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Marxism and the American Working Class

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IN EXAMINING the achievements, status, and perspectives of Marxism (or more properly, in our times, Marxism-Leninism) in the American trade-union movement, one of the most outstanding realities that strikes the eye is the marked decline in the acceptance and advocacy of Socialism in the trade unions that has taken place within recent decades. Formerly many labor unions freely accepted Socialism as the ultimate goal of the working class, and the propagation of Socialist principles and policies, although not the dominant note in the labor movement, was to be found pretty generally throughout the ranks of organized labor. Nowadays, however, such advocacy of Socialism is rarely—in fact, almost never—to be heard in the trade unions.

From the time of the Civil War, and even in the decade before it, Marxists openly and actively advocated Socialism, and their words found friendly ears among the workers. The Socialist Labor Party was formed in 1876, much earlier than

the Socialist Parties of many European countries. The Marxists were an important factor in the development of the National Labor Union, the Knights of Labor, and the American Federation of Labor, playing active parts in the many bitter strikes and other struggles led by these organizations. And a militant advocacy of Socialism accompanied all their work. As early as 1893, they succeeded, temporarily at least, in committing the A.F. of L. to a policy of "the collective ownership by the people of all the means of production and distribution."

On the eve of World War I the sentiment for Socialism was relatively strong in the American labor movement. Numerous A.F. of L. unions had avowed Socialist leaders, and in nearly all the organizations strong minorities were actively propagating the principles of Marxism as they understood them. Socialist sentiment was particularly vigorous among the coal and metal miners, the needle trades, painters, printers, brewery workers, machinists, and

many other groups. There were also active such union organizations as the Industrial Workers of the World and the Syndicalist League of North America, propagating their special versions of Socialism. In the 1912 convention of the A.F. of L., the Socialist Party minority, which openly spoke out for a Socialist perspective—however confusedly and opportunistically—polled 5073 votes for their candidate for A.F. of L. president, Max Hayes, as against 11,974 for Gompers.

Since those times, however, the advocacy of Socialism in the trade unions has just about vanished. It is not an exaggeration to say that today there is not an outstanding trade-union leader in the whole country who speaks up for a Socialist perspective for the workers. This is true not only in the A.F. of L., C.I.O., Miners, and Railroad Brotherhoods, but also in the independent progressive industrial unions. It may be remarked that during the same years of the decline of Socialist sentiment in the trade unions the Socialist Party, a vigorous and flourishing organization on the eve of World War II, has just about become extinct, and the Communist Party, its successor, has by no means achieved the growth made by Communist Parties in other major capitalist countries.

The decline of conscious Socialist sentiment in the trade unions during recent decades is a very important phenomenon, one which Marxists cannot afford to ignore—especially

as the workers' enemies, in the raucous spirit of American exceptionalism, interpret it as proof positive that Marxism is alien to the American working class and that there is no basis for Socialism in this country.

In dealing with the question of the status of the maximum program of the Marxists, which in our country is chiefly in the stage of educating the masses in Socialist principles, it will be well to start with what has happened over the years, particularly since World War I, with the minimum program of the Marxists—that is, with their immediate policies in the daily struggle for the strengthening of the workers' organizations and the improvement of their conditions. Here, in contrast to the scant results achieved in the advocacy of Socialism, real and solid accomplishments are to be found and the Marxists stand forth historically as a powerful and constructive force in the developing trade-union movement.

PROGRESS OF THE LABOR MOVEMENT

During the past generation the trade unions have made very considerable progress organizationally, and to some extent ideologically. They have also won many important concessions on wages, hours, and working conditions. Every struggle of the workers for almost a century has found Marxists in the front line setting the best example to the rest. Nor were their efforts in vain. Almost without exception this progress has followed lines actively advanced by

the Marxists in their minimum program of immediate work. Especially important has been the success achieved in the organization of the unorganized. For many decades the Left wing kept this basic question in the forefront of their immediate program, their fight always being for the unionization of the great masses of the working class, as against the narrow craft concepts of conservative trade-union officials. Since World War I, the number of organized workers has leaped up from 3,000,000 to 16,000,000, and major credit therefor must be given to the Marxists, especially to the Communists for their decisive role in the historic organizing campaigns of the C.I.O. during the 1930's and 1940's.

Another important plank in the immediate program of the Marxists that has been substantially realized by the trade unions is that of establishing the industrial type of labor unions. For at least forty years Marxists fought tirelessly for industrial unionism against traditional narrow and destructive craft union prejudices and interests. Their decisive victory in this issue came with the formation of the C.I.O. and the building of its industrial organizations. Steel, auto, and other mass production and trustified industries could not have been organized, except upon an industrial union basis. Along with industrial unionism came the "sit-down" strike, mass picketing, and other Left-wing tactics. Industrial unionism, for decades the issue of the Marxists, made pos-

sible this greatest stride forward in American labor history.

