face and must fight at present. Capitalism has become or is rapidly becoming collectivized. In National Socialism, we find its extreme form; under the New Deal it grows in embryo. Organized capitalism in control of the state calls for an organized Socialism prepared for nothing short of control of the state and industry.

In his "Socialist Program for Deliverance", Comrade Page wants to see organization of "producers, consumers, and citizens" for "non-warlike methods of coercion". He believes that Socialism can be achieved by the use of the ballot, by organizing public opinion for pressure on legislative bodies, by purchasing large basic industries (rather than confiscating them), and by building trade unions, cooperatives and the Socialist Party toward this end. Violence in his judgment defeats its own ends however understandable it is in terms of the oppression to which workers have been subjected.

What Comrade Page leaves out, however, is a clear recognition of the class nature of the state. He believes it is possible for instance to exercise enough pressure on Congress (not even a Socialist Congress) to nationalize the banks, to buy up the industries in the same way in which we might gain old age pensions or the abolition of child labor. As proof he points to the "revolutionary changes" under Roosevelt. He does not recognize that no change is revolutionary which falls short of placing control and ownership of the state as well as of the means of production in the hands of the organized workers.

Because the line is not sharply drawn here between capitalist state and worker's state it is possible for him later to refer to the post office as an example of Socialism in operation and to look back to government operation of the railroads during the war as a reasonably successful socialist experiment.

His "Socialist Program of Deliverance" is essentially a program of wresting reforms from the present system as an

The American Socialist Quarterly

end in themselves rather than using them as a means to Socialism, an exercise in wielding power on the part (not of liberals) but of organized workers.

This confusion leads for instance to a discussion of adequate relief as part of this socialist program with no clear line drawn between immediate demands and fundamental attacks upon the state. He suggests that if we had taxed away all incomes over \$20,000 we would have had billions with which to supply adequate relief to the unemployed. His "IF" here, as in most of his discussions of taking power, is so large as to vitiate the argument altogether. IF we could tax away incomes over \$20,000 we would have no unemployment, nor would we have any capitalism. When the Socialist Party is strong enough to force such taxation, it will long since, we trust, have taken over the source of income altogether.

In spite of this confusion, Page makes some valuable and incontrovertible observations which should govern socialist tactics in this country. He points out the great need for appealing to the middle class as well as the working class, if we are not to be overwhelmed by a fascized middle class. He contrasts the danger of fascism in countries like Great Britain and the United States with those in Central Europe where the democratic, parliamentary tradition is less well grounded. He dwells upon the fact that capitalism has more vitality than many radicals would like to believe; that we can "expect the ruling classes to bend long before they break."

What he fails to evaluate properly is that most of the points in his socialist program are gains which come to workers because capitalism is bending in order to avoid the break. It is false and misleading to evaluate what Page calls progress in any other term.

Alice Hanson.

AMERICA AT THE CROSSROADS

by David P. Berenberg, Rand School Press, N. Y. 64 pages, 35c.

The easiest way, it seems, to get applause nowadays at a socialist meeting is simply to declare (the louder the better)

Book Reviews

that "We must Americanize the American movement". There are some who give their sympathies to the Lovestone group only because the Lovestonites speak about "American exceptionalism". American exceptionalism sounds so native. Nearly patriotic!

Of course, the American exceptionalism of the Lovestonites is really nothing but a new special edition of parlor Bolshevism. The parlor Bolshevik says: Bolshevism is a very fine thing, in fact the very best thing, but it will not do for our country. The Lovestonite says: Of course Bolshevism is true and good, but it is not yet good for our country. This is really the only original contribution of Lovestonism to the Americanization of American Socialism.

Those who speak about Americanizing American Socialism, cannot mean adapting Socialism to American conditions. The American Socialist movement has always tried to do that. If it was not successful, it can console itself that the newest Americanizers have, as yet, found no new way to success. The truth is that many of these new Americanizers have succumbed to the old legend of "Foreign Socialism" of "Socialism not being adapted to the American conditions, or American psychology", (whatever that may mean).

In his book "America at the Crossroads" Comrade David P. Berenberg undertakes a critical analysis of this legend and finds that "the legend is a legend". "The most curious fact of this legend is that it exists in every country in which socialist propaganda has gained a foothold. In England, where in fact some of the earliest socialist theories were developed, it has at various times been called a French, a German, and a Russian importation, and today a Russian doctrine. In Russia before 1917 it was said to be of French and German origin", etc.

Comrade Berenberg is one of our outstanding Marxists. He applies the Marxist analysis in this book successfully and brilliantly. In the light of Marxist logic he analyzes the conditions that until now hindered the growth of Socialism in America, as well as those that make for its growth under the present conditions. In doing so, he demolishes many beloved and cherished theories, especially those dealing with Ameri-

The American Socialist Quarterly

canism, American national character, etc. In his Marxian analysis, these things are reduced to their real economic causes.

Of great importance is his analysis of the NRA. It is certainly, by far, the best and clearest socialist analysis of the NRA and will help the reader find himself in the maze of contradictions that are daily multiplying in the NRA literature. The conclusions to which Comrade Berenberg comes is that "in spite of hokum, the NRA will not solve the fundamental contradictions of capitalism" . . . "The NRA will fail . . . because capitalism cannot regulate itself and remain capitalism." The failure of the NRA can however be utilized in the interest of Socialism, if the socialist movement will be alert enough and sufficiently prepared organizationally, as well as ideologically, for this task.

