

# Classes in the U.S. and How the Working Class is Ruled.

by John McDermott

"...Until the birth of the modern working class, laboring people had always looked only to be ruled better by someone else - a kinder czar, an emperor who went to war less, a king who demanded lower taxes. But from its beginning the working class has developed ideas of democracy, socialism and classlessness... Capital understands, even if we don't, that the working class is now prepared to run society for itself"

reprinted from his book entitled: "The Crisis in the Working Class and Some Arguments for a New Labor movement" (South End Press, 1980).

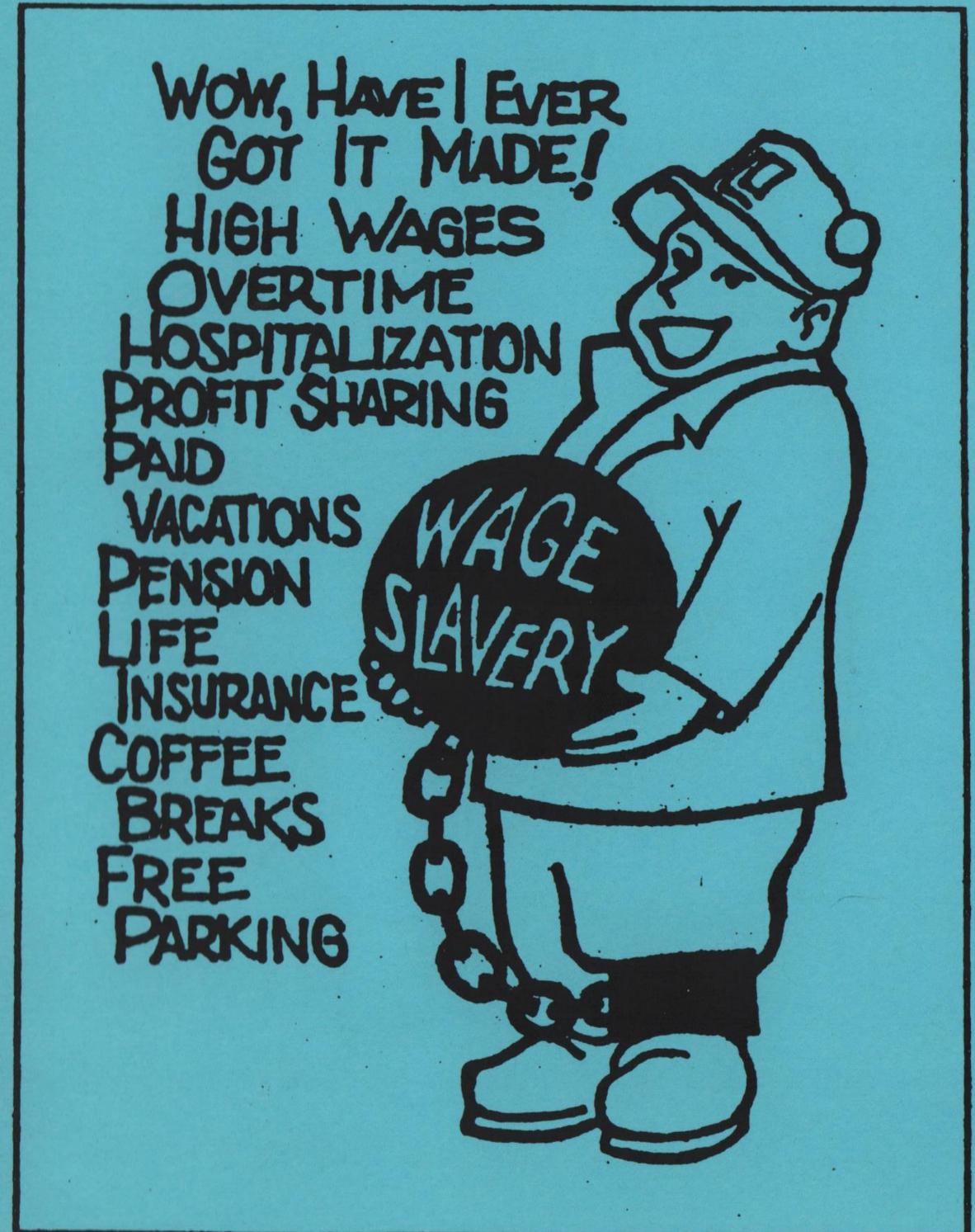
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## Introduction

This pamphlet represents two chapters taken from John McDermott's book, "The Crisis in the Working Class and Some Arguments For a New Labor Movement." The text was edited slightly to allow these chapters to stand on their own. We would recommend reading the entire book, if you are able to find it, as it presents a thorough and readable analysis of class structure and struggle in the U.S. While reading this pamphlet, keep in mind that it was written in the 1970s, so the statistics presented will of course be a bit out of date. One must keep in mind, though, that if we were to provide updated statistics on the issues McDermott addresses, we would only find more support for the analysis presented. The amount of wealth among the rich has grown, unemployment has risen greatly, the working class is expanding in numbers, etc. It is these facts which make the ideas expressed in the text all the more important.

We have criticisms of McDermott's work, but the ideas and analysis expressed in this pamphlet, for the most part, are congruent to our own. A specific, strategic criticism of McDermott's book is his outline of a "Workers' Political Party" which he stresses as a necessary step towards the working class' liberation from capital. History has proven that political parties, no matter how "radical", have acted to curb the interests of workers in the name of maintaining political power.

While we feel there is much to gain from McDermott's analysis presented here, we must also recognize that it is incomplete and has its faults. McDermott's major failing being his lack of emphasis on the history of racial oppression, which is part and parcel of capitalist domination. McDermott provides very little concrete analysis of race relations within capitalist development and the use of race to divide the working class. The "white race" represents an all encompassing class (for lack of a better term) which is tied to capital through the use of skin privilege. McDermott makes no mention of this and fails to recognize the ideology of white supremacy which infects even the working class.

We chose to reprint these chapters for several reasons. Firstly, we think this pamphlet provides a valuable, updated class analysis which goes beyond mere rhetoric or euphemism. This pamphlet, and McDermott's book, present to working people an analysis of class structure and class struggle that are both relevant and accessible.

Our second reason for producing this pamphlet is to try and revive discussion and debate on the concept of class struggle to anarchists, anti-authoritarians and other revolutionaries. Class pride and class struggle are concepts which, unfortunately, appear to be alien to many revolutionaries in the U.S. today.

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While leftists focus on questions of national liberation or single issue activism, many anarchists have allowed their politics to disintegrate into meaningless escapism or lifestyleism. Anarchism must, however, reclaim its past political coherence if it is to be a force amongst people struggling for their liberation. Anarchists should seek to re-discover the tactics of class warfare that were the basis of anarchist organizations in the past. Further, we should endeavor to expand and update these strategies as our own struggle progresses and as situations demand.

It is glaringly obvious that revolutionaries today cannot relate their message of liberation from oppression to everyday working people. Most literature produced by the "left" is totally irrelevant to the lives of most people. Revolutionaries fail to address the common concerns and needs of individual workers. Theories of revolution are often idealistic and not grounded in concrete analysis or practical struggle.

Raze the Walls! is firmly committed to the precepts of class struggle. Without a functioning class analysis and practical strategies for working class emancipation, the objectives of our movement will continue to elude us as we sink further and further into obscurity with the masses of working people. In publishing this pamphlet we hope to contribute to an ongoing discussion of these issues by providing a basic text from which to build on.

We've already met most of the classes in today's U.S. society: the big capitalists, the small businessmen. We've met that large group of salaried employees who shared with General Motors' owners and top management the great wealth generated by GM's workers. We've also met two different groups or classes of workers, those who work for small businessmen and those who work for the big corporations. When we turn our attention to the working people of this country, we'll find two additional segments of the working class which also seem to be separate classes - Government (sector) workers and people who are dependent for their living on government programs such as Social Security, Unemployment, Welfare. I am calling these Administered sector workers. One of the real keys to U.S. society is that it splits the workers into four different classes, all with different and often opposed interests, so that we can't speak of a single U.S. working class unless and until we, ourselves, form one. On that, more later. For now we should try to characterize the different classes as they exist presently in America.

### Collective Capital

You can't understand U.S. society until you grasp the huge changes capitalism has undergone since the turn of the century. Capitalism has gone from a family or dynastic form of property ownership and control to a collective form. The difference is fundamental and far-reaching in its effects.

