

Capitalism's Threat to Democracy

written by Julius Falk (Jacobson) | August 4, 2025



Political democracy and capitalism were never synonymous. The rights of the individual for which early capitalism fought were mainly rights for *itself*. The assumption of the intelligence and rationality of man and his inalienable right to act according to the dictates of his own conscience was the basic philosophy of the theorists of political liberalism; but these concepts were never broadly applied voluntarily by the bourgeoisie.

The democratic rights acquired by the mass of people under capitalism had to be won from the ruling class, frequently after years of bitter struggle and sacrifice.

The Marxist's dispute with liberalism has not been so much over its abstract democratic values as over its confidence in the ability of capitalist society to guarantee and safeguard the rights of the individual. The inability of a society based on increasing economic inequality to preserve, let alone extend, individual liberties has proved to be not "Marxist cant" but the ugly reality of the bourgeois world.

In America, the citadel of world capitalism, the fundamental values of political liberalism, freedom of speech, press, and conscience are becoming increasingly weakened in real content.

The crusade against democracy in the United States is not just the work of evil men, wicked people here and there who are congenitally incapable of appreciating the worth of democracy between campaign speeches. True, not every specific attack on civil liberties is the inevitable result of a socially weakened capitalist class; nevertheless, the poisoned political atmosphere in this country as a whole is the inevitable end-product of a disoriented and frightened ruling class.

This reaction stemming from a fear of Stalinism is heightened and exaggerated by the primitive character of the American bourgeoisie.

America's economic titans have notoriously been men with social understanding of very modest proportions, and its political leaders and statesmen significantly lacking in political education. A quick glance at the chief executive, his advisors, and Congress should suffice. It is a paradox, indeed, that the most powerful capitalist nation in the world is led by a bourgeoisie which is more politically bumbling, inept, and crude than its European counterparts. The peculiar arrogance and crudeness of this class bears a direct relationship to the excesses of the post-war reaction. But it would be self-deception to see this reaction as primarily due to the backward social psychology of the ruling class.

Drive against Civil Liberties

Within the American capitalist class there are many conflicting crosscurrents; conflicts arise from sectional differences, power interests, ideological antagonisms, economic loyalties, etc. On the

question of civil liberties these differences are no less real.

The mentality and approach of [Senator Joseph] McCarthy cannot be identified with the techniques of [former president Harry] Truman. But important as these differences are, they are not nearly as profound and irreconcilable as they and their supporters would lead one to believe. One of the great hoaxes of our decade is the manner in which the "liberal" wing of capitalism, the Fair Deal wing, with the assistance of what remains of the liberal press, has passed itself off as the defender of the best in American democratic traditions.

It is conveniently forgotten that it was the Truman administration which provided the soil in which the McCarthys could breed. The loyalty oaths, the purges, the advice to individuals to keep a sharp eye on their neighbor and report misdeeds, the Smith Act, etc., were among the dubious accomplishments of the New and Fair Deal administrations. These sanctimonious unliberal "liberals" of the Fair Deal are less extreme and less militant in their witch hunts than the McCarthyites, but they are no less responsible for the ever-widening shadow that is now obscuring hard-won democratic rights.

The Fair Dealers are themselves somewhat frightened—and sometimes victimized—by the reaction which they have set in motion, but that is no reason to believe that if they remained in the Washington saddle they either could or would restore the civil liberties which they have been so instrumental in partially liquidating. Not for all his forceful and pious campaign promises would a Stevenson administration effectively cope with the instinctive reaction of the capitalist class to the threat of Stalinism and the needs of its Permanent War Economy. Perhaps such an administration would have provided some setbacks for the now rampant extremist McCarthyites, but it would have neither the incentive nor the ability to stem the not-so-creeping tide of reaction in America.

The drive toward a permanent, enforced conformity is the political reflex of a Permanent War Economy. The American ruling class is a frightened class. It does not understand Stalinism; it cannot successfully combat it politically. But it is practical enough to react to Stalinism in a "practical" manner: through a purge system, the organization of a vast governmental apparatus, enormous military appropriations, subsidies and profitable contract awards to private war industry.

A byproduct of this policy is a tenuous and artificial economic prosperity, but its essential aim is military. In this vast political, economic, and military preoccupation with defense, millions of workers, students, and intellectuals are either directly or indirectly involved. Scientific research has increasingly become a military affair, students are potential scientists and technicians working on government projects, and from the bulk of the population are recruited the military forces and the workers in war industries.

In an effort to make their position more secure the leading government bureaucrats and the all-powerful economic interests can only regard non-conformism among the population as a threat to the status quo. The labor movement is looked upon with increasing suspicion and the Taft-Hartley Law is an attempt to ensure the war economy against disruptive class strife.

The academic world bears watching, and McCarthy and [Congressman Harold E.] Velde compete for honors as to who can best intimidate the faculty and student body. Ex-radicals, no matter how they humiliate themselves, cannot expiate their youthful transgressions to the satisfaction of loyalty boards and congressional committees. Artists and intellectuals who may enjoy some popularity have both their artistic talents and private political activities reviewed by committees of Know-Nothings. A new and more stringent loyalty program is devised by the "liberal" Republican administration which is greeted with accolades by McCarthy, [Senator William] Jenner, [Senator Robert] Taft, and Velde. FBI men assume the unofficial role of political police.

More Ominous Today

These are a few of the political tactics of the war economy. But these methods take on a momentum of their own; the life of the entire nation is affected. Prejudices are revived and new ones created.

