

# INTERNATIONAL COUNCIL

## CORRESPONDENCE

---

*For Theory and Discussion*

---

### CONTENTS:

#### **The War in the Far East**

The Development of China

#### *Hitler's National "Socialism"*

#### **The Non-Intervention Comedy comes to an End**

#### *One Year "People's Front" in France*

#### **The Old Hegelian Dialectic and the New Materialistic Science**

#### *New Books and Pamphlets*

Vol. III

Nos. 9 & 10

**OCTOBER 1937**

\$1.00 YEARLY

ENC A COPY



INTERNATIONAL

# COUNCIL

## CORRESPONDENCE

Published at Chicago, Illinois, Post Office Box Number 5343  
By the Groups of Council Communists of America

The period of progressive capitalist development is historically closed. The decline period of capital, a permanent condition of crisis, compels to ever greater convulsions of economy, to new imperialistic and military conflicts, to ever increasing unemployment and to general and absolute impoverishment of the workers. Thus is given the objective situation for the communist revolution in the capitalist countries. For the working class, there is only the revolutionary way out, which leads to the communist society. No one can deprive the workers of this task, which must be carried out by the class itself.

The publishers of Council Correspondence see in the acting self-initiative of the workers and in the growth of their self-consciousness the essential advance of the labor movement. We therefore combat the leadership policy of the old labor movement, and call upon the workers to take their fate in their own hands, to set aside the capitalist mode of production and themselves to administer and direct production and distribution in accordance with social rules having universal validity. As a fighting slogan and statement of goal we propose:

All power to the workers' councils! The means of production in the hands of the Workers!

### THE WAR IN THE FAR EAST

#### Foreword

The center of gravity of world politics has moved from Europe to the Pacific Ocean. All workers should acquaint themselves with the problems of the Pacific, with the development of China and Japan in relation to the policies and needs of the imperialist nations. Imperialism today is different from what it was 20 years ago, just as capitalism today has features unknown to it 20 years back. The problems of Asia are determining for the whole future of world capitalism. The following series of articles, to be continued in the next issue of the Council Correspondence, can not pretend to do more than present an outline of the more important phases of the question of Asia. And here we shall proceed from the simple to the complex. Beginning with an account of the history and development first of China and then of Japan, we shall proceed to touch upon many problems facing each of these countries and the problems which they have in common, again in connection with the imperialist policies of the western capitalist powers, especially England and the United States.

Under the general heading "The War in the Far East" the following chapters will appear: Outline of Chinese History / Chinese Economy / Foreign Capital in China / The Chinese Revolution / "Soviet-China" / History of Japan / Japanese Economy / Sino-Japanese Relations / Russia in Asia / The Asiatic policy of



England and the U.S.A. / The new Role of Imperialism / Limits of Capitalization / Possibilities / The Final Necessity.

Sources used in connection with this series comprise so many different books, papers and documents of unquestionable veracity that, wherever possible, we abstain from quoting. But we wish to mention the following to which we are greatly indebted.-

Periodicals : Asia, Foreign Affairs, Current History, Living Age.  
Books: Shuhei Hsu, "China and her Political Entity", Shao Chang Lee, "China: Ancient and Modern", J.L. Buck, "Chinese Farm Economy", MacNair, "China in Revolution", Tanin and Yohan, "When Japan goes to War", "Eastern Menace", D. Murray, "Japan". And foremost of all the papers of many western and Chinese authors as the appeared in the "Proceedings of the Conferences of the Institute of Pacific Relations", published by the University of Chicago.

#### Outline of Chinese History

China had its origin in the basin of the Yellow River. Through colonization it expanded southward and into Manchuria and Korea. Chinese colonization dates back as far as 1100 B.C., when the present Chinese territory was still divided into many hundred feudal states. But at the time of Confucius (551-479 B.C.) centralization of political power had reduced the number of independent states in China to 160, and 50 years later there were only 8. In 300 B.C. China's rule over Manchuria had been consolidated. The construction of the Great Wall began as a protection against the desert tribes and Nomads.

In 1277, Kublai Khan, grandson of the conquerer Genghis Khan, declared himself emperor of China, establishing his capital at Peking. In 1368 this Mongolian Yuan Dynasty was overthrown and the Chinese Ming Dynasty established, which in turn was overthrown by the Manchus, who in 1644 founded the dynasty which was to last until 1911.

