more sure, serious and effective. We could, therefore, only recommend calmness, and this advice was well heeded. But just at this moment, the trade unions began everywhere to discuss the question of the general strike, although no general decision to this effect had been made. Resolutions in favor of this measure were passed unanimously. The general committee then thought that it might be a last resort to obtain some concessions from the government. It was therefore decided to support the movement for a general strike. But our feeble hope was of short duration, and the general committee declared the strike off after a few days.

The general strike had no prospect of success for several reasons. It came too late to be of any help to a violent uprising. If it had begun a little earlier, the great number of strikers would have considerably increased the crowds of demonstrators. The result would have been, furthermore, that the soldiers would have been recalled into their quarters while the strike was already on, and this would have created quite a different sentiment among them. But as the strike was declared after the soldiers had been called in, and we were continually advising calmness, the strike could only have an economic aim, viz., the cessation of the production of wealth. In order to be felt in this respect, it would have to last sufficiently long. But we were not prepared to take care of 350,000 strikers. Therefore it was better to stop at once than to exhaust all our resources and to incur the discouragement that would follow inevitably.

At any rate, these events have given us the comforting assurance that the Belgian proletariat will follow us in a general strike, and that success in this line is only a matter of resources. The spontaneousness of the strike, the admirable discipline maintained by 350,000 men, the wisdom and composure manifested by the party under the most trying circumstances, all these are elements of a certain and near victory.

True, the decision to call off the general strike has caused discontent among some comrades. It would be strange, if this were not the case, and simply proves the pugnacious spirit of our friends. But there is no discouragement of any kind. We don't acknowledge any defeat, we have not lost anything. A special convention called immediately after the events in Brussels sanctioned the order calling off the strike by a great majority. In the future we shall probably count less on violence and more on organization, and this will be an advantage.

Emile Vinck.

(Translated by E. Untermann.)

HISTORY OF THE UNITED STATES.

III. American Capitalism in Flower.

OUR investigation of the economic history of this country now reaches a stage which is the last but one in our division of the subject. It covers approximately the time from the end of the Civil War to the beginning of the nineties of the past century.

The industrial capitalism of the North had vanquished the agricultural feudalism of the South, was now galloping along as the ruler of the country, and rushing through the course of its development with hurricane speed. Turning to the great and actually dominating facts of economic history, we mark the following which we discuss in succession as briefly as possible.

As one of the most essential factors which produced this development we first name

The Accumulation of Capital.

It is one of the peculiarities of capitalist development in America that the great part of capital accumulates in the form of money. This form is most easily exchangeable, and also demands more urgently than any other the immediate investment for the production of surplus value. Primitive accumulation goes hand in hand with modern modes of accumulation which are considered legal as long as they do not formally and openly violate the laws of capitalist society. The main sources of primitive accumulation are the same here as they were in the older European countries, viz., fraud, theft, robbery, and murder. One of these sources now began to flow in the shape of spoils to army contractors. By far the greater part of the new capital appearing after the war came from the enormous profits of these contractors, and it is well known, and in many cases officially acknowledged, that these profits were made by more or less crooked and well nigh undisguised "deals." "Embalmed beef" was even at that time a popular article, at least among army contractors, if not among soldiers.

A few years later, speculation in railroads and land became a still greater source of new capital. Under the pretense of assisting the building of the railroad to the Pacific, Congress granted whole kingdoms to the railroad companies—a strip of land ten miles wide on each side of the completed tracks, amounting to a grant of twenty miles for the whole length of the railroad. In this way the Pacific railroad alone received not less than 250,000,000 acres of that land which was most desirable, because it was in the immediate vicinity of the road and would naturally gain

most by the rise in land values caused by the building of the road. Being barred from free settlement, this land could later on only be bought at outrageous prices from the railroads. As to the national wealth in free land obtainable during this stage, there seemed to be still an inexhaustible supply of it toward the end of the eighties. We emphasize that the supply of government land which could be obtained by settlers practically for nothing, viz., on payment of the registering fee, SEEMED inexhaustible to the popular mind.

The specifically American style of "baiting the rurals," a high-handed method of expropriating the small farmers by robbery, more accurately described in Marx's "Capital," and criminal even according to capitalist law, was practiced in all its brutality until quite recently. Only the place of the farmer was here taken by the redskin. True, whenever it was decided to cheat the aborigines out of the land, which had been guaranteed to them by solemn treaties, in order to give it away to railroad companies or other landsharks, the actors on the public stage in Washington always observed the strictest legal proceedings, at the same time holding their open hand behind their backs toward the lobby. But behind the scenes, away back in the woods of the far West, the law-abiding pale faces acted according to the eminently Christian maxim: "The only good Indian is a dead Indian." The agents who were employed by the government to serve out the stipulated rations to the redskins added the useful to the pleasant by keeping the money in their own pockets or dividing it with the contractors and thus making their charges, the "wards of the Nation," desperate: for when the Indians, lashed into desperation by hunger, revolted, they were cut down in scores by the federal troops, and their land, so valuable for capitalist exploitation, fell into the hands of the representatives of American civilization almost free of charge—an excellent transaction for such good Christians and honest patriots.