## Classes in the U.S. Today

It's time to take stock of where we are. Today, to go from being weak and divided to strong and unified we, like our grandparents, must learn some lessons and apply them. Of course, most of the things we have to learn are new and no amount of study of the past will do. Trial and error, defeat and victory, rather than armchair thinking is the ticket here. But there is at least one lesson that we can learn from those workers who've gone before us. And, in a way, it is the key lesson.

Let me put it simply. Society is the relation of classes. Most people see that there are different classes in society - upper class, middle class, working class. But that's only half the story. The other half is that society is the relationships between the classes. That isn't so strange an idea as it first appears. Cloth is its thread and their arrangement, period. A bridge is its structural members and their arrangement, period. People who describe society without understanding class arrangements are like the fellow who tried to explain how and engine works without mentioning pistons, cams, valves, carburetors, distributors and the like. I suppose it can be done but it won't help anyone to learn how to fix a faulty motor or even rebuild it, if that's what's needed.

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### Collective Capital

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As we know, U.S. industry in the 1890's was dominated by the well-named Robber Barons and their families. The Rockefellers dominated the oil industry, Carnegie was the great steel magnate. You had Armour in meat packing, Morgan in securities business, Guggenheim in mining, and so forth throughout the top ranks of business.

Let's look more closely at the Rockefeller Empire so as to grasp the pattern. Old John D. Rockefeller, Sr. had his fingers in many pies but the citadel of his wealth and power was the old Standard Oil Company. He ran the company and the company ran the oil industry. As he got older he planned to leave it to his son, John D. Jr. and he in turn would eventually leave it to his sons, David, Nelson, Laurence, Withrop and John D., III. Thus the Rockefeller wealth and power would be passed down the generations the same way as titles and power were passed down the line of the Romanovs in old Russia or the Bourbons in France.

I want to make the point here that the Rockefeller family or dynasty doesn't consist of only Rockefellers. Old John D., Sr. built up Standard Oil with the help of associates - Flagler, Rogers, Harkness, Pratt - who shared in their own right in the wealth and power of the company. These were the Counts who surrounded the Kaiser, the Barons who surrounded the Tsar, linked by mutual interests, shared property and, very often, inter-marriage. This last is very important because the old way of owning property depended very much on marriages to cement alliances and children to carry the wealth and property into the future. At any rate, a main family with a subordinate partner-families was common in the 1890's; Carnegie had Frick and Schwab, Morgan had Belmont, Lamont and Gary.

I call this pattern of capitalist ownership and control *dynastic capital*. The pattern - a central family of great wealth and power linked to allied but subordinate families - was the way wealth, and titles, had been controlled and passed down for centuries. In fact, it was a pattern which actually predated capitalism itself. And there's the rub.

For one thing, the dynasties, like the noble families of yesteryear, were always fighting one another. In the pre-capitalist world the upper class could afford the luxury of scrapping in its own ranks because their lower classes, serfs or slaves, couldn't be a real threat to replace them. But the working class is different. It has the drive to run society for itself, to become the ruling class, the only class. Alone among the laboring classes of history, it has shown the capacity to learn from defeat, to adapt to changed conditions, to grow in class intelligence and in political ability. The French Revolution, the revolutions of 1848, the Paris Commune, trade unionism, socialism - these are the halting painful steps of a class rising from degradation toward a newer, better society; the classless society. In this country, the American Railway Union (ARU) was also one of these painful steps, the most important so far in our class' history and our country's history. Before 1894, our nation's capitalists deluded themselves that American workers

were different from the workers of other countries, satisfied to be ruled and ruined forever by their betters. The ARU changed all that. The lesson for capital was obvious. The words of Benjamin Franklin, in an earlier, different time can also be used here to state the problem neatly: the capitalists had better hang together...or they'd hang separately.

Even aside from the perpetual feuding, the dynastic form of property holding makes for a relatively weak, ineffective ruling class. If everyone in the family has to concentrate on keeping and expanding the family booty, lest one of the rival dynasties steals a march on you, you have no time, talent or sons to devote to the other tasks that normally fall into the hands of the very rich. Government, culture, society, will be neglected as you scrap for that extra million. The rich didn't work in government; if a rich dynasty needed government aid, they just bribed the right official. If the workers got uppity and formed a union, the capitalists might come together and smash it but afterwards they'd go back to fighting each other. This attitude of "I'm going to get mine and to hell with everyone else" was very dangerous and short-sighted. The rich never have to make up more than a few percent of society. If they don't have an allied class, people outside their own ranks who side with them in politics, economics, culture, etc., they're in trouble. Another problem with these old robber barons was that their quarrelling and cheating spilled over to antagonize the classes who should have been allied with them. As the century turned, the sort of behavior they used against the ARU began to antagonize government officials who, as you'd expect, don't really like to think of themselves as lackeys for someone else. It antagonized the small businessmen who were being gobbled up by the corporation, the big farmers who were being ruined by the

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\* In 1894 the American Railway Union, under the leadership of Eugene v. Debs, launched a risky sympathy strike with the workers who built Pullman train cars. A mass boycott of trains carrying Pullman cars was launched. The struggle intensified as railroad companies attempted to break the boycott by running Pullman cars on all trains. The boycott grew into a national railway strike with mass working class support for the strikers. Throughout the U.S. railroad yards were taken over by workers, trains were run in the interests of the strikers - to carry food or supplies to other workers. Government trains were allowed to run so as not to provoke repression. In some cities, strikers even took control of functions of local government and businesses and ran them in the interests of the workers. The strike proved to be one of the most far reaching victories over capital the U.S. working class has experienced. However, just short of destroying management control of the railroads, the U.S. military was called in by Attorney General Richard Olney to break the strike. ARU leaders were arrested and railroad yards were re-claimed by their "owners." The ARU represented the first union to organize every aspect of an entire industry for the struggle against capital. In this respect, the ARU was the forebearer of syndicalist unions such as the Industrial Workers of the World (I.W.W.) - editor's note

railroads and banks, the intellectuals and professionals who, getting past their first enthusiasm for capitalism, were being squeezed out too in the quest for the almighty dollar. And meanwhile, the working class was growing and learning and becoming more confident and powerful.

To make a long, long story very short, the capital class had to reorganize itself to get back its allies and to strengthen itself against the rising working class. The name of that reorganization is the corporate system.

The corporate system is less than a century old. In the years, roughly 1895-1905, a movement spread throughout U.S. business to unite rival companies into what were then called trusts. For example, in 1901, 138 different steel companies were combined into one new company, the United States Steel Corporation. After 1905 the process continued; GM, for example, was formed by amalgamation of several small auto companies in 1912. But the bulk of the great corporations, and the pattern itself, were set in the earlier period in the one burst of "trustification."

Even then, three-quarters of a century ago, our grandparents and other progressive minded people saw that business was up to no good. The trusts, in the eyes of the so-called Muckrakers, were too big, too rich, too powerful. If possible, that's even more true today. The corporations are too big, too rich, too powerful, and growing more so all the time. But our understanding has to go beyond that formula - too big, too rich, too powerful - if we're going to succeed in the task that our grandparents failed in, namely, to win out against capitalism.

The critical, new, thing is this; the corporations are the collective property of all the capitalists, and the corporation, not the rich family, is the basic unit or building block of the capitalist class as a whole. Let's take these points in order.

First, the corporations are the collective property of the capitalist class. Suppose we had a list of the names of all the people who own stock in GM, and all those that own stock in its rival, Chrysler. Right off we'd see that many of the names are on both lists, and that situation is not unique to the car companies. Many wealthy people own stock in GE and its rival, Westinghouse; in RCA and its rival, IBM; in Exxon and its rival Mobil. the fact is that very few big outfits are owned and dominated by a single family or dynasty, as in the earlier form of capitalism. Most of the big companies are owned by a broad cross-section of wealthy people and families, which means that they share collectively the ownership of the companies and that the companies serve to unite their interests.

Similarly, few wealthy families own stock in but a single company. Exxon, the old Standard Oil Company, isn't the property of the Rockefeller family; thousands of families hold the stock. And the

Rockefellers are not just in oil. When Nelson Rockefeller was appointed Vice President, he had to disclose his holdings in stocks and bonds. It turned out that he had holdings in oil, and aerospace, real estate and banks, and so on. That's true of most rich people. If you were rich you too would diversify your holdings thus tying your fortunes, not to the success or failure of this or that company, but to the success or failure of a whole spectrum of companies and industries and thus, to an extent, to the corporate system taken as a whole. Thus, by necessity, your ideas about what was good or bad for yourself and your family would be drawn into harmony with those of other capitalists. You would go from a narrow dynastic consciousness to a broader class consciousness. But we're getting ahead or ourselves.

