

# Living Marxism

**AGAINST THE STREAM**

**Future of Unemployment**

**PLANNING NEW  
DEPRESSIONS**

**The "Right To Work"**

**Marxism and Psychology**

**REVIEWS**

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Fifteen Cents

*International Council Correspondence*

NEW ESSAYS

A Quarterly Periodical for the Study of Modern Society

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Introduction

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# LIVING MARXISM

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This magazine consciously opposes all forms of sectarianism. The sectarian confuses the interest of his group, whether it is a party or a union, with the interest of the class. It is our purpose to discover the actual proletarian tendencies in their backward organizational and theoretical forms; to effect a discussion of them beyond the boundaries of their organizations and the current dogmatics; to facilitate their fusion into unified action; and thus to help them achieve real significance.

The unsigned articles express the views of the publishers.

## Against the Stream

THIS magazine shall express the critical thoughts and the radical actions the workers of America will be compelled to engage in. We know the arguments against such an intention. We know that today there seems to be a strong objection if not a positive animosity against thinking and theory as such. This objection is not limited to the rulers of our society who are afraid of the revolutionary activity connected with critical thinking. On the part of the ruled we find the unconscious fear that theoretical thought would reveal as erroneous and superfluous their painfully acquired adaptation to reality.

This trend toward irrationalism—which is only the other side of a blind admiration for meaningless facts—is the expression of our present conditions of production. The economic development of our time emerges from a society of independent proprietors of the means of production who were in immediate competition with each other, to an organization of industrial and political cliques of leaders more and more excluding all “peaceful” forms of competition economically and politically, internationally and nationally. Instead of an authority masked by the fetishes of law and agreement, open force imposing willing obedience increasingly characterize the social and economic relations. Typical of this stage of society is the man who acknowledges everything that serves the established power. At the top is the one who is ready to strike and the one at the bottom will be kicked when he falls.

With the constriction of the circle of the real rulers, the possibility of the conscious production of ideologies sets in and the establishing of a double truth by which the **knowledge** is reserved for the insiders and the **version** is made up for the

people. Cynicism towards truth and thinking spreads. The individual, once over-rated and upholstered by bourgeois philosophy, becomes suspect. His "freedom of thought" independence is ended. He is no longer supposed to think and is replaced by the illusions of the various "organic" collectivisms. The rhetoric "we" echoes only creeds fabricated by the bureaucracies dominating economy and state. Bourgeois equality becomes a negative equality before the power which does not recognize any differentiations. The emphasized equal opportunity to develop according to one's abilities degenerates into an equal submission in which the abilities of all are sacrificed. The more the spotlight of propaganda lights up the leaders above, the less can we pierce through the uniform and ever-growing darkness engulfing those who are "led".

In this darkness the preservation and reproduction of society are realized. Here, in the process of production, the workers experience the discrepancy between a labor which supplies them with the mightiest means of controlling nature and the renewal of an outworn social organization under new labels which makes them more miserable and helpless than before. The workers experience that unemployment, economic crises, preparation for war, terroristic governments—all the present conditions which harass the mass of producers—are due not to a lack of technical possibilities, but to the social organization under which production functions. The workers therefore perceive daily the need for a rational solution of these contradictions. Because of their situation in production, they feel and recognize more than any other social group, the senselessness and emptiness of the official beliefs delivered to them. The conditions under which they are compelled to work imply that a meaningful human existence cannot be built on collectivistic phrases and empty creeds but only on an adequate and transparent relationship between the producers and society. The rationality of this relationship which is the task of a new social order, can alone give meaning to their work.

But the situation of the workers in this society by no means guarantees their conscious grasping of these implications. On the surface the world also appears to the proletarians just as the propaganda apparatus paints it. Those workers who have reached a conscious understanding of the needs of their situation must thus be able to pose their real interests against society as a whole, and even against the apparent ideologies of their own fellow workers. If they permitted these ideologies of the masses to determine their thoughts they would themselves become slavishly dependent on the existing set-up. Their criticism must be aggressive not only against the conscious apologists of the monopolistic disorder but also against the diverting conformistic or utopian tendencies of the rank and file.

