

INDUSTRIAL GOVERNMENT

***INDUSTRIAL FEUDAL AUTOCRACY
VERSUS
INDUSTRIAL DEMOCRACY***

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and ARNOLD PETERSEN***



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Industrial Government

INDUSTRIAL FEUDAL AUTOCRACY
versus
INDUSTRIAL DEMOCRACY

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PREFACE.

“True to the sociologic laws, by the light of which Socialism reads its forecasts, the plutocracy is breaking through its republican-democratic shell and is stretching out its hands toward absolutism in government. . . .

“The Political State, another name for the class state, is worn out in this, the leading capitalist nation of the world, most prominently. The Industrial or Socialist State is throbbing for birth.”

(Socialist Labor Party Platform, 1912.)

During the last twenty years in the United States of America a development so remarkable has taken place as to make the keen and mentally equipped observer stand aghast. This country is making history—real history, not merely historic events. A transition is taking place from one time-honored and time-worn social system to a new and radically different system and it is taking the steps of this transition with such a rapid pace that they are actually discernible to the eye of the contemporary—something that perhaps never before happened in the race of man.

The Political State, which came into the world with the dawn of what we commonly call civilization is tottering, bent and broken, from the stage of history and is being replaced with an industrial organization of government. As Frederick Engels put it more than fifty years ago: *An administration of things will take the place of the government of men.*

The Socialist Labor Party has seen the Industrial Government approaching apace from the beginning of this century and already in the platform of 1912 laid down the essentials of the approaching struggle, for a struggle it will be:

INDUSTRIAL GOVERNMENT

“Only two programs—the program of the plutocracy and the program of the Socialist Labor Party—grasp the situation.

“No wild schemes and no rainbow-chasing will stead in the approaching emergency. The plutocracy knows this—and so does the Socialist Labor Party—and logical is the program of each.

“The program of the plutocracy is feudalistic autocracy, translated into capitalism. Where a social revolution is pending, and, for whatever reason is not enforced, REACTION is the alternative.

“The program of the Socialist Labor Party is REVOLUTION—the Industrial or Socialist Republic, the social order where the Political State is overthrown; where the Congress of the land consists of the representatives of the useful occupations of the land; where, accordingly, a government is an essential factor in production; where the blessings to man that the Trust is instinct with are freed from the trammels of the private ownership that now turn the potential blessings into a curse; where, accordingly, abundance can be the patrimony of all who work; and the shackles of wage slavery are no more.

(Socialist Labor Party Platform, 1912.)

Actually two forces are striving for economic supremacy—the capitalist class, the plutocracy (some eight per cent of the people) holding the means of wealth production, forming a plutocratic feudalistic industrial state, through which they may exploit, rule and ruin the rest of the people. This Industrial Feudalism is knocking on the door. On the other hand there is evident in the social forces of today a struggle toward Industrial Democracy. This can be effected only by the working class rising in its might, organizing on Industrial Union lines, to take, hold and operate the means of wealth production for the benefit of all the people.

During the closing months of 1929 the capitalist class has been moving with giant strides toward securing an

INDUSTRIAL GOVERNMENT

industrial state able to act for its interest quickly and directly, untrammelled by the legislative claptrap of the outworn Political State, but aided by the executive function of the Political State which the class industrial state stands ready to retain as its strong arm. The Wall Street crash which threatened a destructive panic aroused the capitalists to the emergency. Congress had been “fiddling”—in extra special session—all summer trying to aid the industrialists of the nation by a high protective tariff. Interests within the capitalist class—the small with the large—were clashing and Congress was getting nowhere. Then came the crash. From the economic watch-tower of capitalism, Roger Babson, capitalist economist par excellence, cried out the uselessness of Congress in the emergency. Then Hoover, the capitalist industrial engineer, got to work and after a series of events so rapid as to make even the calmest head swim, we saw within a few weeks the launching of a National Industrial Council, actually an Industrial State promoted and directed behind the scenes by the nation’s Executive and his various departments.

