

## RELATIVE SURPLUS VALUE

### *A Criticism of F. Evans' Views*

F. Evans, in the Sept. issue of Forum, asserts that the production of surplus value in its relative form, being the dominant method of exploitation, ensures for the capitalists ever higher rates of profit, and for the workers ever higher standards of living. This it appears is due to the tremendous productive powers of present day society which through the agency of the competition of capitals is constantly cheapening products and making available an ever-increasing quantity of use values which are being indiscriminately bestowed on all and sundry. In this manner does capitalism become cornucopia. Nowhere, however, does he offer data on statistical evidence for his views. Frankly I do not believe he can.

To anticipate a possible objection it has been said that Evans' views are more relevant to the field of social psychology than to economics. Nevertheless his statements that the undermining of capitalist power and privilege has its font and impetus in the production of surplus value is primarily a question of social production, i.e. economics. Moreover Evans, himself, offers, as a theoretical justification for his views, what he deems a Marxist explanation.

In order to clarify my criticism of Evans I trust I shall be forgiven if I digress a little in a brief recapitulation of the subject of relative surplus value and its relation to labour-power. It is a fact that with the growth of machinery per worker the productivity of labour increases. If this leads to a cheapening of commodities which extend to those items constituting the cost of working class subsistence then the value of labour-power as a commodity will fall along with other commodities. This in time will lead to an increase in the rate of surplus value

because a smaller portion of the working population will now be required for the production of working class means of subsistence. To put it another way a smaller portion of the working day is needed for the replacing of the value of labour-power and a larger part remains for the production of surplus value.

#### Value of Labour-Power

To put the matter concretely, supposing the value of labour-power to be 30/- per day then if productivity is doubled and prices halved, 15/- per day will purchase the same amount of goods as did 30/-. Suppose, however, that workers' wages are now reduced to the monetary value of 18/- per day. Even though they are able to purchase more goods with this sum than they did at the former rate of 30/- per day it does not follow that they are getting over the value of their labour-power, i.e. that they have increased their standard of living. It might be that the further intensification of the Labour process, called forth by increased productivity, does not constitute a recompense for the extra wear and tear which is entailed. In these circumstances the workers would be getting below the value of their labour-power—their living conditions would have worsened. Increased consumption does not necessarily mean the same thing as an increase in the standard of living. In short, increased earnings are not the yardstick which finally measures benefits obtained by workers. The real measure of these benefits is the worker's output in relation to input. What he gets in wages to what he gives in the productive process.

If of course the workers obtain the sum of 24/- per day then this share in increased

productivity may be sufficient to make the added intensity of effort, worth while. If the mass of use values representing 24/- per day becomes permanently incorporated into items necessary for the production and reproduction of their labour-power then the value of labour-power will have been raised.

Evans' own assertions that increased productivity by cheapening commodities automatically increases living standards raises interesting implications. For him the class struggle is a charade. Yet surely Evans knows that the capitalist in pursuit of class interests will attempt to push wages down to the lowest possible level consistent with their requirements. Just as workers will attempt to push their wages up as far as is possible in a profit making society. The question to be asked is, in the alleged absence of the class struggle as an important factor in maintaining and raising living standards, what economic mechanism operates to constantly higher real wages? What are the factors which determine given wage levels? Or does Evans maintain that the capitalists do not try to get labour-power as cheaply as possible; that their policy instead is one of high wages. In short that capitalism is a system which pursues socially motivated ends. If Evans agrees that the class struggle is itself one of the determinants in the standard of living then he invalidates most of his own arguments.

It is true that in the early stage of capitalist development large reserves of cheap labour-power were available by the dispossession of small producers, artisans, and peasants. This exercised a powerful downward pressure on wage levels. But with the

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expansion of capitalism more and more labour-power was absorbed, while the sources of expropriation diminished in scale. Capitalists thus met increasing obstacles on the supply side of labour. At the same time there was a continuous growth of powerful labour organisations—Trade Unions. The effect of all this was to bring about an upward pressure on wage levels. This I suggest offers a better explanation to account for the rise in wages occurred during a considerable part of the 19th century than the ineluctable process called by Evans "the accretions of capital"—reminiscent of Adam Smith's "Invisible Hand". Finally in this connection that phase of capitalist exploitation, the production of relative surplus value, was not the outcome of a metaphysic of history but the need to overcome the approaching exhaustion of cheap labour supplies by new and more intensive methods of exploitation. In short, relative surplus value was the capitalist's answer to compensate for a falling rate of profit due to rising labour costs. Evans fails to really understand the proposition that men make history albeit their motives and aims are rooted in an objective milieu.