A great advance, too, of organized labor, especially during the past two decades, has been the development of the Negro-white-labor alliance. This is the closer cooperation that has taken place between Negro and white workers. It is marked not only by a growing fight against all forms of persecution and discrimination against the Negro people, but by a gradual opening of the trade unions and the industries to Negro workers. There are now over a million Negroes in the trade unions and the rank-and-file pressure is constantly growing in organized labor to make every union official post and industrial calling available to Negro workers. This long step forward has been taken in the face of the stubborn and pronounced white chauvinism of most, if not all, of the top trade union leadership. In helping vigorously to achieve this historic advance, the Communist Party has made one of its most basic contributions to the labor movement and the Negro people.

Then there are the advances made in the matter of government social insurance—against unemployment, sickness, old age, etc. A generation ago the controlling trade-union conservatives were waging war against the idea of the state developing such insurance, holding that it infringed upon the benefit systems of the craft unions. Even during the Great Economic Crisis of 1929-33, the A. F. of L. opposed unemployment insurance

on the absurd grounds that it was the "dole," that it would destroy the labor movement, and that it was against "the American way of life." But such bourgeois-inspired conceptions are now practically a thing of the past. Today the unions, besides developing their own benefit features, freely demand insurance from the state and the employers. Another long-fought-for plank of the Marxists has thus been realized. The fight of the Communist Party for unemployment insurance during the great crisis, which broke the backbone of resistance on this whole question, was one of the key fights in the history of the American labor movement.

Another long struggle by the Marxists, especially since the birth of the Communist Party, has been for trade-union democracy and an honest labor leadership. For a full half-century, from the 1890's to the 1940's, the American trade-union leadership was saturated with personal corruption, gangsterism, strike-peddling, and gunman control of the most blatant character. In this respect, the unions in this country stood forth as a horrible example to the labor movement of the world. To eliminate this corruption and autocratic control has always been a Left objective, again particularly since the Communist Party appeared upon the labor scene. This work, plus the great expansion of the trade unions during the past two decades, dealt a blow to the whole rotten leadership system. Democratic

and personally honest (not to mention politically upright) leadership have by no means been established; the top trade-union leaders still remain tools of the capitalist class, but obviously considerable progress has been made in removing the most flagrant forms of crookedness. The days of the gunman-racketeer controls by the Parks, O'Donnells, Murphys, Boyles, Brindells, and the innumerable other crooks and grafters, are definitely on the wane. A symbol of this new trend is the forced expulsion of the International Association of Longshoremen from the A. F. of L., on the specified grounds of its having a corrupt and rotten leadership. This action, taken under the pressure of the government and public opinion, could not possibly have happened twenty years ago in the A. F. of L., which then openly tolerated the most corrupt types of labor crooks in the world.

Other major advances of the trade unions could be cited, but let us conclude our analysis with the question of the trade union advance in political action. The American trade-union movement, which still has not developed a strong mass political party of its own, is in this general respect the most undeveloped of any important labor movement in the world. It is still following the political leadership of the parties of militant American imperialism. But even with regard to political action, under decades of hammering by Marxists and by the pressure of the general course of the political strug-

gle, there has been some progress, although its tempo is of a glacier-like slowness in labor's ranks. At least, there is no longer to be heard the primitive and once widespread cry of "No politics in the Union." Today, even though their official political thinking has not broken from bourgeois controls, the trade unions in general are far more politically-minded than they were a generation ago. Indeed, it can be said that there is now hardly a "pure and simple" trade union in this country. The A.F. of L.'s Labor League for Political Education and the C.I.O.'s Political Action Committee, both in their policies and structure, are still tied to the bourgeois parties and therefore are very far from constituting independent working-class political action, but they nevertheless represent a step forward in the political advance of the workers.

WHY THE LAG IN SOCIALIST CONSCIOUSNESS?

The above-mentioned measures (to which others might be added) represent definite progress of the trade-union movement. And it is important to observe that this progress has been along the lines of Marxist policy and analysis—looking towards constantly more powerful labor movement—to meet the exigencies of an ever sharpening class struggle. Why, then, as we have remarked at the outset, has there been such a retardation in the acceptance of a perspective of Socialism on the part of the American working class, es-

pecially in contrast to the workers of many other countries?

In answering this question, before turning to the principal objective reason, it is necessary to bear in mind that the top leadership of the trade unions, who rule the unions autocratically and are active defenders of the capitalist system, constitute a powerful factor against trade-union progress. The history of the labor movement in this country, particularly in the past forty years, shows that the only way labor can take a major step ahead is for the more progressive-minded masses of workers to break down the opposition of their essentially boss-controlled, conservative leadership. The dominant Green-Hutcheson-Woll A.F. of L. clique, after many years of stubborn resistance, went even so far as to split the labor movement in 1936 in a vain effort to prevent the establishment of industrial unionism and the organization of the semi-skilled and unskilled masses in the basic industries. These leaders, too, have sabotaged for decades the struggles of Negro workers to secure even the most elementary justice. It also took the heavy mass pressures of the great economic crisis period to break down the traditional A.F. of L. top leadership's opposition to state social insurance. And every step towards independent political action by the working class has only been achieved in the face of the strongest opposition of the big trade-union leaders, with their roots in the two capitalist parties.