These events were watched with the keenest interest by the Socialist Labor Party. Plainly we perceived “the Industrial or Socialist State throbbing for birth.” But what would that birth bring?—A premature industrial feudal monstrosity, something in the manner of Mussolini’s Fascist Italy, or the natural child of progress—industrial social democracy?

For the moment we can only record the events. They have been recorded in a series of editorials: “Fiddling While Capitalism Is Burning,” “Hoover Making History,” “The Industrial State Aborning.” So important are the events and the interpretations of these events that these

INDUSTRIAL GOVERNMENT

editorials have been collected in a connected series so as to invite careful perusal by the workers.

They have been, in this pamphlet, preceded by an article on the Workers' Industrial Government—thus placing in juxtaposition capitalist politico-industrial autocracy and Socialist Industrial Democracy.

—O.M.J.

New York, N.Y., January, 1930

THE USELESSNESS OF CONGRESS.

“I return to the Atlantic States after a absence of ten months, & what State do I find the country in? Why I don’t know what State I find it in. Suffice it to say, that I do not find it in the State of New Jersey.

“There air other cheerin’ signs for Ameriky. We don’t, for instuns, lack great Gen’rals, and we certainly don’t lack brave sojers—but there’s one thing I wish we did lack, and that is our present Congress.

“I venture to say that if you sarch the earth all over with a ten-hoss power mikriscope, you won’t be able to find such another pack of poppycock gabblers as the present Congress of the United States of America would be able to find—find among their constituents.

“Gentlemen of the Senit & of the House, you’ve sot there and draw’d your pay and made summer-complaint speeches long enuff. The country at large, inclodin’ the undersined, is disgusted with you. Why don’t you show us a statesman—sumbody who can make a speech that will hit the pop’lar hart right under the Great Public weskit? Why don’t you show us a statesman who can rise up to the Emergency, and cave in the Emergency’s head?

“Congress, you won’t do. Go home, you mizzerable devils—go home!

“At a special Congressional ’lection in my district the other day I delib’ritly voted for Henry Clay. I admit that Henry is dead, but inasmuch as we don’t seem to have a live statesman in our National Congress, let us by all means have a first-class corpse.”

—ARTEMUS WARD.

INDUSTRIAL GOVERNMENT.

A new reader writes:

“I can follow you perfectly when you show up graft, corruption, unemployment, misery. Your criticisms of things as they are are excellent. I devour them. I feel that we must have a chance; I am with you on that. But what I cannot understand is what you call ‘Industrial Government.’ How will it work? I cannot make that out.”

Let us see what we can do to solve the puzzle—and we frankly admit that it must be a puzzle until it is solved—and then we all say: *How easy*.

Let us begin at the beginning, and though we have said these things many a time before, let’s say them again as simply as we can.

First, we all must agree that society is a growth and development. As things are today, they have *not always* been. In primitive society the needs were simple. The governmental function—as it gradually developed—was to take care of the needs within the tribe or “nation” in peace and in war. The members of the tribe had to be fed, protected from danger and disease, and defended against enemies. The “medicine men” (later priests), and the chiefs of peace and war were the center of government, but the councils were general and democratic. Women as well as men took part in the deliberations and helped to determine procedure and action.

Agriculture developed; flocks and herds grew; the iron tool was invented; slavery came into the world. In short, private property was accumulating in some hands; and with that, social-economic classes. Now that human society was divided against itself within a given community, the old communal government could no longer function

INDUSTRIAL GOVERNMENT

adequately. The property owner required protection at home and abroad. The slaves could not be allowed to partake in the councils of the masters. So man sat about “inventing” a new form of government—class and property government. We say “invent,” for that is just what he did, but that does not mean that the “invention” was taken out of the air. Inventions never are. They are natural growths out of material on hand. The material on hand was private property in land, cattle and goods; economic classes, the wealthy land and slave owners, the poor freemen and the slaves; and land as the most important material wealth and fundamental factor of wealth production. The government that finally came into the world as a result of this condition was political government, the Political State. Fortunately for our knowledge and understanding, the struggle of man to achieve political government (and it was a great achievement) fell in one country at least within the historic period, and most fortunately there it reached its full conclusion. This country of course is Greece. In ancient Greece for fully three hundred years (births of systems as well as other births come with agony) mankind struggled to throw off the no longer adequate government based on family relations and kinship—with its inheritance running in the female line. Three hundred years the Greeks experimented, from Cleisthenes to Solon. Then, lo, the Political State. Families, clans, tribes vanished as social factors; mankind was divided into states, counties, townships, districts, wards. From that time to this, man has been ruled, governed, counted, voted and what not in relation to the place where he lived. Now don't let us imagine for a moment, though we today brand the Political State as a lunatic asylum, that