### Rising Standards?

To talk as Evans does of working class standards being continuously raised by the cheapening of products is the same thing as asserting that real wage rates have shown a steady and cumulative increase for generations beginning presumably about 1850 when the production of relative surplus value became general. According to Bowley "Wages and Income since 1860," the real wage rate of skilled workers was estimated to be about 6 per cent. lower than in 1914, while unskilled workers' wage rates were about 6 per cent. higher. Undoubtedly poverty had been reorganised but would Evans assert this was proof of ever increasing living standards? And remember the production of surplus value in its relative form had been going on for nearly 75 years. If these cumulative increases of items of working class consumption due to relative surplus value had really taken place then by 1924 there should have occurred some remarkable changes in the living conditions of the working class. In point of fact, agriculture and the products of the building industry constitute the major item in working class consumption, yet neither of these are amenable to increasing and cumulative changes brought about by the introduction of machinery.

Just one more word on the question of wages. It is not denied that net earnings can

## EDITORIAL

Readers will probably notice that this issue is rather better balanced than some previous ones. Writers will probably notice that their article has for some reason not appeared. These two facts are inseparably connected. The issue is better balanced because we have had quite a fair amount of material to choose from. For exactly the same reason we have had to omit this month more material than for many previous months, though of course all this material will appear in due course.

It is perhaps worth mentioning that short letters will always appear straight away, whereas long articles may be delayed longer.

increase while wage rates remain the same or even decline. But that is due to increases in working population, piece work and overtime. Moreover net earnings vary from industry to industry. As such, increases in net earnings cannot be shown to be the result of vast increasing output arising from the production of relative surplus value with its ever cheapening products.

It seems almost superfluous to remind a party member that before the present war, Boyd Orr estimated that 8 million people in Britain did not obtain enough nutritional means consistent with a healthy life. That Lord Beveridge has said that between the wars nearly half of all working class children in this country were born in want. Again according to Mr. Rowntree in 1936, 31 per cent. of families were below the level of what he called "a human need standard" and this after over three quarters of a century of the production of relative surplus value which vide Evans has given the working class ever increasing living standards. How does Evans explain this?

There are in addition some serious errors in Evans' theoretical assumptions. For instance he tells us that the capitalists obtain an ever increasing rate of exploitation or profit—he never seriously attempts to prove it—at the same time we are told that commodities in general are subjected to an ever cheapening process as the result of increased productivity. But it is fairly evident if the price of labour-power remains constant and the price of finished products falls correspondingly per increased output, it is hard to see where the rate of profit can increase. If for instance a given capital consisted of 100c and 100v and the rate of exploitation doubled but prices were halved then the rate of profit would be the same.

If, however, the value of labour-power rose during the process then the rate of profit would fall. Again what is Evans' solution to this dilemma?

Again Evans points to the increasing organic composition of capital as a corollary of relative surplus value. But an increase in the organic composition of capital leads to a tendency for the rate of profit to fall. If these increases in the organic composition of capital had proceeded on the scale that Evans seems to suggest, then its fall would have been little short of catastrophic. Now the only thing which could offset this would be a tremendous increase in exploitation but in order to do so such exploitation would not be human but super-human. Does the history of capitalism especially British capitalism, over the last 50 years, show this? Again if the intensity of productive effort was such, not even the extra input of consumption items would compensate the workers for the level of output which would be required for the maintenance of such conditions. It appears that Evans unwittingly supports Horatio's views of increasing misery. Surely some better explanation is required from Evans than the one he has given?

### Reserve Army

There is another logical inconstancy about Evans' reasoning. It is of course a commonplace that a relative increase of constant capital over variable capital is the means whereby the industrial reserve army is brought into being. Now this reserve army exercises a depressing effect on the labour market. As such it lowers the price of labour-power to the point where it is more profitable for the capitalist to employ wage labour than introduce machinery. In actual fact he only introduces machinery when from his point of view wages are too high. Thus the introduction of machinery is the capitalists answer to rising labour costs. Whether this will increase his rate of profit is of course a moot point. It follows then that that part of capital invested in machine equipment is constantly one of expansion and contraction. There is no over-riding mechanism which compels capitalists to willy nilly increase their constant capital on a continuous and ever expanding scale. Can Evans show this to be otherwise?

In further articles I propose to deal with other points put forward by Evans and to detail what has been a brief summary of my criticism of Evans' view on Marxist economics.

E.W.



## TURNER — OR CLAUSE 6?

This is the first time that I have dared to contribute to *Forum*, but as the seconder to the resolution to which Comrade Turner refers in his article "Socialism or Clause 6," I think that it is only fair to him that I put my point of view on this matter.

As a member of a Branch that is some distance from London I have been unable to attend many Party meetings, and like my comrades at Southend I have had to rely mostly upon circular letters and E.C. reports, and personal opinions of visiting members.

Over a period of some twelve months Comrade Turner's name has been raised in connection with a controversy over the D. of P. This controversy had reached such a pitch that it seemed there might be a split in the party.

I do not wish Comrade Turner to think that I lay this situation wholly at his door (for there must be at least two parties to have an argument) but I ask, what am I to think when I am informed that Comrade Turner is no longer fit to speak for the Party, or, that Comrade Turner no longer puts over the Party's case?