Under the Manchus the Chinese empire was extended from Manchuria to Tibet and from Outer Mongolia to the island of Hainan. More than 4,000,000 square miles with several hundred million people. (Chinese, Manchus, Mongols, Kalmuks, Tibetans, Miaotzus, and Lolos.) Chinese influence and authority extended to Korea, the Liu Chiu islands, Annam, Siam, Burmah, Nepal, Bhutan, and Sikkim.

With the beginning of the 19th century the rule of the

Manchus began to weaken. Political and economic stagnation within the country maintained misery and led to friction. Contact with European countries changed in a rather short time the entire social and economic life of vast areas of the country and ushered in a period of permanent unrest and revolutionary movements.

Chinese customs and thought were brought to the attention of Europe through the traders and Jesuits. Chinese arts and crafts aroused the admiration of European aesthetes. Chinese silk manufactures, porcelain, needle work, wall papers and architecture were adopted in European cities, while its philosophy influenced many important European thinkers.

But if China enriched European culture, she received in return nothing but disturbances with their negative as well as positive aspects. International trade and its tool, the Christian missionary, came to challenge China's political supremacy in Asia. The "Opium War" with England in 1840-1842 showed the weakness of China as well as that of its dynasty and led to a series of attacks by European powers.

Previously, at the time of the coming to power of the Manchus, an attempt to acquire Chinese territory had been made by Russia. 200 years later, half of Manchuria had been lost in this way, but Russia was able to hold this territory for only 10 years. The "Opium War" gave Hongkong to England and opened Canton, Amoy, Foochow, Ningpo and Shanghai to international trade. Between the years 1856 and 1860 China was once more engaged in wars with England and France, which meant more concessions and privileges to these powers, and also more treaty ports. After 1860 the western Powers dictated China's foreign relations.

At the same time that France and England entered China's territory, Japan was setting out on the path of modernization, not only in order to safeguard her own territory but also her interests in China. The determination that Asia should belong to the Asiatics characterized Japan's imperialist policy from the beginning, but this eastern "Monroe Doctrine" could mean in practice nothing but China's subordination to Japan.

Sino-Japanese enmity dates back to the war of 1237, in which China failed to subdue the then much weaker adversary. Friction between these countries has more or less always existed. Before the Sino-Japanese War of 1894-5, Russia took parts of Chinese Turkestan, and France began to control Annam. Other dependencies were lost to England and Japan. The War of 1894 was



fought over the control of Korea; it ended with a Chinese defeat and led to the declaration of Korea's independence, which practically meant its subordination to Japan. Soon, Italy entered the Chinese scene, and so did Germany, and again Russia.

Growing opposition against the foreigners and their demands in China brought about the Boxer rebellion of 1900. The opposition was directed also against the rule of the Manchus, which were largely blamed for China's weakness. The Boxer rebellion was suppressed by the imperialist Powers, and more concessions were wrested from China. However, early hopes of a partition of China by the invading capitalist nations were only to a small extent fulfilled; not only because of the strength of Chinese resistance and the expensiveness of such an enterprise, but also thanks to the rivalries existing among the different imperialist powers, to which the United States had to be added at the beginning of the 19th century. Russia's occupation of Manchuria, for instance, met with strongest opposition on the part of Japan and led to the Russo-Japanese War of 1905, which ended Russia's rule in Manchuria. The war also freed Japan's hands in Korea and added the southern half of the island of Sakhalin to her empire. The Germans were driven out of China territory in the course of the World War. Despite the fact that China had declared war on Germany, she was not allowed to participate in the spoils. What Germany lost was gained by Japan.

After the Boxer uprising the Chinese national revolutionary movement grew to ever greater proportions. Chinese capitalists, merchants and intellectuals studied the ways of western capitalism. Reform movements developed. Revolutionary activity under Sun Yat Sen led to a revolutionary war in Central China in 1911, to the overthrow of the Manchu dynasty, and the establishment of the Chinese Republic.

