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Socialism is the only answer

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S O C I A L I S M
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ANSWER

BY LEO HUBERMAN AND PAUL M. SWEEZY

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THE RESPONSIBILITY OF THE SOCIALIST

BY LEO HUBERMAN

I should like to begin by stating, in brief outline form, the basic doctrine of socialists. This simple summary statement will be familiar to you. It is meant to be an elementary presentation. I give it merely to refresh your memory, because it is part of my thesis this evening that in our concern with day-to-day struggles we tend to lose sight of the socialist goal.

For socialists, history is not a jumble of disordered facts and happenings; it is not chaotic; it conforms to a definite pattern of laws of development. The economics, politics, law, religion, education, of every civilization are tied together; each depends on the other and is what it is because of the others. Of all these forces, the economic is the most important—the basic factor. The keystone of the arch is the relations which exist between men as producers. The way in which men live is determined by the way they make their living—by the mode of production prevailing within any given society at any given time.

The American economic system, capitalism, is a system of production in which the primary object is not the satisfaction of people's needs but the making of profit. It doesn't make any difference to a capitalist what he makes—so long as he makes money.

The capitalist system involves social relationships, the association in the process of production of two groups, employers and workers. The employers, relatively small in number, own the means of production—the land, forests, mines, factories, machines, and railroads. The workers, large in number, own only their capacity to work. It is from the association of these two groups that capitalist production ensues.

The means of production are operated for the profit of the capitalist class which owns them. When there is no prospect of a profit, then the wheels of industry stop turning, and men are idle, and machines are idle. And when that happens, neither patriotism nor concern for the welfare of society will serve to induce the capitalists to start the wheels of industry going again. The only thing

This is the text, somewhat modified, of an address delivered at a meeting of the Monthly Review Associates on December 15, 1950.

that will persuade them is the prospect of making a profit.

One class lives by owning; the other class lives by working.

The interests of the owners of the means of production, and of those who work for them in capitalist society, are necessarily opposed. It is to the interest of the capitalist class to preserve and extend its privilege and its power. It is to the interest of the working class to resist degradation and improve its social and economic position.

Between the two classes, in capitalist society, a struggle goes on—always.

Since the privilege and power of the capitalist are measured by how much money he has, it becomes his primary object in life to keep adding to his pile. In fact, he has no choice. To stay in business at all, to meet the competition of others and preserve what he has, the capitalist must keep constantly expanding his capital. The system *forces* the capitalist to seek more profits, so he can accumulate more capital, so he can make more profits. This is a never-ending process.

But there is another half to the economic shears. The capitalist has to pay as low wages as possible so he may continue the necessary policy of ever-increasing accumulation. However, the low wages which help make the high profits possible, spell a lack of purchasing power by the workers to absorb the output. People have need of, but can't pay for, the things that are produced.

The expansion of industry outstrips the expansion of purchasing power. This is an insoluble contradiction of which the inevitable result is those breakdowns of the system which we call depressions.

The socialist emphasizes that boom-and-bust is not a happen-so; it is not an accident; it is not due to a mistake made by stupid administrators of the country, by the Democrats or Republicans who happen to be in power. Boom-and-bust is inherent in the structure of the system; the capitalist system *must* work that way.

The basic problem of the capitalist system—what to do with its surplus of goods that can't be sold, and surplus of capital that can't be profitably invested, is solved temporarily, by imperialism and war—or by preparation for war through large-scale production of armaments.

The United States is not, as capitalist propagandists would have us believe, exempt from this process. It was not exempt in the 1930's when as many as one-fourth of all employable workers who were willing and wanted to work could not find jobs. In a book published in 1935, we get a clear picture of the magnitude of the problem:

If all the eleven million unemployed men and women were lined up in one long bread line, standing just close enough for

one man to be able to lay his hand on the shoulder of the one in front, that line would extend from New York to Chicago, to Salt Lake City, yes, to San Francisco. And that's not all. It would extend all the way back again—twice the distance across the continent. (R. A. and O. P. Goslin, *Rich Man, Poor Man*, p. 16.)

But wasn't the problem solved by the New Deal? Didn't NRA, AAA, WPA, and PWA put everybody back to work? They did not. In spite of the billions of dollars spent on projects for relief and recovery by the Roosevelt administration, the army of the unemployed never fell below 8 million during his first two terms of office.

What took us out of that depression was World War II. And what is keeping us from falling back into another, possibly worse one, is the war in Korea and armament expenditure for World War III. This and nothing else is what is keeping the productive machine going full blast and our people at work. This is so obvious that even non-socialists admit it. On March 3, 1951, the Boston *Globe* quoted Thurman Arnold, former head of the Anti-trust Division of the Department of Justice: "Our production system has gotten ahead of our ability to distribute goods. The only way we can keep up with production is to wage war—a method of distributing goods when there's no other market."

I have sketched only the outlines of the socialist analysis of capitalism. There is more to the picture, of course.

There is the fact that the system is wasteful. It is wasteful because in its concern for increased price and profitability instead of for human needs, it sanctions the deliberate destruction of crops and goods.

It is wasteful because it does not always provide useful work for those who want to work—at the same time that it allows thousands of physically and mentally able persons to live without working.

It is wasteful because periodically all its men, materials, machinery, and money must be devoted to war, the merciless destroyer of all that is good in life, as well as of life itself.

The capitalist system is irrational. It is irrational *in its very nature*, in that, instead of basing production on the needs of all, it bases production on the profits of the few.

It is irrational in that it does not even aim to achieve the economic welfare of the nation by careful comprehensive planning to that end; but by allowing individual capitalists to decide what is best for themselves, and hoping that the sum of all those individual decisions will somehow, in some way, add up to the good of the community.

It is irrational in its division of the people into warring classes.

Instead of a unified community with people living together in brotherhood and friendship, the capitalist system makes for a disunited community with the class that works and the class that owns necessarily fighting each other for a larger share of the national income.

It is irrational in the confusion it creates in the values men live by. This is well illustrated by F. P. A.'s poem:

FOR THE OTHER 364 DAYS

Christmas is over. Uncork your ambition!
 Back to the battle! Come on, competition!
 Down with all sentiment, can scrupulosity!
 Commerce has nothing to gain by jocosity;
 Money is all that is worth all your labors;
 Crowd your competitors, nix on your neighbors!
 Push 'em aside in a passionate hurry,
 Argue and bustle and bargain and worry!
 Frenzy yourself into sickness and dizziness—
 Christmas is over and business is business.

The capitalist system is unjust. Its foundation stone is inequality, with the good things of life flowing in a never-ending stream to a small, privileged, rich class; while frightening insecurity, degrading poverty, and inequality of opportunity are the lot of the large, unprivileged, poor class. This is true of the United States, the strongest, richest, capitalist nation on earth. I need cite only one figure of a report on the distribution of income published by a Congressional Committee in 1949: 25 percent of American families had a total income of \$2000 a year—less than \$40 a week. At the same time, government economists noted that over \$3000 a year was needed for a satisfactory minimum standard—and nearly half the families in the country weren't getting it.

The capitalist system is unjust in its inequality of opportunity for the poor, for minority groups. One example will suffice to prove the point. The President's Commission On Higher Education reported, in 1947: "For the great majority of our boys and girls, the kind and amount of education they may hope to attain depends, *not on their own abilities*, but on the family or community into which they happened to be born, or worse still, on the color of their skin, or the religion of their parents."