At the Party meeting I listened to a lot of haggling and back-biting, the sort of thing that the Party has no time for, but the position had arisen where the Party's name was being held in Jeopardy, and the work of many of our members threatened. I can assure you that my motives in supporting this resolution were quite honourable.

I have read Comrade Turner's article in the November *Forum*, and although I disagree with some of his opinions, I do not believe that they are motivated by sharp practice or that he has any shabby tricks up his sleeve.

My first disagreement with him is where he states that "the Socialist Party should be more socialist in its message to people than it has been during the past fifty years." HOW?

Does he mean that we should start promising people free access to the means of living if they support the S.P.G.B.? That sounds like the Labour Party on a vote catching spree with "Onist Erb" in the lead. No Thanks!

Does he mean that we should start painting pictures with words as to what Socialism will be like? If so, what will it be like?

I have heard members say that Comrade Turner talks of people baking their own bread, making their own furniture, and wanting to use the horse and trap once more. As

a Socialist I understand what is meant by these statements, but does a non-Socialist? If Comrade Turner has been making these statements from the platform, then I am afraid that I must support the statements made by members that Comrade Turner is not putting forward the Party's case correctly.

As I see it, Socialism (which is the system of society which will follow Capitalism) will take over the means of living where Capitalist society leaves off, and it will modify those means of living to meet the needs of the new society. What stage of technical development will have been reached when the revolution occurs I cannot tell, and neither can anyone else. Therefore, we can only explain to the enquirer the basic economic outline of Socialism, and explain why it is so very necessary to bring about. No, Comrade, I do not think we can be any more socialist than we are already.

Comrade Turner's argument over Clause 6 does not seem to be in keeping with his socialist knowledge. The first part of Clause 6—"That the machinery of government, including the armed forces of the nation only exist to conserve the monopoly of the capitalist class of the wealth taken from the working class," is a statement of fact, and the statement that the working class must organise is the logical outcome of that fact.

### Overwhelming Majority

The working class are roughly ninety per cent of the world's population, which makes them the overwhelming majority. They and they alone can bring about the revolution, purely and simply because they are this overwhelming majority. They wish to continue the wages system, commodity production, and national allegiance.

The capitalist class can do nothing, even though they own the means of living.

If every member of the capitalist class were a budding Frederick Engels or Karl Marx they would be unable to engineer any Socialist revolution until the majority of the working class were on their side.

Thus the working class of the world are unique inasmuch as they are the only class in the history of mankind who have the power to emancipate themselves and the whole of mankind at the same time. Clause 6 has never presented any problem to me, nor to any other member who I have discussed it with, in fact even non-Party people who I have discussed it with have stated how clear it is. It seems

as though Comrade Turner is afraid of a situation that cannot possibly arise. That situation is that a majority of Socialists will not know how to establish Socialism, or that's how he seems to interpret Clause 6.

He worries over coercion, of one group losing a privileged position to another group. I cannot see it happening, any more than I could see the E.C. pledging the Party to some reformist group and still remaining the E.C. The majority outside of Parliament would soon see that their representatives or delegates inside carried out their wishes, or they would very shortly find themselves right outside. Furthermore, the working class constitute the majority of the armed forces, and supposing that through the course of a war the majority of them decide that they have had enough, and start to have socialist ideas, how will the privileged group be able to coerce them back to the battle line, when their very coercive power lies in those reluctant soldiers?

I cannot see the majority of mankind abolishing the state and retaining coercion, for the state is that coercive body that exists to preserve class interests. The abolition of class society will mean the abolition of the state and coercion, and this must be carried out by a deliberate act of administration, and not in an anarchist fashion, hoping that it will wither and die away.

Comrade Turner's criticism of Clause 7 can only be answered with the same argument that I use for the beginning of Clause 6. As the majority of the world's population are members of the working class, it stands to reason that we must place our case before that majority. Our propaganda explains that the whole of mankind stands to benefit from the abolition of capitalism but it is obvious that the revolution can only be brought about by the majority, who are the working class.

It is obvious that we cannot compromise with any other political party for they are in one way or another reformist or outright supporters of capitalism. To appeal to the capitalist class is pointless because they are not the majority, and when the majority becomes socialist conscious they will understand that Socialism is to the benefit of all mankind.

What is the cause of this terrible situation that has taken such a prominent position in the thinking of our Party membership? Could it be despair of Capitalism? The Party is, after fifty years of socialist propaganda, only just over a thousand strong; Forms "F" are more than Forms "A". Party activity has declined, and the few very active comrades find support getting less and less. The working class are not as interested as they used to be, and our propaganda does



not seem to be having the effect that it used to have.

Thus the more virile members at times begin to feel despondent, they begin to think that maybe our propaganda is wrong, that our Declaration of Principles is wrong somewhere, or that our Party's speakers are not putting the Party's case over right. Thus the search for the imaginary fly in the ointment begins, and as it develops more members lose interest and the Party's propaganda suffers even more.