Our next purpose will therefore be to gain the attention of those workers who are resolved to swim against the stream. We know the stream still flows with the Lewises, Greens and the leaders of a so-called People's Front and will merge in the grand parade of the next war for the defence of the business interests of our own and other exploiters, for the defence of all possible interests but the interest of the working class. All over this country are thousands of workers, toiling on products for a war they despise, acting in organizations in which they really don't believe or as functionaries of unions they hate. They all see the coming of a second edition of American "war-socialism". These workers feel the need for a critical orientation about the conditions of their class. We want to meet their needs and in this sense conceive the function of the magazine.

Out of the interrelationships between the readers and writers of this magazine — and as many readers as possible should also write for it—there should develop an organization of workers who act consciously in accordance with their class interests. We do not presuppose any traditional form for this organization. It should develop its structure solely according to the needs of the fight under the totally changing conditions. Neither do we presuppose a ready-made program. The unity of the organization growing around the magazine will not consist in an agreement on some programmatic sentences—which under present transitional conditions, would mean only that the doors would be closed, or in other words, that another sect would be created—but in the attainment of a common critical level related to certain common forms of action.

Only a prime willingness to face reality, the readiness to see and to learn, can secure success for our purpose. This does not imply that the essential experiences of the past movements have lost their value. They contain elements whose significance surpasses their hitherto achieved results. But they must be applied under new conditions. They must be developed further, practically and theoretically, under these changed conditions or as Lenin remarks somewhere: "The true kernel, the living soul of Marxism is the inquiry into the real situation."

However, this concrete inquiry on which the emphasis of the magazine will be placed is possible only on the basis of certain fundamental considerations which must direct our work. The first issues will therefore present some of these critical principles. They will be developed in connection with such urgent questions as the role of politics in class war, modern attempts toward a reorientation of the class struggle theory, the significance of unemployment and the possibilities of economic planning. We think these articles will show how we conceive the task of the critical theory and thus the function of "Living Marxism".

# The Future of Unemployment

## UNEMPLOYMENT AND THE LABOR MARKET

Q O the present economic system, unemployment is a necessity. It is capital's answer to the 'automatic' law of supply and demand in regard to labor power, providing an ever ready industrial reserve army needed for the sudden leaps of the capitalist expansion process. As far as unemployment serves these purposes it is welcome to capital. For the workers, however, the 'problem' simply means misery.

Should there be at any time in a particular country a shortage of 'hands', capital will see to it that this situation is relieved by all possible means of attracting workers and increasing the population. However, in times of depression the desire for abundant labor does not exclude the wish to reduce the unemployed army in order to ease the relief burden. To deport 'foreign' workers, or to drive former peasants back to the farms, is not inconsistent with the desire to see many begging for one job; it is simply an attempted 'saving', the greatest virtue in present-day society. The existing mobility of labor, rising from the fact that workers are free of all property, and from the simplification of many labor processes and the development of transportation, allows such double-faced policies, which in this country, under the name of Americanism, are widely appreciated not only by the 'native stock', but also by organized labor, which prides itself on its share in the passing of certain immigration-restriction laws to combat cheap foreign labor and to safeguard the American standard of living.

It is true that a shortage of workers makes it rather difficult for the capitalists to pay the lowest possible wages. However, should these lowest possible wages be the only guarantee for the maintenance of capitalism, no labor shortage would prevent their introduction. Under unprofitable conditions bankruptcies of some capitalists would throw workers on the streets, and this in return would lower the wages of the workers still employed. The law of supply and demand, whatever its function, ceases to have any meaning in regard to labor power when threatening the profitability of capital necessary for its continuation.

From a profit point of view a labor shortage may also be warded off through the introduction of more efficient means and methods of production; that is, a sufficient increase in exploitation may offset the danger of a rigid wage standard. The relation may offset the danger of a rigid wage standard. The relation may offset the danger of a rigid wage standard. The relation may offset the danger of a rigid wage standard. The relation may offset the danger of a rigid wage standard.

sible by the extremely high productivity of these workers. The exploitation is here increased not by way of taking actual commodities from the workers, but by making them increase their output. This method of maintaining or even raising the 'living standard' of the workers presupposes the existence of sufficient capital to make the necessary social and technological changes possible.

Capital concentration, credits, and foreign loans often permit the introduction of better means of production without a direct increase of exploitation, which might be difficult because of insufficient unemployment. However, the displacement of workers, connected therewith, creates unemployment, which then brings back a certain wage flexibility; unless accumulation proceeds so fast that the displaced workers are at once absorbed in new industries.