The revolution failed to bring national liberation. The concessions to the imperialist nations continued to eat from the incomes of the Chinese. In Manchuria, Japan strengthened her influence. The South Manchurian Railway was constructed. After 1912, England cooperated closely with Japan in relation to her China policy and against Russian interests. In 1911 Mongolia was set up as an independent nation under Russia's protectorate. Since 1917 Japan has supported and financed Manchurian forces struggling for independence and coordination with Japan. Armies were built up, the seaport of Dalny was developed. The Chinese Eastern Railway was controlled by Russian imperialism. In 1919 the

Bolsheviks declared null and void all Tsarist agreements with China, returned Manchurian territory and surrendered the Chinese Eastern Railway. But a year later this altruistic policy, based on opportunistic needs of the moment, was again abandoned.

In China there arose a demand for reforms after the Japanese example. The capitalization of the country slowly continued. Forces of reaction attempted the restoration of the Empire. The South and the North split. Civil War initiated the period of the war lords. The generals allied their own interest, of a sectional character, with one or the other of the rival capitalist nations. Some Chinese demanded cooperation with Japan against the white powers under the accepted slogan, Asia to the Asiatics. Others wanted cooperation with Russia against Japan and for national liberation, for the forming of a strong nation in accordance with the Russian example. Still other war lords fought for outright British interests, and some for no other interests but their own. China in turmoil meant that her territorial and administrative integrity was less and less respected. Outer Mongolia became a puppet state of Russia, just as "independent" Manchuria played the same role to Japan. Manchuria and the province of Jehol were transformed by Japan into Manchukuo. The rest of the country was almost continuously engaged in warfare.

Provincialism was still stronger than nationalism. The Northern (Peking) government was looked upon by the Southern (Canton) government as the puppet of foreign bankers. Joffe, and later Borodin, of Russia, attempted to help the Chinese national liberation movement, that is, to coordinate Chinese with Russian interests. Since Russian cooperation lasted till 1927, when the Kuomintang, or Nationalist Party, broke with Russia and established the National Government at Nanking.

The first party congress of the Kuomintang was held in 1924. Its program was designed to raise China to a position of freedom and equality among the nations. The leader of the Kuomintang, Chiang Kai-shek, became the dictator of a movement which recognized that "equality" among the nations presupposes equal strength. The capitalization and unification of China was the first necessity. But the Russian (Bolshevik) course appeared less applicable to China. Six years after the World War, international capital had had time to reorganize and recuperate, so that the situation was quite different from the one in which it had found itself in 1917. The forces in China opposed to efforts directed toward state capitalism in the Russian sense were powerful, the elements in favor of it too weak. Support of capitalism,



national and international, was essential in order to develop the prerequisites for a Chinese national capitalism. Chiang Kai-Shek turned his back to Russia as soon as such a move was found opportune. But he could not persuade or force the whole country into line with this move, a situation which led to many years of civil war between the so-called "Communists" and the National Government. Chiang Kai-Shek consistently pursued a policy of cooperation with world capitalism, simultaneously taking advantage of the rifts among the nations on questions of the Pacific.

The National Government, established by the Kuomintang at Nanking in 1927, set out to transform the country into a strong centralized nation. Some of the concessions which China had previously been forced to grant to western Powers were cancelled in return for the promise to maintain private property economy in China and for the turn of face in relation to Russia. The League of Nations declared itself willing to assist in the work of national reconstruction. America saw in this turn of events a guarantee for the maintenance of the Open Door and developed a friendly attitude towards China. China gained time to recover her strength and coordinate the discordant interests within the country.

In 1931-33 Japan occupied Manchuria. Since then she has penetrated economically deeper and deeper into northern China. Chinese protests increased in volume correspondingly. Friction between Chinese and Japanese forces became more serious with time, till the exchange of shots at the Marco Polo Bridge, near Peiping, in the summer of 1937 led to the beginning of a new war with Japan which threatens at this moment to become a real world war.

## CHINESE ECONOMY

### Agriculture

Chinese society is mainly agricultural. The relative stagnation of that society is a matter of comparatively recent times, for history of China, like that of other countries, is one of change and development. From tribal ownership in the pastoral stage, over a period of ownership of all land by the emperor, to the present mixture of private and public land holding: thru all runs a history of exploitation in different forms.