There is nothing wrong with our propaganda—thousands of debates and public meetings have proven that. There is nothing wrong with our Declaration of Principles—years of criticism have been unable to shatter them. The trouble lies in the majority of

people who have not heard the Party's case, or, having heard it, do not respond. They do not understand the economics of Capitalism in their simplest terms, they have been unable to penetrate the veil. They will one day, but until that time, we must beware of falling into this trap of despair.

I would like to finish off by repeating a statement that I made at the Conference and at the Party meeting—"It is a good thing that we do criticise our D. of P.; if anything is wrong with them we should find them out, but let's be sensible, let us deal with them as our Comrades in the W.S.P. of U.S. did and in future there will be no more of this terrible waste of time."

J. G. GRISLEY,  
Southend Branch.

## WISDOM FROM 1908

My friend asks me for details of my scheme. Of all the forms of opposition to Socialism, this one of a craving for details seems to be the most pronounced. Now, if Socialism was a scheme, I quite admit that my opponent would have a right to ask for details. But what is the difference between a scheme and Socialism? Just this! one is a manufactured product and the other is an evolutionary product. So that for an analogy we must take not a scheme, but something which evolves.

*Take a Flower.* We may know when the peduncle makes its appearance that it is going to be a flower, but we cannot give details as to the number of sections which is going to constitute the calyx, and after that has come,

we do not always know how many petals the corolla will have, nor their actual size, shape or colour, nor can we say until a later stage is reached, and they actually unfold themselves to our eyes, how many stamens and pistils it has.

So that, while it is logical enough to ask for details of a scheme, where is the man of science who would ask for details of an evolutionary product? If I attempted to give details of the plan of the future, I should cease to stand as a scientific man, and should be a Utopian, a dreamer, a fool.

Extract from a debate between W. Gee (S.D.F.), and Rev. M. P. Davies, B.A., B.D.

is most acceptable when it is presented as a return to the wisdom of earlier ages and most objectionable when felt to be at variance with group tradition. The importance attached to traditional attitudes and practices; the great reluctance to question their truth or applicability in changed conditions, make adaptive change a difficult and dangerous business.

Faced with new situations the group acts in ways which have been successful in the past though they may be quite inadequate to cope with the new problems. The frustration produced by its failure results in hostile behaviour towards other groups and within the group itself. Those in any way critical of group policies or practices tend to be crushed or intimidated. Those questioning and critical attitudes which may alone contain the prerequisites for solving the new problems are lost to the group. Its behaviour becomes more and more regressive as its failure becomes more and more apparent. Social extinction ultimately results.

This brief black or white stereotype of crudely conservative authoritarian organisation brings out clearly that they tend to preserve the group at the expense of adaptability. Rigidity of structure means rigidity of response and lack of internal self-correcting principles. Once started upon a course of action it is completely committed. Mistakes once made become fixated responses incorporated into its organisational principles.

A much more rational attitude to the critics and one which we should adopt is to try and derive benefit from criticism. The man intolerant of criticism is a man who believes he has found the finished article of truth. To him intolerance of criticism is simply a rebuttal of falsity—a black or white, "either or" position.

Life is rarely so simple. So often when we examine criticism we find that element of truth which in our hurry we were trying to leave behind and which, left undiscovered, would have caused us to retrace our steps at a later date.

If in our attitude we can aim to derive from criticism that "soul of truth" which inspired the critic we will obtain a very high degree of stability indeed, coupled with the greatest degree of adaptability.

Joan Lestor.

## A SOUL OF TRUTH

John Stuart Mill held that the way society treats its women is a measure of its civilisation. How much more true is this of the critic and the treatment he receives at the hands of accepted opinion.

Students of primitive society tell how, in many cultures, the man who breaks the taboo meets a swift end at the hands of his fellows or is thrust from the group to die in the wilderness. Every step in the process may be rationalised from the moment of accusation to that of punishment—always there are sound reasons. The group must face nature united if it is to survive. A broken taboo means an angry god visiting the group with

some dread disease or hastening its failure in battle, all resulting in the breakdown or weakening of the group. Thus the group must defend itself from those within who would, by action detrimental, weaken it in its struggle for self conservation. Thus is born the oldest political ideology the world has known—simple conservatism. This doctrine, not without usefulness as a social preservative force makes adaption or adjustment of established fact very difficult. What has always been done is right and good, because it has always been done. What is new is bad and wrong, because it is untried, has never worked, because it is in fact new. Change

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## A LAPSE FROM RIGHTEOUSNESS

Although I have been a member of the Party for over forty years, I still regard the Object and D of P a magnificent piece of political writing, comparable only with the "Communist Manifesto" in its pungency of style and power of exhortation.

This Socialist objective and call to action, though perhaps premature in point of historical time, has been, however, a tremendous source of inspiration to many thousands of the more seriously politically minded working class men and women throughout the world.

As a very humble rank and filer may I, therefore, be allowed to voice my views regarding the issues raised in the above circular, because Paddington Branch appear to be slightly disgruntled and dissatisfied with the progress of Socialism down the years. Their reaction seems to take the form of wishing to dispense with principles altogether and to keep company, presumably with the unprincipled.

