

Capitalist Efficiency "Socialism"

By Wm. Z. Foster

EFFICIENCY AND MASS PRODUCTION

WITH the rise of American imperialism, which is accompanied by an ever-swifter concentration of capital and consolidation of industry, especially since the period of the world war, there has developed in the United States a far-reaching movement for greater efficiency in industry, for cheaper, standardized, mass production. This movement of "scientific management" or "rationalization," aiming to facilitate capitalist exploitation of the home markets as well as to enable more effective competition abroad, has also developed in all other countries of considerable industrial development. But in no country has it reached the extent and produced such deep-going consequences as in the United States. Here a veritable orgy of production has developed. Never in the history of the world was there such a rapid improvement of industrial processes, such a radical transformation of machine equipment as in the United States within the past ten years.

The productivity of American industrial workers is increasing by leaps and bounds. In 1925 automobile workers produced on an average three times as much per man as in 1914. Herbert Hoover in New York, March, 1926, stated: "While we have increased our population 16 or 17 per cent in a dozen years we have swelled the productivity of the nation by something like 35 per cent." The Department of Labor Year Book says that between 1899 and 1923 there was an average increase in output of roughly 47 per cent per worker, 20 per cent of which took place from 1919 to 1923. In 1925 industrial production exceeded 1923 by five per cent although the total number of workers employed was two per cent less. Figures for 1926-27 will show similar rapid increases in productivity. Clague, of the Monthly Review of Labor Statistics, U. S. Department of Labor, July 1, 1926, gives the following table to indicate the production percentages of workers in various industries in 1925, as compared with 1914:

Steel Works and Rolling Mills	153
Automobile Manufacturing	310
Boot and Shoe Manufacturing	116.5
Paper and Pulp Making	125.7

Cement Making	157.8
Leather Working	128.2
Flour Milling	139
Cane Sugar Refining	127.3
Petroleum Refining	177.3
Slaughtering and Meat Packing	110.7
Rubber Tire Making	311

THE "CONSENT" OF THE WORKERS

In carrying through this gigantic campaign of increasing productivity it is not enough that the capitalist engineers work out improved methods of production in the shape of new machinery, speed-up systems, etc. It is also a major consideration for the capitalists to have the workers accept these innovations freely and apply them fully in "co-operation" with the employers. Instinctively and intelligently the workers tend to react against the whole speed-up, efficiency program of the industrial engineers, sometimes with strikes, sometimes with passive resistance. To liquidate this opposition, or as the engineers' jargon has it, "to secure the consent" of the workers, becomes a basic necessity for the maximum success of the employers' mass production plans.

To "get the consent" of the workers to the intensified exploitation involved in the "efficiency" program the employers follow along two main lines of procedure: (1) applications of force, (2) methods of cajolery and bribery. The first of these methods is of fundamental importance; but here we will deal with it only in a general way, taking up certain aspects of it further along. The force program of the employers is relatively well understood: with their policy of enforcing the whole speed-up movement by the discharging and blacklisting of workers who object to it, the smashing of trade unions (assisted by all the government arms of repression) that stand in the way of it, the use of the lockout and the spy system, the institution of piece-work and bonus systems under which the workers are driven ever faster by systematic wage cuts, the dragooning of the workers into the speed-up with the assistance of venal and reactionary union officers, etc., etc. Here our chief attention is directed more to the methods of cajolery and bribery (which also have a force program close behind them) by which the employers, through the instrumentality of their economists and engineers, try to convince the workers that they have no interest in class struggle and revolutionary aims, but that they have a direct interest in accepting and putting whole-heartedly into effect the industrial efficiency program of the employers. It is especially of these latter newer methods, which are highly destructive to working-class organization and ideology, that we have need of understanding.