At a later stage of Chinese society land was distributed to the nobles and feudal lords, but simultaneously out of society itself private property laws

developed with the growth of social complexity. Surplus labor was - and still is - appropriated in the forms of labor rent, rent in kind and in money. The feudal lords and, later on, the State, secured control over necessities such as iron, salt and the irrigation system as a means of taxation, but in doing so they also promoted production and helped to establish its social character.

Chinese culture, admired by the aesthetes the world over, was the monopoly of the ruling classes. The common people, the farmers, gardeners, woodmen, herdsmen, weavers, servants and laborers, have always led a wretched life, thus justifying the saying of the philosopher Mencius that "Man lives in difficulties and dies in comfort."

40 % of all usable land is classed as public, either clan land, village land or government land. About half of all other land is worked by "free" peasants, who are exploited by way of taxation. A struggle for the shares of the farmers' surplus labor has long been raging between the State and the landowners, which in part also accounts for China's disunity. In some of the provinces 75 % of the peasants are tenants of absentee landlords, which explains the success of the bolshevik peasant policy in those areas. Small farms are predominant, though not to the absolute exclusion of larger ones. The low degree of industrial development forces the peasants to remain on the land. Only a small minority can migrate, the cities being as yet unable to absorb the agricultural surplus population. After farms have grown to a considerable size they are again split up into small homesteads and divided among the farmers' children. This situation serves in part also to explain the relative stagnation: the low profitability of small farms precludes technological improvements, imposes a barbarous self-sufficiency and hampers the development of farming for the market, a situation which in turn helps to explain the absence of a national consciousness among the farming masses.

Natural difficulties, hard to cope with, such as the frequently recurring droughts and floods, may also serve as an explanation of the backwardness of Chinese agriculture. More so, however, the social complications and obstacles to a progressive development. The agricultural implements used in China are primitive, the means of transportation extremely bad. The horizon of millions of Chinese is bounded by life in the village. Handicrafts are based on a few village necessities. So far, emigration has been the only way out of a situation which became unbearable. This way out, however, is more and more precluded through



lack of colonizing possibilities, and new miseries are added to those already experienced. The productivity is lower than in other countries. American cotton, for example, sells cheaper than Chinese cotton, and is of better quality. The long years of civil war have brought the agricultural population near exhaustion. Exactions of officials have been heavy. Not only are heavy taxes imposed on the people, but their provisions and even their carts, horses and coolies are requisitioned, leaving them without all means of subsistence. As a result of civil war, all state income is wasted on military expenditures, and nothing can be spared for the development of industry. Every time a war breaks out, not only is transportation by land and sea impeded, but damage is done by bandits and by people forced into this position by sheer economic necessity.

After 1927 the National Government attempted a series of rural reforms to relieve the farmers' distress. Several farm banks were established, several thousand credit cooperative societies founded. Attempts are being made to teach the farmers the use of better seeds, improved farm implements and pest-fighting methods. Certain crops, as for instance cotton and tea, are especially fostered. But the existing misery proved too great for the inadequate reform measures. The agrarian problem could not be solved. Irrigation works are falling into ruin. Famine has become a constant phenomenon. Agriculture is no longer able to feed the population. Food for the cities has to be imported. Under the great burden of ground rent, of usury, of taxation, there is no possibility of a change for the better. The North China Herald of January 24, 1934 states: "The figures given by the International Famine Relief Commission indicate that the annual income of 76.6 % of the farm families is below \$ 201 but that their average expenditures amount to \$ 228.32. That means that only 23.4 % of them is able to live without going into debt, and this only in a normal year. High rent, low wage, exorbitant taxes, usurious interest on credit, and unfair exploitation of cereal merchants are responsible for reducing the peasant income to such a deep-sunken level. Rural China is now bankrupt. Millions of farmers have perished. Millions are deprived of their homes, land and all means of subsistence." The only remedy for this situation is capitalization. The old mode of agricultural production, that is, the production for direct use, can no longer feed the population and create the necessary surplus product and set free the necessary labor to industrialize the country. The new mode of production, that is, for the market, must overcome all obstacles still in the way and establish the basis for extensive capitalization of the whole country.

