

# VULGAR SOCIALISM BY CORRESPONDENCE

AN ANALYSIS OF BERENBERG'S RAND SCHOOL CORRESPONDENCE COURSE IN "THE FUNDAMENTALS OF SOCIALISM"

By BERTRAM D. WOLFE.

A typical product of the American moderate movement is the Rand School and, a typical product of the Rand School is the mass of misinformation compiled by David P. Berenberg, director of the Correspondence Department, and sent out by correspondence as a course in "The Fundamentals of Socialism."

This course in "Vulgar Socialism by Correspondence" might not be worth stopping over were it not for the fact that it has circulated all over the country, and still circulates, to workers thirsting for information; and for the further fact that it is so typical of what passes for Marxian Socialism in America that to analyze it is to analyze the whole mass of vulgar Socialism that is Marxian only in "a frequent though unintelligent use of the terms which Marx employed." And there is perhaps the added reason that the Rand School remains the leading organ of "theoretical" expression, the last stronghold of moderate Socialism in America.

The course presents three types of ignorance; ignorance of economics, ignorance of history and the meaning of historical materialism; and ignorance of the nature of the class struggle and the nature and function of the revolutionary Socialist movement. It presents, further, three great discoveries: "Material Determinism"; "Collectivism" together with three methods of attaining it; and "A Bloodless Revolution à la Berenberg." We will begin on the economics.

## Vulgar Economics.

Berenberg's Economics begins with Lesson III. of his 12-lesson course. It starts out bravely enough to be a straight exposition of bourgeois economics à la Prof. Seligman, but soon loses its way and lands one plump in the middle of the first half of the 19th century among the French Utopians.

The crux of Lesson III. is found in the statement:

"Socialists have very little quarrel with the methods employed in the production of wealth . . . But they have a very serious quarrel with the methods by which the wealth produced by social effort is distributed. Each laborer receives only a small portion. This is manifestly unfair."

Immediately, the question arises. What is a "just" and a "fair" distribution? Who shall judge? Shall the capitalist? He maintains that the present system is the only "just" one. Henry Ford has his own theory of "just" distribution. So has each Utopian of the early 19th century a special theory of his own.

"The distribution of the means of consumption is but the result of the distribution of the factors of production" (Marx). Hence, the prevailing method of distribution is the only "just" one on the basis of the present mode of production. Given a system of production in which land and machinery are owned by non-workers, and workers own only their own labor, then there follows automatically the present mode of distribution of the products. Change the ownership of the factors of production to a common ownership, and in the same way there will be an automatic change in the distribution of products. Thus, Berenberg is aping the Utopians in substituting the "Hummer of justice" for the scientific and realistic concepts of Marxian economics; and, at the same time, he is aping the Bourgeois economists in treating distribution as independent of production and Socialism as "quarreling" only, or chiefly, with distribution.

To make matters worse, when we examine the mechanism of Berenbergian production, we find that he believes with the whole tribe of bourgeois economists that the present "factors of production" are eternal. "Of all processes of production ranging from the simplest to the most complicated, we can discover three things that must always be present.

The three factors that are always present are land, labor, capital.' And in the sentence preceding that Berenberg identifies "capital" with "machines and tools." Accepting this premise that these factors of production are always present, it follows that the distribution of products today is inevitable and the capitalist system eternal.

We are not surprised to find that in place of referring to Marx in the list of readings at the end of this lesson, the author refers to Seligman "Principles of Economics," pp. 280-282, 351-352. The author also refers to his own pamphlet, "Socialism."

## Tilting With Windmills.

When we have gotten thus far in our analysis, we are little moved by the discovery: "That wealth is very unevenly distributed is admitted by all." Our interest is again awakened, however, by a ponderous tilting with windmills when our doughty economist refutes an imaginary opponent who contends that the shares of land, labor, and capital in distributed wealth are equal.

Aha! Says Berenberg, "Even if this is admitted, it must be remembered that there are 100 laborers to every landlord and capitalist (we wonder where the statistics come from), and the share given to labor must be divided into many parts, each laborer receiving only a small portion. This is manifestly (!) unfair." But our enthusiasm for this heroic shadow-boxing vanishes when we are forced to conclude that if there were 100 capitalists for each 100 laborers and they were forced to divide up their share, Berenberg's "quarrel" with the system of distribution would have to cease!

## Value and Surplus Value.

Having laid a foundation of Seligmanian economics and built thereon the rather shaky superstructure of an Utopian "justice" theory of distribution, Berenberg proceeds to prop up his rickety bourgeois edifice with buttresses borrowed from Marx. He now catches up with the very first subject of Marx's (or any scientific) study of capitalist production, the production of exchange values.