Economists have very lively disputes about who really runs the corporate system and in whose interests. (When they say, "The consumer of course, blah, blah, blah," dismiss them as fools or rogues and likely both.) Some economists say that they are run by and for their largest stockholders, others say by and for their officers, still others that they're run by and for the trust departments of the big New York banks. Probably, the most frequent situation is that a corporation is run by its officers, though the other situations also exist. All in all, as you'll see, the differences between stockholder-dominated corporations, bank-dominated corporations and officer-dominated corporations don't come to all that much.

Let's suppose you're head of International General Everything and Then Some, Inc., a typical corporation. Let's even suppose you have unusual personal influence, stature and power, even by the standards of the corporate world, that everyone is in awe of you and, in addition, you and your family are richer than Midas. What then? Even under the extreme suppositions I've made, you're still responsible to many people - not "under" them but responsible to them.

- To the other officers in the corporation. You must convince them to continue to perform in a way which wins their acceptance of your ideas and policies - and yourself. Each wants your job and while you are more powerful than any of them, or any group of them, you are not more powerful than all of them together. That's what it means to be "first among equals."

- To the largest stockholders. You need their support and confidence lest other wise they become a group opposed to you, a group working for your successor.

-To the big banks. The big bankers are like super-stockholders since they vote large amounts of stock through their trust departments. You have to go to them too for short cash to make up this week's payroll or first quarter taxes. Thus the banks are a group whose support you need and whose opposition you should dread.

- To the big Wall St. investment houses. If they have confidence in you they'll help your company grow by helping you gobble up other firms. If they don't have the confidence, they help someone else gobble you.

- To the big law firms. You need their help to keep government off your back and, most important, to smooth the way of your relations with other big companies.

- To the big auditing firms. They have to be convinced that you're running the company in a responsible way, i.e., looking out for the interests of the capitalist class which owns it.

- To major government officials. As head of a big corporation you're liable to find that government is your biggest customer. Of course, a friendly attitude over at the IRS, the Anti-Trust Division or the regulatory agency are definite assets.

The support and confidence of all these groups is needed by whoever runs I.G.E.T.S., Inc. If you're the real head, you need it. If you're only a figurehead for some wire-puller among the stockholders, then Mr. Wire-puller needs it. And if you're only a stooge for the New York banks, the heads of the New York banks need it, not only for the way they run I.G.E.T.S., Inc., but also for the way they run their banks.

You can see the situation. The actual powers-that-be of each big corporation are in the same situation. Each of the big companies has officers of *other* corporations on its Board of Directors (just as its officers sit on other Boards). Each has a large cross-section of the nation's wealthy families among its stockholders. Each deals with the same New York banks, the same Wall St. investment houses. Each use the same law firms and accounting firms. Each has to deal with similar, often the same, government agencies. Thus, every corporation is responsible to a large cross-section of the capitalist class in the shape of officers, stockholders, bankers, securities dealers, lawyers, auditors, top government officials. And part of that cross-section is part of the cross-section of other corporations, in the same industry and different industries. So you can see my meaning when I say that the individual corporation and the whole corporate system are the collective property of the capitalist class. It's a cloth of many threads.

As indicated, the most common situation is for a corporation to be run by its officers, along with, perhaps, a small group of outside (i.e., non-officer) directors. This group is not *under* anyone but is responsible to many representatives of their own class. Customarily they run the company the way they see fit and so long as it's profitable, grows and cheats only people who aren't capitalists, and stays out of the law courts, that group will continue to run it unhindered by the powerful array of lawyers, banks and auditors, etc. who watch over it from a slight

distance. Thus you have a form of collective property holding among the capitalists whereby everyday authority is spread out into the management's of individual corporations. From the standpoint of the capitalist class this makes for an excellent situation. Having collectivized and centralized their *interests* they can decentralize the *details* of carrying them out. Collectivization has brought the best of both worlds to our capitalists.

Now to the second point; the individual corporation, not the family, or dynasty, is the functioning unit of the capitalist class. Thus, a *collective capital*. In a way this point really follows from the foregoing, but an illustration will give it more force. The GM Corporation and the Rockefeller family were worth about the same amount in the early 1970's, about \$11 billion (give or take a few hundred million since we don't want to quibble).\*

The amount of wealth make both the head of GM and the head of the Rockefeller family - David, I guess - very powerful. But the Rockefellers only spend a few million a year on living expenses and knick-knacks. GM spends roughly \$30 billion a year on supplies, machinery, real estate, salaries and wages. The people who preside over GM's spending determine the lives of millions, the fate of whole counties, states, regions, even countries. Thus, whoever heads GM and the head of the Rockefellers both have enormous influence, but the GM head has that additional power besides. There are a handful of other families in the Rockefeller class, but at least a hundred other corporations in the GM class. Moreover, all of them spend. Thus, it's the corporation where you find wealth being used in our economy, not the family. The corporation is the unit of capitalism; it integrates the families into a new, collectivized class by binding their interests together and by pursuing them in detail within the individual corporations. Let's look at these corporations to learn more about the capitalist class.

In 1971 there were 1,733,000 corporations in the U.S. Most of them didn't amount to much. But, among them, 2,800 (#778)\* corpora-

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\* A billion dollars is a very elusive concept. Look at it this way. Suppose that every day you got a thousand dollars. In a year, you'd have roughly a third of a million and in roughly three years, a million. Since a billion is a thousand million, it would take you three thousand years to earn a billion dollars at the rate of a thousand a day. (We're assuming no interest and no taxes.) Now, if at the time of Christ, someone started laying aside a thousand dollars a day to your account, now, 2000 years later, you'd still be shy almost one third the amount. Reflect a minute on this, and then realize that the Rockefeller family is worth between two and twelve billion dollars (only God's accountant knows for sure), and that there are maybe up to a dozen more families at or near the billion dollar mark. Then ask yourself, how could they possibly have *earned* that money in any realistic sense of *earn*. And, if they didn't earn it, who did, and how did they come to get a hold of it?

tions had assets of \$100 million or more (#792). Together they held 68% of all corporate assets and employed about 38% of all private sector employees (#568), including roughly half the nation's union members (#590). This is the corporate sector of the economy, the home of all the familiar names - GE, GM, ATT, Exxon, Xerox, Standard Brands, Gulf and Western.

These 2,800 companies average about 9,000 employees each and, by a crude but conservative estimate, require a top management team of at least a dozen men. Companies of this size simply can't be run by a single individual. The fellow in charge, President or Chairman, surrounds himself with a team of colleagues who are given real responsibilities. If they fail the top man doesn't take their job; instead he finds himself someone new who knows how to put authority to good use.

With roughly a dozen men sharing responsibilities for each of those companies, that gives us  $(12 \times 2,800 =)$  33,600 men in the corporate sector with real, everyday authority. Figure that they serve ten years each, or one third of their career in such positions. So there are three times that number, or 100,800 of them in the corporate world at any one time - 33,600 at the top, another 33,600 now in middle management but destined to take over in a few years, and 33,600 more who are just starting but who'll eventually advance to top responsibility.

On the other hand, the upper class doesn't only have men of great ability. There are dopey bluebloods to consider, those men who come from the right family and the right schools and clubs but who just aren't very good and who have to be shunted off to sinecures which don't involve responsibility. By a conservative calculation, there are two of them for every talented blueblood headed for the top. That gives us 302,400 upper class men at any time in the top 2,800 corporations who form a pool from which the 33,600 men with real responsibilities are drawn.

The upper class is not only active in the corporate sector. It also runs the big foundations, law firms, universities and research labs, and it has active representatives in government. Again being conservative, let's say there are one of them to every five in the corporate sector. That gives us 363,000 (rounding off a little) as the pool of upper class men from which the 40,000 men  $(33,600 + 20\%)$  who actively run the big corporations, the federal agencies, the foundations, banks, universities, and law firms are drawn.

Moreover, these 363,000 men have parents, wives and children so that when you add them in we're talking about an upper class of just

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\* Whenever possible, I'll take statistics from the Statistical Abstract of the U.S., 1977 edition, published by the Federal Government's Commerce Department. It is available at most libraries and is very handy to use. #778 is the table number from which I got the information.

over one million people.\*

The thing to note is how we got that million or so people. We didn't start with wealth. We started with the men (and a few women) who actually run things. Then we built up the pool from which they're drawn and only then the families from which they come. Naturally, if you looked at these one million upper class people, you'd find that with one or two exceptions, they're the wealthiest million people in the country. That's important, too, but what's most important is not *how much* they own, so to speak, but the *way* they own it - collectively, and jointly managed. There are four main results from this pattern of jointly owning and actively controlling the corporate system.

