
Capitalism's Fetters on Production

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It is an economic law, proven by the history of production under slavery and feudalism, that when an industrial system, "instead of promoting productions, becomes a hamper upon the productive potentialities of the ever-improving industrial technique," it has outlived its day and is ready to give way to a new industrial system.

If we apply this test to the capitalist system at its present stage of development, we find that capitalism, in place of using the existing productive forces to supply the necessities and wants of society, is hampering and limiting our productive powers. We find that capitalism does not dare use to their fullest extent the productive forces of our present age. Its very existence depends upon limiting these forces.

There are a number of ways in which this limiting of production takes place, but all involve fundamental principles of the profit system.

Under capitalism the production of wealth is carried on for profit. The desire for profits is the motive force which drives the capitalist class to use its capital in the production of wealth. In order to secure profits the workers must be exploited. Part of the product of their labor must be turned over to the capitalist class in the shape of interest and dividends. The result of this robbery of the workers is that they are unable to consume what they produce, because their wages represent only a small part of what they produce and will not buy back all that they produced. The capitalist

class cannot use up all the products which the workers cannot buy back, and when these accumulate further production becomes unprofitable. The result is that production is cut down or stops entirely for a time. Then we have the anomaly of millions of people suffering, not because we cannot produce the things they need, but because we have produced too much.

Capitalism also hampers and limits the production of wealth by keeping thousands of workers in unemployment. The census department tells us that in one year 39 percent of the workers are out of employment at some time during the year and two million workers were out of employment from 4 to 6 months of the year. If these workers were allowed to use their brains and muscle in the production of wealth we could materially add to the amount produced. But this limitation on production by denying employment is necessary to the continuance of capitalism. The army of unemployed is a club in the hands of the master class with which the workers are kept in submission. If there were no unemployed, no strike would be lost. The workers could dictate their own terms to the capitalist and their terms would be that they receive for their labor the equivalent of what they produce. The reserve army of unemployed, however, gives the capitalist power to enforce his terms and continue the exploitation of the workers. The capitalists must, therefore, keep part of the workers in unemployment and deny society

the benefit of their productive power.

The third limitation put upon production by capitalism is in hampering and preventing the complete socialization of the production of wealth. The development of the machinery of production has led inevitably to the trust stage of production. The trusts and great corporations have eliminated a great deal of waste and duplication. We have organized our productive forces on the more scientific basis. We can today produce more wealth and can produce with less expenditure of labor-power than we could during the days of competition in those industries now consolidated. But we have only made a beginning. Production today is still in a chaotic condition. Our further progress toward orderly and effective and efficient organization is hampered and hindered by the clash between the interest of society as a whole and the interest of the owners of industry under our present system of production. We see this clash in our anti-trust legislation, and the outcry against capitalism which has found its most recent expression in the Democratic platform.

The development of our method of production is toward further elimination of competition. But so long as the industries are privately owned, society does not receive the benefit of this development, but rather suffers further exploitation. Private ownership therefore becomes a hindrance to the new method of organization and enhances productive powers. The clash between private ownership and the new organization will inevitably result in the bursting of the bonds which now limit production and the establishment of the old industrial system so dearly, [and] points to the social ownership of the means of production.

Only through social or collective ownership can society secure for all its members the benefit of the improved method of organization. Once we establish collective ownership of our industries we will throw off the clogs and checks of our productive powers and will be able to produce more than enough not only to supply every human being food, clothing, and homes to live in, but the opportunity for education and culture which can make life worth living.

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