By the same token, this capitalist-minded labor leadership, controlling the unions and the labor press, has always made it one of their main points of policy to stifle and hinder the development of a Socialist consciousness upon the part of the working class. In this respect they have hardly been outdone by the capitalists themselves. Nor, to this general end, have they hesitated to develop the most active cooperation with the bourgeois state and the employers. Characteristic examples of this violent and ruthless anti-Socialism among the top trade-union leaders has been their ceaseless slander and vilification of the Soviet Union ever since that Government was founded, their complete acceptance of the vicious anti-Communist oath in the Taft-Hartley law, and their support of the present attempt of the Government to outlaw or destroy the Communist Party.

The traditional anti-Marxist, pro-capitalist attitude of the dominant trade-union leadership has thus undoubtedly constituted a powerful factor against the development of Socialist consciousness among the workers, but it is not the main reason for the lag in this general respect. The decisive reasons are to be found in the consequences to the workers of the rise of American imperialism as a world power, especially since the period of World War I. This development has produced economic and political effects which have definitely checked the growth of Socialist perspectives for

the working class.

The historical trend of working-class ideology in all capitalist countries is upward and onward—toward the development of a perspective of Socialism. But this development in class consciousness does not proceed in a steady, straight line. Instead, it advances in widely varying tempos and zigzags. Sometimes, in periods of relative calm in the class struggle, it may go ahead in a slow, evolutionary manner; then, during sharp political crisis, it may make mutations, great leaps forward; or, during times of unusual capitalist "prosperity" and imperialist upswing, it may even experience temporary periods of setbacks and retrogression.

The history of the world labor movement presents many examples, demonstrating the truth of these statements. Thus, the English trade-union movement went through a period of extreme militancy and radicalism during the 1830's-40's in the great Chartist movement; during the next several decades, however, under the influence of an expanding capitalist system and the development of British imperialism, this radicalism and militancy almost completely evaporated. This was because of somewhat improved conditions for the workers, including especially considerable concessions from the employers to the skilled workers. The period from 1850 to 1890 was what Engels called "the forty years 'winter sleep' of the English proletariat." Theories and practices of class collaboration became

the order of the day in the ranks of labor's leadership and thoughts of Socialism faded. This development Engels also called "the bourgeoisification of the working class."

Speaking of this period of ideological retrogression, Rothstein says, "There were new leaders, new methods, new interests, and new aims, and the traces of the old vanished so quickly that its very memory was all but obliterated in the next generation, and the few survivors [of the Chartist leadership] like O'Brien, Harney and Earnest Jones, seemed anachronisms, almost curiosities."¹ A few decades later, however, the erstwhile relatively quiescent British working class, under the pressure of the developing general crisis of world capitalism which gripped British imperialism suddenly awoke. In 1926 it carried through the national general strike of five million workers and two decades later resumed its forward march, and elected by a heavy majority a Labour government for Britain, in the expectation that this would establish Socialism in that country.

The experience of the German labor movement has been broadly similar. The rapid upswing of German imperialism during the closing decades of the 19th century and in the early years of the 20th century, with the consequent easing of the workers' general conditions of life and the corruption of the labor aristocracy by the employers, weakened the earlier militancy and revolution-

ary spirit of the movement, and filled the leadership with illusions of class collaboration, revisionism, and of evolutionary advances to "Socialism." This political degeneration led to the great debacle of 1914, when the Social Democracy, betraying its Marxist past, supported the German imperialist bourgeoisie in the war. In 1918, however, major sections of the same German working masses, under the impact of the October Russian Revolution and of the world war's devastation, quickly became revolutionary, chased the Kaiser out of Germany, set up Soviets all over the country, and would have carried through the potentially Socialist revolution had they not been betrayed to defeat by their treacherous, Social-Democratic leaders hopelessly corrupted by capitalist influences. The decisive shortcoming of the German working class was its lack of a powerful Communist Party able to defeat Social-Democratic treachery.

AMERICAN IMPERIALISM AND THE WORKING CLASS

The labor movement in the United States, due to the strong upswing of American imperialism during the past generation, is now also passing through one of the periods of slowing up of the development of its revolutionary perspective, such as we have remarked above in the case of Great Britain and Germany. This is because this imperialist expansion has been accompanied by the familiar pattern of certain improvements in the living standards of the masses,

1. Theodore Rothstein, *From Chartistism to Leninism*, London, 1930, p. 194.

material corruption of the labor aristocracy, and the growth of powerful currents of opportunist thinking in the trade-union movement as a whole, especially among the top leadership. Specific differences with regard to the United States in this general development are that in this country the imperialist upswing has been higher and longer, wage improvements have been more widespread, and the ideological corruption of the labor leadership deeper than was the case in either Great Britain or Germany.

By 1894, the United States, which was then becoming an imperialist country of great trusts and monopolies, was already industrially the strongest nation in the world, producing one-third of the total manufactured goods—its production, then worth \$9.5 billion, being more than double that of its nearest competitor, Great Britain.² Since then, by the operation of the law of the uneven development of capitalism, the United States has even further outstripped its capitalist rivals, until now it turns out two-thirds of all the industrial production of the capitalist world; its economic system has prospered greatly in the two world wars, its national income is far beyond that of any other country, it exports more capital than all the other capitalist countries combined, and every important capitalist nation in the world is on its dole.