CAPITALIST EFFICIENCY "SOCIALISM"

To lure and squeeze the workers into the mass production speed-up programs of modern industry, the employers, principally through the instrumentality of their efficiency experts and economists, have devised and are applying a vast system of social reformism among their workers. It is widely comprehensive. It not only pretends to provide remedies for the everyday grievances of the workers, but also in many instances puts forth varied and curious proposals for the "abolition" of capitalism and the "emancipation" of the workers. In short, it is a bastard brand of Socialism. It is capitalist efficiency engineering "socialism," industrial efficiency "socialism," "company socialism," or perhaps more properly, capitalist efficiency "socialism."

The immediate program of capitalist efficiency "socialism" is extensive. Its proponents and organizers, capitalist engineers and economists advocate and put into effect, in the name of increased industrial efficiency, many "reforms" touching diverse phases of the worker's life. Thus often (but not always) they advocate shorter hours, the Ford five-day week being the outstanding example. They put forth the lure of higher wages in return for more production, and (although usually their high wage talk is mostly propaganda) they corrupt not only considerable sections of skilled workers but also in some instances semi-skilled workers with relatively higher wages in return for vastly increased output. Working conditions in the factories they modify with improved sanitary conditions and safety arrangements. They establish a pretended "industrial democracy" through their company unions or company-unionized trade unions. They are developing rudiments of insurance for unemployment, sickness, accidents, etc., on a group basis in many industries. They have "educational" programs on a wide scale, vocational as well as general. They have profit-sharing and employee stock-buying plans. Their "welfare" schemes, touching many angles of the worker's life in home and shop, are multitudinous and widespread. All the higher developed industries have more or less of this general program of "improving" the lot of the workers in return for the latter's acceptance of the employers' speed-up, mass production policies.

But capitalist efficiency "socialism," through many of its outstanding advocates, goes beyond these immediate ameliorative reforms. It proceeds far with existing tendencies and practices. It holds forth to the workers bizarre theories of the eventual liquidation of capitalism. Capitalist industrial efficiency literature is peppered with such conceptions. It is they primarily that give the movement the character of a pseudo-socialism. In general such theories

foresee the gradual improvement of capitalism, the strengthening of its weak spots technically and socially, until it ripens off into a sort of "socialism" in which "all workers shall be owners and all owners workers." Thus Professor Tugwell of Columbia University, in his new book, "Industry's Coming of Age," puts forth a perspective of a capitalism strengthening itself organizationally, becoming "socialized" monopolies while still privately owned, with a deepening tendency for the private ownership feature to atrophy until finally it dies altogether or is painlessly removed. Professor Carver of Harvard, in his book, "The Present Economic Revolution in the United States," looks forward to the workers buying their way out of present day capitalism by purchasing stock in various capitalist enterprises and becoming capitalists themselves. Most of the economists and engineers who write along these lines foresee a more or less steady improvement in capitalist organization and the living standards and industrial control of the workers until finally the process culminates in the vaguely imagined socialism. But Thorstein Veblen has a pessimistic streak amid all the glowing optimism of these capitalistic engineers. In his book, "The Engineers and the Price System," he expects capitalism to collapse of its own weight, in spite of all efforts to save it, whereupon the efficiency engineers, the "only revolutionary element in society," will take the social helm and conduct industry minus the capitalists.

Capitalist efficiency "socialism" has as its aim to liquidate not only the everyday struggle of the workers to improve their living and working conditions, but also to wipe out the workers' larger revolutionary movement. It contends that no proletarian revolution is necessary and that the gradual evolution of capitalism offers the way for the maximum social development.

THE GROWTH OF CAPITALIST EFFICIENCY "SOCIALISM"

To the growth of the theory and practice of the new reformism, which we have called capitalist efficiency "socialism," a maze of engineers, economists, and capitalists have contributed. The whole movement is a sort of mosaic of which the small pieces going to make up the general pattern have been placed by many individuals. There has been no one writer who has seen the whole movement and generalized upon it. The concepts comprising it are in process of formation. Innumerable capitalist writers have written upon the subject, and the literature they have turned out is incredibly voluminous. It has dealt more or less, in each individual case, with some particular phase. The movement awaits a general summing up. It is our Party's task to make this.