Here he never gets past an initial confusion of terms. The opening sentence of his lesson on "Value" (Lesson IV) announces that "capitalism produces commodities chiefly for exchange." What is a commodity, if not a product produced for exchange? If products are produced for any other purpose, how can they be commodities? A commodity is something produced for exchange. If produced for use, a product is not a commodity. When sold to a consumer, a product ceases to be a commodity and becomes a mere use-value or useful product. Capitalism produces only commodities, and that distinguishes it from all other modes of production.

The course next proceeds to confuse use value with exchange value, and makes labor the source of all use values. Land, we are told, has no value and this is, of course, true, if exchange value is meant. But if use value (or usefulness) is meant, certainly land is useful. The "lesson" goes on to say: "Only when labor is applied to land will it produce things useful to humanity."

## "Human Value."

A little later in the lesson Berenberg discovers a new type of value which he calls "human value," and which, "Socialists claim," can be given only by human beings. As this is an argument by definition, and as Berenberg is the only economist who knows what "human value" is, it follows that this argument is incontrovertible. The same lesson states that Marx did for the theory of value what Ricardo, Smith, and Franklin could not, he "put the idea into such form as to make it clear and unequivocal to all." We can only add that "all" does not seem to include the Marxian Berenberg, for he has not yet been able to distinguish between use value and exchange value, be-

# CAPITALIST U. S. A

This is a sample of the Bolshevik troops that caused their hasty withdrawal from Moscow.

What is the chief difference between the United States of America and Russia?

The United States is the most capitalist country in the world. Russia is the only socialist State in the world.

You know that every country has its boss. There is no boss-less country upon the face of the earth. Who is the boss in the United States, and who is the boss in Russia?

You know who is the boss in your own country. The trusts, of course! And those who stand behind the trusts—Johnnie D., and Johnnie P., and Charlie M. Schwab, and Senator L. Coleman Dupont, and Johnnie Wanamaker (Money-maker), and Guggenheim—and the rest of the bunch. In New York they say that "the whole country, i. e., all the wealth of the country is owned by the two Johnnies"—by Rockefeller and Morgan. "The two Johnnies" are the "Big Bosses." They own all the big industries, all the large factories, all the large banks, the mines, the railroads, the land. You know, of course, that the "Standard Oil Company of New York" is practically the sole owner of the City of New York, of all the street railways, elevated and subway lines, gas and electric and water stations of the city. Johnnie D. is "earning" 60 million dollars a year on the City of New York alone. He's making some money! . . .

You have been talking so much of the German "war-lord"—but don't forget your own American money-lords. They are just as bad!

The worst of it all is that the money-lords, the Big Bosses and the trusts own your jobs and the very bread you eat. The trusts have full power in matters of raising prices, of breaking strikes, blacklisting, throwing workers out of shops and factories, creating so-called "crises," etc. etc.

Why, you remember the potato crisis, and the onion crisis of 1916, and the bread and meat crisis of 1917. Surely, you yourselves cursed the damned trusts in those days! Surely the damned trusts made some money in those days!

## The One Big Boss.

We people in Russia have no money-lords, no big, and even no small Bosses. We have done away with the Bosses! We have no Johnnie D.'s and no Johnnie P.'s, no trusts and no bloodthirsty capitalists. We have but one, all-Russian boss. And this only boss of ours owns the whole country.

between commodity production and production for use.

The lesson on "Surplus Value" presents similar characteristics. "Wages" is a term peculiar to the capitalist system, which has for that reason been termed the "wage system." The Marxian analysis of surplus value is proof positive of the fact that wages cannot equal the whole value of the product. But, in this lesson, we are faced with the remarkable statement: "As long as wages do not equal the whole value of the product the employer is getting something for nothing . . . Robbery can never be fair!"

## "Robbery Can Never Be Fair."

"Robbery can never be fair!" That sentence is characteristic of the whole bourgeois mode of thought. Robbery is a term presupposing private property, a propertyless class and a propertied, the legal protection of property and violation of property laws. But the very laws of capitalist society legalize the taking of profits, of surplus value; hence there is no robbery; hence the present system is fair. Or, turning the thing around, if robbery can never be fair, then the expropriation of private property can never be fair, for that is robbery in every sense of the term, since it is violation of private property.

A few sentences further on Berenberg gets his cart before his horse by subtracting profits from the value of a product and thus arriving at the wages, in place of subtracting wages from the value of the product and thus arriving at the profit. A small matter in itself, it is typical of the confusion of thought in this "teacher" of scientific socialism and his course in "fundamentals." The lesson on surplus value ends with a confusion of all previous forms of unpaid labor with its present historic form, surplus value. Our next issue will contain a study of the Rand School's epoch-making contribution to Socialist theory, Berenbergs' remarkable discovery, "Material Determinism."

this we must combat the false doctrines of the parliamentary Socialists and anarcho-syndicalists. We must expect "raids," persecution, imprisonments, of which the present are only a beginning.

So long as we adhere to the principles of Communism and the organization methods that follow from them, we are prepared for all these tasks and the Communist movement will go on.