This topsy-turvy set-up in which waste and injustice, insecurity and want, unemployment and war, are inherent in the structure of the economic system, is maintained by the coercive agency of the state. "The state," in Marx's phrase, "is the executive committee of

the ruling class"; in Woodrow Wilson's phrase: "The masters of the government of the United States are the combined capitalists and manufacturers of the United States."

Economic systems are born, develop to maturity, decay, then are supplanted by other economic systems. So it was with feudalism; so it will be with capitalism.

But the new system cannot be made to order. It must grow out of the conditions created by the old society. The socialist believes that within the development of capitalist society itself, there are the germs of the new social system which will supplant it.

He points to the fact that capitalism has transformed production from an individual to a collective process. The Temporary National Economic Committee of the United States Congress said in its *Final Report*: "No clear understanding of the modern economic problem is possible by anyone who does not first understand that the commercial and industrial life of the modern world is carried on, not by men in their individual capacities, but by men in their group or collective capacities."

That's true. But the product of this collective activity does not belong to those who have produced it. In capitalist society, things are cooperatively operated and cooperatively made, but they are not cooperatively owned by those who made them.

Therein lies the fundamental contradiction in capitalist society—the fact that while production is social, the result of collective effort and labor, appropriation is private, individual. The products, produced socially, are appropriated not by the producers, but by the owners of the means of production, the capitalists. And in most cases, those owners have little or nothing to do with production. Ownership, once functional, is now parasitic. The capitalists, as a class, are no longer needed. If they were transported to the moon, production need not stop even for a minute.

The remedy is plain—to couple with the socialization of production, the social ownership of the means of production. The way to resolve the conflict between social production and private appropriation is to carry the development of the capitalist process of social production to its logical conclusion—social ownership.

Social ownership of the means of production, instead of private; planned production for use instead of anarchic production for profit—that is the socialist's answer.

Socialism does not mean piecemeal, patchwork reform of capitalism. It means a revolutionary change—the reconstruction of society along entirely different lines. The principles and laws which govern a

socialized and planned economy are completely unlike those which govern a capitalist economy.

In place of the *disorder* arising when each separate owner of the means of production does as he pleases, when he pleases, the socialist system substitutes *order*, through organized effort and plan.

Economic decisions are based not on how much profit can be made, but on what the people need. Cloth is made, not to make money, but to provide people with clothes—and so with all other goods.

The capacity to produce abundance, instead of being strangled by consideration of profit-making, is utilized to the utmost to provide plenty for all.

The overhanging fear of depression and unemployment vanishes with the knowledge that planned production for use insures jobs for all, with economic security from the cradle to the grave.

Imperialist wars, which result from the profit makers' hunt for foreign markets where they can sell "excess" goods, and invest "excess" capital, come to an end—since there are no longer excess goods or capital, and no profit-makers.

In short, the very structure of the socialist system is such as to eliminate those major evils which the very structure of the capitalist system creates.

Let us, however, be clear on one point. Socialism will not bring perfection. It will not create a paradise. It will not solve all the problems that face mankind. It is only in private utopias that sinners become saints, heaven is brought to earth, and a solution is found for every problem. Marxist socialists have no such illusions. They know that socialism will solve only those problems which can be solved at this particular stage in the development of man. More than that they do not claim. But that much, they feel, will result in a vast improvement in our way of life.

Socialists believe that Karl Marx's picture of capitalist society is sound, that it is closer to reality than the picture drawn by non-Marxist economists. On that point Professor Wassily Leontief of Harvard University, though not himself a Marxist, had this to say to the members of the American Economic Association a dozen years ago:

If . . . one wants to learn what profits and wages and capitalist enterprises actually are, he can obtain in the three volumes of *Capital* more realistic and relevant first-hand information than he could possibly hope to find in ten successive issues of the U. S. Census [or] a dozen textbooks on contemporary economic institutions. . . .

In the same article, Professor Leontief paid tribute to the many predictions made by Marx which have since been fulfilled:

The record is indeed impressive: increasing concentration of wealth, rapid elimination of small and medium-sized enterprises, progressive limitation of competition, incessant technological progress accompanied by the ever-growing importance of fixed capital, and, last but not least, the undiminishing amplitude of recurrent business cycles—an unsurpassed series of prognostications fulfilled, against which modern economic theory with all its refinements has little to show indeed.

It is interesting to note that about the same time that this Harvard professor felt it necessary to suggest to his fellow economics teachers that they could learn much from Karl Marx, another distinguished scholar was offering similar advice to his colleagues in the field of history. In an article in the *American Historical Review* of October 1935, the late Charles Beard, one of America's most eminent historians, wrote:

It may be appropriate to remind those who may be inclined to treat Marx as a mere revolutionary or hot partisan that he was more than that. He was a doctor of philosophy from a German university, possessing the hallmark of the scholar. He was a student of Greek and Latin learning. He read, besides German his native tongue, Greek, Latin, French, English, Italian, and Russian. He was widely read in contemporary history and economic thought. Hence, however much one may dislike Marx's personal views, one cannot deny him wide and deep knowledge—and a fearless and sacrificial life. He not only interpreted history, as everyone does who writes any history. But he helped to make history. Possibly he may have known something.

The working class movement in almost every country of the world, striving to achieve social and economic justice, feels that he may have known something.

The colonial peoples of Asia and Africa, basing their struggles for liberation and independence on his teachings, think that he may have known something.

The countries of Eastern Europe, engaged in replacing anarchic production for profit with planned production for use, believe that he may have known something.

The privileged few in every capitalist country of the world, trying desperately to remain secure on their tottering seats of power, tremble with the fear that he may have known something.

The people in a country one-sixth of the earth's surface, having successfully overthrown capitalism and demonstrated that socialism

can end class divisions and enable man consciously to direct his economy for the welfare of all, are certain that he did know something.

This, in broad outline, is the socialist's analysis of capitalism and socialism. This is what he believes. And events since 1917 in the rest of the world, have reaffirmed his faith. For the socialist analysis has been confirmed. The prediction that the world will move toward socialism has come true. Socialism has already become the established way of life for some 200 million people. It is fast becoming the way of life for an additional 600 million people. These two groups together make up approximately one-third of the earth's population.

It is not surprising that this great forward march of socialism has alarmed the ruling class of our country. Alarmed it, in spite of the fact that the United States is the richest, most powerful stronghold of capitalism; in spite of the fact that internally, it is strong, its propaganda machine highly effective; and in spite of the fact that at the present moment, the working class is not in a position seriously to oppose it—the leaders of labor give only feeble resistance to its economic dictatorship at home and actually foster its expansionist and anti-socialist policy abroad. The ruling class has, today, no organized opposition of any consequence.

I need not dwell on the measures it has nevertheless taken to silence that opposition, on the anti-Left hysteria that pervades the country, on the Smith Act, the McCarran Act, the growing practice of punishing people, not for crimes they commit, but for opinions they hold.

The question we are discussing is what does a socialist do in such an America—in a country where the prevailing atmosphere is that of the witch-hunt?

I have no pat answer. I have no easy formula which will make everything simple. But this I do know. That if you believe that the solution to the problems that beset us is socialism, then it is your job to teach socialism whenever and wherever you can.

To the familiar argument that "the American people are not ready for socialism," I answer, "how and when will they be made ready, if socialism is not taught?" You cannot have a socialist movement without first having a socialist consciousness. The first and foremost responsibility of the serious socialist is to create a socialist consciousness, to make plain the socialist goal and the effective socialist means.