INDUSTRIAL GOVERNMENT

our ancestors invented and foisted on the world a lunatic asylum. The Political State arrived because it fitted the times—it was fundamental and functional. The divisions were to a large degree occupational. Traders, artisans, moneylenders, scholars, artists, professional men lived in the towns; the rich and poor usually in different quarters. The slaves were scattered but they did not matter; they had neither voice nor vote. In the country lived agriculturalists and herders, fishermen, hunters, woodchoppers, etc. Political governmental units could therefore look after the various interests.

But with capitalism a new age came into the world. The very first thing that capitalism did economically was to smash through political boundaries. And how it has smashed them. The railroad dashes through state lines without even a toot. Trains, buses and streetcars ignore wards and districts and townships. The automobile recognizes no borders, and the airplane swoops over mountains, rivers and oceans. But even production has placed itself above state lines. The flourmills of Minneapolis grind the wheat of all the middle Northwest, pack it in barrels made from material from forests and mills of the farther West, and sacks from the cotton of the South woven into cloth in Massachusetts and this flour is shipped and sold the world over. The shoe factories of Lynn and Boston get their leather out of hides from the Western cattle ranges and nails from the steel mills of Pennsylvania and Ohio. Coal comes to all states from a few states; cotton comes from the South, fruit from the South and West, vegetables from here, there and everywhere, etc., etc.

And now let us look at work and workers. It is self-evident that a person's residence is no longer of any eco-

INDUSTRIAL GOVERNMENT

conomic importance. He *sleeps* at his residence. Sometimes he eats there too but not always does he do even that. The important social and economic function of the modern human being is performed in the “shop”—be that anything: factory, store, office, mine, railroad, farm, garden, school, theater, music hall, anything; in short, the places where we do things, perform, create, give values to society; and these nerve centers absolutely ignore the political divisions and boundaries laid down about three centuries B.C. when an entirely different productive order existed.

The Socialist is not the only group today that recognizes that the Political State has outgrown its usefulness. The soundest and clearest minded of the industrial capitalists know it too. But because they cannot get rid of it, it being their own tool created for class rule, they use it as best they can. But in its decay the State has become utterly corrupt. While it bullies and browbeats the workers, it levies heavy tribute on the capitalists. To get action in their own interest out of the Political State, the capitalists have to pay through their noses—or in little brown satchels. GRAFT is the name of the tribute levied by the politician, and it flourishes today from the Cabinet officer to the village dog-catcher, through the executive, judicial and legislative branches of government alike. But so powerful have the industrialists become, and so utterly stupid the political government that the great economic powers time and again carry on right over the heads of the government. Take our relations with Soviet Russia as an example. While Messrs. Hughes and Kellogg in turn fussed and fumed about “Bolsheviki” and against recognition, the industrialists, Ford, Standard Oil, Westinghouse, McCormick and oth-

INDUSTRIAL GOVERNMENT

ers, went right ahead and arranged their own “diplomatic relations” and carried on business directly with the Soviet Government without diplomats, foreign ministers or consuls. This is to exercise Industrial Government functions even under capitalism. Take another example. Congress has been in extra session all summer fiddling with the tariff, the Political State attempting to serve modern industry needs. It got nowhere except in a worse tangle. It is the butt for quips and jokes. Then came the Wall Street crash, a thundering financial panic with an industrial crisis at its heels. The President did not bother Congress; he did not even send it a message; he knew it could only windjam; it was useless as an industrial functionary. He called in the country’s leading industrialists. Congress tucked its tail between its legs and went home. The industrialists planned action in direct contact with the executive of the nation. Has Mr. Hoover taken a leaf directly from the Soviet Government of Russia? Anyhow, here is governmental action which is fundamentally industrial. Indeed, examples are plentiful if we look about to show that the Political State has outlived its usefulness and that even in capitalist society direct industrial governmental functions are manifesting themselves.