The pioneer theoretician and organizer of the movement was

Taylor, the famous efficiency expert. Taylor, in his book, "The Principles of Scientific Management," published in 1912, not only laid the foundation for the development of modern technique in industry, but also pointed out that it was necessary to "get the workers' consent" in order to make the new methods maximum effective. He opened the door theoretically for the development of capitalist efficiency "socialism." The later vast expansion of American imperialism gave American capitalists the power and impulse to put it into effect and furnished the groundwork for the various bizarre theories that developed with it.

After Taylor, and especially since 1917, came a whole series of engineers and economists, each of whom elaborated his mite towards the general picture. Chase, Polakoff, and various others who specialized and elaborated on waste in industry did much to prepare the theoretical base for the B. & O. Plan, and the new wage policy of the A. F. of L. Beyer, with his "union-management co-operation" scheme, proposed to co-operate with the employers to eliminate the waste that Chase and others had written about so sharply. A whole group of engineers and economists, with Mackenzie King at their head, theorized and established the company union movement. Whiting Williams in his book, "What's on the Worker's Mind," declared that the workers have no basic revolutionary ideas. What is the matter with them is that they have a network of relatively minor grievances about too long hours, insecurity of employment, bad working conditions, brutal foremen, etc. Remove these "irritations" and not only would their discontent and susceptibility to revolutionary propaganda disappear, but the employers would reap a harvest from their increased efficiency. He was one of the most important theoreticians in the company union-welfare movements. Veblen and Gantt, borrowing phrases from the Bolshevik revolution, sneered at the capitalist "absentee owners" and predicted the collapse of their system. Plumb was deeply influenced by their conceptions in his program for nationalization of the railroads and other basic industries. The Plumb plan was a far-reaching class collaboration speed-up scheme of capitalist "industrial democracy." Lauck, in his book, "Political and Industrial Democracy," also theorized capitalist "industrial Democracy." He proposed the amalgamation of the company union and trade union movements. The enthusiastic Professor Carver, theoretician of trade union capitalism and employee stock-buying, explained to the workers how with their savings they could buy out the great capitalist industries. Gillette, the safety razor magnate, in "The People's Corporation," painted a capitalist "socialist" utopia, which "the people" would gradually build by buying out the capitalist industries through purchase of

their stocks. Tugwell, another sugar-coater of capitalism, outlined his theory of the automatic perfection and socialization of industry, with a gradual growing out of capitalism into a new society of industrial efficiency and social justice. Mitten, head of the powerful Philadelphia traction interests, and one of the most successfully practical of this whole school, has his labor bank, company union, worker-management co-operative welfare schemes, employee stock-owning, and he goes about the country "fighting" the big bankers and telling the workers how they can, by saving their pennies, buy out the industries and become capitalists. And so on with many others who have stressed or developed some angle or other of this general program of capitalist efficiency "socialism."

THE ROLE OF CAPITALIST EFFICIENCY "SOCIALISM"

What is the role of the many industrial engineers and economists in developing capitalist efficiency "socialism," and especially in putting forth theories apparently subversive of the principle of private ownership of industry? Are these technical experts, with a growing "class consciousness" as Tugwell puts it, tending to break away from capitalism and to organize movements against it? Veblen preaches this revolt and Tugwell suggests that it is beginning to take shape. Plumb injected traces of it into his scheme of controlling the basic industries by tri-partite boards, two elements of which, labor and management, were to hold the majority of votes, and were assumed to co-operate together against the capitalists. Is capitalist efficiency "socialism" in any sense an opposition tendency against big capital?