They must know, however, that membership of the Party is conditioned by an Object and D of P. Despite this they now claim the right to disagree with them, remain in and be allowed to continue to represent the Party. Naturally enough they also disagree with the E.C. for imposing disciplinary action because of their claims.

Paddington's objection to this action of the E.C. on the grounds of "principle" and for the other reasons cited, seems to be merely a cover to hide a regrettable arrogance, or a petulant desire to have their own way, thereby concealing the nonsensical and illogical nature of their claims.

A parallel case may perhaps illustrate the absurdity of these claims. An acquaintance of mine, a devout Christian protestant, changed his religious views and decided to go over to the Roman Catholic church. He did not wish, however, to cut adrift from his protestant colleagues and their church in the hope that he might eventually win some over on to what he now considered was the "right road" and of course for Christ's sake. He conveyed these desires to his new spiritual leaders. What did they say? In effect it was "Thou shalt have none other Gods but me and also for Christ's sake, we cannot have you in our ranks under any conditions, preconceived by you or otherwise". According to their lights this was quite logical and therefore reasonable.

The contentious claims of Paddington, therefore on the grounds of "principle" too, is nothing less than an unprincipled license (to quote from the above circular) . . . "to have every facility within the Party to advocate any change in its principles & etc. . . . Well! how could you, Paddington, be so irresponsible?

A more straightforward intellectually honest line of action is surely, resignation from the Party with whose Object and D. of P. Paddington no longer agree. Or is there some subtle distinction between this course of action — to resign — and some obscure metaphysical doubt that the "gods" cannot really intend self condemnation to political purgatory, after having laboured so faithfully at the "altar" of Socialism. Or have Paddington so pitifully failed to assess the factors which herald the advent of Socialism — in their time — and that they now wish to sink the boats in consequence?

### Membership Strength

We would assure Paddington, however, that we do not wish to appear harsh or unsympathetic in view of any of the possible extenuating circumstances which may be responsible for their lapse from the paths of political righteousness. We have in mind for instance the period covered by the last fifteen years. This period must have been a great strain upon the resources of those who were engaged in the responsible and arduous nature of Party work. There was little respite and added to this the grim period of the war years: intenseness of purpose; a fierce desire to strike back at the arch enemy—King capital. Then later on elections were contested, the results of which must have been another bitter pill to swallow. The outcome of it all, a feeling of despair, a sense of frustration—"Socialism is hopeless: the Object and D. of P. are all wrong, they do not now meet the situation". Surely, however, Paddington have overlooked the fundamentally important factor in Socialist teaching, that it is a majority which has to be won over to Socialism by political action, accomplished democratically.

It is hoped, therefore, that Paddington Branch may now desire to reconsider the Socialist problem from this angle and in this

light, withdrawing unconditionally from the position they have taken up and to renew their efforts to review the Party technique for propagating Socialism and building up its membership strength.

In a later article some aspects of such a revised technique will be outlined and discussed. So let us all have a go. Socialism is the "GOODS" let us reconsider our methods of advancing it.

O. C. A.

### CORRESPONDENCE

Dear Comrades,

It was indeed a pleasure meeting your editors and some of your writers during my recent trip to Britain. I simply must return and take more time for a grand confabulation.

The Forum is avidly read and heartily supported here. Some, however, are of the opinion that at least half of the paper should be used for ways and means of improving propaganda, i.e. suggestions to speakers, lists of effective anecdotes, lists of facts for propagandists such as were issued some time ago by the S.P.G.B., how to improve work in the provinces, how to make the most effective use of Head Office (Socials, etc.), etc., etc.

All *personal* remarks that might be offensive and slighting to individual members should be definitely eliminated.

Also the editors should not, as they did on one occasion, appear to take sides on a controversial issue. A member has the right, even though I disagree with his views, to say that certain ideas make an individual a fit object for expulsion.

However, congratulations on a splendid job of helping make full free socialist discussion available.

Comradely and Cordially,  
GEORGE GLOSS.

Dear Comrade Editor,

I could not quite renounce my desire to enquire further of R. Smith of Dundee and to repeat his unanswered question ("Renunciation and Socialism", Forum November, p.88). Where does "renunciation" (or even renunciation) fit in to scientific explanation of social evolution and human society and is it really a sane and practical method? Further, is it a method?

I should also like to respectfully suggest that in order to facilitate an assessment of the validity of the answers there should be appended a list—if more than one—of the things (?) we must renounce (or "renounce").

Meanwhile, I give up.

Yours fraternally,

L.J.C.



# SOCIALISM *and* CLAUSE SIX

In the November issue of *Forum* an article by Comrade Turner appeared in which he stated his criticisms of the Declaration of Principles—the general tenor of which was that the choice before the Party was, as his title put it, Socialism or Clause 6. My own contention is that, far from being mutually exclusive, without Clause 6 there can be no Socialism.