A shortage of workers, the ideal of all trade-unionists, leads under capitalism inevitably to unemployment, and it is not the law of supply and demand which finally determines the wage rates. That means also that the 'defeat' of this law by way of trade-unions, conceived as 'job trusts', turns out to be an illusion in regard to final realities. Wage limits are not to be found in the realm of the market. It is true, we repeat, that if there are too many workers asking for jobs, capital can force the wages lower than would be necessary to maintain the system. It gets extra profits besides the necessary ones, thus enabling faster accumulation. The struggle of trade-unions can be concerned only with extra profits and is bound thereby to periods which allow of such extra profits. No scarcity of labor and no trade-union activity can result in wages which would eliminate the profitability of capital. For this reason trade-unions will not of their own accord enter a wage struggle at times which preclude a possible success, that is, times in which a wage struggle becomes a struggle against the wage system. For as John L. Lewis has pointed out recently:

"Unionization presupposes the relation of employment; it is based upon the wage system and it recognizes fully and unreservedly the institution of private property and the right to investment profit."

To increase or maintain wages, reducing the profits to the exclusion of accumulation, means depression and unemployment. An organized or unorganized scarcity of workers must sooner or later cause unemployment and restriction of trade-union activity. From which it follows that if workers think all evil comes from the fact that too many people are asking for jobs, they are in error. If they hope, as many do, that measures like the expulsion of foreigners, the restriction of immigration, the return of the women to the kitchen or the abolition of child labor would solve their problems, they are mistaken. Apart from the fact that all laws related to questions of labor supply are made in a capitalist society, and therefore in favor of capital, even the acceptance of policies forcing the above mentioned

restrictions on the 'right to work', would mean only a temporary service to capital, without any benefit whatsoever to the workers. Practically it would mean relief savings and the nourishing of such ideologies as distract the workers from the real source of their misery.

The scarcity of workers in some branches of industry may often lead to higher wages than would be the case otherwise. Monopolistic positions often allow of extra profits and therefore of exceptional wages. But these monopolistic extra profits are largely obtained through the robbing of weaker capitalists, forcing the latter to employ cruder means of exploitation. In this way exceptionally high wages for some workers find their parallel in exceptionally low wages for others, just as profits above the average necessitate profits below the average. For this reason William Green, for instance, refuses to "digest" the whole of the C. I. O. offered to him, and would feel satisfied with an additional million of organized workers. An organized minority of workers attempts to maintain its high wages at the cost of the working majority. The social average wage, however, moves within the limits of capital necessities. Never could wages rise, with or without unemployment, where they would reduce profits to the danger point. But, unfortunately for capital wages too cannot be reduced, with or without unemployment, to a point where this would exclude the necessary productivity on the part of the workers. Wage reductions doing away with a necessary efficiency in production are self-defeating. In a depression, for example, due to the fact that the workers are willing to endure greater miseries to hold their jobs, and as the less efficient workers are fired first, the average productivity will be raised. After a while the situation will be reversed, as the productive apparatus deteriorates and wage reductions make it increasingly difficult to maintain high-speed production. In the **Brookings Institution's** analysis of the "Recovery Problem in the United States" (p. 167) it is stated:

"During the first two years of the depression productivity ran according to expected behavior. The index rose in 1930 and again in 1931. However, instead of continuing to rise as the depression progressed, productivity fell sharply in 1932 and then again in 1934. This downward movement in the productivity index is not contradictory to the experience in previous depressions. It simply indicates that the factors favorable to increased productivity per man-hour cannot be depended upon to operate when the depression lasts for a long time, for then the adverse forces become strong enough to offset the gains."

It is true that an abundance of workers will induce many individual capitalists to ruin their workers physically in a short time and to replace the outworn with new ones from the overcrowded labor market. Just as many slave-owners had found it more profitable and more to their taste to work their negroes to death within a seven-year period rather than stretch their exploitability over 30 or 40 years. But under modern conditions this is not generally possible without inviting revolution. The

complexity of present-day society and its production mechanism excludes such simple solutions. And then — even granting the possibility of such solutions — it would solve nothing for capitalism, because it is not a reduction, but an increase in the army of labor that capitalism requires for its further welfare and progress.