The most disturbing elements of the present conspiracy against civil liberties can be seen in those factors which contrast with, rather than parallel, the reaction which set in during and immediately following the First World War. The reaction of the earlier period was in a real sense of a hysterical nature. Newspapers were suppressed, non-conformists jailed *en masse*, political parties driven underground. The authorities in their enthusiasm knew no bounds, they were not inhibited by the constitutional rights of their victims or other legal considerations. Patriotic organizations were inspired to take it upon themselves to raid political offices, break strikes, beat and even murder individuals, and violently disperse peaceable political rallies, knowing full well that they enjoyed a form of government immunity.

The hysteria lasted for over five years, but its life span was limited, and it served no useful economic or political function for the bourgeoisie by the early 1920s. The war was long over, the world revolutionary movement was at an ebb, the American socialist movement had shrunk to relatively small size, the labor movement was quiescent, and the capitalist class felt confident and economically secure in its growing peacetime prosperity. The hysteria, then, was in its degree an aberration of American political life.

The current drive against civil liberties is more ominous, not because it is more violent or more hysterical. The violence was greater in the earlier period and the hysteria more pronounced. Today, however, there is no reason to believe that our "vanishing civil liberties" will be returned by a swing of the pendulum. Basically, the reaction today is in no sense a political aberration. It is slowly being incorporated into the American "Way of Life."

The needs of the war economy, the dynamism of Stalinism, the cold war are all related phenomena providing the stimulus for the current reaction, and none of these factors are of a transitory nature. Much of the legal basis for compulsory conformity has already been established by the three branches of government; and the pernicious doctrine of guilt by association, though without any legal foundation, has been given the virtual status of law through common usage.

The passivity and resignation with which the current reaction is received is no less alarming than the reaction itself. During the Wilson and Harding administrations the hysteria met with a solid wall of resistance from socialists, liberals, and the organized labor movement. Today, this resistance is not to be found on any comparable scale. Even if the Stalinists were the only victims of our thought control experts—which is not the case—it would provide no justification for the failure of liberals to defend their own principles.

It would be unfair, perhaps, to abuse the liberal world too much for its "failure of nerve," for it is obviously more than that—it is failure of conviction. The traditional values of liberalism are gradually being abandoned by their one-time exponents.

The conflict between Russian and American imperialism brings to the fore the inherent contradiction in the political philosophy of men who are theoretically devoted to both freedom of thought and "free enterprise." But freedom of thought and capitalist free enterprise are proving to be mutually exclusive freedoms. Faced with this dilemma and trembling before Stalinism, which they do not understand any better than their more conservative brethren, they are sacrificing their democratic principles for the sake of the cold war.

The extent to which socialists must take up the defense of liberal values, and the degree to which they have been abandoned by liberals and sold out by ex-radicals, is a telling reminder of the backward movement of political life in America. The labor organizations, too, particularly their leaderships, must accept their portion of responsibility for the failure to stem the reactionary tide. Labor has done little on an organized, integrated campaign level to combat McCarthyism, though it is victimized by it, and it remains politically tied to Fair Dealers whose administration initiated the offensive against democracy.

In this situation socialists have a dual responsibility: they must demonstrate how the fight for truly liberal values is inseparable from the fight against capitalism, for socialism; and, second, in a more concrete manner they must emphasize the validity of democratic values which are being called into question by liberals and negated by politicians.

The Right to Dissent

The virtual illegalization of the Communist Party is a case in point. The liberal world has done little to protest it, but has given its tacit and frequently outspoken approval, while the most reactionary elements in Congress find "heavy" intellectual support in the small men of the intellectual world, often former radicals.

Their attempts to prove that the Communist Party is not a party but merely a menacing "conspiracy" consists of dangerous half-truths. The Stalinist movement in this country is, of course, a tool of Russian imperialism, but its membership is voluntary, it is not coerced in joining the party and it does so out of its belief in its ideology and objectives. This membership is just as entitled to its political life as Sidney Hook is entitled to write specious rationalizations for the Smith Act.

It must be understood that an established principle of socialists is the right of all people to organize into political parties of their own choosing, including parties dedicated to the spreading of reactionary capitalist and Stalinist ideas.

Independent Socialists are for full freedom of expression of OPINION, within the framework of the clear-and-present-danger doctrine, and this has a meaning only when it is a question of opinion which we (or anyone else) believe to be harmful, reactionary, false, or what-have-you. The genuine democrat is for this as a freedom for all and not just as a "privilege" for himself, his friends or for opinions which are sufficiently close to his to be considered "tolerable." This we view not only as a guide to civil liberties under capitalism, but also as a guide to civil liberties under the socialist democracy for which we fight.

In the academic world socialists must be no less vigilant in defending the rights of students and faculty. The drive against academic freedom is stifling intellectual life on the campus. The arguments for dismissing Communist Party teachers as such are no more valid than the arguments for suppressing the Communist Party.

There can only be one consideration for determining the rights of an individual to teach: his competence in his field and in his teaching of his subject. Should a Stalinist teacher of math decide to spend his semester extolling the virtues of Russian science, then his competence should be called into question. But by the same token the bourgeois-minded professor who turns his class into a tendentious tirade against radicalism is subject to questioning on the grounds of incompetence and not because of his political views. The same would apply to the socialist or any other instructor. The same applies to any Catholic teacher who indoctrinates with the pope's views on science and society.

These attacks on the Communist Party and the Stalinist teacher and student are used as a

springboard for the invasion of all liberties of all present and former non-conformists. Liberals may find this abhorrent and extreme, particularly when they themselves are made to prove their innocence of something-or-other before an investigating committee, but they do not understand that a capitalist nation preparing for a total war which is a life-and-death struggle cannot brook real and potential criticism and opposition, and in its drive to attain national conformity will exhibit no squeamishness over whom it victimizes.

*Julius Falk was a pen-name used by Julius Jacobson during the McCarthy era.