I do not forget that it is only through the activity of a mass working-class movement, which understands the roots of its exploitation and insecurity, that the change from capitalism to socialism can

be effected. But it is only when the working class is armed with socialist knowledge that it can become the active creative organizer of those conditions which can put an end to capitalism.

There are periods in history when all emphasis must be laid on building such a mass movement. It is doubtful, however, whether in this country the successful achievement of that goal is possible today. The working class does not have a socialist consciousness; its leadership heads the wolf-pack in the hunt for radicals. Right now the best we can hope for is to keep alive a socialist *propaganda and education movement* against the day when the working class movement can hit its stride in the forward march to its socialist goal.

Right now, socialists will be accomplishing a great deal if they succeed merely in keeping alive the faith. For us, as for the early Christians, preaching our gospel is the supreme duty.

Because the times are difficult, we must learn to do our job more skillfully, more effectively than before. We must follow the prescription laid down by H. G. Wells in *This Misery of Boots*: "We have to think about socialism, read about it, discuss it; so that we may be assured and clear and persuasive about it." This we must do, whatever our walk of life; the soil is more ready than we think—we must plant the seeds from which a socialist consciousness can grow.

We must, of course, engage in the day-to-day struggles, the fight against the McCarran Act, the fight to get the soldiers out of Korea, the fight for peace. But make no mistake about it. You cannot win people to socialism simply by engaging in struggles for their everyday interests; it is *not* true, as is too often supposed, that marching on a picket line, or organizing a tenants' council, or working hard for the election of Progressive Party candidates automatically makes socialists out of those who participate. Nothing could be further from the truth. The everyday struggle is the best means available to reach people—but they will be made into *socialists* only if the moral is drawn plainly and clearly.

The immediate struggle is a vehicle toward the goal—but only if it is steered in that direction. If not, it is a vehicle which never reaches the goal but comes to a halt in a bog of reformism.

It is important, of course, to carry on a fight against the McCarran Act. But socialists must go a step further. They must use that struggle to give an understanding of socialism—they must explain why a McCarran Act is passed at this time, how the state is an instrument of the ruling class, why, in spite of the Constitution, such laws are put on the statute books.

It is important to agitate for peace; but socialists must go a step further. They must make clear not only that our troops should be

pulled out of Korea, but why, in the nature of the capitalist system, they were sent there in the first place. They must show how secure and lasting peace is attainable only through socialism.

It is important, said Marx in his address to the General Council of the First International in June, 1865, for the working class

not to exaggerate to themselves the ultimate working of these everyday struggles. They ought not to forget that they are fighting with effects, but not with the causes of those effects; that they are retarding the downward movement, but not changing its direction; that they are applying palliatives, not curing the malady. They ought, therefore, not to be exclusively absorbed in these unavoidable guerilla fights. . . . Instead of the conservative motto: "*A fair day's wages for a fair day's work!*" they ought to inscribe on their banner the *revolutionary* watchword: "*Abolition of the wages system!*"

In short, the job is to couple wisely the immediate with the ultimate objective. The day-to-day struggle is important of itself; but for socialists it is doubly important as a tool for teaching, as a means whereby socialist understanding can be achieved and socialist consciousness can be cultivated.

We are in a grim period of history, but it is not for socialists to despair. Despair is the prerogative of the ruling class—it is their world that is crumbling, not ours.

Socialists are the trustees of social rationality. We have a great responsibility. To bend all our efforts to the task of getting rid of the insane, destructive, capitalist system, and of replacing it with a system which permits rational intelligence to function—that is our job.

AN ECONOMIC PROGRAM FOR AMERICA

BY PAUL M. SWEEZY

I am going to plead a case which is unpopular in our country and probably will remain so for some time to come. Socialism is a bogey with which you frighten little children, and no one who wants to get ahead in the world can be suspected of having the least sympathy with it. But this is no excuse for ignorance, and I ask the reader's attention not because I expect to convince him but because I think he owes it to himself to learn the reasons and the arguments which could persuade at least one person to embrace the horrid doctrine. In addition, I think a look at history may convince him that socialism has more of a future, even in the United States, than its opponents would be willing to admit. Is it not true that the heterodoxies of today have ever been the orthodoxies of tomorrow?

I

The American economic system is called capitalism. It is a system in which most of the means of production—the factories and farms, the mines and forests, the railroads and ships—are owned by a relatively few capitalists and operated for their profit. Most of the rest of us work for wages—if and when capitalists will hire us.

Now the power and prestige of a capitalist are, generally speaking, in proportion to his wealth, and it follows that his main object in life is and must be to get richer than he is. He therefore operates his business in such a way as to make the greatest possible profit, and he takes a good part of that profit and adds it to his capital. The process goes on and on; there is no end to it. With all the capitalists doing the same thing, the natural result is that all their businesses, which is another way of saying the total social means of production, tend to expand at the same time and without limit.

But it is obvious that society's capacity to produce cannot be expanded indefinitely and without reference to the size of the final market for consumer goods. Sooner or later the result is bound to be "overproduction"—piling up of unsold goods in the hands of retailers and wholesalers, collapse of prices, shrinkage or disappearance of

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profits, and finally a stagnation of production coupled with heavy unemployment. After a while, stocks will be sold off, durable consumer goods (like automobiles and refrigerators) will wear out, and factories will begin to need new machinery to keep up even a low level of production. Then things pick up again, and the merry chase for more profits and more capital is resumed.

That's the way the system works. It's a system of booms and busts—not by accident or because of some superficial defect, but by its very nature. Moreover, the more advanced a capitalist country is, that is to say, the more highly developed its productive resources and the richer its capitalists, the weaker will be the booms and the more devastating the busts.

The United States is the most advanced capitalist country in the world. Its major problem is how to keep bust, or in other words low production and high unemployment, from being the normal state of the national economy.

During the 1930's it *was* the normal state of the national economy. Despite strenuous efforts on the part of the federal government (efforts which included extraordinary expenditures for doles, work relief, and public works), the period was one of persistent and massive unemployment. No one knows how many were unemployed at the bottom of the depression in 1932-33, but the figure was certainly more than 15 million; and in only one year (1937) did unemployment fall below 10 million.

World War II saved American capitalism. It put everyone to work and doubled productive capacity and brought undreamed-of wealth to the big corporations and capitalists.

Many people, including some very able economists, predicted that soon after the war was over there would be another bust and the old problem of the 30's would be back with us again. It has not worked out that way, however. The reason is not that the capitalist system has changed its nature but that the cold war has taken the place of the hot war as the dominant factor in the American economy. Cold war is not as expensive as hot war, and it does not keep the productive machine going at the same break-neck speed. But the \$20 billion a year which are currently being spent on arms and on foreign aid programs have so far been enough to hold off the bust and to keep unemployment from being much above the 5-million mark.¹

The result is that the whole capitalist class now has a vested interest in keeping the cold war going—and in warming it up and making it more expensive if necessary. And the capitalists have the

¹ *This was written early in 1950. Now, one year later, the figure is around \$50 billion and still rising.*

means to keep it going, too. They control the press, the radio and television, the movies, schools and colleges; their representatives sit in the halls of Congress and in the key positions in the State and Defense Departments. They systematically spread stories of impending Russian aggression, of Communist spies, and of subversive plots to overthrow the United States government. They whip up mass hysteria which provides the proper atmosphere of intolerance, bigotry, and bellicosity in which the cold war, with all its blessings to American capitalism, can be fought to the limit.