## UNEMPLOYMENT AND ACCUMULATION

To anticipate the future of unemployment it is necessary to investigate the past and the present employment relations. So far, capitalist economists have contributed very little to the understanding of this admittedly most urgent problem. Only lately the force of necessity has led to some investigations which, however, were restricted to the field of statistics, without adequate theoretical support. Economists learned to think in psychological terms. The cry for exactness pertained only to the home, the bank, and the factory. The problem was how to make money, and its investigators saw in their researches only another way of making a living for themselves. As Hitler is held responsible for Nazi-Germany and as it is believed that the present depression belongs to Roosevelt as the previous one to Hoover, so the economic development and its changing aspects were to be discovered in the changing moods of the business leaders. At the bottom of everything was the mentality of the financial wizard, the ingenuity of the industrial pioneer — and sometimes their disappointment in the governments or the world at large, which caused them "to go on strike" as H. L. Ickes, Secretary of the Interior, laments today over the radio. Other economic schools investigate the institution of exploitation in a more "scientific" manner, by abstracting from such secondary influences as psychology. But their 'realism', manifested in their sense for abstractions, goes so far as to overlook exploitation in an exploitative society. It may be said that the greatest discovery of modern economics was the recognition of the wisdom to discover nothing. This caused still another school to find satisfaction in scholastic elaboration of Adam Smith's position on capitalism of about 200 years ago. The more realistic capitalist practice becomes, the more mystified become the concepts related to this practice. The more open and cruder the exploitation, the more 'socialism' enters the phraseology, till one comes to believe with Spengler that a starving worker is a luxury animal, and that in reality the workers exploit the capitalists, as was not so long ago proved by the honored scientist Kotany. Unfortunately he died too soon to see himself fully appreciated, as it is only now that the need to explain starving as a symptom of overfeeding becomes really urgent, especially in such progressive countries as Russia. However, the employment of science for the needs of capital is imperfect like everything else. The scientists can not always escape the discovery of certain truths, though the truth has different meanings for workers and

capitalists. Facts produced by bourgeois scientists may very well enrich the theory and practice of the proletarian class struggle.

Capitalism developed within feudal-agricultural conditions. A small capital means a small number of workers. To exploit more workers, capital must be increased. For this reason capitalist exploitation was particularly ruthless at its starting point. To exploit additional workers, for which capital is needed, always implies greater exploitation of the already existing working population. As capital grows, transforming all social activity into capitalist activity, the modern proletariat develops with modern industry. Accumulation of capital means an increasing working population. Exploitability also grows. Earlier crude forms of exploitation are replaced by more refined and more efficient ones. The primitiveness of exploitation can not only be dispensed with; it has to disappear, for capital development needs greater ability on the part of the workers for the modern requirements of industry.

Capitalist development is identical with the creation of world economy. All capitalist activity is based on expansion. Whenever expansion slackens, the products of the previous production period, which includes the increased labor army, become temporarily unusable. A stoppage of accumulation means that it is no longer possible to exploit the increased working population. More capital is necessary to continue accumulation, the needed capital must be raised through intensified exploitation. If capital fails to bring this about, the unemployed army must become permanent.

Unemployment is as old as capitalism. But so far, that is, until 1929, each depression with its large-scale unemployment, was followed by a renewal of accumulation. As life is tears and laughter, so also society "naturally" was made up of booms and depressions. Since the biblical Joseph, people had learned to understand that seven fat years are followed by seven lean years. And as regards those unfortunates falling by the wayside in the course of depressions, this also was only natural, as it is obvious that not all trees bear fruits.

To exploit more workers, we said, it is necessary to exploit a given number more intensively to create the capital for the employment of the additional workers. As long as exploitation can be increased, the number of workers may be enlarged. So far this process has been interrupted, but not ended by depressions, which were to be regarded as breathing spells in the exciting race of capital production over the world. But nothing breathes forever. The business cycle is not made for eternity. The reasons for the eventual end of capitalism must therefore be discoverable at any particular stage of its development.

