

The mass will not have any kind of direct control. A special set of controllers may be necessary. "It is very probable that a planned society will provide certain forms of closed social groups similar to our clubs, advisory commissions or even sects, in which absolutely free discussion may take place without being exposed to premature and unsatisfactory criticism by the broader public... it must be constitutionally provided that any advice or suggestions coming from these exclusive closed groups would really reach and have an appropriate influence on the government... Admission to those 'secret societies' or 'orders' would have to be on a democratic basis and they would remain in close and living contact with the masses and their situations and needs"(111). This, however, looks like little more than a sort of glorified GESTAPO or OGPU — organizations which also, quite democratically, select the "best from all layers of society, discuss the most subversive ideas behind closed doors, instruct the government as to what it must do in order to remain the government, and have their spies in such close contact with the masses that each member of the masses is secretly suspected of belonging to the secret order.

To be sure, Mannheim has something quite different in mind. But so long as class relations and economic exploitation prevails, all such plans in practice will turn out as if they had been concocted by Heinrich Himmler. However, Mannheim is not too reluctant to learn from the fascists. Democracy", he says, "ought to instruct its citizens "in its own values instead of feebly waiting until its system is wrecked by private armies from within. Tolerance does not mean tolerating the intolerant"(353). But democracy was not wrecked by private armies. Something else took place: the capitalistic exploitation-system changed both economically and politically from democracy to dictatorship. Because no one was intolerant enough to do away with the capitalist structure, class rule and the wage system which feeds it were prolonged in a new form. Property and power changed hands. It has, so far, always changed hands by the two methods of economic competition and military force, with military force lately becoming dominant. Furthermore, the "values" of democracy cannot safeguard democracy. "To safeguard democracy" can mean nothing more than to safeguard those people who, under conditions democratic for them, hold property. To keep their power they have to be intolerant in dealing with other intolerants who thirst to take their place. Thus, when Mannheim says, "there is nothing in the nature of planning or of democratic machinery which makes them inconsistent with each other"(339), what he really says is that those who today in the democracies control property and government need not lose it if only they are willing to defend it with the same vigor and with the same methods that the fascists employ. In this sense it is true that "society can be planned in the form of a hierarchy as well as in the form of democracy" (364) i. e., of a democracy for the controllers as described above. The difference between both forms would be a purely aesthetic one, the choice between a bourgeoisie in mufti and a bourgeoisie in uniform.

Intolerance in a good cause is excusable. There is hope, Mannheim thinks, that "the Western democracies at their present stage of development

are gradually transforming the liberal conception of government into a social one" ..that these states are ..."changing into social service states"(336). Moreover, "the power of the state is bound to increase until the state becomes nearly identical with society". What Mannheim could say is that the state becomes nearly identical with the property and power institutions of society; for, unfortunately, the state cannot become identical with society. In that case it would no longer exist — there would then be only society. By equating state and society Mannheim continues to deal with mistaken identities. He sees, for instance, in the growth of social insurance not proof of an actually increasing social insecurity, but a "tremendous advance toward the positive conception of the state"(336). He is even willing to embrace institutions of the kind of Goebbel's *Kraft Durch Freude*, since "we seem to have the choice simply between commercialized or state-controlled leisure"(337).

For Mannheim "the only way in which a planned society differs from that of the nineteenth century is that more and more spheres of social life, and ultimately each and all of them, are subjected to state control". Just the same, democracy need not be lost, for "if a few controls can be held in check by parliamentary sovereignty, so can many"(340). Though central control is more than ever necessary, in a democratic state "sovereignty can be boundlessly strengthened by plenary powers without renouncing democratic control" (341). Mannheim, the optimist, however, is always shadowed by Mannheim the pessimist. Though at first the class issues were no longer for him the decisive ones, he comes to the conclusion, after further reflection on the possibilities of a planning for freedom, that "planning based on the inequality of classes or estates probably cannot last long because those inequalities will create so great a tension in society that it will be impossible to establish even that minimum of tacit consent which is the *conditio sine qua non* of the functioning of a system"(364). Finally, and in contradiction to his previous contention that the good in both the old and the new must be merged, he says that "from the wreckage of liberalism nothing can be saved but its values, among others, the belief in a free personality"(364) which, as we know from history, has been the belief in the right to buy and sell labor power freely. Again, he feels that even this may not be salvaged because "the type of freedom which is possible in one society cannot be reasonably demanded in another, which may have other forms of freedom at its command"(370).