The article commences with an accusation that members have been making untrue statements about him, and as I fully agree with two of the three statements he mentions I feel that it is necessary to touch upon this before dealing with the real issue. "It has been said," claims Turner, "that I am opposed to the Party," I agree, "that I am campaigning within the Party in order to disrupt it," I disagree, "and that I do not put the Party case when I am on the platform." This has also been the case. If these members really believe their statements to be true, why, asks Comrade Turner, do they not use the Party machinery to deal with me? As a matter of fact there have been a number of complaints lodged against Turner, including one lodged by myself. Why the E.C. took no action in spite of admissions made by Turner is not for me to explain.

## Opposition to the Party

So much for Comrade Turner on the platform. The question of opposition to the Party brings us to the main point under discussion. As one who has had a great number of discussions with Turner on these questions let me make it quite clear from the start that he is opposed to the whole of the Declaration of Principles AND the Object. At a Head Office Forum some months back when Turner was insisting upon some point of agreement as a basis for discussion. I, having been unable to agree to the points he suggested, offered him any part of the D. of P. and, as he would not agree with a single sentence offered him the Object. He would not agree with this either.

This may seem strange in view of the statement in his article that he holds "That Socialism alone is the solution," and that his criticism of the D. of P. is only "where they depart from the objective as set out above," but it is not so strange when we realise that the "objective as set out above" in Comrade Turner's article is, like his

socialism, very different from ours. In spite of the misleading similarity of the phrasing in parts it will be seen that the content is very different. Nowhere is our Object quoted. Nowhere is Democracy mentioned. This is no slip. Turner has for some time now been arguing against democracy, and it is this which explains the subtle substitution of the phrase "all things will be held in common" for our own "Common ownership." It is the implication that all ownership has of control and authority, albeit a common, democratic control, a social authority, that makes our objective completely alien to Turner's anarchistic conception of future Society. His opposition is in fact to everything but a few of our nicer sentiments.

## Class Interests

Now for his criticisms of Clause 6. Turner makes the point that Class has nothing to do with a person's fitness to organise for Socialism. This is quite irrelevant, the question is one of who stands to gain by the establishment of Socialism. Turner himself recognises this in his very next sentence, but counters with the argument that this is at variance with the proposition that Socialism means the emancipation of all mankind. Does Turner really believe that this means that a ruling class which is subject to none CAN be emancipated? I should have thought that anybody out of knickerbockers would have recognised this sentence as meaning that all subject classes, workers or not, would be emancipated and that no new subject class would exist in Socialist society.

The same argument appears again in his attack on Clause 7 which sees the establishment of Socialism as a method of furthering working class interests but not those of the Capitalist. To this Turner takes strong exception. Turner is right when he says that "the interest of neither class is Socialism" and indeed it would be absurd to say "that the interest (note he drops the plural) of the working class is Socialism even though they are unaware of it." But the Party makes no such statement to my knowledge and certainly not in the D. of P.

Both classes are fully aware of their interests and it is important too that we should understand them, because it is the interests, the solving of IMMEDIATE PROBLEMS in the struggle for existence, which cause men to act, and not the misty future

Utopias with which they are confronted from time to time by public speakers. Long term theories can only be accepted if they can be related to the immediate problems, and have value in the immediate struggle.

But what are the interests of the two classes? What are these immediate problems?

For the working class the problem is to obtain decent living accommodation, good food and clothing, holidays instead of two weeks forced idleness, a working week short enough to leave energy for real recreation instead of passive amusement, freedom from the unpleasantness of having to play the inferior in their employment, and their generally inferior position in society, etc. Some of these worries can be partially alleviated through the industrial struggle; the only permanent answer however, is to get out of the wages category, and for the vast majority the only way this can be done is by the establishment of Socialism. This is how Socialism serves the interests of the working class and this is why we can expect their support. But only when we integrate our theory in a sufficiently practical way with the present struggle in which they find themselves.

The immediate problem of the Capitalist is different. His interests are mainly problems of conserving the advantages he already possesses, the ability to do very nearly what he likes, when he likes and where he likes, the pleasant illusion of superiority, the problem of expanding his capital, of increasing productivity in any way which does not involve taking off his jacket, and of keeping the worker in his place whether it be with truncheon or psychology. Socialism can help him in none of these matters. It cannot increase his rights, only his social obligations and he must resist such a movement wherever he encounters it. This is why the working class must get control of the State machine before they can attack the class structure of society.

## The Dynamic View

There is one more contradiction which appear within Capitalism. Also the D. of P. Turner manages to read into the D. of P. the State in particular, remains unchanged while the ideas of people change revolutionarily. He states that "when the mass of people hold Socialist ideas there will be no



State machine to capture" which, if it means anything, must mean that as socialist ideas become prevalent the State will gradually disappear within Capitalism. Also the D. of P. ignores, in his view, the "dynamic character of society."