Profits and capital are nothing but unpaid labor power. Labor power is to be measured in labor time, which is limited as

regards duration by nature as well as by forms and methods of production. The workers cannot possibly work longer than 24 hours a day, for the day cannot be stretched. Under present conditions in the more important branches of industry they cannot continuously work much longer than, say, 8 or 10 hours. If production itself limits exploitation in regard to time, an increase of exploitation can be brought about only by reducing that part of the expended working time in which the laborer creates the equivalent of his wages. This part of the working time cannot be reduced to nothing; zero would mean here the absolute end of capitalist production. To employ more workers, necessitating an increase of capital, implies the reduction of that part of the working time of the employed workers in which they create their own livelihood, that is, implies an ever greater increase in the productivity of their labor, which in turn presupposes more and more capital invested in means of production. As long as this is possible—and it has been, for at a certain period in the development of capital, profitability is high enough to permit this—both will be increased (the labor army and capital which employs it) though the latter increases faster than the laboring population. **P. H. Douglas** produces in his "Theory of Wages" (p. 129) a table showing the ratio between quantities of labor and capital. We copy only a few lines to illustrate our statement.

Year	Relation of Labor to Capital	Relation of Capital to Labor
	$\frac{L}{C}$	$\frac{C}{L}$
1899	1.00	1.00
1905	.84	1.19
1910	.69	1.45
1915	.58	1.72
1922	.37	2.70

This shows, Douglas writes,

"that a decreasing amount of labor was combined with each unit of capital and reciprocally that an increasing quantity of capital was united with each unit of labor. This process continued throughout the period save for some cyclical changes, until in 1922 only 37 per cent as much labor was combined with each unit of capital as in 1899, and reciprocally 270 per cent as much capital was combined with a unit of labor as then.

Any newspaper almanac will show that throughout capitalist development the labor army increased tremendously, even faster than the population as a whole. But, to repeat, not so fast as capital. This is the secret of capitalist progress,—the ability to exploit more and more workers by exploiting the original number more intensively. However, this situation implies a new contradiction.

Profits and new capital can be gained only through exploitation. If the number of workers becomes smaller in relation

to the growing capital, although both are increasing, than in relation to the total capital (the wage and the investment capital together), profits and funds for accumulation must decline, as profits are only unpaid labor time which decreases with the capital increase. The faster the accumulation the more it hampers future accumulation. Finally accumulation must lead to stagnation. It must come to a stop when the capital needed to employ sufficient additional workers to counteract the previous decline in profits demands an amount of capital which can no longer be created by the existing army of labor. All attempts to overcome this shortage of profits in regard to continuation of capital formation will then lead to an ever greater replacement of workers by machinery, although this increase in technological devices will not be sufficient to permit sufficient capital formation. The previous relative displacement of workers now becomes absolute. David Weintraub, without being a Marxist or employing Marx's method of inquiry, but by simply examining the facts, describes such an actual situation quite well in his article in "Technological Trends and National Policy" (p. 87):

"The growth in total output from 1920 to 1929 was not sufficient, in the light of the increased productivity and the growth of labor supply, to absorb all the available man-power; the result was a substantial volume of unemployment during this entire period."

During this entire period, compared with previous periods, the rate of accumulation was slackening. Recent investigations of the trend of American rates of profit led to the discovery that with the rates of profit the rate of accumulation was declining as compared with the rates before 1920. The tendency toward stagnation was reflected long before 1929 in an increasing army of unemployed. The exceptional became the norm. The recovery since 1933 has not led to a return of the already precarious position of 1929, least of all in the field of employment. Weintraub goes on to say:

"...we must look to a much more rapid expansion of production than has taken place between 1933 and 1935 before we can expect a return either to the employment or to the unemployment levels of the pre-depression period. A rough calculation indicates that, in order for unemployment to drop to the 1929 level by 1937, goods and services produced would have to reach a point 20 per cent higher than that in 1929, even if the productivity level of 1935 remained unchanged."

The **Brookings Institution** has estimated that for the nation to return by 1941 to the living standard which prevailed in 1929 it will be necessary to increase production of durable goods 60 per cent above the 1936 level. The production of these durable goods would furnish employment for from 8 to 9 million additional workers for a period of five years. It would, it would; but it doesn't. Before reaching the production level of 1929 a new decline has set in again; the army of unemployed grows by leaps and bounds, nearing again its previous established record at the deepest point of the crisis. In November, 1937,

there were, according to the National Unemployment Census, 10,870,000 people out of work in America. Since then, according to most of the published reports, this number has been increased by about 2 more millions, and no one dares to predict a change in this situation for the near future.