## IX

The freedom of liberalism, that is, the freedom of the invention stage cannot be applied to the planning stage. This freedom was highly illusory anyhow. "It has been rightly pointed out", Mannheim says, "that the 'liberties' of liberal capitalist society are often only available to the rich, and that the 'have-nots' are forced to submit to the pressure of circumstances" (377). Though at one place he has stated that "one of the reasons for the disorganization in the free system of industrial economy was that an

absolute freedom of consumer's choice made it difficult to co-ordinate production and consumption" (315), now, on second thought, he admits that the "greater part of the population has never had this freedom of choice and has been forced by poverty to buy standardized goods" (348). Thus the greater part of the population is well prepared for the new freedom of planning. It really cannot make the unhappy mistake of applying to one stage of development the concept of freedom of another.

Though this happy situation makes the functions of the controllers of society relatively easy, it must not be overlooked that "the planning approach outruns the immediate actions of the individual even more than in liberal society where separate individual ends were pursued. The tensions between individual actions and thinking become greater than ever before" (212). But the sun breaks through again, because now "we have reached a stage where we can imagine how to plan the best possible human types by deliberately reorganizing the various groups of social factors" (222). It will be psychology's job to "discover key positions in the sphere of structural sociology, when certain kinds of behavior can be predicted or produced with a high degree of accuracy... It will seek for laws which turn aside the aggressive impulses and guide them towards sublimation". (202). Planning is finally the rational mastery of the irrational.

There are direct and indirect methods of influencing human behavior. Indirect influences work from afar. Thus the "individual might have an illusion of freedom, and indeed he does in fact make his own adjustment. But from the sociological point of view the possible solutions are more or less determined in advance by social control of the situation" (275). Expectations, wishes, rewards fall under this control and must be planned. Appreciatively Mannheim quotes F. Knight's observation that "even our interest in food is largely a matter of social standards rather than biological needs" (282), and that we have to distinguish between conditions when food and housing carry social prestige, and when the desire for prestige can be satisfied by badges and titles<sup>8</sup>. In other respects, too, Mannheim hopes that "a society in which profit is not the only criterion of economic production will prefer to work by methods which, though less effective from a point of view of output, give the workers more psychological satisfaction" (266). But even then conflicts are bound to develop, making necessary "professions whose principal task is to study the technique of adjusting conflicts" (302), and to develop the technique of arbitration into a science.

Planning for freedom gives the elite the freedom to plan and the planned the freedom to accept it. The masses must learn once more that whatever is, is right. Just as during the *Age of Reason* their submission to the actual and ideological rule of the capitalist class spelled social peace and co-operation, so now in the planned society cooperation and peace are established

8) This is Veblen carried to the extreme; the psychology of the petty-bourgeoisie is generalized. It seems odd, however, that generally those who have sufficient food and good housing have also the badges and titles.

by submission to the rulings of the planners. In order cheerfully to accept situations created for them, the masses have only to understand that the powers of the elite are really necessary for their welfare. Just as before they were convinced that without the capitalists society could not exist, so now they must recognize in the elite an unavoidable requirement for the social life-process. To overcome the feeling and the fact of oppression it is only necessary to begin to like it. At a later stage the masses themselves may again be consulted, the plebiscite may possibly be re-introduced. With the proper elite at the helm, with economic life fairly well planned, with new progress made, new social problems and those that remain may then be solved with the help of a truly sociological psychology.

It is true that freedom in an abstract sense can never be realized. Marx for instance, pointed out<sup>9</sup> that freedom in socialism "cannot consist of anything else but of the fact that socialized man, the associated producers, regulate their interchange with nature rationally, bring it under their common control, instead of being ruled by it as by some blind power; that they accomplish their task with the least expenditure of energy and under conditions most adequate to their human nature and most worthy of it". For Mannheim the "realm of necessity" to which according to Marx all freedom in the working society is subjected, includes, besides nature, a "second nature" restricting the scope of freedom still further. "Technique", he says, "while freeing us from the tyranny of nature, gives rise to two new forms of dependence. All progress in technique is bound up with additional social organization" (373). Thus "freedom in man's direct struggle with nature is something entirely different from freedom in his struggle with "second nature", that is, a "nature" characterized at this stage of development by the lack of power "both theoretically and practically to master the cumulative effect of mass psychology or of the trade cycle, or of maladjusted institutions" (375). It is true that this "second nature", caused not by the development of technique as Mannheim puts it, but by a socio-economic and technical development of the class society, must be mastered first to allow for a greater mastery over nature. The class struggle, by releasing productive forces unable to be developed under capitalistic conditions, is for Marx the pre-requisite for a greater freedom. But for Mannheim "second nature" takes on such a rigidity and persistency that the "realm of necessity", which determines the possible freedoms, becomes so enlarged that by comparison with it even a mere reorganization of the existing system of exploitation and the development of additional control techniques for the sake of social peace in spite of class relations looks like a new set of liberties accompanying the never-ending struggle of mankind for further progress.