1) The upper class is no longer at war with itself as it was when it was dynastically organized. For instance, they no longer compete and cut prices on each other. Rather, they charge very high prices and, cooperatively, just pass the prices along. We'll eventually foot the bill. This provides for big profit margins to handle things like taxes and provides a steady, almost uninterrupted growth of their wealth.

2) The collectivized form of capital permits a division of labor within the upper class. If the sons of your family are hopelessly stupid, the sons of other families can run the businesses and your wealth will continue to grow. Within the upper class, meritocracy, or the *rule of talent*, can be encouraged, to its mutual benefit. Similarly, if young Throckwarton has a taste for public service, he can exercise it, by going into the Treasury, the State Department, or a big foundation or university, insuring that those institutions will work closely with and serve the general interests of the upper class. In the old days you had to come in and bribe government officials to do your bidding. But that makes for ineffective, resentful officials and potential public opposition. Now the upper class integrates government and corporation so that government enthusiastically, effectively and normally serves the broad interests of the upper class. The same holds for universities, t.v. networks and foundations.

3) As a result, the upper class has become a true reigning class, that is, a class which actively manages society. Furthermore, they make it work tolerably well for the majority of people. By contrast, the rich of the 1880-90s really were robber barons in that they were responsible to no one but themselves. To rule, a class must normally find areas of mutual interest with all or almost all the other classes so that even while it gets the lion's share of everything, the other classes are tied in to the system enough not to rebel. By establishing a collective property interest the corporate system also creates mutual interests for other classes. The division of labor it affords allows the upper class to spread itself out and take over the running of all the activities which are

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\* My own sense is that the ruling class is perhaps twice this size. In the calculations above I was aiming at a *minimal* estimate of its size.

essential to society - business, government, law, culture, science, education.

4) Finally, and this is related to my last point, the collectivized form of capital allows the upper class to create and maintain a very large, closely allied class of managers, technicians and professionals which act as a ball bearing or anti-friction element, a lieutenant class. That's much simpler than it sounds, so let me explain.

### The Middle "Element"

Conservative thinkers have always understood that you can't have a society with just two classes. Even 2,300 years ago, the Greek philosopher Aristotle understood this clearly. As he said, if you have the few rich and the many poor the poor will have very little in its way if it wants to change things. The contrast in the two lifestyles will be clear, the poor will be in direct social contact with the rich, they will resent and envy the rich. There won't be sufficient numbers to hold the poor in check when the poor get angry and try to change things. So you need a middle class, says Aristotle, a class intermediate in size and wealth between the few rich and the many poor. Such a class will naturally link itself to the rich because it depends on their favor. There are other advantages as well. The middle group will provide overseers, assistants, and managers so the wealthy won't have to mix too closely with the poor. And instead of merely envying the rich, a poor lad can aspire to belong to the middle group. Plus the rich can recruit new blood for their own class from the middle group.

U.S. capital makes it its business to hide class identity so that Aristotle's word, "middle class," has come to be used for everyone who isn't either super-rich or on the verge of starvation. To avoid confusion I am going to use the term "middle element" to describe the group Aristotle was talking about. In our society they come in the upper 25% of those who work in the corporate sector, government and other institutions of collective capital (less the 1-2% upper class). They usually earn a living from salary and their normal occupations are as managers, executives and supervisors, scientists, engineers or higher-level technicians, professionals, including some (salaried) lawyers, many (salaried) doctors, university teachers, social workers, architects, etc.

The middle element has one job and only one job - to manage workers. Some do it directly as supervisors and straw bosses. Some do it indirectly by creating engineering or other technical systems which make workers more productive and lessen their control of the work. Some do it very, very indirectly by shaping and controlling the working class outside the job. The teacher who encourages the right attitude, the social work professional who keeps tabs on the poor. Directly or indirectly, two things are always true of this middle element class. They manage workers and they do so under the broad direction of the class of collective capital.

Naturally, they are well paid for their service. As we saw in the case of GM, the 20% of "middle elementers" employed by GM each earned almost three times as much as the workers - about \$30,000 a year compared to about \$12,000. That holds true on a national basis, too. For example, in 1975, the top 20% of families received 41.1% of all reported income, while the lower 80% received only 58.9%. To put it simply and dramatically, let's suppose a cross-section of 100 families were splitting \$100 in the same proportions as their income. The top 20 families, representing mostly upper class and the middle element, would get \$41.10 or  $(41.01/20=)$  \$2.05 each. The other 80 families, mostly working people, would get \$58.90 or  $(58.90/80=)$  \$0.74 each, only a third as much. Those are the proportions in which income are divided in this country.

The middle element class is a new class in history. Newer, even, than the working class. It was created in order to blunt the growth of working class power. Near as I can make out, the technical part of this class - the engineers - was formed in the 1870-1880 period. You'll recall that at that time capital was trying to break the workers' technological hold on industry, by taking industrial skills from the worker and putting them into the management level. This took the form of creating modern engineering professions. The creation of the supervisory or managing part of the class began at the turn of the century, the way being led by the famous trusts (=modern corporations) which were just being formed. The following table begins to tell that story (HSP 4,5 #1234).

### Non-production Employees in Manufacturing Per 100 Employees — Selected Years

Year	Non-production Employees
1889	10.0
1899	7.1
1904	8.7
1909	10.7
1914	12.1
1920	13.5
1954	20.9
1972	29.2

Until the turn of the century manufacturing plants were getting larger and capitalists were saving money by using fewer managers and bigger plants. But after the turn of the century capital began using its big profits to build up the supervisory levels. As you can see above, the figure doubles in the first two decades of the century. The leading figure in this movement was a man named Frederick W. Taylor who coined the term and the philosophy, "Scientific Management." This so-called "scientific management" had two basic ideas. One was to take

all of the thinking part of work, all the know-how and planning, away from the worker and put it in the hands of management specialists. The ideal worker was a pair of hands that obeyed the manager's brain.

The second idea was to select out those workers who would work under the new arrangement. Taylor wanted healthy workers able to work at a very fast pace who would *accept* the fact that someone else did all the thinking.

We've wandered afield to talk about the middle element class, but the main points are clear enough. Collective capital, through corporations, is able to extract immense wealth. Some of this wealth is kept as profits for the owners and top management. But there is enough of it to siphon off two huge streams of income to create social allies and control workers. In the case of GM we saw an amount of money nearly equal to the workers' share being paid out to a large group (17% of GM employees) in order to create a formidable class allied to capital. And the other large stream is the profits sent off to the government to be spent on laws, military contracts, roads, schools and federal welfare programs.

None of this would be possible without the collective form of capital. Under the dynastic arrangement of capital, the existing middle group in society, the small businessman and the prosperous farmer, were being destroyed. With no lieutenant and anti-friction class to help it out, capitalism was on the verge of destroying itself. But far sighted leaders of the class, men like J.P. Morgan, saw that was a formula for capitalist suicide. They forced through changes, mainly the creation of the big corporations, which by collectivizing and unifying the property and power of the rich, enabled them to bring new allies to their side and weaken the workers.

### The Small Business Class

The third class we have to talk about is the small business or *entrepreneurial* middle class. These are people who own their own businesses and make a living by their own enterprise. Today it includes small businessmen, farmers, and some doctors and lawyers. The small businessman is the backbone of the class.

Earlier we saw that there were 1.7 million corporations of which 2,800 formed the corporate sector of the economy. That still leaves 1.7 million corporations and - hold your hat - 10 million single ownership businesses and another 200,000 partnerships. Don't be taken in by this illusion, however. Those 10.2 million single ownership businesses and partnerships provide a living for only 5.2 million of their owners (#593), maybe 5.5 million if we include the people who own their own corporations (1970). Remember, we're talking about all the businesses in the country which have assets ranging from plus \$100 million to - lord knows how much. And that's the point. Small business doesn't do so

well. The average profit of all of those businesses was about \$4,000. It's kept that way because any "small" business that can turn a regular handsome profit is gobbled up by the big corporations. In my youth the family grocery store was replaced by the supermarket chain, just a few years ago the fast food diners were replaced by Mc Donald's and Ho-Jo's. Right now, sporting goods stores are being crowded out by Korvettes, Hermann's, Sears. And independent auto repair shops look to be on the way out. Tomorrow it will be some other line of business. As a result, the *successful* small businessman is likely to make only as much as a factory worker. Certainly he's not up there in the money sphere like the middle element man or woman.