## UNEMPLOYMENT AND THE UNEMPLOYED

Only periods of capitalist expansion are boom periods. Stagnation means depression. But all capitalist production is based on expansion, and if it stops, commodities designed to satisfy the expansion needs and also the commodity labor power, find no buyers. The depression, although the result of a miserable exploitation system of production, incapable of creating enough goods for humanity because it is incapable of producing sufficient profits for the capitalists, appears to the superficial mind as an overproduction of commodities. The superficial explanation of depressions brings forth similar suggestions for solutions: shortening the working day to employ all workers and increasing mass purchasing power, so that the workers may buy back what they have produced. The proposals sound 'logical' and find acceptance. However, this 'realistic' approach is pure utopianism. For it presupposes an ability on the part of capitalism to initiate socialism, that is, it expresses the wish for capitalist suicide. In reality the shortage of profits in relation to accumulation needs, appearing on the market as over-production of commodities, only sharpens the competitive struggle, which means a greater effort on the part of capital to increase exploitation. If successful, leading to another temporary economic revival, it is accomplished at the cost of the workers. Even if hours are shortened, productivity will be increased fast enough to preclude the employment of additional workers. As far as the increase of mass purchasing power is concerned, the whole history of capitalism shows that this has been possible only so long as production increased faster than wages, and history since 1929 has shown that even this improvement by way of better exploitation has ceased. Since that time wages stagnate or decline in spite of increasing productivity. Competition among the workers sharpens to the point of the development of new class ideologies within the class. Hatred, not solidarity, grows between the lucky ones and those unable to sell themselves, — a situation which is well employed by capital in its competitive struggle, continuing in spite of all monopolization, which after all is only able to prove the sharpening of competition. Just as the competitive struggle of capital turns more and more from the national to the international scene, the sharpening of the workers competitive struggle for the remaining jobs tends more and more to be reflected in the nationalization of their ideologies, in preparation for the coming struggle for power of their respective imperialistic rulers. Who shall live and prosper, the Japanese capitalism or the English? Who

shall work, the Japanese workers or the English? — And so all over the world. If there is no open struggle between capital and labor, there can be only a united front between them both. The "Peoples' Front" movements of today, which includes Fascism, reflect only this reality. So long as the class struggle is only latent and not actual, continuously sharpening, the future of unemployment can only be deduced from the future of capitalism, which points to war and increasing barbarism.

Yes, as matters stand today, the workers might find large-scale employment in the diverse armies; and will accept it, for it is 'better than nothing', just as 25-cent wages in the depression are also 'better than nothing'. And they will kill for less than 25 cents an hour to assist a capitalist reorganization of economy in favor of the strongest competitors, and to bring to themselves, besides the glory, a new wage rate of 15 cents an hour. But the unemployment problem would still be unsolved, or solved only for those who died in the heroic attempt to prove the immutability of capitalism in a changing world.

Capital has once more — so it seems today — to reorganize the world in its own way, that is, by adjusting the number of exploiters to the number of exploitables. "Progress" lies in liquidation. To prepare for this day of 'sudden progress', capital will be human, it will at least try to organize the misery it cannot abolish. It will appear a great leveller, spreading the existing misery over the greatest possible number, itself always excluded. It will regiment and fascize even within the greatest of democracies. The order of war will be practiced in peace; production for destruction climaxing the era of capitalism. The curtain for this act of history will close also millions of hungry eyes.

Once more unemployment is being converted, for capitalism, from a source of income into a nightmare. Becoming rapidly valueless as a means of wage cutting, it becomes an ever greater item of taxation, eating into the diminishing profits. Capital will always try, although with increasing difficulties, to cut down this item of expenditures. Workers, regardless of all other implications of the problem, will be increasingly forced to fight relief reductions. To eliminate relief altogether is not possible, to live like humans on Hopkin's canned beef, which would be rejected by many a Park Avenue dog, is also not possible. The unemployed struggle is bound to increase in spite of all war preparations, though the latter will be hastened the more the internal struggle sharpens. There are further temporary 'solutions' given to capitalism. For instance, a new inflation of credits or money, setting present miseries aside to be reckoned with in the near future. Prices may rise faster than wages, the capitalist will gain as much as the workers lose. Rents collected in depreciated money means the expropriation of the landlord, paper for potatoes ruins agriculture, money in the banks elimi-

nates itself legally, life-savings lead to suicide, etc. The pump may be primed till it spills blood.