## X

"Liberties" within Mannheim's "realm of necessity" demand a variety of compulsions. Planning has to take this into consideration and becomes at once both planning for and against the planned. The planners find them-

9) *Capital*; Vol. III., p. 954.

selves at all times opposed to those groups that attempt to take their place. The ruling elite, to remain such and to maintain the ability to "plan for society", is forced to continue the concentration process initiated by capitalist accumulation. But, as Mannheim has noticed before, "society is in its very nature based on an increasing internal differentiation, so that its lesser units cannot all be controlled by the central body" (49). The ruling elite however, can counteract the increasing inaccessibility to control only by way of still further centralization. Thus the more planning there is, the more difficult it becomes to assure the control of the planned. Finally, planning which started as an attempt to solve social problems, reduces itself to a planning of ways and means of keeping the ruling elite in power at whatever cost to society.

The control over the ruled is in need of continuous improvements as planning proceeds. The fear of the planners grows as the complexities of social life under modern conditions contradict in increasing measure the planners' narrowing schemes. The whole hierarchy of systems of control as employed in fascist states is inherently insecure. The permanent terror exercised wherever this system rules betrays its insecurity. It is, in addition, uneconomical and much too rigid to satisfy the real needs of modern processes of production and distribution. It destroys initiative and adaptability and necessitates further organizational improvements which become obsolete as soon as introduced. The accumulation of capital changes into the accumulation of organizations. The latter, instead of raising the productivity and satisfying social needs, become a source for new social insecurities and a hindrance to the unfolding of production.

The weapon of terror and psychological control can, it is true, be successfully employed only if the "baser needs" of the masses can also be somehow taken care of. But what are these "baser needs"? Endurance is the most remarkable quality of human beings. It nevertheless defies calculation. It is not possible to say when, where, and how endurance ends. Thus a great variety of control techniques must be simultaneously engaged to cope with every possibility that may arise. Any kind of independence which does not serve the ruling class must be prevented. The psychological control must be all-embracing. It can be more embracing than some other control techniques, which may be in need of leniencies in order not to lose their usefulness. Thus the vogue of psychology must be understood in connection with the transformation of the liberal into the totalitarian society.

Totalitarian institutions like the Catholic Church always extensively employed psychological methods of control. We may also recall here that the philosopher of the super-man believed quite consistently that "psychology shall once more be recognized as the queen of the sciences, for whose service and equipment the other sciences exist".<sup>10)</sup> It is no wonder that the "anti-fascists" of today point with great excitement to the fascist application of psychology (all schools included) and ask for similar weapons in order to

10) *Beyond Good and Evil. The Philosophy of Nietzsche. Modern Library Edition, p. 27.*

defeat fascism.<sup>11)</sup> For all theoreticians who want to solve social problems independent of the class nature of present-day society, psychology becomes of the greatest importance.<sup>12)</sup> However, all political activity becomes thereby a sort of gigantic hog-calling contest and the successful leaders must be celebrated as great animal-trainers.

Because present-day social struggles seem to Mannheim to be no more than the competitive fight between party-organizations and industrialists for the control of labor, the importance he gives to psychology, both in its present crude form and as a promising control and planning instrument of the future, becomes quite plausible. On our part there is no need to deny the present importance and the future possibilities of psychology for purposes of propaganda and control. We do not need, however, to bother about the psychological problems involved in Mannheim's question as to how the controllers can be controlled and the planners planned. If we replace these questions that are based on the unwarranted assumptions that the division of society into rulers and ruled is unalterable by an investigation of the practical measures by which the planned could become the planners and the controlled abolish control, the emphasis shifts back from the psychological to the economic and class aspects of the problem, that is, to inquiries and actions concerned with altering social relationships in the sphere of production. Marxism's overwhelming interest in the more objective aspects of the social processes has not only methodological reasons, but is also explained by its revolutionary character. After a thorough economic analysis of the capitalistic structure and its mechanisms, it becomes inconceivable that any real solution short of the abolition of society's class structure can be found for the problems that beset the working class. Consistent Marxists have thus always steered clear of "scientific" sociology as it has been developed by an optimistic bourgeoisie who thought that their own forgotten revolution had solved once and for all the problems of society.