However, when the Socialist speaks of Industrial Government he implies far more than this. He implies first of all the abolition of economic social classes and along with this the abolition of the political class State which is the governmental tool of class rule.

It is necessary to recapitulate. We recognize class division as a necessity in progress when the tool of production was simple and food and shelter were hard to secure. Slavery and drudgery for the many gave leisure to

INDUSTRIAL GOVERNMENT

the few to serve progress as thinkers, inventors, artists, teachers. This gave impulse to development. But class slavery and drudgery are no longer a social necessity. With the aid of the modern machines of production, mankind with a few hours' labor can produce more than enough for all and plenty for leisure besides. But the few now own these machines and use them to rob the many of the products of their labor and keep these many in perpetual toil and slavery—or slavery without employment which means starvation. So far our correspondent appears to comprehend. Now what *to do*.

As the Greeks struggled three hundred years to produce the perfected idea of political government, so the workers and thinkers of the modern world have struggled for nearly a century to produce the perfected idea of Socialism—the Industrial Government. Look at the stages Socialist theory and philosophy have passed through—Utopian Socialism, Colonization, Social Democracy, the semi-political Soviet State, and lastly the Industrial Democracy toward which we are now moving.

What does this imply? Understanding from our resumé what the state is and what government is, we ought to be able to absorb the idea of Industrial Government very easily.

1. The means of production—that implies all necessary social function from wheat fields and flourmills to schools, parks, theaters, etc.—become the collective property of all the people. In other words, they become truly social functions,

2. The Political State being bounded by geographical divisions is useless in the running and operation of industry. Having no further function in society, it will have to be abolished if it does not peacefully die.

INDUSTRIAL GOVERNMENT

3. The new government will arise from the industries themselves. In place of Political Democracy comes Industrial Democracy. The voting by wards and towns and states—that is, where a man lives and sleeps but fulfills no useful industrial function—has outlived its usefulness. We vote where we work. The industrial ballot takes the place of the political ballot. The ballot will concern the work—the social function. Instead of electing politicians and lawyers and such to hoodwink us, we will elect industrial functionaries to act for us in managing production. We elect the officials of the shop. The combination of shops elects the officials of the industries, the combination of the industries elects the National Industrial Council or government. Thus we see that we will have the mines run by miners, railroads run by railroaders, mills run by mill workers in the interest and for the benefit of all the people, schools run by teachers for the community, theaters and museums run by artists for the public good, etc., and all forming a united whole, controlled and inter-controlled in such a manner that exploitation will be done away with, that all may give the best there is in them and get the best there is in others, that genius and ability will have a chance to serve and to direct.

That, and just as simple as that, is Industrial Government. There will of course be many difficulties to overcome and kinks to straighten out but that must be left to the intelligence of those who are there when it comes. The main plan is there.

And remember this. It is no dream. It has to come. The spirit of the age cries out loudly for Industrial Democracy.

—O.M.J.

FIDDLING WHILE CAPITALISM IS BURNING.

Mr. Roger Babson, the well-known advisor to business men, has risen to the present emergency and, in the language of Artemus Ward, is trying to cave in the emergency's head. Mr. Babson is wroth with Congress—he thinks it is largely responsible for the failure of “confidence” to be restored. And capitalism being in the nature of a confidence game, there may be more to Mr. Babson's angry ejaculations than is apparent on the surface. Says Mr. Babson:

“It is generally agreed that the need of the hour is the restoration of confidence, but it is useless to pretend that there is no just reason for the lack of confidence that exists today. There are many reasons for such a lack of confidence. When, however, we put all of these reasons in a statistician's test tube, the one which frankly stands out to be the most important is the action of Congress during these critical times.