A capitalism forced to feed the workers instead of being fed by them has no future. This situation excludes all demands for work. To ask capital for a job is in many cases just as ridiculous as to ask it for a million dollars. Those labor leaders who tell the world and their masters that you, the workers, want work are in reality, only trying to prove to their masters how well they have trained you. These unofficial 'social workers', trying to become official ones, have to prove their ability by proving their total absence of all social understanding. They are not realists, however realistic their proposals may sound, but they are not dreamers either; they are simply engaged in maintaining or securing their chosen profession. There are no jobs to be had, and crying for them does not create any. You will have to **fight** for your very lives. Soon this will be literally true, for soon the only way of making a living will be to learn the trade of dying.

Don't ask for work; simply fight for food, clothing and shelter. Down in Palm Beach the unemployed don't ask for work either; they leave that to their servants. And, by the way, your labor leaders really also don't ask for work. How funny to imagine David Lasser asking for work! Those people are much too important for that sort of thing. If there were work to be had, don't worry, you would get more of it than you could stand. Make demands for your most direct needs, but not demands for yourselves only. Individualism presupposes cash to exert itself. Unless you can show the 'proper authorities' that there is something more behind your demands than a lonely frail voice in the age of the loudspeakers, you will be out of luck. Combine your voice with others. There are relief stations, there are also the streets, and there are the factory gates. Don't wait till some ex-ministers of the **Workers Alliance** have collected enough for a flag and a meeting hall. Your relief station is an excellent starting point for an organization; yes, you can even turn it into an organization. And if you simply must belong to the **Workers Alliance**, at least see to it that it becomes your organization and not Mister Border's vehicle to a job in Washington.

## Literature on Unemployment

It should be assumed that the close connection existing between unemployment and the decisive economic problems of society would lead to a most intensive study of the subject whereas as a matter of fact, and precisely because of that connection, it has been much neglected.

As far as the volume of unemployment and the trend of its development are concerned, data may be obtained from the monthly and other publications of the **International Labor Office** in Geneva, and the **U. S. Bureau of Labor Statistics**, Washington, D. C. Of the publications dealing with the theoretical aspects of the problem, we can disregard entirely those which deny the displacement of workers by the industrial development of capitalism. Facts



have even forced the apologists of capitalism to admit this displacement, for which they created the concept of "technological unemployment", but as bourgeois economists they are engaged in finding solutions for the problem within capitalism. In connection with the discussions concerning the displacement theory we suggest the reading of Alfred Kaehler's article on "The Problem of Verifying the Theory of Technological Unemployment" in *Social Research* (Vol. II; No. 4).

Workers capable of finding their way through the technical terminology of the specialists may consult **Wladimir Woytinsky's** "The Source of Unemployment" (International Labor Office, Geneva, 1935). This book contains important data but lacks sufficient theoretical insight. **Harry Jerome's** "Mechanization in Industry", a book which also deals with agriculture and mining, was published in 1934 by the National Bureau of Economic Research, New York. It stresses the fact that "technical progress outruns actual practice in capitalism", and makes the profit-necessity responsible for this state of affairs. In the last twenty years many studies have appeared dealing with the displacement question in specific industries. As an example, we only mention here **Isador Lubin's** "The Absorption of the Unemployed by American Industry" (Washington, 1929.)

As far as the white collar workers and the learned professions are concerned we suggest the reading of **Lewis Corey's** "The Crisis of the Middle Class" (Covici-Friede, New York, 1935), and **Walter M. Kotschnig's** "Unemployment in the Learned Professions" (Oxford University Press, 1937). Corey treats his problem from a Marxian point of view, Kotschnig from the standpoint of the bourgeois democratic sociologist. But for the latter, too, economic stagnation limits the expansion of education. His survey is significant for its international scope. The radicalization of the intellectuals working with Fascism or Bolshevism he explains as due to the overcrowding of the universities and the impossibility of finding jobs for the graduates. However, the only solution he offers, is for a better organization of the labor market for the academic professions.