Bourgeois sociology, now that the capitalist concentration process which destroyed the particular brand of optimism connected with the market-regulated economy is completed, is slowly transformed into a kind of pseudo-scientific psychology for the defense of the ruling class. This change of function is camouflaged by ideas such as that of the "multi-dimensional" character of the social life process. This apparent widening of the field of sociological theory is, however, mainly of a verbal nature. As G. von Gontard has said, the psychologists "have created in their minds a cosmos in itself which cannot be attacked because its integrity is guarded by terminological precautions".<sup>13)</sup> The cosmos is decoration. In so far as sociology and psychology are put to use they serve the very narrow function of supplementing the various instruments needed to perpetuate the existing conditions of exploitation.

11) For example: S. Chakotin, *THE RAPE OF THE MASSES*. New York 1940.

12) The marginal utility theory in economics is here another example.

13) *In Defense of Love*. New York, 1940, p. 292.

The applicability of social psychology, furthermore, is closely bound up with the material apparatus, or, rather, with the people who control the apparatus which distributes the ideological requirements for the coordination of individual wills. To control and influence individual minds, the press, school, church, cinema and radio must be controlled. Effective psychological control presupposes that the control instruments are securely in the hands of the controllers. And so they are, which means that psychological control remains the exclusive weapon of the ruling class unless it is overthrown with weapons stronger than theirs, with weapons and methods not given to the control of the controllers. The possibility, previously open to different capitalistic groups and political movements, to employ to a greater or lesser extent the usual propaganda means disappeared in the totalitarian state. If the revolutionist continues to think that the whole question of social change is one of opposing one ideology with another and that the only medium for social transformation is the displacement of one set of rulers by another, he certainly must despair. The present stage of development demonstrates with utmost clarity that the ways and means of gaining political influence and control within bourgeois democracy have definitely ceased to exist. All that is left to such people, still thought of as "revolutionists", is to demand, in so far as they are still able to voice their opinions, that the present rulership of the still "democratic" nations itself carry through the needed social revolution.<sup>14)</sup>

"The only way in which dictatorial solutions to social crisis can be permanently successful", Mannheim writes, "is by centralizing the control of individual wills. The real problem, however, is to know how far these attempts are counteracted by the conditions of life in modern industrial society" (46). Unfortunately, though consistent with his own point of view, Mannheim concerned himself more with the "centralized control of individual wills" than with the "conditions of life" which may counteract its effect. Conditions of life in modern society have now created, however, a situation where economic and political issues demonstrate their primacy and their outstanding importance daily with the utmost, with almost unbearable, clarity. What was on the part of Marx a revelation of things-to-come is now naked reality. There is no longer in evidence that bewildering variety of groups and interests which beclouded the essentially two-class character of capitalist society. There exists now just one organization, one class, one group — the totalitarian state as the controller and therewith the owner of all that spells power in society. There is, on the other side, all the rest of the population subjected to this totalitarian rule. It is true that this whole mass is still artificially divided through ideological distinctions and is still actually split by the continued competition for better positions not yet brought to a close by total conscription of all labor. It is a powerless, will-less mass, absolutely at the mercy of the ruling elite. There is also the new world-war, still in its beginnings, able only to further complicate the unsolv-

14) See, for example, H. J. Laski's new book "Where Do We GO From Here?", which pleads for a SOCIAL REVOLUTION BY CONSENT! The consent, naturally, is to be given by the ruling classes, to whose reason and magnanimity Laski appeals.

able problem of squaring the class-nature of society with the real needs of the majority of mankind.

The fact of the existence of the proletariat as the largest class in industrial society,<sup>15)</sup> the fact of the complete monopolization and centralization of all power centers excludes — at this time — any class struggles of a directly revolutionary character. There seems to be only the imperialist war, covered up by all sorts of phrases. But within the setting of this war there is developing, already incorporated, and being unconsciously fought the civil war against the classes in power. This civil war within the imperialistic war will become the more dominating the further the disruption of all social life proceeds with the further unfolding and extension of the present world conflagration. It will finally become the sole content of the present struggle, for it has incorporated in itself the only solution which is able to end the struggle and abolish its causes. If it becomes the only social reality it will leave far behind all illusory goals of yesterday and today.