Let us see what really happens. That Capitalism changes and develops there can be no doubt, but it changes, not through the spreading of socialist ideas, but as the result of efforts to solve immediate problems and, as far as Capitalists are concerned, within the framework of class society and, whether capitalist or worker, always motivated by class interests. These changes may then influence the whole pattern of social ideologies.

The need for developing an industry which cannot attract the necessary new capital throws up nationalisation which as it develops can bring the concept of a socially planned economy within the grasp of the ordinary, practical minded worker who, because his political theory is slight, wisely refuses to allow his ideas to stray very far from what he sees operating around him. So also the welfare state thrown up by the need for higher productivity brings into being a general acceptance of the principle of social welfare.

The State also changes and develops. Nationalisation and the welfare-warfare organisation cause it to spread its administrative tentacles more and more into every aspect of economic life till they begin to overshadow that class-coercive function which makes it a State. This too brings within the reach of the "man in the street" the concept of a social "administration of things"—a concept which can only fully materialise when those men have taken control of that State machine and used it, consistently with Clause 6 and in their own class interests, to abolish the class structure which makes the State necessary. Only as the class structure of society crumbles can the State disappear and then only in the sense that it will be transformed or grow into an organ of social administration.

Where, I would ask Comrade Turner, does this outline conflict with Clause 6? Where does it fail to connect ideas with the material conditions out of which they arise? although not perhaps in the oversimplified terms of a rigid correspondence which Turner seems to hold, but rather in terms of the M.C.H. to which of course, Turner has often stated his opposition. And furthermore, what more dynamic view of society does Turner want than this, which when put to him in the past was always opposed in favour of his famous "woosh" theory of revolution into the dignified sock-knitting society of his dreams.

Incidentally, Turner does not show us socialist ideas or socialist society (particularly his version) developing anywhere.

### Two Dangers

Finally, Turner rightly tells us that "the whole of the D. of P. leads up to the objective as contained in Clause 6." If the rest is accurate then it must be that Clause 6 is correct. But nowhere does he deal with these clauses and their analysis of the real world. He should have done, instead of merely showing that Clause 6 was inconsistent with his own quite arbitrary ideal of future society existing only in his own head and quite unrelated in any way to the real world which we know. The whole argument is in fact nothing but an essay in philosophical idealism,

the danger of which is that it must lead its possessor into all the peculiar positions in which Comrade Turner finds himself from time to time.

It is my firm conviction however, that weird ideas such as Turner's can do no harm in the Party provided they are rigidly barred from the platform. Normally, they would either disappear from the individual or the individual would disappear from the Party. A couple of warts on the neck does not mean we are suffering from cancer. The real danger is that some members are being panicked into violent and unnecessary remedies which threaten the Democratic principle (I use the term in the broadest sense) in the Party of which we are so justly proud.

J. Trotman

## NOTES ON CRISES — 5

In the last article it was shown that disproportionality of production can take two forms; one originating in the department producing the means of production (capital goods) and the other in the department manufacturing the means of consumption. All data published on crises shows that break in equilibrium, resulting in a crisis, occurs more usually in the trades producing capital goods.

In the first place the profit distribution in capitalism is calculated not on the amount of variable capital employed (wage labour), but in proportion to the total capital investment. Because, then, that branch of production which manufactures capital goods costs a great deal more to make than the branch which produces the means of consumption, a greater mass of capital will be invested in the former, and consequently a greater mass of profit will be made. Thus, owners of capital goods will be able to invest in their branch of production a greater part of their profit than those who own the means of consumption. This bias towards an unequal rate of capital accumulation between the two branches of production accentuates the disproportionality factor inherent in capitalist society.

Again, the period of rapid capital accumulation which characterises a boom generally takes place at a time when there are ample reserves of cheap labour power; that is, considerable unemployment, with its additional

downward effect on current wage levels. And again where there exists the possibility of cheap and plentiful utilisation of idle wealth resources, i.e., power, technical facilities and raw materials. Such a state of affairs will provide a field for large scale capital investment for the owners of capital in the industry which produces the means of production.

### Heavy Industry

Because these are the more appropriate conditions for the start of a boom, it can be seen that it is in the stage prior to consumption output, i.e., retail selling, that the initial impulse of trade expansion begins. It is in the first stages of a boom that heavy industry seems to expand at a greater rate than other industrial sections, while the level of wage earnings rises more slowly. As the boom, however, goes from point to point, there is a decline in the rate of expansion of constructional goods, while wage payments rise more sharply. It is at the back end of a boom that purchasing power is at its highest level, that is when more wages are being earned than at any other time. This high level of wage earnings is itself a significant cost factor in the emergence of a crisis situation.

Nevertheless, it must be shown why, at a certain stage in a trade expansion of this type,



a slowing down of activity begins to first take effect in the heavy engineering and constructional trades. To begin with, the opportunities for investment with an associated high profit level in these trades will attract an ever-increasing volume of capital. Under the stimulus of expanding investment, production will proceed rapidly; as a result idle resources will be quickly used up. Again, as production goes ahead, and more and more workers are absorbed, cheap labour reserves will tend to diminish and the price of labour-power will begin to rise.