Railroads, telegraphs, mining, manufacturing and industrial establishments of every description were springing up like hothouse plants. American bourgeois had no need of Guizot's advice: "Enrich yourselves!"

Class Antagonisms

are now beginning to manifest themselves distinctly and conspicuously. A well-known Christian Socialist writer, speaking of conditions immediately after the Civil War, says that they are characterized by a sudden and wonderful accumulation of wealth in the hands of successful adventurers. Never had the contrast between rich and poor been so pronounced. Translated from the Christian Socialist into the Socialist language, this means that the Class antagonism between the bourgeois and the

proletarian, between the capitalist and the laborer, now made itself felt with full force.

The Development of the Forces of Production.

It would require whole volumes to fully appreciate this factor which now develops its power. Not alone the increase of motive power, its multiplication in the steam engines, and its intensification by electricity would have to be considered, but still more the field of labor saving machines and implements, in which America excels all other countries. The improvements made in this line are so numerous, and many of them are so nearly of equal merit, that it does not seem feasible to quote any single example. Most wonderful and far-reaching in their effects are the improvements in that department of production which is distinguished in all other countries by its stubborn adherence to traditional methods—agriculture. At least, this is true of the northwestern and pacific states, where the extensive plains make the use of agricultural machinery possible. This naturally led to an unprecedented elevation of the standard in such machinery. The superiority of America was most surprisingly manifested in the steel and iron business, but it was little inferior in other industrial branches. The employment of the best and latest machinery was also accompanied by the most improved organization of the process of production, the most advanced division of labor, and last not least—the most excessive and, from the capitalist standpoint, most rational exploitation and driving of the laboring man. All this gave rise to a new quality of American capitalism, which is commonly expressed in these words: "American labor is cheapest, although it is the most expensive." The germ of truth and sense contained in this sentence is transformed into the opposite by the wrong and misleading wording, so that it appears as an indissoluble contradiction. The same word is here used in two different senses.

The capitalist buys the labor power of the workingman at its full exchange value and pays its price in money, called "wages." The workingman has to deliver his sold labor power by producing a commodity. The capitalist, having bought labor power at its exchange value, exploits it by taking its full use value, and the workingman produces an article which not only covers his wages, but also furnishes to the capitalist an amount above these wages—surplus value.

We need not dwell any further on this well-known Marxian theory of surplus value. It is sufficient to remember that what we call "labor product" is often called simply labor and must always and everywhere have a greater value than that which modern economists term "labor power," while vulgar bourgeois

economy jumbles together indiscriminately productive activity, labor power and labor product, labelling them all labor without distinction. It is this haziness of conception which we must clear up in order to arrive at the solution of the problem before us.

If we say that American labor is cheapest, although it is the most expensive, we are referring to labor in the first half of the sentence as the product of labor, in the second half as labor power. This can be easily demonstrated.

Take it, e. g., that wages in our iron and steel industry are double what they are in England; but thanks to our more highly developed technique and the more intensive exploitation of the laborer, 1,000 men in America produce 4,000 tons of steel in the same time in which 1,000 men in England produce 1,000 tons. The relative wage, or the quota of labor cost per ton, is then only half as high here as it is over there, in spite of the doubled scale of wage. Now this is actually the general condition. We see, then, that the American product is cheaper, because the labor cost is lower, or, in other words, because the labor power of the American laborer, measured by the value of his product, is cheaper than that of the laborers in other countries. The social effect of the technical and exploiting superiority of America has still two other sides: For society as a whole, the more rapid development of the material conditions of a higher social order, of socialism, and for the working class an intensification of the capitalist tendency toward progressive deterioration of the conditions of life. This is shown in the lowering of the average yearly wage, to be felt equally by the receiver of increased, stationary or reduced wages. This tendency is only feebly checked by the opposition of the working class, especially the trade unions.

The most characteristic mark of this tendency is the final exhaustion of the free land which can be cultivated without the help of gigantic arrangements for artificial irrigation. A report of the Department of the Interior to Congress plainly reveals that the supply of such land had almost, if not entirely, disappeared in 1893 or 1894. Nothing remained for new colonists but the back country, removed from the lines of transportation and water courses. A great part of this country is occupied by the so-called "North American Desert," the arid lands between the hundredth degree of longitude and the Rocky Mountains.