The continuation of class-rule and exploitation means death and hunger. There are at present no real problems in the world except ending this murderous situation. Both death and hunger demand their human toll because classes, leaders, elites, privileged groups defend their narrow interests against the urgent need to socialize society, that is, to remove its class structure. Death and hunger may spread for a considerable time; within limits their miseries can be compensated for by terror and propaganda. Within limits the anger and bewilderment they cause may be canalized and utilized for one or another national interest behind which lingers no more than the class interests of the ruling bodies of different states. Essentially, however, death and hunger are more determining and more forceful than all ideological issues and all control instruments, however cleverly devised.

There is not the slightest reason to assume that this war will or can be kept within the borders desired by the centralized bodies waging it. Rather, the spreading of the war seems to be a certainty. Thus there comes in view once more and on a much greater scale than during the last world war, a situation which offers the powerless the opportunity — provided as they are with weapons, thanks to the contradictory and self-defeating class necessities of the ruling elites — to use their new powerful positions for pursuing the narrowest of interests — that of preserving their very lives and of satisfying their hunger. They will proceed, as they have to, undisturbed by the multi-dimensional nature of the social processes and they will serve their purposes without regard to "society as a whole", that is, without regard for the interests of the fascist and semi-fascist elites. What Mannheim attempts to do only symbolically, they must accomplish actually.

Paul Mattick

15) This fact is often denied with the argument that — numerically — the proletariat class loses importance in relation to the more rapidly growing, so-called new middle-class of white-collar workers. This argument is nonsensical, for the bulk of the white collar workers are proletarians. They do not need to be "proletarianized" as is often suggested. Their present ideological idiosyncracies are no formidable force which could effectively interfere with the fundamental trend of society to impoverish and to suppress all layers of the laboring population and thus to force them into a uniform class-frame.

# BOOK REVIEWS

## TOWARD FULL USE OF RESOURCES

Part II of the report on *The Structure of American Economy*, published under the sub-title *Toward Full Use of Resources* by the National Resources Planning Board in June, 1940,<sup>1)</sup> does not add much to the picture that emerged from Part I ("Basic Characteristics"), published a year before.<sup>2)</sup> There is, however, this difference: the new volume breaks entirely with that artificial restriction which the authors of the first volume had set for themselves when they proposed to deal with the "structure" of the economic system only, apart from its actual operation. This time a freer approach has been chosen.

The very form of presentation has been changed. While the first part was a heavy treatise with statistical appendices, the second part is a symposium. It includes, in addition to a new contribution by Gardner C. Means, four independent documents contributed by persons who had not even participated in the preparation of the first.

Full employment of resources and man-power, the American economy's dominant problem before National Defense became the dominant economic problem and full employment became instrumental to this end, is boldly attacked from the point of view of both economic structure and operating policies.

G. C. Means' contribution to this wider problem, just like his analysis of structure in Part I, has this outstanding value: that he insists on the decisive change brought about in capitalist economy during the last fifty to a hundred years through the emergence of *The Corporate Community* from what had been, or had been supposed to be, a free competitive system of independent enterprises (if not of independent "individuals"), or an economic system exclusively re-

1) For sale by the Superintendent of Documents. Washington, D. C., 48 pp.; 15c. All subsequent references, unless otherwise marked, are to this report.

2) For a review of this see *Living Marxism*, V. 3; pp. 38 ff.

3) pp. 13-14.

gulated by the mechanism of the market.

He reveals the surprising fact that the economic literature of the nineteenth and early twentieth centuries, replete with expositions of the rational underlying the then prevailing system of market production, does not answer the simple question of "Just how is the market mechanism expected to insure reasonably full employment?" The economists either assumed full employment (just as they assumed full utilization of all available resources) or dealt with the problem only implicitly in their analysis of such other adjustment mechanisms as the balance of trade and the balance between savings and investments. There is no stronger indictment of the thoughtless assumptions of the nineteenth century economists and their present-day followers than the "employment adjustment mechanism underlying those earlier theories as it is here exposed to our postmortem inspection.<sup>3)</sup> There is a complicated chain by which a given measure of "excessive" unemployment is supposed to be immediately equivalent to a corresponding deficiency of current buying. It thus "almost at once" brings about a corresponding reduction of prices, wages, and profits which in turn, at once and to the same extent, increases the real buying power of the outstanding money supply (the "redundant money") and thus provides buying in excess of current production, and thus additional employment until the "excessive" unemployment is completely eliminated. (One sees, incidentally, that Marx's criticism of the so-called "compensation-theory" did not attack the weakest but rather a comparatively more reasonable argument of the bourgeois employment-theory of his time!)