### Labour Costs

For the capitalists who have invested in capital goods, the expenses of production will become ever greater as the boom gets under way. This is because, as production proceeds to higher levels, there will be an increasing demand for ever greater additional supplies of all types of power, technical facilities, raw material, etc., and consequently the price of these things will rise sharply. This will be especially so if the production of such goods and services has failed to keep pace with the tempo of capital accumulation in the capital goods industry. Thus, in a not too advanced stage of the boom, elements of disproportionality, although not observable, may still be present. Nevertheless, because high prices and profits still continue, there will be no slackening of continued investment in heavy industry. As a corollary to this, capital accumulation may tend to outrun the supply of certain kinds of skilled labour-power essential for its needs, and labour costs will rise.

### Anarchy of Production

The whole process is complicated by the fact that fixed capital, i.e., factories, buildings, massive machinery, etc., by its very nature takes far longer to produce than items of consumption, and cannot therefore quickly assert themselves on the market (which is the only means which will enable the capitalists who have invested in capital goods to know whether their investments have made the anticipated profit yield). And, while these new means of production do not appear on the market, the demand for them remains unsated, and no dis-incentive for investment will exist.

It is here, then, that the anarchy of production comes into the picture. Because each concern in the making of capital goods will seek to expand as rapidly as possible in order to realise maximum profit earnings, regardless

of what other concerns are doing, it will not be able to effectively gauge to what extent its own expansion and the expansion of others are contributing to raising to ever higher levels the expenses of production, and so narrowing the gap between production costs and realisation price. Indeed, the gap may be so narrow as to bring about an acute disappointment on the part of the entrepreneur in his profit expectation. Moreover, as one cannot stop the production of capital goods by a wave of the hand—in other words such massive production carries its own momentum—this will intensify competition among the various concerns and lead to speeding up of output in order to gain the quickest access to the market. Thus, from the standpoint of the realisation price of capital goods, things will tend towards a state of affairs where profit margins cease altogether.

### DISCUSSION

At Lewisham Branch, Monday, 10th January 1955, 8 p.m. on the subject "Will There Be Authority Under Socialism". Opener: J. Trotman. Davenport House, Davenport Road, Catford, S.E.6.

In actual fact the entrepreneur who finances the production of capital goods generally borrows large sums in addition to his own capital from banks and finance houses (loan capital) in return for which he pays a certain rate of interest. When, however, the market price of such goods reaches the level where the repayment of interest-bearing loans exceeds the rate of profit, the entrepreneur will lack any further incentive for investment. As a result, investment will recoil, production slow down and massive unemployment ensue. What has happened is that too much capital has been expended in a particular line of goods, or disproportionality of production has occurred in a particular line of industry, resulting in a state of relative overproduction generally. This is not the same as saying that too much has been produced from the standpoint of social needs, or that it is a genuine maladjustment of social resources—as some economists would have us believe—inseparable from large scale organisation. What it is in fact is the inability of capitalists to assess even approximately the proportional development of the various productive branches, and further their impotence to rectify their errors until after the event. It

is only the market which will reveal whether investment decisions have been faulty or otherwise. If proportional development is at any given time preserved in capitalist society, then, as Marx said, it was only by accident.

### Disproportionality

The need for the capitalist to invest a portion of surplus value—generally the major portion—into additional capital, for the appropriation of more surplus value, constitutes capital accumulation, and is the driving force of capitalist development. Moreover, as has already been pointed out, this process of accumulation is integrally connected between the two major branches of industry, the branch producing the means of production and the branch producing the means of consumption. The demand of the first branch is dependent on the extent to which the latter branch replaces constant capital and the rate at which it increases its existing plant. It follows, then, that any sharp change in the rate of investment would tend to disequilibrium between the two branches as a result of disproportionality. Or again, any changes in the organic composition of capital—that is, the ratio of constant capital to variable capital—between the two branches, hold tendencies towards disproportionality. Marx's analysis of this relationship between the two sections of industry is one of his major contributions to economic theory. If Marx had lived he might have given a more exhaustive account of the whole matter. It was left for Engels to piece his notes together from a rough draft.

In the next article I hope to gather up some loose ends which have been left unavoidably, and in addition to deal with two alleged cures for crises, viz. increased capitalist spending, and raising workers' wages. Another aspect of crises which is essential to its understanding is the connection between the falling rate of profit and disproportionality. Assuredly much confusion exists here in the minds of many Marxist commentators, especially those who treat them as separate causes of crises. For the present writer the falling rate of profit, although inseparably connected with the factor of disproportionality, is nevertheless dependent on and subsidiary to the latter. This, however, will have to be dealt with at more length in a further article in which it is proposed to deal with the confused and even unsound views on crises put forward by Dr. Paul Sweezy in his *The Theory of Capitalist Development*, published by Dobson.

E.W.