First, as to the general tendencies and implications of capitalist efficiency "socialism." The whole movement, its "radical aspects" as well as its more conservative phases, constitutes a vital part of the employers' efficiency program. The movement, with its illusions and "reforms," tends to liquidate the class ideology of the workers, to destroy their class organizations, economic and political, to break down the workers' opposition to the intensified exploitation involved in the employers' industrial efficiency schemes. It tends to deliver the workers, confused and disorganized, to the capitalist exploiters. At all points it fosters and furthers the program of big business, which is no class ideology, no class program, no proletarian revolution, no class struggle, no political party, no real trade unions for the workers. Capitalist efficiency "socialism" is class collaboration carried to its maximum. That an occasional one of these economists and engineers may favor trade unions or even the labor party in no way militates against the validity of the foregoing.

Next, as to the role of these industrial theorists and technicians.

The economists and engineers in question are not actively in opposition to capitalism. With the status, for the most part, of petty bourgeois professionals, they allow themselves to be used systematically against the workers by the capitalists in this widespread movement to liquidate the proletarian revolution in all its aims, organizations, and movements. As a group, despite many proletarianized elements in their ranks, they are not revolutionary, but counter-revolutionary. This is especially true of the vocal elements among them, those who are turning out the voluminous literature on capitalist efficiency "socialism," even though this literature may have a "radical" tinge. They and their system of capitalist efficiency "socialism" are akin to Fascism, but a Fascism of powerful imperialist America, rather than of impoverished, backward Italy.

Nevertheless, the engineers, managing staffs, and economists of industry have class interests which conflict with those of the capitalists. They are a large and growing group in industry. They hold key positions and large numbers of them are miserably paid. The theorizings of the radical technicians in some degree reflect the class aspirations of these elements, their demand for greater returns for their work and more control over industry.

The character of the technicians' work also produces inevitably such theorizing. They must look ahead and see what the whole industrial process is leading to. Despite capitalist "prosperity" in the United States, the employers and capitalist economists are visibly worried as to where the whole thing is leading to. Their many books reflect this growing uneasiness.

The technicians also have a sort of craft pride. They never tire of sneering at the "stupid capitalists" who are too ignorant even of their own interests to put into effect the up-to-the-minute proposals of the technicians. Often they condemn them as "sabotagers," "parasites," "absentee owners," etc.

But the main body of their theorizing dovetails very nicely with the plans of the capitalists. It is counter-revolutionary to the core. The whole trend of it tends to demoralize and disarm the proletariat, to strip it of its class ideology and its organizations, to make it helpless before the intensified exploitation of the capitalists. Although more conservative capitalist retainers take some exception to the bitter strictures and condemnations of a Veblen, nevertheless the tendency of Veblen's theories is distinctly to strengthen capitalism. He expects that some day capitalism will fall of its own weight, but in the meantime the workers can do nothing. Their policy of class struggle is only so much sabotage of industry. Likewise in the case of Chase and others. While the workers are waiting for the new day they shall meanwhile co-operate with the en-

ing, etc., as well as methods of technical efficiency, whereupon the more "radical" ones, the Beyers, Plumbs, Laucks, Tugwells, Carvers, etc., idealize them into "revolutionary" schemes of industrial democracy, workers becoming capitalists, automatic perfection of capitalism, etc., often mixing their own petty bourgeois class ideals and aspirations into these generalizations. The engineers, economists, and managers who are so loudly championing capitalist efficiency "socialism" are effective agents, intellectual hired hands, of American imperialism.

A MAZE OF ILLUSIONS

Through the many avenues of publicity open to them, capitalist newspapers, weekly and monthly magazines, trade union journals, factory papers, their many books, etc., etc., the capitalistic engineers and economists, through their capitalist efficiency "socialism" are sowing a complicated network of liquidatory illusions among the workers in this effort to break down every phase of the revolutionary movement. It is a major task of our Party to analyze the whole body of this poisonous theorizing which presumes to obviate the proletarian revolution and to work out a counter-propaganda against it. Here let us indicate only a few of the many illusions the new "revolutionists" are spreading:

Running all through the writings and practices of these bourgeois "socialists" is the theme of the perfectibility of capitalism through the continuation of the present tendency to "improve" production and distribution. No revolution, especially not by violence, is necessary. These engineers come forward with all sorts of programs for the liquidation of industrial crises, the abolition of unemployment, the protection of small stockholders (Ripley), the establishment of a capitalistic Gosplan (Tugwell), etc., all designed to overcome the contradictions of capitalism and to develop the present system to higher stages. Veblen, it is true, doubts that these contradictions can be overcome, but his program leaves the field free for the advocates of the perfectibility of capitalism. The liquidatory tendency of this upon the workers' ideology is evident.

The capitalist efficiency "socialist" movement is highly economic. It is a species of economism, the tendency of which is to direct the workers' attention away from political struggle and to disarm them in the face of the State. For most of these engineers and other technicians economics in the narrow sense is the one and only God. They despise politicians and they largely ignore the state. One can read whole books by them, dealing with far-reaching social transformations and find no reference whatever to the state or organized political action. The economic process is the thing. It of itself

determines everything, with but slight reservations. They do not ingeers to speed up production, to the profit of the capitalists and the demoralization of the workers. The capitalist engineers are basically the theorizers of capitalist mass production, not the spokesmen of technicians and skilled workers rebelling against capitalism.

Capitalist efficiency "socialism," even in its most radical phases, is a system of corrupting and coercing the workers into the capitalist speed-up program. The tendency has been this: first, the more conservative of the engineers and managers work out such schemes as company unionism, employee stock-buying, profit-sharing conceive of the state as a great weapon in the hands of the ruling class which it uses for the subjugation and exploitation of the working class. They see in it a sort of classless thing whose control over industry will progressively "wither away" in the face of a self-perfecting capitalism. With the state so strongly in the hands of the capitalists and so responsive to their needs naturally the engineer theoreticians do not focus their attention upon it.

Elements of automatism and economic fatalism run through this new engineering "socialism." Economics is everything, politics nothing. Changes in social relationships are more or less automatically brought about by changes in the modes of production and distribution. Thus we have the automatic socialization of industries and perfectibility of capitalism of Tugwell, and its twin brother the automatic collapse of capitalism and its regeneration by the engineers of Veblen. These "socialists" hold that nothing can be settled by violence. Industrial efficiency decides in the long run. Class struggle, strikes, organized political action, political revolutions, are not only stupid and futile, but social waste and sabotage of industrial efficiency as well. About the only struggle these engineers have in mind, aside from their own class interests, is one for efficiency; on the one hand to break down the primitive, conservative industrial ideas and practices of the capitalists, and on the other hand, to liquidate the resistance of the workers to the demoralizing super-exploitation programs of modern imperialism.

The capitalist engineer "socialists" are imperialists. They raise no voice against American capitalists strengthening themselves and their industrial system at the expense of peoples in other countries. But they are colored with a peculiar isolationism as well. They often consider the American industrial system as something that does, or at least can, exist more or less independently of the rest of the world. All Europe may totter in bankruptcy industrially, they reason, but powerful America will go on. Much of this isolationist tendency no doubt originates in the fact that American capitalism

is still very largely concerned with the development of its own mighty resources.

Pacifism also runs through engineering "socialism." These capitalistic engineers and economists consider war largely as a huge industrial waste which serves no constructive purpose in the development of their perspective industrial efficiency heaven-on-earth. Vaguely they expect the elimination of war by the building of international super-trusts and the unification of the world industrially. Then, they say, the contemptible politicians will be unable to wage war in behalf of their industrially inefficient self-interests. It is a theory of the automatic abolition of war. That all these misconceptions and illusions fit in easily to the imperialistic program of American capitalism is evident without further analysis.

The capitalist efficiency "socialists" are great advocates of the identity of interests of capitalists and workers. With their B. & O. Plan, company unionism, etc., they furbish up this time-honored formula of conservative trade unionism and give it a new form and vitality, fitting it for the needs of the employers in these days of mass production.