Yet it would be a mistake to assume that the ingenuous criticism of the fallacies of the early bourgeois economists, objectively contained in Mr. Means' reconstruction of their theories, is in any way aimed at the whole of the underlying economic system. He directs his attack ex-

clusively against that small die-hard group of American business men who assumedly believe that those crude "adjustment-mechanisms" are still valid today or could be made workable again by a return to the more primitive conditions of the past. He thus battles an imaginary opponent. He mistakes for a genuine and political theory what is in fact only a set of stock phrases and ideologies used for practical purposes by a particularly reckless school of "democratic" defenders of the existing capitalist system.

In this private feud against a non-existing danger he does not mince words. He shows the tremendous losses and risks implied in the attempt to effect those "minimum changes" in the existing economic structure that would allow the employment adjustment mechanism to operate effectively again. The "minimum changes" would involve not only a gigantic objective revolution (including the break-up of large enterprises, and general atomization of economic activity), but would inevitably lead to a tremendous "economic turmoil, and risk of social disruption and the loss of democratic institutions."<sup>4)</sup> Thus it appears that he still believes in the essential validity of those same "adjustment mechanisms" which a short time before he apparently endeavored to refute. He knows that they no longer fulfill their task in a corporate economy under conditions of short-run insensitivity of prices, wages, profits and interest rates, but he will be quite content if he succeeds in devising a means by which essentially the same end could be reached today under the monopolistically changed conditions of the existing capitalist system. Yet he wants to reach it without those tremendous losses and risks of which he is afraid, most of all without the risk of a social revolution. In his own terms, he is out to find a new set of "adjustment mechanisms" which would "not depend for their effective operation on short-run sensitivity in goods-prices, wage rates, unit-profits, and interest rates, and would be able to perform the functions formerly assigned to the mechanisms discussed above."<sup>5)</sup>

His idea of economic "planning" as indeed that of all hitherto emerging promoters of either a "demo-

cratic" or an outright fascist type of planning — aims at nothing but an essentially unchanged replacement of the "mechanisms" that assumedly were operating in an earlier "competitive" phase, but are no longer (satisfactorily) operating in the new monopolistic phase of capitalistic economy. The "invisible hand" that supposedly rescued early capitalist economy from the extravagances of its individual members is to be replaced by a more visible hand which, in spite of pious declarations to the contrary, will turn out to be the hand of a totalitarian dictator. It will not really "adjust" the glaring contradictions of capitalist economy any more than was done by the "adjustment mechanisms" of the market in earlier phases of capitalist economy. It will preserve, for the time being, the fundamentals of capitalist privilege and oppression and thus fulfill the only function that was carried out by the so-called adjustment mechanisms of competitive capitalism.

A much more vital and vigorous attempt to come to grips with the main economic and social problems of our time than that made by G. C. Means, or, for that matter, by any of the other contributors, is contained in the last paper of the symposium. The clear and consistent analysis of *Economic Policy and the Structure of the American Economy*, contributed by Mordecai Ezekiel,<sup>6)</sup> presents, even to the socialist opponent, a highly suggestive statement of the program of a genuine democratic activism. First of all the author leaves no doubt about the limitations inherent in a scheme that proposed to solve the problems of unemployment and full use of resources within a democratic, i. e., an essentially capitalistic economy. He carefully distinguishes this program from "more extreme forms of organizing economic activity, such as the full socialism of the USSR, or such as the various degrees of centralized government control in fascist Italy and Germany." Even utility regulation as illustrated by the public regulation of the railroads, telephone and telegraph, and electricity in this country has "so emphasized the protection of owners of the property" that some-

4) p. 16.

5) p. 16.

6) pp. 35 ff.

times "public regulation actually is operated in the interest of the utility rather than in the interest of general welfare." This, according to the author, represents "a problem in the working of democracy" and should therefore be avoided in a truly democratic program, which should rather be based on "a maximum of program-making from the bottom up instead of from the top down." (One sees that the author is far removed from that crude glorification of State capitalism which until recently was, and occasionally still is, indulged in by many professed socialists and communists.)