The prevailing industrial system in China today is essentially that which predominated in most parts of the West till the 19th century. The transition from handicraft methods and small productive units to factory production set in with the opening of Chinese ports to foreign commerce. The first rice cleaning mill was established in Shanghai in 1863, the first silk filature, in 1873, the first coal mine in Kaifeng in 1878; the first match factory in Shanghai in 1881, the first cotton spinning and weaving mill in the same city in 1890; the first iron and steel works in Wuchang in 1890; the first oil pressing mill in Newchang in 1895; the first flour mill in Shanghai in 1896.

The industrialization process was slow. But its tempo was hastened during the World War, which shut off the supply of European goods and led to the development of native capitalist enterprises. The pace of industrialization since that time is illustrated by the following figures: Coal output rose from about 13 million tons in 1913 to about 21 million tons in 1920, an increase of 59 %; the iron-ore output from about 959,000 tons in 1913 to 1,865,000 tons in 1920, an increase of 94 %; the iron output from 256,000 tons in 1913 to 428,000 tons in 1920, an increase of 67 %. Taking 1913 as 100, the quantity of filature silk export attained 168 in 1919; that for bean-oil export, 480 in 1919; that for cotton spindles in operation 372 in 1920; and that for tobacco import, 140 in 1920. In the trade and transport field, however, the increase during the World War period was not so great as that in mining and manufacture. In foreign trade the quantity of Chinese imports showed an increase of 19%. In transport the length of railways increased from 1913 to 1920 by about 8%. The tonnage of the steamers entered and cleared in the treaty ports during the same period increased by 12%.

After 1920, in mining, the coal output increased from 159 in 1920 to 188 in 1929; iron-ore output increased from 194 in 1920 to 209 in 1928. The iron output, however, decreased from 167 to 123 during this period. For silk filature output, the increase was from 168 in 1919 to 217 in 1929. In foreign trade the quantity index of Chinese exports increased from 119 in 1920 to 166 in 1928, while that of imports increased from 106 to 188. In transportation the greatest increase occurred in shipping: from 114 in 1920 to 171 in 1929. The increase in railways was from 107 to 136.

Among all the Chinese provinces, industrialization in



the modern sense is confined chiefly to six: Kiangsu, Liaoning, Hopei, Kwangtung, Shantung and Hupeh. These six provinces, embracing about one-tenth of the national territory, contain 35% of the total population. Kiangsu is the most industrialized, leading in cotton spinning, silk reeling, electric power capacity, whole sale trade, foreign trade, and foreign trade. In it is located Shanghai, the largest city of China (3,100,000 population). Wushih is the Chinese city with the highest degree of industrialization. Tientsin is the largest industrial and commercial city in northern China. Other important industrial and commercial centers are Canton, in Kwangtung; Tsingtoo, in Shantung; and Hankow, in Hupeh. These examples must here suffice to illustrate the relative insignificance of Chinese industry. Such industrialization as exists in these six provinces is very limited in scope and still plays an insignificant role in the total economy, as well as on an international scale. As regards mining, for instance, China produced in 1927 only 0.5 % of the world's iron-ore; 0.03% of the world's copper; 1.6% of the world's coal. The cotton industry in 1930 had only 2.6% of the world's total of spindles, 0.9% of the world's total of power-looms. Of the total silk production that entered world trade in 1925, China supplied 20.4%, while Japan supplied 64.8%. For the year 1929 the per capita foreign trade expressed in gold dollars was only 3.15% for China. At the end of 1924, China had only 0.95% of the world's railway mileage.

China's industrialization faces tremendous difficulties. The basic minerals needed for industry are very scarce. Capital is insufficient, and the whole Chinese situation makes it difficult to obtain large credits. For industrial credits, interest rates are as high as 10%. The capital invested in industry - in the individual enterprises - is relatively small, impeding increase in productivity and hampering the competitive power of Chinese capital. This small capital basis also explains the backwardness of industrial management, which can not be compensated by cheap labor. The productivity of the Chinese worker is low in spite of the extensive exploitation. The hours are long, usually 12 a day, and woman and child labor is general. Entire families have to work, as the family head alone is unable to gain enough for his household. Wages in cotton mills average 15 dollar a month. In Tientsin, 21% of the total labor force are children, and 3% women. In Shanghai, children under 12 years of age account for 8% of the total and women for 60%. Measures for the safeguarding of health and for accident prevention are almost generally lacking. The Manchester Guardian Weekly recently published the results of

