

National Platform

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Like the human beings who compose them, social systems are mortal. They are born, develop to maturity, pass into decline, then eventually die.

The history of capitalist society shows it is no exception. It too has moved through the successive stages of birth, development, maturity and decline, to impending death.

During the three centuries since it emerged from the expiring feudal order, capitalism has profoundly transformed the world: It has revolutionized the mode and scale of production. It has revolutionized transportation and communication. It has gathered the scattered continents into an interdependent global economy. It has created the industrial means of abundance for all mankind.

But in accomplishing this tremendous historic task, capitalism has exacted a terrible price. For it has wantonly squandered the planet's natural wealth and polluted its lands, skies and waters. It has repeatedly pitted nations against nations in devastating, decimating wars. It has inexcusably perpetuated poverty and insecurity, thereby fomenting racial and ethnic strife. It has engendered a social climate that breeds corruption, crime, drug abuse and mental illness.

Capitalism's continued existence has therefore become intolerable. It is likewise being made increasingly *impossible* by a fatal malfunction in the system.

The malfunction is not just a disorder of capitalism's old age. It first appeared in the system's lusty youth and has been

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manifesting itself ever since through the periodic business crises that have punctuated capitalism's life.

In these crises, society has again and again faced an absurd catastrophe: an epidemic of "overproduction"; millions of workers summarily deprived of their livelihoods because they were producing too much.

From the earliest such catastrophe to the latest, not one has ever resulted from an overproduction of society's needs. On the contrary, each time immense social wants were left unsatisfied as industry shut down.

Every business crisis has thus demonstrated anew that capitalist industry does not operate primarily to satisfy social wants. It produces to sell at a profit. And whenever more goods and services are being produced than can be profitably sold, capitalist industry naturally cuts back its operations.

The recurrent crises have been inevitable because capitalism is basically geared to overproduce its market. The greatest part of that market consists of worker consumers. As producers, however, workers are paid only a small part of the value of their products. That is how capitalist profits are realized. But that is also how insufficient purchasing power is generated to absorb capitalism's full output.

The decade-long crisis of the thirties marked the onset of capitalism's demise. It was the first in which drying up the oversupply of goods by holding down production failed to bring economic recovery. It was the first in which the capitalist State had to intervene and attempt a massive stimulation of demand.

The principal stimulant used was government deficit spending, the Keynesian prescription inspired by a frank recognition of capitalism's inherent malfunction. In the doses administered, the prescription proved to be inadequate.

Meanwhile, the struggle to win foreign markets for products lacking domestic buyers embroiled the capitalist powers in an escalating commercial warfare which culminated in military conflict. Once World War II broke out, the problem of "overproduction" was temporarily overcome.

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The problem remained dormant for a brief period after peace returned. As soon, though, as capitalist industry had satisfied the deferred demand of the war years, plus the orders arising from the rehabilitation of war-torn countries, “overproduction” reappeared. And again war stepped in to relieve it—the Korean War and the Cold War.

Since then, the prolonged war in Vietnam and huge deficit spending in other directions have served to further postpone capitalism’s final, total collapse. Although not indefinitely because these stimulants are having dangerous side effects that must ultimately help to hasten it.

The most dangerous is inflation. Although 40 years of government deficit spending has inordinately inflated the national money supply and thus depreciated the dollar to a fraction of its former value. As the dollar’s value fell, prices have risen correspondingly, causing a serious erosion of domestic purchasing power.

Moreover, an acceleration of inflation in recent years pushed prices so high that American products found themselves being undersold by foreign products here at home as well as abroad. And to make bad enough worse, the long-standing international monetary arrangements based on the dollar were finally shattered by its steepening depreciation.

So, capitalism is plainly damned it feeds inflation, but equally damned if it doesn’t. For, when President Nixon opted in 1969 to cease deficit spending, his decision brought on a business slump. And despite the fact that he subsequently reversed himself and began outspending his predecessors, the downturn stubbornly refused to become an upturn. The only thing that headed upward again was inflation—and, consequently, prices.

By mid-1971, the situation had grown so grave that President Nixon, responding to capitalist forebodings of a complete breakdown, acted to halt inflation by imposing economic controls. Experience with Phases One and Two indicates that the controls are merely aggravating capitalism’s

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basic plight because, while they are necessarily and conspicuously failing to curb inflation and prices, they *are* curbing wages and therefore making still smaller the part of their that the workers can buy.

Technology, which capitalism compulsively continues to revolutionize, is producing a similar result since each improvement in the methods or tools of production that increases the workers' productivity also increases the already large difference between the value represented by their wages and that embodied in their products.

Accordingly, the inherent malfunction that engulfed capitalism in a great crisis of "overproduction" at the outset of the thirties is unmistakably driving it toward a far greater one in the not distant future. When that far greater crisis arrives, the enormously swollen public debt and recklessly depreciated currency with which the system has bought a longer lease on life will provide two big nails for its coffin. And the vast industrial capacity built to meet the demands of war will provide a third.

Capitalism has also prepared its gravediggers in the class of workers whom the system has brought together and trained to carry on production. A total economic collapse is going to blast any remaining illusions they may have that comfortable, secure lives are possible for them within capitalist society. They will be at last compelled to recognize that their well-being and aspirations imperatively require the construction of a new form of social organization.

Once the workers have reached a revolutionary frame of mind, they will quickly discover a number of important truths: They will discover that they are endowed with an irresistible power for social change by virtue of their industrial role. They will discover that capitalist industrialization has laid the foundation and erected the framework of a new society that can ensure their prosperity and security. They will discover that they have an inalienable *right* to reconstruct society and the possibility of democratically affirming this right via the ballot.

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The workers will most certainly discover these truths because the Socialist Labor Party has for many, many years been exerting itself to make them known, and will keep on so exerting itself throughout the approaching national campaign and in the days that follow.

Furthermore, when the revolutionary moment comes, the workers will have available a carefully formulated program wherewith they can consummate the needed social reconstruction—De Leon’s Socialist Industrial Union program.

Socialist Industrial Unionism aims to unite the workers politically as well as industrially. Political unity is necessary because it will enable the worker majority to deliver a democratic mandate for social ownership of industry and production for social use. While industrial unity will supply the indispensable power with which to enforce and execute that mandate.

Through their Socialist Industrial Unions, the workers themselves shall take peaceful possession of the nation’s economy in the name of all society. Then, on the basis of their Industrial Unions, they shall set up a democratic administration of production for the benefit of all society. This administration will be composed of representatives elected from the various industries by the workers voting in their respective industries. It will be an *industrial* self-government, an *economic* democracy, the highest, fullest freedom the human race has ever known.

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*Transcribed for the official Web site of the Socialist Labor Party
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