“Certainly the business men of Rome had no more on Nero when he was fiddling during that great panic of 2,000 years ago than the business men of America have on our Congress, which is fiddling so hopelessly today. This especially applies to the Senate.”

Mr. Babson may not realize it, but through his Nero simile he is virtually admitting that capitalism is “burning,” and that the politicians selected by the ruling class to look after its interests, are “fiddlin’” instead of attending to their jobs. And in a sense he may be said to be right, only that these politicians haven't much choice just now. For they are expected to do something that simply cannot be done—in effect, they are asked to run the country's industry by a political machine. As well ask a farmer to harvest his grain with a sewing machine.

INDUSTRIAL GOVERNMENT

Mr. Babson goes on:

“In behalf of the business men of America, I appeal to Congress to adjourn until business confidence is revived. President Hoover and his associates are earnestly striving to restore confidence while Congress is selfishly undermining it. The restoration of confidence depends on Congress adjourning and giving President Hoover a free hand to develop the work which he has in mind.”

Thus, not unlike the immortal Artemus Ward, and in but slightly different language, Mr. Babson says: “Congress, you won’t do. Go home, you mizzerable devils—go home!”

“Our democratic institutions” are our sacred national white elephants. There is nothing to compare with them, and they are forever being held up to the anticipated admiring gaze of the world, for imitation and emulation. But what is the essence of this political system? That we, “the people,” freely choose and elect our representatives, locally and nationally, to look after “our interests.” Let us waive, for the moment, the point of “our interests” and let us consider the point of freely choosing and electing. Having the right to choose and elect, and giving our time and thought (or whatever we have to spare at the appointed season of the year) to this problem of choosing and electing, it is reasonable to suppose that all this is worthwhile. But is it? Not if we are to heed Mr. Babson. That grand institution, our legislative arm of the government, the representative body of a “free people,” having been elected to do an important job (theoretically), is told that the less it does, the greater a blessing it is for the people! And that if it (Congress) goes home, it will be an actual boon to the country! What a topsy-turvy world, to be sure!

INDUSTRIAL GOVERNMENT

Mr. Babson, when he addresses *demos in pleno* (if he ever does) may expatiate on the beauties and marvels of our political institutions. But Mr. Babson is a realist when he addresses the real rulers of the country, the top-capitalists. Then he knows, and says so clearly, that all this pretense of democracy, of representative government, is bunk. His real ideal of government is an executive responsible to his stockholders only, and otherwise endowed with arbitrary powers, unhampered by silly discussions dealing with the abstract "rights" of *demos*, and such other unrelated and irrelevant matters. In other words, he wants a situation where the President (an able and trusted business executive like Mr. Hoover) is endowed with absolute power, unhampered by a silly, old, out-of-date Congress, and responsible solely to the "stockholders"—that is to say, to WALL STREET.

In short, Mr. Babson in effect emphasizes the fact of the breakdown of political government and calls, indirectly, attention to the need of a government representing industry directly, without the intermediary of a meaningless group of territorial representatives whose labors are largely superfluous in times of peace and tranquility, and who, in times of social conflagration, can do nothing but fiddle.

Direct representation by industry, without the intermediary of an outworn Political State, is knocking imperiously on our gates. It will be admitted, no doubt about that. But will this industrial government be representative of those who labor with brain and brawn in these industries? Or will it be representative of those who, like feudal lords, *own* these industries now, but whose only "function" is that of exacting tribute from them? In the

INDUSTRIAL GOVERNMENT

former case we shall have an industrial democracy with plenty, peace and freedom for all—that is, industrial government of the workers, by the workers and for the workers. In the latter case we shall have an industrial feudalism with abject poverty and dependency, strife and slavery for the mass of the people—that is, industrial government of the capitalists, by the capitalists and for the capitalists. Which shall it be ?

Upon the working class today rests this momentous decision. Meanwhile

“Capitalism is burning.”

—A.P.

HOOVER MAKING HISTORY.

