itself for a defense of its already existing wage structure.

Understanding thus the nature of wages, prices and profits, the workers in their struggle for higher wages will do better to base their case on their organized strength in relation to capital rather than on cost-of-living, productivity, or wage-increases without-price increases formulas. The struggle of the workers will determine their share of the new values they produce.

However, the capitalist system itself places strict limits on how far the workers can go in this wage struggle. Of course, if the workers want to go the whole way, they can always turn to the socialist movement, which works for the abolition of the entire wages system.

KARL FREDERICK

"HOW IT WORKS"

"The American people need a better understanding of their own economic system, particularly a knowledge of how it works. Evans Clark, executive director of the Twentieth Century Fund, said yesterday in the annual report of the fund."

(NEW YORK TIMES, July 19th, 1948)

There is no dispute with Mr. Clark as to the need for "economic literacy," a phrase which he uses in his report. The dissemination of the economic facts of life is precisely what the World Socialist Party is attempting to do even without the aid of a fortune such as that left by the late Edward A. Filene, department store owner and would-be economist, to the Twentieth Century Fund.

The socialist objective and analysis are different than those of the Fund. Like most economists, this Fund investigates the field of economic knowledge with no greater purpose than to assure the permanency of capitalism. Its economics extends merely to various aspects of the price system which are only exhaustively studied insofar as the results of the research will aid primarily in the earning of profits and secondarily in the stability of the structure of capitalism. From economists of this sort the Marxian Law of Value at best receives cursory recognition i. e., the level of purchasing power of the workers is limited by the extent of the money wages received by them.

Edward A. Filene himself expressed the viewpoint of the liberal capitalist in this respect when he wrote in his book, "The Way Out," "In the future a really big business success on the basis of mass production and mass distribution will be impossible except as it makes for both high wages and low prices . . . Low wages and high prices manifestly cut down that widespread and sustained buying power of the masses without which mass production sooner or later defeats itself. In other words, the business man of the future must produce prosperous customers as well as saleable goods . . . But the business man who is driven to make high wages a part of his policy, will be driven to every possible effort to make his employees worth the high wages he pays them." (*The Way Out,* pp. 162, 167.)

The idealism of the capitalist expressed in print and spoken word, but not in deed, evaporates as the morning dew in the hot sun of the capitalist nature of things. There may be a capitalist who wants to and does raise the wages of his workers quite high. He is a rara avis. But how high is high? This captalist's munificence to his worker is usually dwarfed by the enormous profits he is reaping through their efforts. Remember the Jack & Heintz ballyhoo during the war, Florida vacations and fabulous wages for the workers. It was well publicized. It abruptly ended when the war was over and no such pampering of those who produce exists there now. Jack & Heintz sold their business for millions. Their former

employees still work for a weekly wage.

Another leading exponent and practitioner of high wages is James Lincoln of the Lincoln Electric Co. What makes the high wages he pays to his workers lower to him in the end is the fact that his incentive plan increases the productivity of his workers as compared to similar plants. The workers are stimulated to more strenuous efforts by the greater rewards which the ingenuity of the methods and time study, engineers can devise. Whatever fancy name it may be called it is still the "speed up," a process which hastens the deterioration of the workers' energies. It is the selling of labor power at a higher price than market and the consumption of it at an even more rapid rate.

What are the irrefutable tendencies of the capitalist system which defeat the wish for the sustained buying power of the masses and the production of prosperous customers as well as saleable goods? Like political reforms, economic reforms are in the long run futile. To accomplish them capitalism must solve these two contradictions formulated by Karl Marx, solution of which is possible only under socialism.

"Contradiction in the capitalist mode of production; the laborers as buyers of commodities are important for the market. But as sellers of their own commodity — labor power —capitalist society tends to depress them to the lowest price. Further contradiction: The epochs in which capitalist production exerts all its forces are always periods of overproduction, because the forces of production can never be utilized to such a degree that more value is not only produced but also realized; but the sale of commodities, the realization on the commodity-capital, and thus on surplus-value, is limited, not by the consumptive demand of society in general, but by the consumptive demand of a society in which the majority are poor and must always remain poor." (*Capital,* Vol. 2 p. 363, Kerr ed.)

That is economic literacy.

CARP

PASS THIS COPY ON TO A FRIEND

QUESTIONS AND ANSWERS

Dear Sirs:

I am subscribing for one year to your magazine.

Would you tell me please if Colored People are wanted in your organization and if they are, what treatment could they expect?

Yours truly

J. D. M. (Atlanta, Ga.)

The World Socialist Party asks all applicants for membership a few questions dealing with the fundamentals of socialism. We are interested in knowing that the applicant understands socialism as we do and agrees with our attitude. We are definitely NOT interested in the applicant's ancestry, or his skin pigmentation, but only in whether he is a socialist.

For this reason we must bar from actual membership anyone, regardless of color or national background who does not think in terms of internationalism. Furthermore, the World Socialist Party is controlled directly by the total membership and there is therefore no basis within our movement for special treatment of any member. To this extent at least, our organization and its companion parties in other lands is an example of how people will act toward each other in a socialist society.

We understand full well the evils of Jim Crowism, but we do not consider that the way to cure it is to cater to the unscientific, harmful sense of racialism that many Negroes themselves have. That is why the World Socialist Party does not talk in terms of separate "socialist" republics for people of differing ancestry. We plump for a system wherein everyone will be plain and simple humans — *comrades.*