The United States has become a

monster imperialist power, by far the richest ever created by the workings of world capitalism. Its fabulously wealthy capitalists are not only vigorously exploiting the American people, but also other peoples all over the world, the colonial and semi-colonial peoples and also those of big capitalist empires. Cannibalistically, American capitalism has grown rich on the woes of the rest of the capitalist world—from the great wars that have changed the world during the past generations, from the repairing of the vast damages done in these wars, from the huge preparations for new wars, and overall from the advantages which its tremendous imperialist machine gives it in the world markets and in capitalist exploitation generally. As the strongest capitalist power and true to the predatory character of imperialism, the United States, which has managed to set up a very shaky hegemony over the capitalist world, is now steering an ill-fated, disaster-laden course for world domination which Wall Street vainly hopes to achieve through a great world war against the Soviet Union, People's China, and the East European People's Democracies.

As in the cases of the imperialist upswing of Great Britain and Germany remarked above, there have been some improvements in the economic conditions of the workers in the United States during its period of greatest imperialist expansion. The workers, not so heavily plagued by unemployment during long

² J. Kuczynski, *A Short History of Labor Conditions in the United States*, p. 65.

stretches of this generation (the past dozen years for example), have been more able to insist upon consideration of their demands for better working and living conditions. The United States (for specific reasons—not necessary to go into here) has historically been a country of higher wage standards than those prevailing in Europe and elsewhere, and the self-righteous capitalists of this country have never let the world forget the fact. Nowadays, however, in their attempts to picture the United States as a land of milk and honey, they have redoubled their boasting all over the world, taking undue credit to themselves and their capitalist system that American workers are the highest paid in the capitalist world. In the "cold war" the question of American living standards has become an issue of international propaganda importance.

Naturally, the American capitalists and their government agents, seeking to score a point in the "cold war," have greatly exaggerated such economic improvements in living and working conditions as have taken place during the long "boom" of American imperialism. Characteristic are the pollyanna statements issued by the Department of Labor, which, in a recent booklet, maintains that, "The wages of today buy more than twice as much as they did forty years ago."³ Far more realistic and accurate, however, is the analysis of the Labor Research Association, which puts the increase in average

real annual earnings of employed workers in American manufacturing roughly at 60% between 1914 and 1946—that is, rising from a base of 100 to 161.⁴ The A.F. of L., at its 1953 convention, basing itself on the government's figures released by the Bureau of Labor Statistics, states that from 1939 to June, 1953, "the actual buying power of the weekly wage earned by the average factory worker with three dependents rose by \$11.05 or 47%."⁵ There has been, of course, a substantial increase, but that is has created no utopia for American workers is made dramatically clear even by the conservative estimates on the price of family budgetary figures of the U.S. Bureau of Labor Statistics. In this respect, the Labor Research Association says: "Even this inadequate B.L.S. budget, calling for about \$4,160 a year in most cities, is beyond the reach of the 33.9 million families (65% of all) who in 1951 received less than \$4,000 income."⁶

There are many other flies in the ointment of the capitalists' glowing story of high American working-class living standards. First, there is the fact that such economic advances as they have made in no sense correspond to the enormously increased productivity of the workers in the same period. Thus, the L.R.A., contrasting the increased productivity of the workers against their increased

4. Labor Research Association, *Trends in American Capitalism* (International Publishers, 1948), p. 98.

5. *Report of the Executive Council of the A.F. of L. to the 72nd Convention*, p. 261.

6. *Labor Fact Book* No. 11, p. 36.

3. U.S. Department of Labor, *The Workers' Story* (1953), p. 27.

real wages, from 1899 to 1946, shows that the general position of the employed worker in manufacturing has fallen from point 100 to point 75 during this period.⁷

The situation has continued to deteriorate since the end of World War II. The L.R.A. has estimated recently that the "relative position" of the average factory worker has declined still further to around 55, as compared with the base of 100 in 1899.⁸ This is a drop of around 65% in the overall position (productivity related to real wages) in the 54-year period since the end of the 19th century. (In the postwar years the decline was accentuated by the fact that the L.R.A. used the more realistic cost of living estimates of the United Electrical, Radio and Machine Workers of America.)

Similar methods were used by Kuczynski for an entirely different period, from 1868-78 to 1922-23, when he estimated that the "relative position" had declined from an index of 87 to 71.⁹

Besides, the wage improvements achieved are not spread equitably over the entire working class. The skilled workers, in line with the employers' policy of favoring them in order to use them against the bulk of the working class, have received by far the best of the real wage increases. In this respect the unskilled and unorganized, and especially the Negroes, have suffered. "The median wage or salary of white workers in

1950 was \$2,481, while the median for non-white was \$1,295, only about 52 percent of the white median."¹⁰ Characteristically, Douglas shows that whereas, for example, "the anthracite miners could purchase with a full week's work [in 1926] 71 per cent more than in 1914," "the clerical and salaried workers [unorganized] in manufacturing and railroading could purchase . . . in 1926 . . . [only] 6 per cent more than in 1914." And "unskilled labor . . . by 1926 was back only to where it was in 1919, and was actually slightly below its 1918 figure."¹¹ At the 1953 convention, the Executive Council of the A.F. of L. pointed out that "large groups" of unorganized workers "did not share fully" in wage increases. It states, for example, that the pay of laundry workers was only 56% of the average pay in manufacturing, and workers in retail merchandizing received only 53% of the average wage in manufacturing.