The entrepreneurial middle class and the middle element have different attitudes and relations to big capital. The middle element is a dependant class created by capital. Its income is closely tied to the profits of collective capital. As a rule it accepts capital's lead in politics, economics, social and cultural attitudes because it believes that collective capitalism is right and progressive. There are squabbles in this happy family but, generally they're both pushing for a highly-profitable-technologically-advanced-bureaucratically-organized society in which workers know their place.

On the other hand, the entrepreneurial middle class dislikes and fears big capital. Mr. Small Businessman knows that he can be dinner for the Jolly Green Giant. But because he can't jack up his prices as much as he would like, he hates labor unions even more. Big capital is a distant threat. His own workers are a present danger. Also, he sort of admires the big capitalists. Why, with a little luck or a big killing there goes he himself, Mr. Thwipple, corporate mogul, advisor to presidents, hob-nobber with Jackie O. and Frank S.

Collective capital understands this double attitude of admiration and envy versus hatred. They put up with it, partly because they need and welcome all anti-working class allies and partly because the small business class has so much power at the state and local level. In this country, local political power rests in a dark corner occupied by construction companies, realtors, local banks, lawyers, construction unions (sometimes) and some folks in dark glasses who don't answer questions about who they are. In fact, it is this alliance between Mr. Small Businessman and Mr. B. Corporate Mogul which keeps the Republican Party together - the more conservative minority wing representing the small businessman, the liberal majority wing representing collective capital's alliance with the middle element.

How big are these classes? Naturally it's hard to be exact in these things, but as any scale model builder knows, when you're making models of things, you can only hope to get the main parts right.

There are about 78.6 million people employed in the U.S. of whom 66 million are employed in the private sector (#593). The 2,800,

companies of the corporate sector directly employ about 25 million people. You have to add to that figure to bring in people employed in the satellite institutions. So there are about 30 million corporate sector employees, of which at least 7.5 million are middle element. This leaves 22.5 million corporate sector workers. An additional 36 million are employed in the competitive sector, of whom about 6 million are owner-proprietors and 30 million are workers. About 11.5 million people work for government, about 20% are middle element, which leave 9.2 million workers. Putting these numbers all together by class, we get:

- .36 million - collective capital
- 9.8 million - middle element
  - 7.5 million in private sector
  - 2.3 million in government
- 6 million - entrepreneurial middle class
- 61.7 million - workers
  - 30 million - competitive sector
  - 22.5 million - corporate sector
  - 9.2 million - government

You can multiply that table out on the basis of 208 million total U.S. population and you get, in round figures:

- 1 million upper class
- 26 million middle element
- 16 million entrepreneurial middle class
- 165 million U.S. workers
  - 79 million competitive sector
  - 59.5 million corporate sector
  - 27 million government sector

For some purposes that scheme would be a class structure, with numbers, for the U.S. But it would leave millions of Americans out in the cold. Like the unemployed, who, with their families made up about 10 million in 1970, or the 20-30 million who depend on government welfare programs.

#### Four U.S. Working Classes

All things considered, the U.S. working class has four separate components:

- 30 million (and dependents) who work for small businesses
- 22.5 million (and dependents) who work for the corporate sector, its satellites and allied institutions
- 9.2 million (and dependents) who work for the government
- 25-35 million who directly on government programs for their living. I call these administered sector workers

That list should total altogether, 165 million.

We have to consider these as separate classes, until they form themselves into a single class. We should discuss that by considering the actual present day interests of those four groups and the class alliances they've formed to pursue those interests.

The leading group in the U.S. working class is the corporate sector working class. Roughly half of them are unionized and most receive the benefits unionized workers have won in the past, such as paid vacations, health insurance, retirement benefits, or seniority. They earn roughly 20% more than competitive sector workers and, because of their unions, they can stay nearly abreast of inflation (#566). This is a *national* class, looking to the national government. They are heavily involved in national politics through the AFL-CIO link to the Democratic Party. What's not often appreciated is that these workers and their unions are tied closely to their industries, the help them out by pushing for government contracts, government aid to corporations, and so on. Put it this way: the AFL-CIO joins with the corporation to make sure the corporate share of the pie is big and juicy. Then they turn around and fight with the corporation to get their share of the slices. In national politics the Democratic Party has been mainly, though not exclusively, an alliance of collective capital and the corporate sector working class. And it makes sense, from one point of view.

The competitive sector working class is larger but much less politically active. There are few unions here and many of them are racketeer unions. These workers tend to pick up the more local, conservative attitudes of their employers. It is not a national class but a loose collection of regional and local classes. The competitive sector worker gets few if any benefits. He or she is often only a seasonal or part-time worker; unemployment (not just layoff) is more frequent, though not generally politically active, this sector's workers tend to be more conservative - feeling that big labor, big government and big corporations work together to soak them (as is often the case). Because they're not organized to use their collective intelligence, they often accept the line, put out by government and business, that unionized workers are the cause of inflation. They fail to see that the wage gain of unionized workers only *compensates partly* for inflation; these unorganized workers think unions *cause* inflation. That makes many of them anti-union, an attitude which is reinforced by the prevalence of racketeer unions in this sector.

Government sector workers are a mixed breed. The 2.5 million federal government workers are nationally oriented, better paid. get decent benefits, and are generally liberal. In many ways they are comparable to the corporate sector workers. On the other hand, some of the nine million state and, especially, local government workers labor under conditions similar to those in the competitive sector - low pay, no job security, obligations to local power groups, and so on. In the nature of the case, government workers all tend to follow politics pretty closely,

but here it may be only the sort of politics that affects this or that group of political cronies rather than a large group of workers.

In spite of these similarities to other workers, government workers have to be singled out as a special group for two reasons. First, their income levels, benefits, and jobs are dependent on the politics and economics of government, not the private sector. During bad times, when other workers are leaving their jobs, government workers may find opportunities expanding. Alternately, they may find hard sledding even in good times because the legislature or the Congress goes on a budget cutting campaign. And, in general, while government workers find advantage in the expansion of government activities, that isn't necessarily the case for the rest of us.

Second, most government workers, even when unionized, are forbidden by law to strike. Often these laws are very harsh - two days pay in fines for every day on strike, loss of seniority, jail for selected leaders.

To understand administered sector workers, you have to understand one of the most striking changes which has occurred in this country - the decline of the family as the primary functioning social unit. I'm not talking about love and affection here. I'm talking about everyday activities and responsibilities. At one time it was large, extended families that held property, socialized and educated the young, cared for the sick, poor or aged. As we've seen, the corporation has replaced the rich family as the property holding unit for the upper class. And this in turn has allowed institutions controlled by the upper class to replace the working class family as the socializer of workers' children and caretaker for the sick, poor and aged. You have to turn your mind back to the days of George Pullman to grasp the full meaning of this.\* Pullman built his rotten little town around the idea that he himself would totally control all the aspects of the life of his workers. In that way he thought he could keep out the diseases of trade unionism, socialism and working class independence. Collective capital has somewhat the same idea but on a grander, national scale. The political State of Collective Capital claims that it, not you, must control when the children should go to school and what they learn there. Meanwhile, their media, especially t.v., drum their message into children so that the parents basically lose

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\* In the 1890s, industrialist George Pullman built a town in Illinois, just south of Chicago. This town became the model for the rise of the "company town" of the early twentieth century. Pullman was the home of the factories which built Pullman railroad cars and was also the town where all the employees of the Pullman Car company lived. George Pullman influenced every aspect of life in this town. He planned the town, ran the police department, was chief judge, ran the newspapers, and, most importantly, was the sole employer in town. Pullman attempted to control every aspect of life in his town so as to insure himself an obedient, productive class of workers. - editor's note.

control over what the kids think, believe and, often, do. For adults, the only source of entertainment, culture and, especially, news is the one, or possibly, two newspapers in town, three newsmagazines and three national television networks. In a lot of ways, and I don't mean to exaggerate, we increasingly live in a great big Pullman, a national company town in which the key areas of inspiration, ideas and organization are under the thumb of collective capital. George Pullman would be downright impressed.

Part and parcel of these changes is that the unemployed, poor, elderly, and sick now are much more dependant on government programs than they are on their families. Some of this is a good thing, an improvement over what was before. Certainly, Social Security, Medicaid and unemployment insurance are. Still, the people caught up in these systems are for the most part working class people and they're increasingly dependant on systems which control them and which they can't control. Will the unemployment be extended another 13 weeks? Can the family allowance be extended so that the children can spend a week or two at day camp? Will the Social Security keep pace with inflation? These are questions that concern between 25-35 million workers daily and, at some point, will confront each of us. Moreover, you can't quit Social Security, strike unemployment, or pull a job action on the welfare. You are under the administrative, bureaucratic control of the government agency and you, alone or collectively, have little or no power to influence what it does. That's why this group of workers has to be treated as a separate component of the working class so that when we turn our minds to what can and must be done to improve ourselves, their concerns and problems can be considered on an equal basis with the other sectors of the working class.