Widespread illusions are sent forth among the workers by these employers' agents that they can create "industrial democracy" under capitalism and that the systems of company unionism and company unionized trade unionism, working out the principles of "union-management co-operation," constitute such "industrial democracy."

Denial of the revolutionary role of the working class is a favorite program plank of the engineer "socialists." Only the engineers, they argue, are revolutionary, and there is only one revolutionary action—the improvement of industrial equipment and technique. Often they take the position that the working class is not only doomed to extinction but is actually disappearing, and that it has already become largely negligible as a decisive factor.

These bourgeois engineers, economists, and managers commonly advocate that the standards of the workers, in wages, hours, working conditions, etc., can and are being constantly improved under capitalism with a growing industrial efficiency. Although often they complain about the low standards of "certain" groups of workers, they are usually ardent defenders of the "prosperity" achieved by the workers under capitalism. They speak enthusiastically of fabulous automobiles, homes, radios, and large savings accounts of the workers. Carver carried this tendency to the extreme in his glowing accounts of the workers' prosperity and their ability to buy out the industries through the employee-stock-purchasing program.

A favorite propaganda illusion of theirs is that mass production of itself means higher wages. They also come forth with the theory, despite the great rake-off of the capitalists from industry, that further increases in wages over present levels must await increased production, an idea which Mr. Green and other B. & O. planners accept in practice. Many of them are also ardent advocates of the widespread theory that in the formula of mass production, high wages, and low prices America has found the magic key to perpetual prosperity. The engineers see no fundamental contradictions between the capitalist systems of production and distribution, which must result in "over-production," industrial crises, mass unemployment, wage cuts, the revolutionizing of the working class, and the final overthrow of capitalism. On the contrary, they look forward, generally, to a perspective of unlimited growth and prosperity of industry under capitalism, barring occasional industrial depressions, which, signs of an immature system, will gradually lessen and finally be done away with as capitalism perfects itself. In this expanding prosperity and efficiency they expect to see the class ideology and class organizations of the workers, as well as their "wasteful" class struggle practices, dissolve into the new "socialistic" capitalism. Their slogan is "evolution, not revolution."

THE PERSPECTIVE FOR CAPITALIST EFFICIENCY "SOCIALISM"

Capitalist efficiency "socialism" as found in its elaborately developed stage here, is a product of the period of the expansion of American imperialism, of the era of the rapid development of mass production. It distinctly hampers the struggle of the working class. The workers have from the inception of this movement reacted against the various welfare schemes, company unionism, etc., of the employers. But that the movement has nevertheless exerted a deleterious effect upon the workers' development is incontestable. It is especially dangerous at this time in view of its rapid adoption by the trade union bureaucracy, who are trying to cramp the workers into the efficiency program of the employers through their control of the organized labor movement.

American capitalism is heading towards great crises in the more or less near future. Already these are looming on the horizon. These crises will more rapidly demonstrate the hollowness of the whole capitalist efficiency "socialism" program. When millions of workers walk the streets in industrial crises, theories of the perfectibility of capitalism will have little appeal for them. When their wages are slashed and their meagre reserves are consumed through unemployment, proposals that they buy out the industries will be ineffective, even among the better paid skilled workers. As the workers face increasingly the terroristic force of the employers,

such illusions as may exist about capitalist "industrial democracy" and company unionism will vanish. Workers confronting chronic mass unemployment will not be attracted by the "union-management co-operation" speed-up program, even though their trade union leaders, bound up closely with the employers, propagate it ever so ably and enforce it with iron-bound autocracy. The workers will rebel in spite of capitalist efficiency "socialism." Already (steel, 1919; textile, Passaic, 1926; coal, Colorado, 1927) they have waged long and bitter strikes in industries loaded up with company unions, welfare movements, stock-selling plans, etc. This tendency will increase with the struggles of the workers becoming broader and deeper.