During recent years, since the rise of the C.I.O. and independent industrial unions, there had been some tendencies to narrow the wide gap, percentage-wise, between skilled and unskilled workers. This is in line with the diminished role of skilled workers in mass production industries and also in their leadership of the labor movement. The wage gap between organized and unorganized workers, however, continues to widen.

Finally, and most important of

7. Labor Research Association, *Trends in American Capitalism*, (1948), p. 98.

8. *Labor Facts Book No. 11*, p. 33.

9. J. Kuczynski, *A Short History of Labor Conditions in the United States*, p. 172.

10. *Labor Facts Book No. 11*, p. 33.

11. P. H. Douglas, *Real Wages in the U.S.*, Boston, 1930, pp. 583, 586.

all considerations regarding real wages, there is the precariousness of the workers' economic conditions generally in the face of recurring economic crises. Douglas says that real wages of workers in American manufactures increased by 30 per cent during the period from 1914 to 1926. But these increases were more than wiped out by the devastating economic crisis of 1929-33 and huge sections of the working class were reduced to near starvation conditions. By the same token, another big economic crisis (and one is beginning to shape up) could obliterate completely the present economic gains of the workers, which the capitalists are now so vociferously boasting about all over the world. Present American living standards are highly unstable and are under constant threat.

In the light of all this the contentions of the apologists of capitalism and of opportunists that the Marxist law of absolute and relative impoverishment does not apply to the U. S. are untenable. The American working class is historically travelling the same general path in this respect as are the working classes of England, France, Italy, Japan, etc.

GROWTH OF BOURGEOIS ILLUSIONS IN LABOR MOVEMENT

The increases in real wages among the workers during the past generation, despite the many negative features offsetting these increases, have slowed up the growth of Socialist consciousness among the workers

and favored the development of various bourgeois illusions as to the present and future of capitalism. Such illusions are, of course, assiduously cultivated by all the agencies of capitalism, especially the conservative union leadership. These dampening effects, however, while checking the growth of Socialist consciousness have not been sufficient, as we have seen, to prevent the labor movement from conducting innumerable, hard-fought battles and from realizing many advances in its structure and policy. Such improvements as the mass of the workers have achieved economically have not been automatic, but directly related to the workers' fighting spirit and the power of their trade unions.

The 1920's, in the upswing period of American imperialism after World War I, produced a luxuriant growth of bourgeois economic and political illusions in the labor movement. The capitalists, in the midst of a war-born industrial activity marked especially by a widespread introduction of new mass production methods and the speeding up of the workers, shouted to the world that American capitalism had "come of age," that poverty was being abolished, that economic crises were a thing of the past, that the class struggle was finished, and that Ford had defeated Marx. Prof. Carver put the froth upon this capitalist ideological stew which was the result of the industrial "boom," by asserting that American workers

were actually bringing about an economic revolution through the purchase of industrial stocks with their ample savings. He figured that in about a decade they would in this way come to own the bulk of American industry. The capitalist world stood spellbound at the "wonders" of this industrial system.

The capitalist-minded leadership of the A.F. of L. readily promoted these "prosperity illusions" hook, line and sinker, and so did the Right-wing Socialists, and Progressives of the period. Only the Communists stood firm and pointed out the nonsense and danger of this deluge of bourgeois ideology. The A.F. of L. adopted a "New Wage Policy," according to which, by the unions joining with the employers to speed up the workers, unemployment would be finally abolished and the workers placed upon a spiral of automatically improving economic conditions. The A.F. of L.'s "Higher Strategy of Labor" proclaimed that strikes were no longer necessary, various unions hired engineers to help the bosses to speed production, and over-financed and mismanaged labor banks became the order of the day. Never before had organized labor sunk so deeply into class collaboration and bourgeois ideological confusion.

The great economic smashup of 1929 dealt a shattering blow to this whole dizzy structure of bourgeois "prosperity drunkenness." With 17,000,000 workers eventually unemployed and probably as many more

working part-time the erstwhile extravagant glorification of capitalism came to a sudden halt. The radicalism of the workers was aroused, and fears of revolution from the outraged and enraged workers plagued the erstwhile high-riding capitalists. The whole "New Wage Policy"—"Higher Strategy of Labor" program of the A.F. of L. bureaucrats was swept away overnight, and they have never since been able to resurrect it. To have foreseen the economic crisis of 1929-33 in the midst of the prevailing ideological confusion, as the Communist Party did, was a theoretical justification of major proportions for Marxism-Leninism.

This wave of radicalization led to the organization of the workers in the basic industries and the formation of the C.I.O. It was the driving force behind all the reforms secured by the workers in the New Deal period. It was the mainspring of the fight against the fascist Axis in World War II.

Since the end of the war the American economy has again been on a high incline in its general upswing over the broad period since the outbreak of World War I. And once more "prosperity illusions" grow apace in the labor movement. The workers, lacking a mass class consciousness and a mass Communist Party, again fell victim to these illusions. The word is bellowed everywhere by capitalist forces of every description that all is well with capitalism and that only idle dreamers still look forward to a time when

there will be Socialism in the United States. But nowadays the bourgeois illusions being spread among the people and particularly in the labor movement by the capitalists and their labor agents are far more subtle and dangerous than were the ideological crudities of the "boom" period of the 1920's.