## How the Working Class is Ruled

To understand how the working class is ruled, is kept in a weakened, ineffective condition, is to understand what the program of collective capital is and how it works. The program of collective capital, its aims and values, is threefold:

- 1) an expanding corporate sector
- 2) liberal democracy (also known as bourgeois democracy - ed.)
- 3) a humanist social system

### An Expanding Economy

We have distinguished the corporate sector of the economy from the competitive sector. Now, the key point about the corporate sector is that it is a planning sector.

To most people, when you talk about a planned economy, they think of the [former] USSR or the other Communist countries. In the U.S.

Along with this economic program is a political program of liberal democracy. To understand liberal democracy we have to step back a moment and apply some ideas about groups, leaders, and cronies that we already know. Let's suppose you and I belong to a club of 100 members. And let's suppose that we want to run that club. The usual way of doing this is as follows: first, we have to go out and get a following - 15-20 people who know and like us and will support us either out of friendship or because we've promised them special favors after we get in. Now we're set for step two. We have our two votes, yours and mine, and our friends' are 15 more, which makes 17 in all. So we get involved in an election and *use the issues, any issues, in order to split the rest of the vote*. You see, there are 83 people in the club who aren't in our crowd. If we can split them in half - 42-41 - we can win the election 59-41. We can even lose in the split, say 38-45, and we still will win 55-45. We can even lose the split badly, say 34-49 and we still win the election 51-49. rule of thumb: get a following and then try to split the rest. If we've been active in your local, a club, or vestry or in local politics itself, we'll understand where *issues* come in and where they don't. Normally, we don't depend on our stands on the issues to get and hold our *following*. We depend on friendship, flattery, promises. They support us because we'll use our office to *help them personally*. The other 83 support or don't support us because of how they think we'll use the office to *further the purposes of the club*. That's where issues come in. Normally, we can forget our promises on issues after we're elected. But we can't forget our promises to our following because we want and need their support. That's the standard formula for getting and keeping office - accumulate a following and split the rest.

Let's say there's another leader around who also has a following. If it's possible, we should make a deal and combine forces. Here's why: if our rival's following is about 15 and we and our pals number 15, the election will be decided by the members and the issues, which from our standpoint means it will be decided by which brand of malarkey sounds best at the moment, our or our rival's. It's better to make a deal. Now there will be three leaders and - the following is too big now! Too many favors. Cut it down. Come what may, we and our partner only need 15 or so assured votes to keep us in office just about forever.

That's particularly true if the club has members who don't even vote, like most clubs do. If only 60 people in all vote, we need only 13 out of 42, less than a third, to stay in office. (You and two other leaders and 15 followers gives us 18. If we get 13 more we'll have 31, a majority of the voting members.)

These are the rules of politics in a liberal democratic setup. 1) Get a following, 2) Use issues to divide the electorate, 3) Make deals with potential rivals, 4) Remember, apathy is on your side. It's cynical to say so, but it's also pretty true. On the other hand, liberal democracy is not the worst possible arrangement by any means. The very fact that the other 83 can vote means you've got to be careful not to rile them up so

we don't have central planning but we do have a planned economy. It's just that it has multiple centers of planning - 2,800 companies in the corporate sector each of which is a planning unit.

Planning? What about competition? You have to remember that we're no longer dealing with dynastic capital where each company is a wild beast in a hostile jungle, surrounded by other equally wild beasts. For the big corporations the world is a lush meadow. Each company has the power to set its own prices and plan its own profits. The other beasts in the meadow are owned and controlled by the same collective farmer, so to speak, so that when our corporate beasts compete they do so only over that little corner of extra rich grass, or that choice bit of labor or luscious new product.

Each company does for itself what I call *fine planning*. Basing its plans on the money which flows in from a nearly guaranteed annual profit, it determines when the opportunities are best for it to grow and to prosper. The government, especially at the federal level, helps the companies along. It provides subsidies for the whole corporate sector, in the form of research expenditures, the military budget, road building outlays, subsidies to the airline and railroad industries, bail-out funds for corporations that threaten to go under, tax breaks, agricultural price supports, school subsidies, etc.

Plus, the government does *coarse planning*. By coarse planning I mean the attempt to control certain broad but critical aspects of the economy. these include the rate of employment and unemployment; the skill levels of the workforce; the rate of inflation, economic growth, and the money supply; and the relative shares which go either to profits for owners, salaries, for the middle element, and wages for workers. the distribution of the gains from productivity increases comes under this sort of planning too. In a Soviet-style economy both fine and coarse planning are done by the state. They try to get a much closer fit between the two. for instance, the amount, prices, and styles of women's shoes would be planned by the same agency which planned the rate of economic growth. But in our country there is a division of labor in planning. Government plans the coarse features of the economy, making sure the meadow is lush, well-watered and well-protected from wild beasts. But within the meadow, each company does what it wants, assured by a cooperative government that there's enough nourishing clover for all.

Here's an example. Formerly, when industry wanted to expand in a certain direction it had to pay higher than average wages in order to draw the top-flight worker with the necessary skills. Nowadays, through planning, capital can anticipate where it will need people. Through the government, foundations and schools, word it let out that such and such skills will be in demand. Students of all ages flood into those areas of study, often *paying their own way* so that when the jobs do open up there are more job-seekers than jobs. Through planning, industry gets

the skills it needs, wages are kept down due to plenty of skilled job-seekers and, to top the whole thing off, the expenses of training don't come out of the pockets of industry, like in the old days.

The steady expansion of the *corporate sector* of the economy - this is the economic program of collective capital. That means the steady expansion of the size of the corporate sector, of its profits, of its ability to employ new technology and realize greater productivity, and of the big corporate and government bureaucracies. Don't be misled by the speeches that corporate leaders make when they complain about big government. What they're complaining about is that the social welfare budget is getting too big *at the expense of the government agencies and expenditures that help them*. Never a complaint will you get that the Commerce or Defense Departments are too big or about mineral subsidies, road subsidies, or the amount the government spends on interest going to the banks.

When the corporate sector expands three things happen that strengthen collective capital's hold on the working class:

1) Their wealth and power expands and with it their ability to take on new activities, either through their companies or the government.

2) There is now plenty of money and opportunity which is used to pay off the middle element. New technology mean new engineers, new products, new managers and new sales directors. High, expanding profits can be shared with the middle element in the generous fashion we observed at General Motors. So the anti-friction class stays strong and prosperous - happy with the status quo and closely allied to collective capital.

3) The corporate sector working class grows and stays reasonably prosperous so that the division between corporate and competitive sector workers continues to deepen. Differences in pay, benefits and growth rates widen. Both the working class and the individual worker get the worst of both worlds. The whole class is fundamentally divided and weakened. And corporate sector workers more than pay for their economically more privileged position. they are continually sacrificed on the twin alters of "Higher Productivity" and "Changing Technology." Speed-up turns workers into machines. Fume them, burn them, chemical them, asbestos them - whatever is needed to up production.

While corporate sector workers suffer the evils of high production and Russian Roulette technology, competitive sector workers suffer the evils of low productivity and declining industry - low pay, no benefits, seasonal and part-time work, run-away shops and no representation. The regular, normal economic program of collective capital fragments the working class.

Liberal Democracy

much that they'd unite against us. In addition, since they're not fools we have to do something for them while in office. They're wise enough not to expect much, but they do want something. If there were no elections, we and our following could do pretty much what we wanted. In a democracy there are limits and, as we know from looking at the rest of the world, that's a huge difference.

National politics in the U.S. works something like our little club. With just a few important facts, we can even make a scale model of the *normal American electorate*, let's say, the presidential electorate. In our country, we have a two party system, and the two parties are evenly balanced. Since the election of Franklin Roosevelt in 1932, the Democrats have gotten a total of 359 million votes for the President, the Republicans 347 million. That comes to Democrats 50.85%, Republicans 49.15%. It would be hard to come closer. In recent years, moreover, only about 60% of the electorate voted. the obvious question then is, out of every 100 eligible voters, why do 80 workers and 20 people from other classes end up voting evenly, 30-30, for the Democrats and Republicans?