This is not the place to discuss American foreign policy or to examine the reality behind the "Russian menace"; but one thing is sure, and that is that if we are ever to bring the cold war to an end, if we are ever to establish a world in which we can live in peace and security, we must reform the American economy so that prosperity is no longer completely dependent on war or war preparations.

That is the number one problem of an economic program for America.

There are many other problems, some closely related to the number one problem, some overlapping it, some relatively independent. It is obviously impossible, in a brief essay, to discuss them all. I shall therefore limit attention to the few that seem to me to be most important and that every one must surely agree are of major national concern.

(2) How to achieve a fairer and saner distribution of income.

(3) How to provide for the welfare and security of the aged, the sick, and all others who, for whatever reason, are unable to provide for their own livelihood.

(4) How to eliminate the overbearing power of private monopoly to exploit the worker, the consumer, and the farmer.

(5) How to conserve and husband our natural resources.

(6) How to eliminate the enormous waste entailed in our present system of production and distribution (for example, the employment of brains, manpower, and resources in the wholly wasteful business of competitive advertising and salesmanship) and to realize the full potentialities of modern science and technology for the benefit not only of the American people but also of other countries which are economically and technically less advanced.

I am convinced that not a single one of these problems can be satisfactorily solved within the framework of a capitalist economy. On the other hand, their solution flows easily and naturally from the adoption of one master reform: the socialization of the means of production (except those which are actually used by their owners) with its inevitable corollary, the introduction of overall economic planning.

II

A socialized and planned economy—in other words, the economic system which is known as socialism—functions according to principles and laws which are very different from those which govern a capitalist system. The individual productive and trading units are not operated with a view to the maximization of profit; their aim is to fulfill the tasks which are prescribed for them in the national economic plan. Under capitalism an industrialist is successful in proportion to the amount of money he makes for himself or for the stockholders he represents; under socialism he is successful to the degree that the plant which has been entrusted to his management carries out the tasks which society assigns to it through the medium of the plan.

This is a crucial difference. It means that the basic tendency of capitalism which we already noticed, that is to say, the tendency for society's aggregate means of production to expand without limit and without reference to the size of the final market for consumer goods, does not and cannot manifest itself under socialism. Under both systems, society's productive forces are (or at any rate can be) known with a reasonable degree of accuracy. The difference is that under capitalism the allocation of these resources—and especially the division between those that are to produce more means of production and those that are to produce consumer goods—is the outcome of millions of decisions of capitalists acting in their own interest and independently of each other; while under socialism the allocation of resources is planned in advance to satisfy consciously felt social needs.

This is not to say that a socialist economy would never make any mistakes: that would be foolish. But it is to say that a socialist economy would always and as a matter of course strive to adjust the expansion of the means of production to the requirements of the people's rising consumption needs (including, of course, such collective needs as highways, education, and national defense). Mistakes would always take place within the framework of a planned and balanced economy and could always be rectified without the danger of precipitating a general depression. And as experience and skill in making and executing national economic plans grew, mistakes would naturally become less and less important.

What this means is that socialism *by its very nature* solves the central dilemma of a capitalist economy. There is simply no problem of boom and bust, of unemployment, of stagnant production under socialism. There is no need for a special program to eliminate the business cycle or to combat depressions. These economic disasters are specific products of capitalism, and only a capitalist system has to worry about what to do about them. It follows, of course, that prosperity under socialism could *never* be dependent on war or war

preparations. In a planned economy, such activities would directly and obviously appear as what they are, the unfortunate and impoverishing diversion of resources from purposes of construction to purposes of destruction.

III

At this point, however, a fundamental question arises. The American people, it may be argued, are not ready for socialism. Must we not therefore devote our energies to solving the problem within the framework of capitalism? And have not the theorists of what has been called the "New Economics"—that is to say, the school founded by the late English economist, John Maynard Keynes—shown us how the problem can in fact be solved within the framework of capitalism?

In order to answer this question, we must indicate very briefly the nature of the solution recommended by the Keynesians. Without entering into their underlying theories, we can perhaps best convey the nature of their reasoning by quoting a question which Stuart Chase says was asked of him during the war by a GI tank driver on his way to France: "Well, if the country can keep prosperous making tanks for men like us to die in, why can't it keep prosperous making houses for people to live in?"² The Keynesians answer that the country can do just that—with the understanding that in this context the term "houses" includes all sorts of constructive projects in the fields of education, welfare, resource conservation, public utilities, and even industry. Thus the Keynesians would say that if the economy is now being maintained in a satisfactory state of prosperity by roughly \$20 billion of cold-war spending, it would likewise be kept in that state by \$20 billion of what might be called "welfare-state" spending. Hence if America is now dependent on cold war for its prosperity this is only because of a lack of understanding. Capitalism can be made to work well enough, according to this view, if the people and their representatives will only abandon old-fashioned economic orthodoxy and allow the government—through its borrowing and taxing policies on the one hand and its lending and spending policies on the other—to become the balance wheel of the economy in peacetime as well as in wartime.

The answer to the Keynesians does not lie in the realm of abstract economic theory. *If* an American capitalist government could spend \$20 billion—and if necessary \$30 billion or \$40 billion—for peaceful, constructive purposes, then the Keynesians would doubtless be right. But the point is precisely that the ruling capitalist class, the very class

2 "If Peace Breaks Out," *The Nation*, June 11, 1949, p. 656.

whose enormous wealth and power is assured by the structure of capitalism itself, will never approve or permit spending on this scale (or anything even approaching this scale) for peaceful, constructive ends. Nor is this a matter of ignorance or stupidity. It is a plain matter of class interest, which, to the capitalist class (as to all ruling classes in history), appears to be the national interest and indeed the interest of civilization itself.

Take housing, for example. Why not a gigantic program to rebuild and rehouse America? Heaven knows, we need it badly enough! But every one who has passed the age of ten knows the answer: the real estate interests. They will put up with a small amount of government housing, preferably in the field of slum clearance; but when it comes to anything big they say NO and they get the solid backing of all the propertied interests of the country.

Or take social security. Why not a real social security program? Here again, there is no lack of need.³ But a real social security program would involve a considerable degree of income redistribution from rich to poor. And besides, capitalists do not *want* too much security—for others. It is bad for morale, dulls the incentive to work, leads to exaggerated expectations and pretensions. Capitalists believe—and not without reason—that their system requires enormous rewards at the top and poverty and insecurity at the bottom to keep it going. A real social security program contradicts both these requirements and will therefore always be opposed to the limit by the capitalist class.

Or take government investment in industry or public utilities or transportation. There is no end of useful projects which government could undertake at any given time—IF it were free to compete with

³ Since interested propaganda has sought to create the impression that we already have in this country a "welfare state" which takes care of the needs of its citizens, it may be salutary to quote a passage on this subject from President Truman's "Economic Report to Congress," dated January 6, 1950: "The present programs of social security are grossly inadequate. Because of the limited coverage of the present laws, and the exhaustion of benefits by many workers, one-third of the unemployed are now receiving no unemployment insurance benefits, and in some areas the proportion approaches two-thirds. Many communities provide no public funds for the relief of jobless workers and their families. There are also several million disabled workers, many with families to support, who are not eligible for public insurance benefits. In some places, they do not even receive public relief. Only 650,000 of the millions of bereaved or broken families with very low income are receiving survivors' insurance. Only 30 percent of the aged population are eligible for social insurance benefits, which are so meager that few can retire voluntarily. Needed medical care is denied to millions of our citizens because they have no access to systematic and adequate methods of meeting the cost." *A fine welfare state!*

private enterprise. But of course government is not free to compete with private enterprise; in fact it is here that the resistance of the capitalists to the extension of government activities is at the maximum. They regard all branches of the economy that can be made to yield a profit as their own private preserve at the entrance to which they have posted a huge "No Trespassing" sign. If anything seems certain it is that as long as we have capitalism we shall have very little government investment in the production of useful and *saleable* goods and services.