At the present time the labor movement is enmeshed in class collaboration with the employers on the basis of support for the latter's foreign policy of imperialist aggression. In some respects the top trade-union leaders, for a generation the most inveterate enemies of the Soviet Union, are even more warlike than the capitalists themselves. This pro-war united front (disguised under slogans of defense) between the Wall Street monopolists and the ruling labor bureaucrats, is made all the more dangerous to the workers because of the current growth of present "prosperity-bred" bourgeois illusions among the masses. These serve, in a fashion, as delusive working-class paths and thus tend strongly to prevent the development of Marxist perspectives of Socialism.

THE "WELFARE STATE" AND THE "MANAGED ECONOMY"

One of the major current class collaborationist "prosperity illusions" is that of the so-called "Welfare State." This theory, based on the fact that during the past few years the workers in some capitalist countries have been able to wring a few wage and hour concessions from the employers and some labor reforms from

the state (social insurance, minor tax readjustments, etc.) holds that the state has lost its former class character as an oppressive weapon of the employers, has come to stand above classes as such, and devotes itself to cultivating the welfare of the masses, particularly those of the working class. The argument goes further, to the effect that under the benign workings of the "Welfare State" there is taking place a radical redistribution of the national income in favor of the toiling masses. That is, "the rich are becoming poorer and the poor richer." This process, it is claimed, has already gone so far that the very nature of capitalism has changed and exploitation of the workers by the employers is rapidly becoming a thing of the past.

The quiet, "unseen revolution" is supposedly taking place, at varying tempos, in all the western capitalist countries. The most shining examples of the development, it is claimed, are the United States, Great Britain, and the Scandinavian and Benelux countries. The theory of the "Welfare State" has now become standard Right-wing Socialist doctrine all over the world, including the A.F. of L. and C.I.O. in this country. It is the latest variation of the general conception of "evolutionary Socialism." The theory is also accepted, more or less, by other brands of more outspoken petty-bourgeois reformers.

Reformist literature of all kinds fairly reeks with the general concept of the "Welfare State." Two char-

acteristic expressions of it are the recent books, *New Fabian Essays*, by R.H.S. Crossman, John Strachey, and others, well-known Right-wing Social-Democratic leaders of the British Labor Party, and *The Share of Upper Income Groups in Income and Savings*, by Simon Kuznets, an American economist.

The "Welfare State" theory is nothing more than characteristic opportunist nonsense generated by the synthetic "munitions prosperity" of the post-war period. Its various postulates cannot stand the test of Marxist-Leninist analysis. This is especially made clear, among other Marxist writings, in the book, *The Economics of War and Peace*, (International Publishers, 1952) by the British economist, John Eaton, and by a soon to be published study of Victor Perlo's in this country.

The simple fact of the situation is that the so-called revolutionary redistribution of the national income has not taken place. The capitalists are reaping greater and greater profits and they are ever more swiftly monopolizing their hold upon the productive forces of the country, while the toilers are getting progressively a smaller percentage of what they produce. The state also, in all the capitalist countries, remains in the control of the capitalists and is used by them to further their own class interests. This is true not only of the United States under the Roosevelt and Truman Administrations (supposed shining examples of the "Welfare State,") but also under

the regime of the Labor Party in Great Britain and of the Social-Democratic parties in the Scandinavian countries. During the Labor Party's Administration in Britain, for example, under the "Welfare State", the industries remained the property of the capitalists (80% privately and 20% through government bonds); the whole British industrial system, both "free enterprise" and state-owned, was operated by capitalist managers; the armed forces, the press, the educational system, the foreign service, and the various other key political and social institutions remained in the hands of the capitalists and their agents, and the employers made record-breaking profits. As for the Labor Government itself—dominated by the Attlees, Morrisons, and Stracheyes—it was also led by men who are faithful supporters of capitalism and who have no whit of Socialism in their whole beings. The much bragged about "Welfare State" is a myth.

In the United States, during the "New Deal" period, beginning about 1935, the labor movement, including even the Left under Browder's leadership, tended to abandon propagation of the idea of Socialism, to accept the picture of the State as a beneficent instrument, and to accept uncritically the so-called Welfare State as the answer to the needs of the people generally and the working class particularly. Reformist illusions, thus stimulated, were further accentuated during the years of

American participation in World War II. The Communist Party since then has readopted a Marxist-Leninist position and advocates Socialism, but the propagation of Socialism still is not being carried on even by Communist militants in the independent progressive trade unions.

Another major element in the current luxuriant growth of opportunist illusions—and a seemingly plausible substitute for Socialism—is the so-called “Managed Economy.” Like its twin brother, the “Welfare State,” the “Managed Economy” harks back directly to the writings of the late Sir John Maynard Keynes, the noted British capitalist-economist. The whole system of opportunist thinking falls under the general bourgeois-reformist category of “Progressive Capitalism.” Just as the Social Democrats and other reformers, in their deep intoxication with “prosperity illusions” during the 1920’s declared that “Ford has defeated Marx,” so now they are saying that Keynes has done the job. Keynes is their new Messiah.