The book is written in the usual Berenberg style, popular, vivid, and full of provocative thought. It will certainly take a place of honor in our socialist literature.

Haim Kantorovitch.

JUST OFF THE PRESS

A S Q Reprints No. 1

TOWARDS SOCIALIST REORIENTATION

By HAIM KANTOROVITCH

A new 24 page pamphlet, analyzing the collapse of the proletarian movement in Germany, and the lessons that the International Socialist Movement must draw from it.

5 cents a copy. Special rates for bundle orders.

Authorized by the
Educational Department Socialist Party.

Send your orders to the National Office of the Socialist Party, 549 Randolph W., Chicago, Ill., or the A. S. Q., 7 East 15th Street, New York, N. Y.

WHAT OUR READERS SAY

We are reprinting a few of the numerous letters which we receive weekly from comrades all over the country.

I am subscribing to your magazine chiefly because of having seen, in your last issue, an article by A. Jugow on the Five Year plan. I was in Russia this summer, and since my return, I have seen nothing that seemed to me fairer or closer to the truth of what I myself beheld. If you continue publishing articles of this type—doing the Soviet Union liberal justice while not cuddling the Communist Party, you can count on me as a permanent subscriber.

P. L.

I hope that with the new additions to your editorial staff you will even excell your former standards of high excellence.

P. S. M., Denver, Col.

I am enthusiastic about the Quarterly. I have used the articles from it with telling effect in arguments. I am myself a printer and have published much radical literature. I am as enthusiastic about the Quarterly from the standpoint of a printing job as for the excellence of the editorial comment.

D. N. S., Portland, Ore.

Why haven't I received the Winter Edition of the Quarterly which I expected so impatiently? Please send it at once. I am reading it with a group of comrades.

N. A., Scranton, Pa.

Please accept my congratulations on your 1933 autumn number. I trust your new staff will continue the same policy and ideas.

W. B. D., Paterson, N. J.

Enclosed is one dollar for subscription for—. The Quarterly is a vital necessity for our Party, as we all know there can be no revolutionary movement without revolutionary theory. More comrades would like to subscribe (I am one) but just cannot afford it now.

A. G. A., New York.

May I add that each succeeding issue of the A S Q confirms me in my belief that you are rendering the greatest service to the socialist movement in the U. S. You are gradually breaking down the barrier which has been built around the living teachings of Marxism.

L. W., Detroit, Mich.

The editors of the Quarterly are certainly to be congratulated for a difficult job, well done. Standing alone as the only official party journal, it is indeed tragic that every comrade does not read it and contribute to its support. I wish I could do more.

V. R., Evanston, Ill.

Could you send me a dozen sample copies of the Quarterly to distribute. If not I will hand out my own back numbers although I should regret parting with them except to help forward a good cause.

C. E. W., Montclair, N. J.

COMBINATION OFFER

THE AMERICAN SOCIALIST QUARTERLY.....\$1.00 a year
and
THE NEW LEADER, National Edition 1.00 a year

\$2.00

Both for 1.50

In order that the readers of the Quarterly and the New Leader may have the opportunity of subscribing to both at little more than the price of one, the managements of the two periodicals are making this very special offer at \$1.50 a year. This offer does not apply to renewals.

Send your subscription at once to

AMERICAN SOCIALIST QUARTERLY

7 EAST 15th STREET

NEW YORK, N. Y.

ISSUES OF TODAY

PAMPHLET SERIES

official publications of the
National Office

TAXES AND TAX DODGERS

by Mayor Daniel W. Hoan

THE NEW DEAL

by Norman Thomas

INFLATION—WHO WINS AND

WHO LOSES by Maynard C. Krueger

Postpaid, 10c a copy; 12 copies, 50c.

100 copies, \$1.00; 1000 copies, \$3.50.

Socialist Party of America

549 Randolph Street Chicago, Ill.

RAND SCHOOL

Correspondence Courses

Scientific Socialism

by ALGERNON LEE

Outline of Economics

by HAIM KANTOROVITCH

Organize a class in your branch or local and send for one of these study courses. Complete information by writing to the

Rand School of Social Science

7 East 15th St. New York, N. Y.

Read the

CHALLENGE

For Youth News

IN INDUSTRY

IN SCHOOL

IN ORGANIZATIONS

SUBSCRIBE!

SUBSCRIBE!

Send in four individual subs together and get our special rate of 25c. a year. Single subs at 35c. Sample copies on request.

Monthly Organ: YOUNG PEOPLES

SOCIALIST LEAGUE

THE CHALLENGE

549 Randolph Street Chicago, Ill.

RAND BOOK STORE

7 East 15th St. New York, N. Y.

Best radical book store in the country. Books sent to all parts of the United States and for that matter all over the world.

Latest Publication

America at the Crossroads

by

DAVID P. BERENBERG

64 pages—35c. Special rates for bundle orders.

SPECIAL OFFER TO A S Q READERS

"INDIVIDUALISM and SOCIALISM"

by KIRBY PAGE

(reviewed in this issue)

\$2.00 postpaid (regularly \$2.50)

SOCIALIST PARTY OF AMERICA

549 RANDOLPH STREET

CHICAGO, ILL.

Mention the ASQ