some investigations made by Dr. Stamper, of the League of Nations Health Department, regarding the conditions of the Chinese workers in the tin mines of the province of Yunnan. The rich Kochin mines are the property of 700 mineowners. The shares of one company earn an average profit of 38% per annum. (Explained partly by artificial price control). Half of the 50,000 workers in the Yunnan tin mines are under 15 years of age. In wet years (particularly favorable for extraction) the number of workers goes as high as 100,000. In mines considered to be well equipped, children carry loads of tin weighing as much as 60 lbs. through underground tunnels and up a 700 ft. shaft to the surface. Facilities for washing or changing clothes do not exist, though at the pit bottom the temperature frequently mounts to 130 degrees. There are no means of sanitation. The recruitment of the workers is for periods of 10 months. Their parents receive from 10 to 30 dollars in advance, and this virtual serfdom is remunerated at an average wage of 10 cents a day, in some cases as little as 1 cent. A few skilled workers manage to get 40 cents. Estimated mortality is 30 % of the roll annually, and survivors are not expected to live long. The tin-ore at Kochin contains 8 to 10% arsenic oxide.

In a futile attempt to eliminate some of the miseries of the working population the government passed a Factory Law, but its enforcement is hampered by the burning need for profits. The term factory in the Factory Act was furthermore so defined that it affects a comparatively small number of establishments and leaves untouched the thousands of small workshops where the conditions of employment are worst. It is impossible under the prevailing conditions to be humane and at the same time in favor of capitalist industrialization. Capital is created by blood, sweat and tears, not by legislation and good will.

Estimates of the number of factory workers in China range from 500,000 to 1,460,000. About 2,300,000 workers are engaged in mining. Under the Kuomintang rule, since 1927, the trade unions, which once claimed more than 2,000,000 members, have declined to about 576,000 in 1930. In 1928 the minister of Industry, Commerce and Labor completed a survey of the trade union movement, recording the existence at that time of 1,117 unions with a membership of 1,774,000, more than a million of whom were asserted to belong to "provincial labor unions" in Kwangtung. The city of Shanghai, in 1928, had 129 unions with 18,133 members; Tientsin had 76 unions with 21,580 members; Wushih, 29 unions with 20,883 members; Hangchow, 49 unions with 33,906 members, etc. In 27 principal



cities, 741 unions existed with a membership of 576,250. The Kuomintang has stripped the unions of practically all power. Anti-strikes laws are rigorously applied, whereas before the establishment of Chiang Kai-Shek's dictatorship strikes were of frequent occurrence. The unions are based on the principle of the American company unions, their expenses are paid by the employers, and politically they function as an instrument by which the government exercises control over the workers. So that under the rule of the Kuomintang the unions have ceased to be instruments of the workers.

The situation in China has not decisively changed since 1929, either in relation to industrialization or to the position of labor. The world crisis brought stagnation and decline to China as to other countries, and China has also been affected favorably by the revival. But it is impossible to speak of further progress since the world depression of 1929-32. China's further development faces so many difficulties, natural, economic and political, that a decisive change for the better in the near future can not be expected; and therefore social unrest, inflamed by increasing misery, is bound to continue. The situation of the laboring population and the policy of the employing class has been very well expressed in a Memorandum on Agriculture and Industry in China (International Research Report) where R.H. Tawney says: "Whether urban poverty may not be preferable to the life of many villages in China is a matter of opinion. To that of some of them - since one cannot easily do worse than die of hunger - it certainly is; to that of others, it may be suspected that it is not. But the fact that peasants are starving in Shansi or Kansu is not a reason why factory operatives should be sweated in Shanghai or Tientsin. It is difficult to be patient with the casuists who plead in one breath for the industrialization of China on the ground that it will raise the standards of life in agriculture and, in the next, defend low standards in industry on the ground that those prevalent in agriculture are still lower."

( To be continued in the next issue of C.C.)

#####  
"CLASS-WARFARE is a disease which may occur during the process of social progress.... China must seek to solve her economic problems realistically and not be moved by mythical ideals and empty theories. The so-called disparity between rich and poor is really non-existent in China, the only difference being between those who are extremely poor and those who are a little better off." -- Says the Manifesto of the 3rd Plenary Session of the Kuomintang, February, 1937.