80 workers eligible ?	20 other eligible ?
<hr/>	
30 votes Democratic	30 votes Republican

In any given election they don't even come out but over the long haul they do. And that's more important.

Well, we know that about 85% of the upper classes vote. That's 17. So only (60-17=) 43 workers vote, slightly more than half. Moreover, the upper classes vote tightly together - also by a measure of about 85%. They'll vote, 14-3, for their party, the Republicans. the other 16 Republican votes come from the workers. Here's a pretty accurate picture of the normal presidential electorate:

	Democratic Votes	Republican Votes
<b>Workers</b>		
80 workers are eligible but only 43 vote	27	16
<b>Others</b>		
20 others are eligible and 17 vote	3	14
	<hr/>	<hr/>
	30	30

In any specific election there will be a shift vote or so either way. But the long run balance of the electorate is more interesting and much

more important. Let's look further into it. The workers vote 27-16 for the Democrats. But those workers' votes represent the votes of four different classes of workers, many with opposed interests. For the sake of argument, let's say the vote looks like this:

corporate sector workers	14 Dems. - 5 Repubs.
government sector workers	6 Dems. - 3 Repubs.
competitive sector workers & administered sector workers	7 Dems. - 8 Repubs.

The earlier numbers which we used are pretty accurate. These numbers are crude estimates based on other information. That is, we know corporate sector workers vote more often and more liberally than any others. Using our numbers, while they make up only about a third of the working part of the working class, they are casting nearly half the worker votes, and they are voting more heavily Democratic (14 of 19 or 74%) than the others. Government sector voters also vote more heavily than workers, generally, but probably not as one-sidedly. Thus they're given 9 of the 43 worker votes and they vote only 6 of 9, 67% Democratic. Competitive sector workers and Administered sector workers don't vote much and they don't vote one-sidedly.

We get the following:

	Democratic Votes	Republican Votes
<b>Workers</b>		
80 workers are eligible but only 43 vote	27	16
<b>Others</b>		
20 others are eligible and 17 vote	3	14
	-----	-----
	30	30

where the workers' 43 votes breakdown like this:

14-5 corporate sector workers
6-3 government sector workers
7-8 administered sector workers and competitive sector workers

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27 Democratic votes	16 Republican votes
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For the Democrats to win the election, they have to hold their 14 corporate workers, 6 government workers, 7 other workers and 3 of the other class, plus get an extra vote somewhere. the problem, as we saw, is that the working class is divided badly. If the Democrats do or promise something extra to the corporate workers, to get them to vote 15-4 instead of 14-5, they may well lose a vote or more among the other

classes of workers. Let's say the Democrats promise to repeal the Taft-Hartley Act, which restricts unions. But that will antagonize competitive sector workers and retired workers because many are convinced that without Taft-Hartley the unions will go crazy with strikes, driving up wages, which will increase inflation even more. So they may split 6-9 or 5-10, or perhaps one or two of those workers who don't vote at all will come out of the woodwork to save the Nation from "Trade Union Bolshevism." Same thing if you steer money to the old or unemployed. That means higher taxes so any votes you pick up in one place, you may lose in another.

The Republicans are in a slightly better position. Because they are in a minority, the middle element and entrepreneurial middle class who are the core of the Republicans know they can only win by sticking together. Plus, they have to hustle 16 worker votes just to stay even. So, even though the Reaganites and the Rockefellerites fight like hell in the convention, they all vote together in November. Meanwhile they've mined every possible issue, from abortion to youth crime, to pull away every worker they can. And they're often successful. The division of workers in the economy shows up in the election returns.

From the standpoint of the capitalist class, they're just following the rules: 1) get a following (the middle element), 2) split the workers, 3) make deals with possible rivals - the small business class, and, to some extent, with conservative workers, 4) count on the apathy of the workers (almost half don't vote).

The Democrats get nearly all their votes from workers; 27 of 30 in this example. But look at the roster of Democratic presidents, governors, senators, congresspeople, legislators, judges and mayors. Rarely do you see a worker. Most Democratic big-wigs are middle element or small business people, with a sprinkling of real upper class types - Kennedy, Roosevelt, Hariman. When I put down 14 Republicans - 3 Democrats with that little arrow showing 3 of the other classes voting Democratic we were also showing where all the leaders of the Democratic party came from. *The working class is so divided that no one part of it can provide leadership for the rest.* Leaders must be drawn from other classes but these other classes have a vital stake in keeping the workers divided. Thus, by means of liberal democracy, collective capital rules over us politically.

### A Humanist Social System

Collective capital strives for a humanist social system. What that means, in actual practice, is that the working class will have no independent social existence, that it will be socially and culturally captive. Think back to the time of George Pullman and his planned "company towns." In that period of our country's history the working class was largely immigrants. For this and other reasons, workers lived

apart from the rest of society, segregated into working class tenements, not unlike the way many blacks and Hispanics are segregated today. And their segregation was not just physical, but cultural and institutional as well. The schools made only half-hearted attempts to reach them. The churches, dominated by English speaking clergy, or the previous wave of immigrants, often did little better. The government was content to limit its own contact to police harassment and an occasional arrest. But people cannot live without society (a more accurate term might be community - ed.). Life is much too complicated and unpredictable to be dealt with by unaided individuals or by separate families. Take children. You can't raise them from scratch. You need guidance and help to give you a general idea of what to try and what to avoid. In the same vein, your marital problems are not unique to you. Over time people have found ways to solve or live with them or, even better, to avoid them. With society, you can get the benefit of other people's experience in the form of morality, precepts, values, or examples. Then again you may be hurt, sick, unemployed. In a normal society there are ways in which others can help fill your place in terms of money, responsibility and so on.

In the 19th century, the workers were cut off from society and denied its moral, financial, and other assistance. Their only alternative was to form their own society. By the end of the 19th century the working class had developed networks and arrangements based on the family, the neighborhood, the trade unions and political clubs, their immigrant associations and, to a small extent, the church. In other words, there evolved a separate society within American society.

There was a good side to this segregation. Cut off from the influence of other classes, and not having to rely on their ideas, working class ideas and values began to have their own influence. Ideas of equality, cooperation, sticking together, the right of every person to share in both the goods and the responsibility to do and decide things. Socialist and Marxist ideas came in with the immigrants and like them mixed in with the native-born variety. It is this process of forming a separate society and becoming aware of that fact, that is called the formation of a class and the development of class consciousness. The Knights of Labor deserve much of the credit for the formation of the working class in our country. For when Eugene V. Debs, Albert Parsons, Mother Jones or Big Bill Haywood came to a working class area and began talking politics, trade unionism or socialism, they weren't coming in to start a discussion among isolated individuals, who would hear and discuss the ideas only once, and have no chance to put them into practice. Debs and Parsons were part of a *continuing* discussion, among people who were part of a separate society, a distinct class, who would continue discussing and organizing long after the speaker was on his or her way.

George Pullman tried to prevent all of this. So does collective capital today. But in order to prevent it, you have to integrate the

worker into society under your rules and command. In 1894 that was the town of Pullman. Today it's the Welfare State.

Collective capital does not segregate its workers. On the contrary. In fact, it tries to integrate and control every aspect of working class life. It has a negative and positive reason for doing this. On the positive side, it wants to reach into the working class and pluck out some part of it - make sure it's healthy; educate and train it to create a pool from which to draw new recruits for the middle element and, most importantly, the corporate sector working class. Dynastic capital took its workers as it found them, used them up and threw them back on the ash heap. But collective capital, following Taylor's ideas, needs a more productive, reliable and trained worker to use in its high production industries. So it raises the average social productivity of part of the working classes. The rest of the class, the lower productivity folks who have lower educational and health levels, who are too old, etc. are left to the competitive sector. But in order to create that pool of available recruits, capital has to control the *social reproduction of the working class*. This is the positive significance of that whole network of schools, medical and social services, unemployment insurance, foundations and welfare - what we call, loosely, the Welfare State.

It is here that we can see the essential humanism of the social system of collective capital. Capital wants the *best* of the working population - the most trained, productive, healthy, amenable people. A social system based on *hereditary* rights wouldn't do this since the qualities capital wants are found in every walk of life and level of society. To get the cream of the crop, capital needs a meritocracy - where the most desired places are won on the basis of ability, or merit.

What we call meritocracy, when looked at from the side of capital, we call equality of opportunity, looked at from the side of everyone else. One can criticize this country for not having real equality of opportunity. But it is wrong not to see how equality of opportunity really is worked at by capital's social system. What else is the point of schools, or colleges, or laws against discrimination, than to make sure that all of us will have to scramble for the best places? Then capital can pluck out the most successful scramblers, elevate them to privileged positions and guide their talents into improving the wealth, power and security of collective capital.