Notwithstanding this perspective, capitalist efficiency "socialism" constitutes a very serious menace to the workers. Its growing acceptance by reactionary labor leaders in England and Germany, emphasizes this fact. In these countries, however, there is no such base for it as that provided by American "prosperity." It is not enough to wait for life and experience to demonstrate its falsity and to liquidate its illusions. The Communist movement must carefully analyze it and militantly attack it, exposing its dangers to the workers and uniting them to struggle against it.

CAPITALIST EFFICIENCY "SOCIALISM" AND OPPORTUNIST SOCIALISM

A vitally important phenomenon developed by capitalist mass production, with its program of "getting the workers' consent," is the growing tendency of conservative trade union and right wing socialist leaders to accept the general principles and practices of the capitalist efficiency experts. There is taking place a gradual amalgamation of capitalist efficiency "socialism" and opportunist socialism.

In the United States this amalgamation is far advanced. Under the pressure on the one hand of a capitalism which they refuse to fight, and on the other under the pressure of masses of exploited workers, the upper trade union leadership are accepting the ideology and practical program of the capitalist efficiency engineers and are thus becoming more than ever the agents of the capitalists in their exploitation of the workers. They tend rapidly in the direction, blazed by the engineers, of liquidating the class ideology and organizations of the workers. They are the bitterest foes of the revolutionary left wing. They have surrendered the workers to the two capitalist parties. They accept, almost without alteration, the Government's foreign imperialist policies. They have completely abandoned and repudiated their former propaganda for nationalization of the basic industries. They make no efforts to consolidate the unions and build them into fighting bodies. They re-

fuse to organize the unorganized in the face of employer opposition. They have dropped active opposition to company unions and are company unionizing the trade unions. They have adopted almost in toto the worker-capitalist "co-operation" in production program. They largely accept the "workers becoming capitalists" theory. Where they once attacked Taylor violently, they now have their own scientific management engineers. They are becoming bitter opponents of strikes in theory as well as practice, accepting such a monstrous thing as the Watson-Parker Law. They are gradually abandoning opposition to capitalist welfare work, profit-sharing, employee stock-buying, and the like. They have dropped their former petty bourgeois trust-busting program and now loudly announce their acceptance of the trusts. Where they used to simply demand higher wages for the workers, now they agree to more production as a condition for them. By accepting in principle the capitalist mass production program they have done much to break the working class' resistance to its speed-up features even in the unorganized industries. They have placed capitalist engineers at the head of the trade union movement—the whole trade union press is saturated with the B. & O. Plan, union-management co-operation articles of capitalist efficiency engineers, who are present-day trade unionism's ideological leaders. The American socialist leadership, party and trade union, is traveling the same route to the right, although it has not yet proceeded quite so far as Green, Woll and Co. And this whole system of amalgamation with, or surrender to capitalist efficiency "socialism" is called "the higher strategy of labor," which holds that not struggle against the capitalists, but "co-operation" with them must be the basis of the workers' program.

This developing amalgamation of capitalist efficiency "socialism" and opportunist socialism takes place not only in the United States but internationally. The rationalization of industry, the development of mass production is an international phenomenon. It occurs in all the leading capitalist countries. Its course in the main follows that taken in the United States, not only in the working out of mechanical and technical processes but also in the elaboration of a more or less well developed movement of a welfare, B. & O. Plan, and company union character to secure the workers' "consent" and "co-operation" in the plans of the capitalists for greater industrial efficiency and more intense exploitation of the working class, although the greater power of the American capitalist class enables it to apply these systems on a larger scale.