The so-called managed capitalist economy (which in theory and practice is fundamentally different from Socialist planned economy) is supposed to assure continued and increasing high production and to prevent the development of mass unemployment. Its advocates claim that it is the solution to the harrowing problem of recurring devastating cyclical economic crises. This miracle is performed, they claim, primarily by the simple device of the Govern-

ment systematically stimulating industry through various means—by manipulating the interest rate, placing big government orders with industry, raising the purchasing power of the masses, etc.—when the normal operation of the capitalist economy cannot keep it in adequate operation. Thus, by “eliminating” economic crises and mass unemployment, and by keeping the economy upon a rising spiral of development, the “Managed Economy” is supposed to cure the basic weaknesses of the capitalist system and thereby to do away with the need or prospect for Socialism. All of which is crassest illusion.

The United States has had an extensive experience with the so-called “Managed Economy,” which was not a managed economy at all. This was the substance of the economic policies of the Roosevelt regime, with its expenditure of some 35 billion dollars in “pump-priming.” It was an attempt to pull this country out of the great economic crisis of the “thirties” by the stimulation of industry through direct government intervention. Great Britain, Nazi Germany, and various other capitalist countries had similar experiences to a greater or lesser extent. Keynes theorized this development in his well-known book, *The General Theory of Employment, Interest, and Money*, published in 1935. He did not “invent” the “Managed Economy” but merely presented it in the theoretical form known generally as “Keynesism.”

Keynesism is the capitalist economics of the period of the decline of world capitalism. Its "Managed Economy" is the scheme by which the monopolists hope to overcome the ever-worsening cyclical crises. The big capitalists would doubtless like to have minor economic crises "to take labor down a peg or two," but they are mortally afraid that another such crisis as that of 1929-33 (or possibly one even worse) might well wreck the world capitalist system. Hence the decisive elements among them turn to the Keynesian "Managed Economy" in the vain hope that it offers the means whereby in the future such crises, if they cannot be completely eliminated, can at least be decisively eased. Accordingly, all the major capitalist countries now have Keynesian policies in mind in order to "combat" economic depressions of the future.

The Truman Administration was frankly committed to Keynesian measures of state intervention to counter economic crises, and so also is the Eisenhower Administration, despite all its blather about "free enterprise" and "no interference by the Government in industry." Eisenhower himself has announced that "Never again shall we allow a depression in the United States. The full power of private industry, of municipal government, of state government, of the Federal Government will be mobilized to see that this does not happen." Both parties voted in the main for the enactment of the Employment Act of 1946, the sub-

stance of which is Keynesian government intervention to forestall economic crisis.

Speaking of government economic policy, Robert S. Allen says, "If worst comes to worst and a business upset does occur, the powerful Joint Congressional Committee on the Economic Report has a plan all ready and waiting to restore stability and prosperity."¹² And Stewart Alsop adds, along the same line, "The Administration has no intention whatsoever of standing idly by, if the disaster of a depression threatens."¹³ Capitalist economists no longer accept economic crises as unavoidable as "acts of God." In line with Keynes, they now hold that these disasters can be prevented or at least greatly minimized.

The United Nations, expressing the policies of monopoly capitalism in this period, also proceeds upon the Keynesian theory. Its pamphlet, *Maintenance of Full Employment*, published in 1949, in referring to studies made of the economic policies of 26 affiliated governments, says, "All of them have in common the approach that they will attempt to counter depression by government program aimed at increasing effective demand." And, "In general the governments in this group [capitalist] declare in their replies that they will not be satisfied with reliance upon automatic stabilizers but that they will take active counter-depression measures."

12. N. Y. Post, October 4, 1953.

13. N. Y. Herald Tribune, October 4, 1953.

There is a strong Keynesian element, too, in the present huge production of war munitions in the United States and other capitalist countries. The foundation basis of this American arms race, of course, is the determination of the Wall Street monopolists to overrun and master the world through a great anti-Soviet war. They also find huge, immediate profits in such production. But there is present, in addition, the dangerous Keynesian conception that such production is necessary in order to keep the industries in strong operation. Generally capitalist opinion—of economists as well as of employers—is that if munitions production were seriously cut this would at once provoke a profound American and world economic crisis.

The Right Social-Democrats of the world, including the heads of the A.F. of L., C.I.O., Railroad Unions, and Miners, accept and endorse the Keynesian concept of the "Managed Economy," even as they do that of the "Welfare State." This is not to be wondered at as these people, who are either openly or covertly supporters of the capitalist system, naturally follow in the wake of the latter's ideologists and political leaders. Indeed, Social-Democrats have done some pioneering themselves in this general direction, with the theories of Kautsky, Hilferding, Bukharin, and others regarding "organized capitalism" and "ultra-imperialism." Monster munitions production is the major expression today of Keynesism regarding Government stimu-

lation of industry. This deadly line is supported not only by the big monopolists, but also by the labor bureaucrats. It is a tragedy of the present situation to find union leaders, many of whom pretend to be progressives, eager to "provide jobs for the workers" through munitions-making, and violently criticizing the Wall Street-Eisenhower government for cutting off a few billions from its gigantic military appropriations.