And so it goes. To every form of peaceful, constructive government spending the capitalists have an objection: it redistributes income, or it increases the power and independence of the working class, or it competes with private enterprise. A New Deal government, enjoying overwhelming popular support, may be able to make some headway against these objections; but as long as the capitalists have the levers of economic power in their hands, they will be able to block, or if necessary sabotage, any program which would make the government the balance wheel in an expanding peace economy.

It is very different in the case of spending for military purposes. The flow of orders for armaments benefits the biggest capitalist monopolies; there is no competition with private enterprise; and the whole atmosphere of a cold war—the witch hunts, the jingoism, the worship of force—creates the conditions in which the ruling class finds it easiest to control the ideas and the activities of the underlying population.

And so we must tell the "realists" who urge the necessity of working within the framework of capitalism that they are being hopelessly unrealistic. It is not possible to maintain a system that guarantees wealth and power to capitalists and at the same time to make it work in ways to which they are irrevocably opposed. If the American people are not ready for socialism—and it can hardly be denied that they are not—then the real realist will recognize that the most urgent task of our time is to get them ready.

IV

So much for our number one problem. Let us now turn very briefly to the other problems on our list. We shall find in each case (a) that they are insoluble under capitalism, and (b) that there are no inherent obstacles to their rational solution under socialism.

Income Distribution. The real reason for the grossly unequal and unfair distribution of income in America today is private ownership of the means of production. About two-thirds of our national income is paid out in the form of wages and salaries and about one-

third in the form of profit, interest, and rent. Most of this latter one-third goes to a relatively very small proportion of the population, and it is this fact that gives the distribution of income as a whole its characteristic shape.⁴

The experience of Great Britain strongly suggests that this situation cannot be fundamentally changed within the framework of a capitalist economy.⁵ It seems to be pretty generally agreed that the Labor government in Britain has gone about as far as it is possible to go in the direction of taxing the rich while still maintaining a private-enterprise economy. But even so, as the following table shows, the fundamental distribution of income between labor and property has not changed very drastically since 1938 and does not differ greatly from the ratio of two-thirds to one-third which obtains in the United States.

DISTRIBUTION OF INCOME IN U. K., 1938 AND 1948*

	% Before Taxes		% After Direct Taxes		% After All Taxes	
	1938	1948	1938	1948	1938	1948
Labor	61	60	64	65	63	63
Property	38	38	34	32	35	34
Armed Forces	1	2	2	3	2	3
Total	100	100	100	100	100	100

4 Statisticians have devised an index of inequality which would stand at zero in case of perfect equality (that is, if every one's income were the same) and at one in case of perfect inequality (that is, if one individual had all the income and every one else had nothing). Thus the lower the index the greater the equality, and the higher the index the greater the inequality. Calculations based on 1945 federal income tax returns show that wages and salaries (with an index of .38) are much more equally distributed than business and partnership income (.68) on the one hand and than interest and dividend income (.82) on the other. Selma F. Goldsmith, "Statistical Information on the Distribution of Income by Size in the United States," Papers and Proceedings of the 62nd Annual Meeting of the American Economic Association, p. 327.

5 Contrary to a widely held belief, Britain today is still a capitalist country. At the present time about six-sevenths of all employment in the U. K., excluding only the normal functions of government, is in private firms and only about one-seventh in socialized firms. See P. M. Sweezy, *Socialism* (McGraw-Hill, 1949), pp. 45-47. It is true that the Labor government has actively and extensively intervened in the British economy in the last five years, but it has done so in response to immediate problems and emergencies, not in accordance with an overall plan. We must always remember that—as an anonymous British writer has put it—"making life difficult for capitalism is not the same thing, by any means, as transforming it into socialism." "British Labor and Socialism," *Monthly Review*, Sept. 1949, p. 143.

*Computed from figures given in the official White Paper on National Income and Expenditure of the U. K., 1946-48 (Cmd. 7649).

Socialism, of course, solves this problem automatically by doing away with private property in the means of production and placing at the disposal of society as a whole the income (as we have seen, roughly one-third of the total) which now goes to the relatively small class of capitalists.

Social Security. Not much needs to be added on this subject to what has already been said above. As long as capitalists have the power they will use it to oppose the building up of a really adequate social security system. This does not mean, however, that nothing can be accomplished under capitalism. Unsatisfactory as our present social security system is, it is nevertheless much better than what we had twenty years ago; and the experience of other capitalist countries—chief among them the Scandinavian countries, New Zealand, Australia, and Britain—proves that much more can be done in this line than the major American political parties have yet been willing even to consider. Hence all liberals and radicals will as a matter of course consistently press for improvements in our social security system. But this does not in any way change our conclusion that progress will ultimately require the effective elimination of the capitalists' power to oppose and obstruct.

Monopoly. Almost everyone agrees that the monopoly problem arises from two closely interrelated causes: large-scale production and the combination of many productive units under unified corporate managements. Big production units and even bigger management units have long since become the characteristic feature of the industries which dominate American economic life. Almost everyone—except, no doubt, the big businessmen themselves—also agrees that something should be done about the monopoly problem, that the degree of concentration which now exists is both economically and politically dangerous.⁶

One common proposal is that the antitrust laws should be more vigorously enforced. But this is precisely what has been happening in recent years. Mr. Herbert A. Bergson, chief of the Anti-trust Division of the Department of Justice, told the Celler Committee that

more cases have been instituted in the last 10 years than in the entire 50 years before that. Our record of wins against losses in the courts has been most impressive. Nor do the court cases tell

⁶ *This view has been stressed by witness after witness before the latest congressional monopoly investigation, which is still in progress at the time of writing [early 1950]. Four volumes of hearings have so far been published under the general title, Study of Monopoly Power. The investigation got under way in the summer of 1949; it is being conducted by a subcommittee of the House Judiciary Committee under the chairmanship of Representative Emanuel Celler of New York.*

the whole story. Approximately 25 percent of our cases result in consent judgments, in which relief against illegal practices is obtained without the necessity of going to trial. Finally . . . the mere existence of the anti-trust laws, coupled with the knowledge that violations will be punished, has a tremendous influence in keeping our economy democratic and competitive.⁷

And yet despite all this activity and these many victories, witness after witness testified to the growth of monopoly in the last ten years. The inference is plain, that the anti-trust laws are powerless to deal with the situation. And it follows that to advocate relying on them is merely another way of opposing any effective action on the monopoly problem.

A second approach to the monopoly problem would establish regulatory commissions, on the model of the Interstate Commerce Commission and the various state public utility commissions, to control the activities of the large concentrated industries. There are, however, many and compelling objections to this proposal. Commission regulation has proved itself to be unwieldy and inefficient; it spawns red tape and bureaucracy in the worst sense of the terms; and the commissions always end by becoming the friend and backer of the private industries they are supposed to regulate rather than the protector of the public interest.⁸ Regulatory commissions are no more effective than anti-trust laws as a method of dealing with the monopoly problem, and they are likely to do a great deal more harm.