Now, I don't want to exaggerate the *extent* of equality of opportunity in this country, merely its *importance*. In fact, "equality of opportunity" does not translate into social mobility. Here's the actual situation:

	Working Class	Middle and Upper Class
Present generation of which	80 6 go up	20 6 fall

Next generation:            74 old + 6 new            14 old + 6 new

Out of every 20 upper and middle class adults about 6 of their children fall out of their class and become workers. They're replaced by 6 worker's children. This arrangement for changing classes in each generation assures that:

- 1) the climbing part of the working class has a remote hope to get ahead (6 of 80)
- 2) the middle group is kept on it's toes (6 of 20 will fail)
- 3) the talent of the middle and top (6 new faces who got there by scrambling) is constantly renewed
- 4) the continuity of the upper group is maintained (14 are descended from the previous top group)

Whatever happens in each generation you'll preserve the class system, which is most important of all. That's the positive side of capital's social system. The negative side is preventive. By moving in and controlling all aspects of working class life, you prevent the growth of a separate society which can spawn a Knights of Labor, an American Railway Union, a Eugene Debs, Albert Parsons or other opposition. I call this effort at total control over the working class and the individual *social taylorism*.

Here is the point to tie in two ideas we've met before and to come to grasp what I feel is the most profound and important truth of our era. You'll recall earlier that the modern working class is the first laboring class in history which has had the impulse to rule society. The history of the laboring people of the earth is a history filled with revolts and attempts to reverse injustice. But until the birth of the modern working class, laboring people had always looked only to be ruled better by someone else - a kinder czar, an emperor who went to war less, a king who demanded lower taxes. But from its beginning the working class has developed ideas of democracy, socialism and classlessness which means they must run society themselves.

The second idea is this: when Debs and the American Railway Union took on and beat rail capital in 1894, they could only be defeated by a military coup, Attorney General Olney's coup, because on every other level - economic, moral, intellectual, and political - the working class had already come to be superior to dynastic capital. That's the real significance of the Pullman strike and boycott. It sounded the death knell for dynastic capital. Not only here in this country. If capital was not prepared to radically re-organize itself and change its relation to the rest of society, the workers, through their unions and socialist parties, were going to take the whole ball game away from them.

Well, capital did re-organize. They started by forming the great trusts (= corporations) in the period 1895-1903. This began to collectivize their property. They used the wealth of these corporations to

build up a new lieutenant and anti-friction class. And eventually a huge welfare state apparatus. From a politics of bribery and corruption they moved to class alliances which would enable them to control the essential behavior of both major parties and of society itself. What I'm saying is this: these changes had to be made to forestall the development of the working class into a rival of and successor to the capitalist class as the leading class in society. Capital understands, even if we don't, that the working class is now prepared to run society for itself. Every thrust of their civilization reveals that truth. The necessity to divide the working class by economic means into four separate classes. The necessity to ally itself with the corporate sector working class in one of the major political parties in order to keep the class split. And social taylorism, the necessity, through the social system, to control the social reproduction of the working class, lest some isolated segment of that class with flourishing native impulses might give rise, once more, to serious challenge to capital's domination.

### The Fundamental Truth

In all the industrial countries, the working class is now prepared to become the ruling class. This is the most significant fact of our era, a fact which is revealed in the very structure and design of modern capitalist civilization. And yet, when we actually look at the working class we see it confused, divided, and leaderless.

It is very difficult to examine the capacity of the U.S. working class in these terms because the very thrust of the society we live in proclaims that the workers are the failed class, the group of people whose abilities and talents make them fit only to labor at mindless tasks. Within the dominant institutions of our society - the modern corporation - the three man functions are rigidly separated. Top management plans and judges, middle and lower management supervises, and workers work.

This separation of social labor: planning and judging, supervising and laboring, is at the core of the philosophy of the corporation and permeates every aspect of collectivized capital's civilization. The three class set-up within the corporate system - collective capitalist, middle element, worker - corresponds to precisely that division of labor. As we've seen, the whole thrust of Taylorism is to remove every ounce of intelligence and thoughtfulness from the worker's work, and turn it over to different classes. The worker will not think, plan, judge, supervise or direct. Just work. Years ago the labor press published a cartoon entitled, "The Perfect Solider." It showed a big strapping fellow of massive size, with enormous muscles - and no head. In our time that cartoon could be called, "The Perfect Worker," because that is the way that our society views and treats workers. Those at and near the top in our country, the opinion-makers and leaders, believe we have a system of meritocracy, and equality of opportunity. But think a minute. What does it mean to be a worker where you have meritocracy or equality of

opportunity? It means that you are a failure, one of those men and women who had their chance to do better but didn't measure up. To be a member of the working class means that your talents and abilities fit you only to do menial work under the direction of others. This, of course, is a dirty side of capitalism, of capitalist humanism, a side which polite society people and glib liberals don't talk about. But they don't have to, it is proclaimed by the very structure of our civilization. The deepest prejudice of our society is this, namely, that workers are the failed class, the class of losers, the people whom meritocracy and equality of opportunity have relegated to the bottom. But then, in olden days, it was equally clear to everyone that the sun revolved around the earth, so clear that not even fools could deny it.

I stated earlier that the working class is now prepared to be the leading class in society. What evidence is there for that belief? To begin with you've got to realize what the working class of Eugene Deb's day accomplished, how it bested capital in so many ways, and how close it came to toppling capital. So what is it about the working class today that makes it more likely to be successful than it was a century ago?

First of all, its larger. In the 1890's, the working class made up less than a third of the U.S. population. Today eight in ten Americans are in the working class. We are not only the largest class, we are the overwhelming majority in the whole country.

Second, the working class of Deb's day was deeply superstitious. That is, large numbers of workers had beliefs that weren't amenable to reasonableness and evidence. Religious superstition was widespread. Today one of the strongest currents we can observe is the pressure *by religious people on their own churches* to shed superstitious mumbo-jumbo and contribute to the solution of the spiritual problems of modern life. In the 1890's deep racial superstitions were settling in among the workers - it was the worst period of racial prejudice in the post-Civil War period. Today, I believe most workers, black and white, understand that the various peoples are and should be equal, and are willing to work at the problems that raises. Similarly with attitudes about women. Finally, the worker's of Deb's day had many social superstitions about themselves, often inherited from a peasant past, at the time only a generation or so behind them. I think its different today. Workers believe all sorts of things today, some odd, some not, some true, some false, some far out, some conservative. But the point is, they're reasonable beliefs responsive to argument and evidence.

That gets us to the final point. In Deb's day the working class movement was very, very dependant on a small corps of leaders, most of whom were not workers. That's generally been true of the workers' socialist and communist movements around the world. Marx, Lenin, Trotsky, Mao, LaSalle, MacDonald. In this country, De Leon, Berger, London and others were men from other classes, often the mercantile or rural classes. They saw their own classes being destroyed by capital and

cast their lot with the working class because they were the most potent opposition to capital. But the dependence of workers on those other classes was fatal. Because when capital began to reform its own worst excesses, that old source of leaders for the working class dried up. That's one of the reasons the working class has been in the doldrums for so long and it will remain so as long as we wait for various Moses to come from other classes and lead us to the promised land. When and as the working class movement re-emerges, event will bear me out that there are innumerable men and women, now ordinary workers, who have the mental, moral, and spiritual capacities to assume responsibility in every area of human and social life. That's what I mean when I say that the working class is prepared to assume the leading place in a new society without essential reliance on any other class.

What sort of new society? What will it look like? How will it be run? Upon what program can we unite our class, now splintered by capital, to run such a society. Our movement has to take these topics up in their turn.

## Suggested Reading:

Introduction to the U.S.: An Autonomist Political History by Noel Ignatiev  
Black Worker, White Worker by Noel Ignatiev  
Unfinished Business by the Class War Federation  
Roots of Class Struggle in the South by Ken Lawrence  
Anarchism and the Black Revolution by Lorenzo Kom'boa Ervin  
Social Anarchism of Lifestyle Anarchism by Murray Bookchin  
As We See It by the Anarchist Communist Federation  
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**Alternatives: An Anarchist View of Prisons, Crime and Violence.** by Michael Lee. Originally written for the Raze the Walls! discussion newsletter in 1994, this article provides a basic introduction to the ideas behind prison abolition and the development of new ways to deal with crime and violence. cost: \$2.00, free to prisoners (donation of three stamps requested).

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