The main interest of Mr. Ezekiel's contribution does not consist in the various "possible lines of action" which he discusses in his paper and which, of course, go nowhere beyond the well-known proposals of the most radical wing of the New Dealers. What is of the greatest interest, even for the most "advanced" Marxist reader, is the genuine materialist connection that exist throughout between his theoretical criticism of the basic restrictive influences inherent in the existing corporate price-policies on the one hand and his practical proposals for reform on the other. By a consistent argument with illustrations taken from the steel, building, lumber, cement, glass and plumbing fixtures industries, he reveals the present form of one of the most important contradictions of capitalist economy. A lowering of prices for the purpose of an increased volume of production, he shows, can be advantageous for the whole of a particular industry (or for all industries participating in producing a particular end-product, or for a still larger number of industries) and at the same time be distinctly disadvantageous for each of the involved industry (or industries). Vice versa, "it can seem to each of many individual elements in the economy that it is to its advantage to reduce output and gain a larger net income, yet at the same time it is obviously impossible for real national income to increase through reducing the output of all component industries."<sup>7)</sup> The reason in both cases is that "elasticity of demand" for a particular end-product or a number of such end-products does not necessarily, or even normally, cause a proportionate increase in the volume of sales for the

single participating units. For example, the increased demand for automobiles due to a 10% reduction in the price of steel would give rise to an increased consumption of steel of but 1.5%.

From this "contradiction" arise a great number of restrictive influences on the expansion and development of production. Even if only a small portion of the economy or a single industry is in a position to restrict its output by a high-price policy, this may be sufficient to hold employment and national income far below the potentially attainable levels.

To sum up: "The fundamental economic weakness in the operations of the monopolistic or monopolistically competitive corporate structure, as it now stands, lies in the inability of management in any one industry, whether private or public (! K.K.), to view its problem in the light of national economy as a whole. As a consequence, actions which would be to the advantage both of the single industry and of the general welfare cannot be considered at all, because there is no effective means through which the industry could bring them into effect... If some means could be devised to bring about concerted expansion of all industries involved, so that all would simultaneously reduce their prices in proportion to the saving in unit costs which increased volume would yield, the final sale price would be reduced sufficiently to produce an increased volume of output and all the industries participating could gain from the result."<sup>8)</sup>

From this theoretical analysis it follows at once that the fundamental restrictive forces of production under conditions of monopoly capitalism (private and public) can be overcome, and can only be overcome, by an either voluntary or publicly enforced cooperation of all involved industries in a smaller or larger program of concerted expansion. The various forms of the execution of this proposal and their connection with other measures must be studied in the Report itself.

There is one flaw in all these intelligently devised and far-reaching "plans". The Report itself contains the warning for the reader that its

7) p. 36

8) p. 42

material "was prepared prior to developments of the emergency defense program, and of course does not attempt to deal with the special economic problems arising out of that emergency." Indeed, there is no way of knowing how even the most thoughtful and most honest plans of the last remaining representatives of a genuine "democratic activism" can

ever be fulfilled under the conditions of present-day high-pressure capitalism in general and in particular under the conditions of the imminent world-wide fight for supremacy between the forces of so-called democracy and the forces of European and Asiatic fascism.

Karl Korsch

*CLASS AND AMERICAN SOCIOLOGY.* From Ward to Ross. By Charles Hunt Page. The Dial Press, New York. (319 pp.; \$3.50).

The publisher's blurb on Mr. Page's book quotes Professor R. M. Mac-Iver as saying that its "treatment of social classes by American sociologists throws much light on the social attitudes of sociologists". This is about all the book does. But this is certainly not the author's fault. Mr. Page's book is very interesting and can be highly recommended. That sociology may be regarded as little more than the psychology of sociologists fits in with the social class structure which excludes a science of society. The book is valuable also because it serves to show the impossibility of developing a sociology. Though it deals with the "fathers" of sociology (L. F. Ward, W. G. Sumner, A. W. Small, F. H. Giddings, C. H. Cooley, E. A. Ross) it proves, if their work is compared with the most of the modern sociologists, that the children have learned nothing that their fathers did not know. In short, this reveals the stagnation which marks all social science under capitalism.