We wonder how many people in the United States realized the significance of the events of last week. How many realized that what took place in Washington was equivalent to a revolution within the capitalist system itself—a palace revolution, to be sure. We refer, of course, to the meetings of President Hoover with industrial “heads.” Most people, no doubt, were so charmed with the idea that Mr. Hoover was stirring up things and attempting to set money and industry in motion in the attempt to avert an impending industrial crisis that they did not have the slightest inkling that the event had a much farther-reaching and deeper-going significance.

Let’s try to understand it by historic analogy—not exact, of course, but as near as one era may reflect another.

The theory of the feudal system was that the king owned all the land and that the lords and barons were his vassals who in his name guarded and administered to the people within the fiefs. While the feudal system had any use in society in keeping a semblance of order and establishing new social units in the chaos after the downfall of the Roman Empire, it was the feudal lords who performed that task. The kings were weaklings, do-nothings. But in the fullness of time a new social order sprung up with towns and cities. The lords and barons were no longer needed to keep order; they became merely robber lords and barons. The *nation* commenced to assert itself above the fief. Then strong kings arose—Henry the Eighth, Frederick the Great, Czar Peter, Louis the Saint, etc. The new kings ignored the feu-

INDUSTRIAL GOVERNMENT

dal heads and dealt directly with the nation. The feudal order fell into complete decay. While the lords and barons continued to draw substance from their serfs, they were not even decent robbers; they became absentee landlords, courtiers, who hung on the train of kings and queens, bowing, scraping, serving, dancing, acting, and making love. The king in his state became absolute monarch, monarch by the “divine right of God,” and as a last manifestation of an outworn and decaying order soon fell into decay himself. What we have tried to point out is that the political downfall of the feudal nobility marked the last internal revolution in the evolution of the feudal system toward its final destruction.

Something similar really happened in Washington last week—something which, when the history of this age is written, will stand out as the real downfall of the Political State which has been the central stronghold of class society. What remains of it now is merely its “divinity”—a mere shadow of the substance that has endured throughout the ages.

Now look at the event—the palace revolution itself. It was very simple. It scarcely caused a ripple on the surface, though it got a tremendous lot of hip-hip-hurrah in the newspapers. What happened was this. A critical situation arose. The President felt called upon to act. He could not act single-handed. He needed aid and advice. He needed money set in motion. Crises and serious situations have arisen before. What have past Presidents done? To what body have they gone for aid, advice and action? Naturally, to the body with which the President, as the administrator of the nation’s laws, ought to cooperate—the United States Congress. If Congress was not in session at the time of the emergency the President

INDUSTRIAL GOVERNMENT

called an extra session. A message to Congress would set forth the difficulty, propose plans, request action. Did Mr. Hoover proceed thus? Indeed not. Congress—and it was in session at that—did apparently not exist to President Hoover. He called into session the industrial lords of the land. He ignored the political organization of the land, he ignored state and geographical boundaries, he ignored, he scoffed at the political representatives of “sovereign states.” He called in railroads that snuff out state lines, he called in steel and electricity and automobiles, etc., and he called on farm organizations and on those who supposedly control the labor commodity of the country. He did in fact establish direct working connection between the head of the national state and the controlling industrial forces of the country. And in the midst of this internal revolution Congress adjourned, graphically demonstrating that it has lost all touch with the actual life pulse of the nation’s existence.

During more than half a century, the Socialist has iterated and reiterated that the Political State has outlived its usefulness. We have said and we have emphasized that the real “government” today is the industrial power of the land. The industrial rulers are the power behind the throne; the power that rules Congress; that actually makes the laws; that governs peace and war. The lobby, bribery, purchase, control and influence of elections and so forth were the means toward the end of the industrialists. But the means were clumsy, even dangerous, as witness Sinclair and Doheny, Fall and Warder, and lesser lights from sunny California to wind-swept Long Island. The results were unsatisfactory. The political tools requiring oiling were becoming too numerous, too unwieldy, too grasping and too stupid. The capi-