Finally, it is often urged that the solution of the monopoly problem is to be found in a new approach which would enforce competition through putting a limit on the size of firms. Those who advocate this method, however, are obliged to admit that the proposed maximum size would have to be different in different industries. Hence it would be necessary to establish a commission to determine the permissible limit in each industry; and after the commission had made its findings each case would have to go through the courts. This would be merely an extension of traditional anti-trust procedure. It could be expected to lead to endless litigation, weighty pronouncements by the Supreme Court, perhaps a few highly publicized splitting-

⁷ *Ibid.*, Part I, p. 381.

⁸ Note the following statement of former Governor Ellis Arnall of Georgia to the Celler Committee: ". . . since those regulatory bodies dealt only really with the people they regulated, through the course of years, since politics cost money at the state level where they run for reelection and at the federal level where pressures are not unknown, very soon we find ourselves with an amazing situation whereby many of these regulatory bodies . . . exist not to protect the public, but to stand as a bulwark against the public to protect the people they regulate." *Ibid.*, Part I, p. 268.

up actions—and for the rest a more secure tenure for monopoly because some of the pressure “to do something about it” would have been removed. But even if this method would work it would be highly objectionable. Big business, on the whole, is efficiently and expertly conducted. To attempt to solve the monopoly problem by pulverizing big business would be like throwing out the baby with the bath.

The trouble with big business under capitalism is not that it is big but that it is private and socially irresponsible. The remedy for that is obvious: make it public and socially responsible.

Natural Resources. There is writ large in the annals of American history the lesson that private enterprise is wasteful and destructive of natural resources, that government regulation is at best negatively effective, and that social ownership and planning are not only effective but yield positive results out of all proportion to the costs involved. The case of timber will serve to illustrate the comparison. The ruthless cutting-over of our forests by private capitalists had to be stopped by government action, but only where far-reaching government ownership and planning have been instituted—most notably in the case of the TVA—has it been possible to evolve a rational forestry policy as a part of a comprehensive program of conserving and developing our natural resources.

Another industry, coal mining, underscores the point. Coal is a sick industry, losing its markets to competing fuels, throwing out of work more and more miners who find it practically impossible to move into other occupations, and beset by periodic labor disputes which each time threaten the economic life of the country. This is a problem which private enterprise and government regulation alike are powerless to cope with. It requires for its solution much more radical action: nothing less than the scrapping of private enterprise—not only in coal but also in oil and natural gas and all the other fuels which provide the lifeblood of modern industrial society—and the substitution of social enterprise operating in accordance with a long-run plan of conservation and development.

The Wastefulness of Capitalism. The real wastefulness of capitalism certainly does not lie in the organization of its big corporations, as many well-meaning reformers seem to believe; nor, in the final analysis, even in its undoubted prodigality with our heritage of natural resources. It lies rather in the structure and functioning of the system as a whole—in the making of exquisite luxuries for a few while millions are condemned to misery and poverty; in misdirecting brains and energy and resources into the insanities of competitive salesmanship; in the foregone production and the blighted lives of depression; in the destruction and slaughter of wars to divide and re-

divide the world; and now in the monstrous waste of a cold war to preserve the *status quo* at home and abroad.

In its day, capitalism was a progressive system. It created the productive forces which have completely revolutionized the world we live in. Its big corporations are in many ways models of rational and efficient organization. But capitalism does not know how to utilize constructively what it has created; it is like the sorcerer who could not control the forces of the nether world which he called up by his spell. If we are to enjoy the benefits of modern science and technology, if we are really to help others and not merely exploit them under the pretense of helping them, we must get rid of this blind, socially wasteful, destructive system, and we must put in its place a system which permits rational intelligence and common sense to play a role not only in the lives of individuals but also in the life of society as a whole.

SOCIALISM IS THE ONLY ANSWER

BY LEO HUBERMAN AND PAUL M. SWEEZY

On April 3rd, President Truman laid the cornerstone of a new church building in Washington. He took the occasion to deliver a sermon on the need for morality in public and private life. In the course of his sermon, the President stated that

the evils of the sweatshop and the slum, the evils of needless disease and poverty, and the evils of social injustice are, at bottom, moral issues. Such conditions arise because men have neglected the moral law. They arise because men do not actually live up to the religious principles they profess to believe in.

And President Truman himself? Surely he must be a resolute opponent of all these evils? Surely the nation's first citizen must set a model for his countrymen, must actually live up to the religious principles he professes to believe in?

Let us look at a revealing part of the record. Let us look at a situation which manifests all the evils of sweatshop and slum, of needless disease and poverty, of social injustice in its crassest and most despicable forms, and let us observe President Truman's behavior on coming into close contact with this situation.

The *New York Times* and one of its feature writers, Gladwin Hill, recently performed a journalistic service of a kind which is becoming increasingly rare—the uncompromising exposure of social evils. In a series of articles (March 25-29), they turned the spotlight of publicity on the exploitation of illegal Mexican immigrants in the southwest border states. The gist of the series is well summed up in the headlines of the first four articles:

March 25. MILLION A YEAR FLEE MEXICO ONLY TO FIND PEONAGE HERE. Illegal Migration Across 1,600-Mile Border by Seasonal Slave Labor Depresses Latin and American Levels Alike.

March 26. PEONS NET FARMERS A FABULOUS PROFIT. Illegal Migrants from Mexico Working Rich Soil of West a Bonanza to Exploiters. PAY 15 TO 25 CENTS A DAY. And Many Receive Food Alone, While Shelter is a Hut, a Thatch, or the Stars.

This is an editorial which appeared in Monthly Review, May, 1951.

March 27. PEONS IN THE WEST LOWERING CULTURE. Illegal Migrants from Mexico Form Vast Unassimilable Block of Population. ALL STANDARDS DECLINE. Health, Education, Democracy in Areas Where 'Wetbacks' Work Are Deplorable.

March 28. SOUTHWEST WINKS AT 'WETBACK' USE. Ethics Cast Aside as Growers Accept Peonage Idea and Bridle at Interference. FEDERAL SANCTION NOTED. Border Patrol Officers Report Pressures from Washington to 'Go Easy' in Raids.

It doesn't sound like the sedate and conservative *New York Times*, and yet the truth is that the headlines are in no way sensationalized. They give a sober summary of a calm and well-documented text. There can be no doubt that these are facts, terrible and damaging facts, about a large area of the United States, not in the days of slavery but right now, this very minute. Moreover, the evils which they portray are not disappearing; on the contrary, they have been rapidly growing and spreading in the last decade.

And now let us observe President Truman in contact with these evils, the very same President Truman who calls them moral issues while laying cornerstones of churches and appealing to his fellow citizens to live up to the religious principles which he and they profess to believe in.

According to Gladwin Hill:

It was in [the El Paso Immigration District], during the 1948 presidential campaign, that there occurred the notorious "El Paso tea party." The supply of Mexican labor had not been sufficient to satisfy farmers of the area.

As reported by Art Leibson of *The El Paso Times*, "When President Truman came to El Paso for a campaign address, the problem was laid before him by cotton men and by Texas and New Mexico Congressmen. Soon after his train moved east through Texas, there was a meeting of top immigration officials at El Paso." What went on behind the scenes is still a matter of equivocal explanation by immigration officials. What happened openly was that—in outright violation of United States commitments, according to the subsequent protest of the Mexican government—border-patrol officers turned their backs for forty-eight hours, while some 7,500 "wetbacks" streamed across the river unhindered to fill the farmers' needs.