The general settlement of the West and the corresponding multiplication of agricultural concerns naturally resulted in an equally large increase of the output of agricultural products. The United States thus became the main exporter of breadstuffs and cannned meat during this epoch, and overproduction in agriculture became a chronic evil for the farming population.

We must here stop in our attempt to give a clear summary of the economic history of the third epoch and be satisfied to have sketched at least the most important factors.

The Political History of the Third Period—A Three-Cornered Fight

The political struggles and endeavors of the thirty years from the end of the Civil War to the beginning of the nineties have the general character of a three-cornered fight.

In one corner we see the Republican party, the victorious champion of the great industrials and protectionists, the capitalist party "par excellence." In another the Democratic party, which also represents some great capitalists, even at this stage, but only those whose interests as financiers and importers are not identical with those of the manufacturers. Apart from these great capitalist elements, this party is the party of the small bourgeoisie and of those little business men who expect to derive certain advantages from the abolition of certain duties. It is on the whole the party of the small people.

In the third corner we find the wage workers. Up to about the end of this period, the American working class has no significant political organization whatever. All the more is it organized for the economic fight which is to be carried on by the trade unions. Numbering about 600,000 members in 1886, the membership of the trade unions has continually increased since then. It even increased during the crisis of 1893-95, the popular prejudice of certain socialists to the contrary notwithstanding, and to-day it comprises about one and a half millions of men and women. A temporary, but insignificant, setback was given to the trade unions by the crisis of 1873-77. After that their stability and general expansion could not be prevented. The end of each industrial depression saw the trade unions in a stronger and more ablebodied condition than the beginning. The gradually weakening echoes of the old feud about the question of state rights and the authority of the national government still float back and forth for a while between the two capitalist parties. At bottom this is only an expression of the economic antagonism, which has lately found vent in the demand for a protective tariff on one side and free trade on the other.

Another conflict of economic interests produces a different effect. The great industrials, represented by the Republican party, have felt the thorn of the labor organizations in their side. The national convention of the Republicans, therefore, raises a cry for a "strong administration" in 1880. A government is wanted that will interfere with rifle and sword, if the wage slaves should dare to rebel against the liberty of skinning them. The first instance of this case on a large scale is the railroad strike in

1877, which led to furious street fights between the laborers and soldiers. This radical tendency of the Republican party had its hero in General Grant, the famous "man on horseback," who did not, however, receive the coveted third term, but had to give way to the more moderate and comparatively decent General Garfield. The Grant boom was a little too premature.

The most pronounced influence of this period was for the time being exerted by a fourth economic factor, viz., the agrarian question in its specifically American form. It began by producing a rearrangement of the political constellation. Our farmers see in the watering of the currency, or let us say in the reduction of the purchasing power of the dollar, the means for accomplishing their one life purpose; the most complete relief from their mortgage debts. If they can only obtain a greater number of dollars for their produce, it is of little moment to them that the dollar will buy only half as much as formerly, for they produce nearly all their own necessities. The reduction of the value of the dollar by half is precisely the welcome means by which they may give half the equivalent for a mortgage or a rent that was contracted on the basis of the full value of the dollar. As for the American wage worker, the greater part of them are not yet class-conscious and always inclined to be dragged along in the political wake of the agricultural and metropolitan bourgeoisie, and to take part in a political mistake of the little exploiters. This intellectual shortcoming is partly accompanied by the idea of a "universal brotherhood," and makes very strange political bedfellows of farmers and wage-workers, especially in the West. Out of these economic conditions and the lack of intellectual maturity arose first the Greenback Labor party, a reform party made up largely of wage-workers, dreaming of an issue of government notes as the solution of the social question. They received about 82,000 votes for this political folly of a paper standard and assignment currency. But later on, when the overproduction in the silver mines had brought about an unprecedented fall in the price of silver, and when the agricultural overproduction had at the same time depressed the price of grain to a ruinously low level, the little bourgeois longing for depreciated money assumed the disguise of the free silver movement. A third now joined the company of the farmer and wage-worker—the silver king, who had a big finger in the pie during this transformation of the greenback agitation into a free silver movement. Free silver on the irretrievably lost basis of sixteen to one is now demanded. They speak of a double standard, but they mean the silver standard.

The Democratic party, predestined by its little bourgeois nature to become the champion of this and similar quack notions,

at first resisted the temptations of the silver-tongued agitators. In 1884 and 1892 it still stood on a sound money platform and captured the presidency in both campaigns with Grover Cleveland as a candidate. But then the end has come. The silver craze mounts to its brains and begins to break its neck.

During this time the revolutionary thought has certainly grown in intensity and volume among the American workingmen, though it is still somewhat affected by utopian ideas. The organization and votes of the Socialist party are not yet felt at this period.

J. L. Franz.

(Concluded in next issue.)