INDUSTRIAL GOVERNMENT

talists themselves were becoming heartily sick of the political grabbers and corruptionists. McKinley, Taft, Harding, Coolidge—a beautiful representative list of “the last of the do-nothings.” The industrialists, though they ruled, were heartily sick of the situation. A literary man and philosopher was tried in Wilson—the experiment ended in a fiasco. And then after a decade of watching and trials they got their man—the industrial engineer who really has no more respect or use for politics in the old-fashioned sense than has the Socialist. We may be certain that in his soul Mr. Hoover utterly despises Congress and every other fumbling law-making body clear to the village elders—though he may not dare to admit it even to himself. Naturally also Mr. Hoover would scornfully pooh-pooh the Socialist theory of the outworn Political State as sincerely as did the absolute “divine” monarch believe in the feudal order that made him the feudal head, but did not hinder him from emasculating the feudal nobility. Mr. Hoover recently virtually emasculated Congress and made the proclamation, “I AM THE STATE.”

It was an internal revolution that marked the last lap in the evolution of capitalism.

It was also a strong confirmation of the Socialist dictum that the Political State has outlived its usefulness. The legislative arm of it has become withered and is able to make foolish scrawls only—witness prohibition and thousands of other silly regulations. The industrial managers are the real rulers. The last remaining function of the Political State—that of keeping order—capitalist order of course—of holding the bonds of society together during the last lap of capitalism until the people come into their own and the Political State

INDUSTRIAL GOVERNMENT

dies out—can now actually be performed by the executive branch alone in direct contact with those who constitute the “people” in a class order—that is, the economic rulers of the land.

Hoover is making history.

The next step is up to the working class.

—O.M.J.

THE INDUSTRIAL STATE ABORNING.

We have received from numerous sources favorable comments on the editorial in the issue of December 7, "Hoover Making History," showing that our readers readily grasped the revolutionary significance of Mr. Hoover's ignoring of Congress in the critical moment of the nation's history and appealing directly to the capitalist industrialists. The editorial was written in the last days of November, the issue going to press on December 2 and consequently before the really significant conference at Washington took place.

During the week of December 2, 400 business men, leaders of the nation's greatest industries, met in Washington and organized a National Business Council, in Conference with President Hoover, Secretary of Commerce Robert P. Lamont, Associate Secretary of Commerce Julius Klein, President of the United States Chamber of Commerce William Butterworth, representing—directly or indirectly—the executive branch of the government of the United States. The ostensible function of this council is to "combat the threatening trade crisis." Thus it is supposedly temporary, and even Mr. Hoover has pooh-poohed both the suggestion that it be made and the fear that it intends to remain permanent. But we shall see what we shall see.

In the meantime the organization of the new National Industrial Council is proceeding apace. It has two "chambers," so to speak. It will be composed of an executive council of twenty-five and an advisory council of seventy-two. This advisory council is composed of one or more representatives from each of the following branches of industry: Advertising, agriculture, chemi-

INDUSTRIAL GOVERNMENT

cals, coal, construction, construction materials, exporting and importing, electrical, finance, foodstuffs, hardware, implements, insurance, iron and steel, leather and products, mining and metallurgical, machinery, oil and oil products, paper and pulp, motor vehicles, printing and publishing, railways, railways-electric, rubber, real estate, retail, shipping, textiles, textiles-clothing, utilities, wholesale, warehousing, National Industrial Conference Board, service organizations, motion pictures, purchasing agents, traveling salesmen, real estate—building owners and managers, radio, lumber and products.

We asked last week in the editorial on “Industrial Government,” “Has Mr. Hoover taken a leaf from the Soviet Government?” No doubt he will deny this. But as Soviet means council, so Sovietism simply means “councilism,” government by semi-economic councils. Mr. Hoover of course will deny that his council will govern. It will simply act. But to those who know the power of modern industry this will be a distinction without a difference—and so it will be in the industrial life of the nation.