It would appear that there are two President Trumans. One is a layer of church cornerstones. The other is a practical politician, the leader of the Democratic Party, and the head of the entire administrative apparatus of the Federal government. One preaches morality. The other, it would seem, helps to arrange the importation of slave

labor (the term is the *Times'*, not ours) for the benefit of profit-hungry farmers and in flat violation of the law of the land and the solemn international commitments of the United States government.

How shall we explain this? Is Harry S. Truman a specially bad man, a conscienceless hypocrite and scoundrel?

Hardly. He seems to be no better and no worse than most of us. Indeed, if fate had not interrupted his career as a haberdasher in Independence, Missouri, he would probably be today a good candidate for the title of Mr. Smalltown American.

The explanation must be sought elsewhere than in the moral character of Harry Truman. It must be sought in the pressures and demands of a system which ultimately subordinates everything to the making of private profits. Greed and exploitation, double-dealing and deceit, corruption and hypocrisy are all built into the foundations of such a system. It fixes a stigma on its functionaries which they can never wipe out.

These truths, which incidentally are the starting point of genuine socialism as distinct from mere liberal reformism, have had many striking illustrations recently.

Take the sphere of foreign policy, for example. Everyone who has ever read as much as a paragraph of one of Secretary Acheson's speeches knows that the purpose of United States policy is to defend freedom, justice, and peace. That, of course, explains why we let Nazi war criminals out of jail, do all we can to rearm Germany and Japan under essentially their old imperialist masters, bolster up the exploitative empires of the western European nations, remain strictly silent in the face of the unspeakable racial brutalities of South Africa, and lend our wholehearted economic and political support to every reactionary butcher from Franco and Salazar in Europe to Chiang Kai-shek and Syngman Rhee and Bao Dai in Asia. That explains, too, why we must blast and incinerate the Korean people off the face of the earth. We are in Korea, you see, not to save the Korean people but to save their freedom.

Or take the Washington scene. A Senate investigating committee, under the chairmanship of Senator Fulbright, has been spreading on the record a sordid story of fraud and corruption in the RFC—a story which implicates businessmen and politicians and civil servants alike, and in about equal measure. But, says President Truman at a press conference, the men around him are honorable men, all honorable men. Very likely they are—just like the President himself. He probably doesn't realize it, but what he is really saying is that corruption is in the system and not in the men who appear to run it. For once we find ourselves in complete agreement with him.

An even more instructive story is what may be called the "case of the ship money." This is still under Congressional scrutiny, and it may turn out to have as yet unsuspected angles. But on the basis of what has been published to date, it looks as though everything had been legal and aboveboard. Let us assume that nothing illegal is discovered: the moral of the story is then all the plainer.

The gist of the case is that Joseph E. Casey, a Washington lawyer, by a series of complicated corporate manipulations, bought surplus oil tankers from the government and disposed of them at an enormous profit which was taxed at the 25 percent rate applicable to capital gains rather than at the much higher rates which would have been payable under the income tax. Associated with Mr. Casey in these deals were a number of highly respectable and influential citizens: the late Edward R. Stettinius, former Secretary of State; Fleet Admiral William F. Halsey, naval hero of World War II; and General Julius C. Holmes, wartime head of G-5 (the military government branch of the General Staff), later Assistant Secretary of State, and at the present time American Minister in London. There were two or three others in the group, and all together, according to Jack Steele's account in the *Herald Tribune* of April 1st, they realized a profit of \$2,800,000 in three years on an investment of \$100,000—which works out to an annual rate of profit of between 900 and 1,000 percent. Mr. Casey himself put up \$20,000 but realized "only" \$280,000 because he transferred part of his holdings to a fellow Washington attorney. Messrs. Stettinius and Holmes took in \$280,000 each on investments of \$10,000; and Admiral Halsey made \$140,000 on an investment of \$5,000.

And who is this Joseph E. Casey? Why, bless you, he's the same Joe Casey who used to sit in the House of Representatives from Massachusetts' Fourth Congressional District: a trusted supporter of FDR, an ardent New Dealer, a shining knight of liberalism and reform.

There you have it. Reformers and heroes, generals and statesmen, brokers and lawyers—honorable men, all honorable men—and all obeying capitalism's first commandment: make your pile while the making's good. And what was it that enabled this particular group to invest their little nest-eggs at better than 900 percent? Was it exceptional ability? Some great contribution to the country's welfare? No, hardly. It was just that they happened to be on the inside and that one of them was clever enough to figure out how to beat the tax collector. Simple, isn't it? And what's more, dear reader, you are free to do the same. That's what we mean by freedom in this man's country. That's our system of equality of opportunity at work. That's

what has made the United States of America. . . . But we needn't go on. Just turn on the radio and the announcer will finish the sentence for you.

Another recent scandal has been the "fixing" of college basketball games by big-time professional gamblers. What have we here? Just a few boys' succumbing to temptation? Or is it something deeper? Listen to what Senator Fulbright said in an important speech on the Senate floor on March 27:

Let us consider what has developed in our colleges where the characters of our young men and women are being molded. Our colleges, under extreme pressure from the alumni, have become so intent on winning football and basketball games that they use any means to gain their ends.

They hire players who are not bona fide students and thus make a mockery, a farce, of the whole concept of amateur sport for the health and entertainment of our young men. They corrupt not only the hired players, but also the entire student body who learn from their elders the cynical, immoral doctrine that one must win at all costs.

A by-product of this doctrine, the necessity for big money, leads naturally to betting and to the shocking episode of the widespread bribery of basketball players in New York. I find it difficult to blame the players. They are but following a logical sequence of influences, beginning with the corruption of the sport at its source by pressure from the alumni.

An admirable statement—as far as it goes. But what reason is there for assuming that this "logical sequence of influences" begins with the alumni? Are they the source of original sin? Or are they rather a privileged group which acts as a sensitive conductor of the fundamental pressures generated by the system in which they live?

What are we to say of the revelations of the Senate Crime Committee under the chairmanship of Senator Kefauver? One thing we have to say, of course, is that the only really new thing about them is that they were broadcast on television. The tie-up between crime and politics in this country dates back to the rapid urbanization of the population in the nineteenth century. The Kefauver Committee is only telling part of a story that has been told many times before, most fully and most effectively by Lincoln Steffens and the other muckrakers nearly fifty years ago. If revelations of corruption and criminal influence in municipal politics come as a surprise to some Americans it is only because today we have no muckrakers and few crusading newspapers to tell the story to the public.

Just because the revelations of the Kefauver Committee are "old hat," however, does not mean that they are unimportant. They are

important—provided only that their meaning is properly understood. They demonstrate, for all who care to see, certain basic truths: First, that under our system any and every line of activity that yields a profit will be developed roughly in proportion to its profitability and quite regardless of whether it is legal or not. And second, that since illegal lines of business—organized crime—require special privileges and protection, they *must* always and everywhere be deeply involved in politics. Under capitalism, crime and politics are as closely linked as Siamese twins—the monstrous progeny of the hunt for private profits.