The "Managed Economy" of the Keynesians, like their "Welfare State," is a falsehood and a delusion, as Marxist economists—Eaton, Allen, Strack, Perlo, and others—have repeatedly pointed out. The capitalist economy cannot be "managed," *i.e.*, stabilized, by the measures proposed by the Truman and Eisenhower (or any other) capitalist governments, nor can cyclical crises be averted. Keynesism cannot overcome the inner contradictions of capitalism, nor do the capitalist governments seriously try to. They are too much torn by conflicting class and group interests to do so. In the long run, the Keynesian policies can only increase the chaos of capitalist production and render the cyclical crises deeper and more devastating. Notoriously, President Roosevelt's pump-priming, while it somewhat eased the economic situation temporarily, could not overcome the long slump following the great breakdown of 1929-33—it was not until World War II began that American industry really got under way again. Nor can the present huge munitions pro-

duction, which operates as "pump-priming" on a greatly enlarged scale, provide permanent prosperity and full employment in the United States. Signs multiply on all sides—the big drop in farm prices, the increase in inventories in industry and trade, the spread of unemployment in various industries, the decline in foreign trade, etc.—that an economic crisis is in the making in the United States. The danger is that the ruling monopolists, may, with their munitions program, succeed in pushing the country into war in their desperate efforts to advance their insane program of world domination.

THE FIGHT FOR A MARXIST-LENINIST PROGRAM

Our analysis has shown that the Marxist conceptions have played, and continue to play, a most important role in the developing American labor movement. Their role has been, as we have seen, particularly effective with regard to the workers' immediate demands, and especially in the strengthening structurally of the labor movement—in the organization of the unorganized, the establishment of industrial unionism, the creation of the Negro-white labor alliance, the adoption of better fighting tactics, etc. The big shortcoming of the labor movement has been with respect to the development among the workers of an understanding and resolution for Socialism as such.

The changes now taking place in the American and world situation are making definitely for a sharpen-

ing of the class struggle, for a strengthening of the labor movement organically, and eventually for the awakening of a Socialist perspective among the workers. The top trade-union leadership has been going along in class collaboration with the big employers on the basis of an active support of their aggressive anti-Soviet foreign policy, of wage concessions to broad categories of organized workers, and upon the perspective of a long-time prosperity based upon the production of munitions and the building of a great world capitalist military machine. But the course of domestic and world events is undermining the foundations from beneath this whole structure of class collaboration, which has been so poisonous to the struggle and ideology of the American working class. American foreign policy has been running into one snag after another and is now facing the imperative of talking peace with the Russians or of finding itself increasingly repudiated by the world's peoples; the election of Eisenhower has brought to the fore the most violent enemies of the workers and has awakened grave and justified alarms throughout the labor movement and a strong political labor opposition to Eisenhower is in the making. The economic situation, hitherto experiencing a several years "boom" on the basis of gigantic munitions production, is now showing many signs of a growing economic crisis, and increasing masses of workers are becoming disillusioned with

the arms economy. The "managed capitalist economy" is showing itself to be quite "unmanageable" by Wall Street. All of which developments will imperatively call forth from the workers a big stepping up of their struggle against the employers with their program of fascism and war. All this is bound to produce a sharp radicalization of the workers' ideology.

It is not necessary that American workers be reduced to European wage levels before they become Socialist-minded. A heavy attack upon their present living standards will shatter current bourgeois illusions among them, and this attack is clearly in the perspective. Still fresh in mind is the tremendous organizational and ideological awakening of the American working class that took place during and after the big economic crisis of 1929-33. This period, and the succeeding years of the New Deal, marked the swiftest progress ever made by the working class, which became largely disillusioned with the intense class collaborationism which had drugged and paralyzed it during the 1920's. Organized labor is now moving toward a period of even more profound political awakening, class struggle and permanent ideological advance along independent class lines. The continued decline of world capitalism and the growing debacle of Wall Street's foreign and domestic policies will inevitably, and in the near future, confront organized labor in this country with the gravest

economic and political problems, and struggles. Already these are beginning to loom upon the horizon, and they will have profound ideological effects upon the labor movement.

Communists, of course, while recognizing the decisive importance of a changed objective situation in shaping the workers' ideology and sharpening the class struggle, do not stand around and wait, in the hope that this will of itself bring about spontaneously a great advance in the organization, struggle, and general social outlook of the working class. Our task in the present situation is to redouble our efforts to prepare the workers for the storms that are ahead, to teach them, to draw the full political and ideological conclusions for them. This means to fight more energetically than ever against the warmakers and fascists, along the lines of our established program of demands. It also requires a greatly stepped up fight against Keyneism and the associated bourgeois illusions now crippling the fighting spirit of the working class. The propaganda in the trade unions for Socialism must be resumed vigorously. The hitherto negative attitude of Marxist-Leninists in the face of the aggressive opportunist labor bureaucratic spokesmen for capitalism is unpardonable. The American working class is now on the eve of tremendous advances ideologically and organizationally, and Marxist-Leninists must be prepared to play their vanguard role in this development.