As in the case of American trade union leaders and socialists, the tendency of the right wing social democrats everywhere is to fall in line with this general development, to work out new schemes of

class collaborations with the employers to speed up production and to undermine the class organizations of the workers. In Germany the social democratic leaders, in the unions and in the party, have endorsed the rationalization program of the employers and they are accepting its "industrial democracy," its modified B. & O. Plan schemes, its trade union capitalism, etc. They are enthusiastic about the new tendencies developed in the American labor movement. They have given up Marx and are looking more and more to American bourgeois efficiency engineers for their social philosophy. In England the big employers, as part of their rationalization program, are also seeking to inject the elements of capitalist efficiency "socialism" into their industries. Even now they are in conference with the trade union leaders looking towards the adoption of some modified form of the B. & O. Plan, towards the company unionization of the British unions. The European social democratic trade union and political leaders are strong for the whole union-management co-operation scheme, but naturally, considering the differences in their objective situation, accept it much more cautiously and with more reservations than the American trade union leadership. The important thing to realize is that what is taking place is a growing amalgamation between opportunist socialism and what we have termed capitalist efficiency "socialism."

Capitalist efficiency "socialism" and social democracy originate in very different social quarters, the first coming from the extreme right, the big capitalists, and the latter from the extreme left, the workers. Capitalist efficiency "Socialism" was born in the laboratories, study chambers, and factories of big capitalism. It is an organic part of the employers' great drive for intensified exploitation of the workers. The exponents of this new bourgeois "socialism" are almost entirely economists, engineers, and industrial managers bred in the atmosphere of big capitalist industry, drawing their sustenance from it, and accepting the general principles and philosophy of capitalism. Very few of them have a socialist or even a liberal background. They and their movement are the agents and adjuncts of modern capitalist industry.

Social democracy, on the other hand, originated as a revolutionary philosophy and movement of the proletariat. Its history, in its opportunist phase, has been that of a long evolution to the right, of which the growing amalgamation with capitalist efficiency "socialism" is the latest phase. The history of the German Social Democratic party illustrates the world-wide development of opportunist socialism to the right. In the beginning this party was an alliance of revolutionary intellectuals and workers on the basis of a revolutionary program. But the rise of German imperialism, bringing

relatively steady work for the great masses and comparatively high wages for the skilled workers, furnished a fertile soil for opportunism. The trade union leaders, through their contacts in industry, gradually fell under capitalist influence. First they and later big sections of the party bureaucracy began to elaborate an opportunist program. More and more the party based itself upon the petty bourgeoisie and skilled workers, liquidating its revolutionary demands and concentrating upon petty bourgeois reforms. During the war and in the periods of revolutionary struggle by the workers and efforts by the capitalists to stabilize their social system following the war the social democratic leaders of the party and the trade unions became the life savers of capitalism. Their present increasing acceptance of capitalist efficiency "socialism," which makes them still more the agents of capitalism, is but a continuation of their whole evolution to the right. The seeds of opportunism, planted long before the war, have grown into the tree which is now bearing the dead sea fruit of capitalist efficiency "socialism." The opportunists' denial of the class struggle in theory and practice, their concentration upon programs of petty reforms of wages, hours, working conditions, social insurance, etc., their vague plans of nationalization and pacifist theories of super-imperialism, find their blood relatives in the theories of a classless capitalism, the welfare programs and B. & O. plan, and in the theories of the elimination of war by an international automatically perfected capitalism put forth by American capitalist efficiency economists and engineers. Kautsky and Tugwell belong in the same capitalist bed.

The long movement of opportunist socialism to the right has resulted in the breaking away of large masses of workers from its control because they are compelled to struggle against capitalism. These discontented elements have crystallized in and around the parties of the Communist International. A vitally important result of the present degeneration of opportunist socialism into capitalist efficiency "socialism" is that it weakens still further social democratic control over the proletarian masses, brings the socialist leadership more into conflict with these masses, and enables the Communist Parties, aided by the pressure of increased exploitation of the workers, to draw these masses under its leadership. In order to facilitate this splitting away of the masses from social democratic leadership, including our reactionary trade union leaders, it is basically important to thoroughly analyze the new engineering "socialism," the darling of the opportunists, and to expose its essential capitalist character. This is a task for the Communist International.

(To be concluded next month)