# ONE YEAR " PEOPLE'S FRONT " IN FRANCE

On June 30, 1937, the Blum cabinet resigned. It was succeeded by a new "People's Front" government with Camille Chautemps, an exponent of a petit-bourgeois party ( the Radical Socialists) as premier, with Blum as vice-premier and with the socialist unions and the Communists supporting it. Since then, " the bankruptcy of the French Peoples Front " has been regarded as a definite fact by all left worker groups. There is criticism of the treachery of the Blum, Jouhaux and Thorez, of tactical faults of the three organizations and of the tactic leading to a People's Front as such. However, in question is not the faulty "tactics" of the old mass organizations but the fact that these organizations with all their historically possible tactics are no instruments fit for any radical action toward socialism.

This is the lesson of the one year of Popular Frontism in France. The function of the so-called socialist-reformist mass organizations is in a state of transformation with the transformation of world capitalism. And the "People's Front" (P.F.) policy is one ~~form~~ of achieving this transformation through the medium of the old leadership which adapts itself to the new objective situation. Who still believed in the socialist goal of the reformist organizations will now once more be disillusioned. But the concrete part of the reformist program was reformism and through the latest events in France, it once more becomes evident that the main reforms of the Socialist Party and union programs become a substantial part of the social and economic conditions of the new form of organized capitalism which we see developing all over the world.

It is therefore not the task of revolutionary theory to "unmask" the bureaucracies and actions of the old workers' organizations but to show how the policy they pursue is the logical synthesis of their program and their adaptability, for which they have always been famous.

Let us make a brief account of the achievements of the P.F. government "in the direction of socialism", which took place since June 1936, together with reference to their actual class content.

The policy resolved upon in the P.F. agreement of the Socialist Party (S.P.) and the Communist Party (C.P.) in the summer of 1935 - and in the extraordinary convention at Toulouse which in February 1936 brought about the merger of the CGT (S.P. Unions) and the CGTU (C.P. Unions) resulted in a tremendous increase



in membership and power for all three organizations.

The S.P., before the P.F. policy, was a small opposition party with some 10,000 members. Today, it has swollen to a giant party of over 200,000. It was augmented by large peasant and petit-bourgeois layers which consent to the social policy of this government party - as the results of the cantonal elections (elections outside of Paris) of 10/11/37 again prove. They also obtained a large number of workers especially of those who were disgusted with the chauvinistic and dubious methods of the C.P. and who therefore preferred the S.P. as the lesser evil.

The CGT numbered before the merger about 600,000, the CGTU -on paper- 300,000. One year later, after 9 months of P.F. government, the united unions claimed 5,000,000 members. (Compare this with the relatively miserable result of the C.I.O. drive in the U.S.)

And the C.P.? When the united front policy was decided upon -in July 1935 - they admitted to a membership of less than 30,000. One year later, after 6 weeks of P.F. government, they claimed more than 180,000. And even though their upswing was halted in the last half year, (because of their too obviously nationalistic and opportunistic attitude, particularly in the Spanish question) the above mentioned cantonal elections show that they managed to hold their own.

The significance of this development consists in the strangulation of the possibility of independent mass action. By taking the politically most active workers, peasants and petit-bourgeois in these mass organizations, by making them functionaries, they either become bribed by social and economic advantages or they have to submit to the organizational "discipline". It is extremely interesting to watch that development especially in the S.P. in which (recently changed) the democratic method reigned.

As the usual demagogic means, as, for instance, the playing out of the less conscious members of the country against the vanguard elements in the Paris district, no longer sufficed, a real Blum myth began to ebulate through the party - a myth of the infallible party-leader - the savior of the European peace - criticism of whom, of either the person or his policy, would be sacrilegious. The "authority of the party" becomes an increasingly dominating conception of the ideology of the average S.P. member and of his behavior.