It is curious that while the would-be representatives of labor in this country, S.P.ites, A.F. of L.ites, the Amalgamated Clothing Workers, etc., fail utterly to comprehend the internal revolution that has taken place at Washington during the last few weeks and prate silly each in his own manner about the action of Mr. Hoover—many of the capitalist papers sensed the true significance of Mr. Hoover’s activities—at least after the organization of the National Business Council. Some like the *World* are apprehensive of encroachment on the Political State and jubilantly expatiate on the council’s temporary nature. Others are hopeful and eager for a

INDUSTRIAL GOVERNMENT

permanent organization, recognizing that such a council will be capable of industrial government and commercial promotion of which Congress is utterly incapable. There are those even who sense the full significance of the venture. In this connection we cannot refrain from quoting almost in full a special Washington correspondent, John W. Love, to the Cleveland *Plain Dealer*:

“Thursday may have been just another pleasant autumn day for Washington, and then again it may be the day which historians will take as the starting point for the transition of America from a political government to a national syndication of industry.

“Passing through here today, I learned from some of the representatives of organized business that these speculations over the possibilities in the new Hoover method are not idle theory. They wonder how far the new economic policy will go before it encounters political jealousy and whether even if Congress does get jealous, it can stop its progress.

“Government, after all, is a matter of general consent, and if business should consent to be governed by conferences such as that one held here yesterday, it would keep many steps in advance of the lumbering machinery of political government. The national conference held in the Chamber of Commerce of the United States had as much authority in the political field as the first Continental Congress had when it convened, but its implications may turn out to be as great.

“President Hoover, the engineer, began by grounding the potential hysteria which followed the Wall Street crash, and now he moves in a direction which short-circuits Congress. Law made in Congress will still be important, but if Congress doesn't look out, it might within a generation sink to a vestigial organ which merely ratifies the decisions of the syndicates of industry.

“Just six weeks from Black Thursday, the low point in the market averages, this tremendous machinery is beginning to turn. The slow motion of political government geared to the schedule of the rider by horseback, begins to

INDUSTRIAL GOVERNMENT

be pushed to the curb.

“We confront the possibility of syndicalism without communism.”

Mr. Love perceives plainly that the august United States Congress is being removed to the museum of curiosities of a bygone age. He accepts industrialism as grafted upon capitalism.

Mr. Hoover paid tribute to the spirit of the age when he revolutionized government in such a manner as to enable the capitalist industrialist to act without knowledge or consent of Congress. But in reality we can be quite certain that Mr. Hoover does not know that he is doing anything revolutionary, that this complacent and at heart most conservative gentleman would be horrified if we could make him realize that he has actually put a powder keg under the Political State that may explode at any moment. And at the same time Mr. Hoover is teaching industrial government at a rate that no Socialist industrialist has ever dreamt of; he is playing with explosives.

A wise man of a bygone age said: “No man rendeth a piece from a new garment and putteth it upon an old garment; else he will rend the new, and also the piece from the new will not agree with the old. And no man putteth new wine into old-wine-skins; else the new wine will burst the skins, and itself will be spilled, and the skins will perish.”

The spirit of the age is asserting itself. Industrial government is kicking fiercely in the womb of society demanding to be born. Its contours are already shaping themselves in the present. But industrial government and capitalism are incompatible. In the first place the

INDUSTRIAL GOVERNMENT

Political State, the tool of class society, is not going to stand for an industrial government on the side. The two, unless they are consciously made to work together for a working class revolutionary purpose as in Russia today, are bound to get into conflict. Already there is talk of “jealousy” on the part of Congress. Naturally, Congress senses its executioner. The politicians, if they feel their graft going, will rear up fiercely. On the other hand, the industrialists under class society cannot and dare not abolish political government altogether. So instead of bringing order out of the present chaos, the new industrial council is bound to create even greater chaos in society at large.

But what will happen industrially is a definite step toward industrial feudalism as far as the workers are concerned. With a national industrial organization ready for inter-industrial action—even government—the workers will be at greater mercy than ever of the industrial overlords.

The Hoover Industrial State is a premature monstrosity. Capitalism itself will fear it; the Political State will hate it; the working class will not be able to endure it.

Then comes the historic moment—the birth of the true industrial government, which presupposes the abolition of exploitation and wage slavery, capitalism and its Political State and the establishment of the Workers’ Industrial Republic.

—O.M.J.

(THE END)