Was this fact not implicitly recognized by the “stars” of the New York hearings, Senator Tobey and former Mayor O’Dwyer? Listen to the following colloquy:

Senator Tobey—A funny thing what magnetism that man [Frank Costello] had. How can you analyze it? You look him over, you wouldn’t mark him except pretty near minus zero. But what is there? What is the attraction? What has he got? What kind of appeal does he have? What is it?

Mr. O’Dwyer—It doesn’t matter whether it is a banker, a businessman, or a gangster, his pocketbook is always attractive.

Senator Tobey—I quite agree, and that is a sad commentary, isn’t it, on modern life today?

Mr. O’Dwyer—Yes, sir.

But what is it, gentlemen, that determines the quality of “modern life today”? Isn’t it precisely the dominance of the pocketbook over all the aims and values and activities of social life? And isn’t that the very essence of capitalism, of the wonderful system of “free enterprise” which is being touted all over the world (of course with the support of Messrs. Tobey and O’Dwyer) as the miracle of America and the savior of the world?

But enough!

The record is sufficiently plain, and certainly not only to radicals. Senator Fulbright, in the previously quoted speech to the Senate, spoke of “the moral deterioration which is so evident to all,” and he was hardly exaggerating. Talk to people in all walks of life—in places of work, on buses and trains, in offices, at social gatherings—and you will find a well-nigh universal awareness of the greed and corruption and hypocrisy which permeate our national life today.

The question is: What shall we do about it?

Senator Fulbright, for one, is at a loss to answer. “I confess that I do not know what should be done,” he told his fellow senators. And so he proposed—a commission! And what would this commission do? Why, it would “consider the problem of ethical

standards of conduct in public affairs." Did ever the mountain labor and bring forth a tinier mouse?

No, Senator, your commission won't accomplish anything, and we can prove it on the basis of your own arguments. You yourself recognize that the problem is not one of new laws:

Much of the evil of the world is beyond the reach of the law. The law cannot prevent gossip. It cannot prevent men from bearing false witness against their neighbors. It cannot restrain men from avarice and gluttony. It cannot restrain a man from betraying his friend. In short, it cannot prevent much of the evil to which men are, unfortunately, too prone.

The problem for you is much deeper than that of devising new laws. It is nothing less than that of reforming the people who run our society, the people who in the final analysis set the standards of public and private life alike, and who are therefore the source of corruption. Here is what you yourself said about this, Senator:

Who is more at fault, the bribed or the bribers? The bribed have been false to their oaths and a betrayer of their trust. But they are often relatively simple men—men of small fortune or no fortune at all—and they weaken before the temptations held out to them by the unscrupulous.

Who are the bribers? They are often men who walk the earth lordly and secure, members of good families, respected figures in their communities; graduates of universities. They are, in short, of the privileged minority, and I submit that it is not unreasonable to ask of them that high standard of conduct which their training ought to have engendered. . . . Is it too much to ask of them, the favored few of our country, that they behave with simple honesty; with that honesty which looks, not to the letter of the law, but to its spirit?

You don't realize it, of course, but you are describing the American ruling class, and you are saying that it is the source of "the moral degeneration which is so evident to all." You are right, and the best that your commission could do would be to elaborate on the same theme, ending finally by preaching morals to the immoral.

All of history shows the futility of that course. Ruling classes are motivated by class interests, not by morality. Eventually, indeed, they mold their whole conception of morality to fit the requirements of their interests. That process is going on right now, Senator. How else can we explain your own lament that

one of the most disturbing aspects of this problem of ethical conduct is the revelation that among so many influential people, morality has become identical with legality. We are certainly in a tragic plight if the acceptable standard by which we measure

the integrity of a man in public office is that he keep within the letter of the law.

This change in moral standards is worth pondering over. Haven't even your ideas of morality been changing in recent years, Senator? Stop and think for a moment. What were your reactions when Hitler sent his airmen to wipe out the little Spanish town of Guernica? What did you think when he ordered the obliteration of the Czech village of Lidice? If you were like most of your countrymen, you found in these acts proof of the utter depravity of Nazism, a convincing reason why there could be no compromise with fascism in any of its forms. In the March issue of MR we reproduced newspaper reports of comparable events in Korea—of "a little hamlet north of Anyang" hit by a napalm raid "and nowhere in the village have they buried the dead because there is nobody left to do so"; of the village of Tuom-ni, "obliterated" by "tanks, planes, and artillery" in reprisal for the ambushing of an advance patrol. These were not the acts of the North Koreans or the Chinese, Senator; they were the acts of Americans, and they were as deliberate as anything Hitler ever did. We have not seen any reports that you were among those raising your voice in protest. Can it be that what was immoral when Germans did it is moral when Americans do it? Or have your standards of morality been undergoing subtle changes, unbeknownst even to yourself?

But don't misunderstand us, Senator. We do not presume to preach morals to you; we merely tell you that you and your commission will get nowhere by preaching morals to the American ruling class. The American ruling class is the creation of a system which bestows its rewards on those who manage by hook or by crook to get rich. In the long run its members will adjust their ideas of morality to the exigencies of that system. Already its defense justifies any kind of killing—today with high explosives and napalm, tomorrow with atom bombs and deadly man-made plagues. Why should it be less moral to lie and bribe and steal and brutalize the minds and spirits of men?

If preaching morals won't help us, what will?

There is only one answer. The whole rotten system of capitalism, which subordinates everything to the private accumulation of wealth, must be scrapped; and in its place we must build a system in which public service becomes the normal, indeed the *necessary*, way of life and not the aberration of a few quixotic altruists. That means that private property in the means of production must be replaced by public property, that men must be valued not according to what they can wrest from society but according to what they contribute to society, that the anarchy and waste of private enterprise must give

way to orderly planning in the interests of the whole community.

In a word, that means socialism.

We founded *Monthly Review* just two years ago this month in order to further the cause of socialism in the United States. Everything that has happened since has convinced us that we were right then, and that the job becomes more important with every day that passes.

Some people tell us that we are impractical, that the American people are not ready for socialism.

Well, and what should we conclude from that?

That the American people should be told only what we think they are ready for?

Or that the American people should be *made ready* for socialism, that they should be told the truth—that *socialism is the only answer and the sooner they are ready for socialism the better not only for themselves and their children but for all mankind.*

(April 15, 1951)

MONTHLY REVIEW is entirely independent of partisan or political control. Its objectives are the dissemination of a true understanding of socialism, and the reporting of unbiased, dependable news of the movement toward a socialist society which is steadily spreading over the face of the globe.

WHERE WE STAND — From the editors' statement of policy in Vol. I, No. 1, published in May, 1949.

We find completely unrealistic the view of those who call themselves socialists, yet imagine that socialism can be built on an international scale by fighting it where it already exists. This is the road to war, not to socialism. On the other hand, we do not accept the view that the USSR is above criticism simply because it is socialist. We believe in, and shall be guided by, the principle that the cause of socialism has everything to gain and nothing to lose from a full and frank discussion of shortcomings, as well as accomplishments, of socialist countries and socialist parties everywhere.

We shall follow the development of socialism all over the world, but we want to emphasize that our major concern is less with socialism abroad than with socialism at home. We are convinced that the sooner the United States is transformed from a capitalist to a socialist society, the better it will be, not only for Americans, but for all mankind.

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Clarity about the aims and problems of socialism is of greatest significance in our age of transition. Since, under present circumstances, free and unhindered discussion of these problems has come under a powerful taboo, I consider the founding of this magazine to be an important public service.

PROFESSOR EINSTEIN

in his article "Why Socialism?" in Vol. 1, No. 1

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