Many books published lately and dealing with what appears to the bourgeois sociologist as the "broader" question of "social security", often contain very interesting chapters on the unemployment problem proper. For instance most of the writings of **Stuart Chase** and also **Maxwell S. Stewart's** "Social Security" (Norton & Co., New York, 1937). The best example of the books in this category is the liberal reformer **P. H. Douglas's** "The Unemployed Problem" which he wrote in collaboration with **Aaron Director**, published in 1931. Unemployment is here admitted as an outgrowth of capitalism; however it is believed, that capitalism will be able to solve its problem. The suggested means to this end were later partly practised by Roosevelt's Relief Program. The refutation of this idea is very well expressed in **Lewis Corey's** "The Decline of American Capitalism", in chapter V. Covici-Friede, New York, 1934.)

**W. T. Colyer's** "Outline History of Unemployment" appeared in 1937 in London (N. C. L. C. Publishing Co.), which, written for workers and from a Marxian point of view says concisely as well as comprehensibly almost all that is necessary for workers to know of this subject.

Recent publications incorporating the unemployment question within general theories are the findings of the **Brookings Institution**, which have appeared under the title "Income and Economic Progress". The connection between unemployment and capital formation is recognized but not understood. The solution proposed lies in the field of greater exploitation despite the underconsumption theory underlying the Brookings report. In chapters 6, 7, and 9 of another Brookings publication, "The Recovery Problem in the United States", the reader may find interesting facts and observations regarding the unemployment question in recent history. **David Weintraub's** contribution "Unemployment and Increased Productivity" in the Government Publication "Technological Trends and National Policy"

(Washington, 1937,) comes very close to an Marxian explanation of Unemployment as it stresses the intimate connection between employment and progressive accumulation. In a certain sense also **J. M. Keynes** in his "General Theory of Employment, Interest and Money" comes closer to the Marxian unemployment—accumulation theory than other bourgeois economists. He maintains that "employment can only increase with an increase in investments". The question of investment is, however, for him primarily dependent on the rate of interest, which means nothing to the Marxist.

On the basis of Keynes argumentation **Joan Robinson** elaborates on the unemployment question in her recent "Introduction to the Theory of Employment" (Macmillan, New York). This book is addressed to the layman. The chief function of the rate of interest, according to her, seems to be "to prevent full employment from ever being attained". Longmans, Green & Co. (New York, 1937) published **R. G. Hawtrey's** "Capital and Employment". In opposition to the ideas presented by Keynes, Hayek, Pigou and others, Hawtrey's explanation of employment is a purely monetary one. The status of the discussion around the employment problem among the bourgeois economists might be obtained through a reading of these books.

For empirical data in relation to types of unemployment, occupational characteristics, etc., workers may consult the publications of the W. P. A. Research Administration as for example "Urban Workers on Relief", Certain state publications, as "Labor and Industry in the Depression", published by the Commonwealth of Pennsylvania, and "Unemployment and Relief in Michigan", by the State Emergency Relief Administration, Michigan, can be recommended, for data and observations pertaining to the American scene and unemployment. However, indispensable for workers interested in the serious study of their problems is **Marx's** "Capital", especially its chapters on the effects of machinery on the workman, and his theory of capital accumulation.

## Planning New Depressions

(From the book "Karl Marx" by Karl Korsch to be published this season by Chapman & Hall, Ltd. London, and by John Wiley & Sons, Inc. New York.)

The social organization of labor which is hidden under the apparent value relations of the commodities, is achieved in the bourgeois mode of production without the will and knowledge of the individual commodity producers. Bourgeois "commodity production" is therefore at the same time a private and a social, a regulated and an unregulated (anarchic) production. It seems as if by an undisclosed decree of "God" or "Providence", "Fortune" or "Conjunction" it were laid down beforehand what kinds and what quantities of socially useful things should be produced in every branch of production. But the individual capitalist "producer" learns only after the fact — through the saleable or unsaleable quality of his commodity, through the price vacillations of the market, through bankruptcy and crisis — if and how far he has acted in accordance with that unknown rule, the economic "plan" of capitalistic reason. Bourgeois economists have referred over and over again in poetic metaphors to this inscrutable mystery of their own social ex-