That the question of class has been neglected in sociological theory shows not only the petty-bourgeois character of professional sociologists, but also the actual lack of class-consciousness on the part of the workers. That the class issue could enter social theory at all is connected with the fact that the middle-class was at times opposed to the rising plutocracy and thus appeared as the defender of proletarian "rights". At no time, however, have sociological theories furthered the independent actual struggles of the working class. In so far as sociology fulfilled a function in society, that function was to serve the ideology which identified social control with class control. Despite the great extremes of wealth and poverty, America remained, in

the minds of its social theoreticians, the land of the petty-bourgeoisie. The changing conditions in America at the turn of the century and the influence of European theories led to a "radicalization" of intellectuals interested in social questions. But even in their new advances they remained middle-class, as may be seen from the works of Veblen, Dewey, Beard and others, and from the sociologists who shared their progressive views.

American sociology was the more impractical the more it was "American", that is, the more it strove for application. The social reforms sociologists advocated were introduced in America later than in other developed nations, and then not as reforms to better society but as instruments to maintain a declining order. Ward, for instance, was not interested in advocating the better distribution of wealth. He saw in the distribution of knowledge the first essential to social betterment. If he were living today, he would see that the greater distribution of knowledge only increased the social inequalities as regards the distribution of wealth, as well as the distribution of opportunities. Because of class conditions the growth of knowledge can only serve the growth of profits. If he hoped for an ideal government which would truly represent society and not just the groups favored by the *laissez-faire* system, he would now find his ideal realized in fascism. He could object to it only by belatedly recognizing the class issues that he thought of so little importance.

Sumner, however, though also middle-class to the core, had a much deeper insight into the real social issues than any other of his colleagues. In his analysis of society he often reached conclusions which remind one of Marx. But monopoly, privilege,

wars, class, are for him forces outside of human control. They must be accepted because only by struggle can progress be made. He himself took the side of capitalism in this struggle determined by the nature of things. Sumner and Ward, Mr. Page observes, have concerned themselves with class issues to a greater extent than any of their contemporaries. They certainly concerned themselves with these issues more than the other sociologists described by Page, who either openly opposed the working class, or suggested solutions for social questions which in the end would have been worse than the open

struggle a Sumner was willing to wage. They accepted either one or the other or both positions at the same time; they were not able to contribute one original element to the discussions that preceded them. Page himself has a much too positive approach to American sociology. It may be politeness on his part which makes him say that its traditions should be carried on for the benefit of contemporary research. To us, however, it seems that his book reveals that the traditions of sociology, too, hang like millstones around the neck of those interested in social problems.

*THE WORLD OF NATIONS.* A Study of the National Implications in the Work of Karl Marx. By Solomon F. Bloom. Columbia University Press, New York. (225 pp.; \$2.50).

This book places Marx's position on national issues against the whole background of his thought and activity. In turn, Marx's general social and economic philosophy is examined from the point of view of its bearing upon the fortunes of particular nations, especially England, France, Germany and the United States. It is thus an important contribution towards an understanding of the political ideas of the 19th century. It will help to disperse the many misrepresentations of Marxian theories with regard to national problems. Agreeing with Mr. Bloom almost completely and hoping that our readers will turn to the book itself, we can restrict ourselves here to a few remarks which may indicate the richness of the work.

For Marx, nationality was an objective condition, a complex product and function of environmental, economic, historical and other influences. Intellectual and cultural variations between nations he traced to socio-economic and historical differences between countries. The world remained for Marx richly variegated; he did not pour it all into one mold. Along with the too-small society, he rejected the vague and amorphous global society. His world consisted of a limited number of advanced nations.

Marx was no nationalist, but for him a true internationalist must strive

for the advance of particular countries as the basis of world progress. Bloom makes it clear that Marx, contrary to some of his followers, did not believe in the principle of self-determination of nations. National independence had meaning for Marx only for nations, or combinations of nations, which were in a position to develop modern economics. He related all questions of national emancipation to the interests of international program. Though he knew the imperialists for what they were, he recognized that imperialism revolutionized backward countries and stagnating societies.

Though often denying small nations the right of separate statehood, Marx was always in favor of the complete emancipation of all national minorities from civil, social, and economic restrictions. He distinguished clearly between nation and state. All national questions were bound up with class issues. All forms of oppression were interconnected and had their basis in class exploitation. So long as society was divided into classes, national interests coincided with the interest of the class that furthered most of the economic development; the character of the nation was closely related to the character of the ruling class. Only with the end of class oppositions within the nations will it be possible to end the rivalries between the nations.