Let us take, for instance, Mr. Pivert, the leader of the so-called "left revolutionary opposition", as an ex-

ponent of the more critical membership of the S.P.: In the spring of this year he yet resigned from his governmental post in the State Radio Board with the words: "No, I will not capitulate before the banks and militarism. No, I don't recognize either the 'Social Peace' or the 'Sacred Union'." And after the June 30, after this "capitulation" - if there was any - became obvious for every member of the party, Mr. Pivert failed to say one earnest word at the Marseille convention against the social contents of the party policy. Besides his oft-repeated expressions of solidarization with his "great Chief" Blum, he only reproached the latter for having given up the power, or rather, that he (Blum) had relinquished it too easily, that he did not appeal to the masses for the continuation of the government. So what? One should have spent a year's effort to disarm and lull the workers and now one should throw away these achievements obtained at such great expense and with the help of the Piverts, Zyromski's and the other Thorez'?

Parallel with the disciplining of the rank and file also the convention of the "leaders" have become increasingly mere plebiscite votings for the government's or the party leader's policy. It is worth mentioning how satisfied the C.P. is with this course of stalinist "democratic centralism". They applauded the abolition of the "Discussion Tribune" in the Populaire and they help the S.P. bosses wherever possible in calumniating independence of thought and action of the S.P. rank and file.

The logical end of this development is the "organic unity" of the two parties about which there is today much talking and writing and significantly enough especially in the bourgeois press. The socialist bureaucrats as it appeared at the Marseille Convention fear the higher organizational ability of their future colleagues and they are not very enthusiastic. The Communist are more inclined because their advance as an independent organization seems to be stopped and they promise themselves to profit by the existing discontent of the S.P. membership. Besides the Unity Party is totally a question which the party bureaucracies handle themselves, the party members being faced with accomplished facts.

One of the fundamental conditions of the C.P. is stated to be the recognition of the Soviet Union as the first "Socialist Fatherland" by the S.P. One already sees France as the second socialist Fatherland under the leadership of Blum and Thorez, and - more seriously - the close connection of the Unity Party with the organization of french capitalism for war

(continued on page 43)



THE OLD HEGELIAN DIALECTIC AND  
THE NEW MATERIALISTIC SCIENCE.

# # # # #

On the meaning and import of the explanations furnished by Marx and Engels concerning the relation between their new materialistic science and the traditional hegelian dialectic, even among the Marxists themselves there still, today, prevails a large degree of unclarity. Not infrequently we find one and the same Marxist at different times and on different occasions taking a quite different position. "Marx and Engels themselves understood by the dialectical method--in contrast to the metaphysical--nothing other than the scientific method in sociology; a method consisting in this, that society is regarded as a living organism in constant process of development and the study of which requires an objective analysis of the productive relations in which a determinate social formation is embodied and investigation of the laws of its functioning and development."

Such are the definite words in which, for example, the youthful Lenin--who, in his later period, on the question of the hegelian dialectic and its materialistic application at the hands of Marx and Engels, had a much more affirmative attitude--expressed himself on the relation of Marx and Engels to the philosophical dialectic of Hegel, in a recently unearthed pamphlet dating from the year 1894. He has expressly added that the occasionally noticeable adherence in Marx and Engels to the dialectic "represents nothing more than a vestige of that Hegelianism from which scientific socialism has sprung; a vestige of its manner of expression", that the examples occurring in Marx and Engels of "dialectical" processes represent merely a reference to the origin of the doctrine, nothing more, and that it is "senseless to accuse Marxism of employing the hegelian dialectic."

In reality--as I have set forth more fully in the introduction to my new edition of "Capital"--the method employed by Marx in "Capital" stands in a much closer relation, if not to the philosophically mystified hull, certainly to the rational kernel of the dialectical method of the philosopher Hegel. In however strictly empirical fashion the scientific investigator Marx has taken up the full concrete reality of the economic-social and historical circumstances, no less schematically abstract and unreal appear at first glance, to the reader who has not yet passed thru the stringent school of marxian science, those extremely simple concepts: commodity, value, value form, in which the full concrete reality of the whole being and becoming--rise, development and decline--of the whole present-day mode of

production and social order is supposed to be contained in germinal form from the very beginning and actually is so contained, tho for ordinary eyes hardly or not at all recognizable.

This is particularly true of the concept of "value". As is well known, this concept and expression were not invented by Marx; he found them ready to hand in the classical bourgeois economics, especially in Smith and Ricardo. Marx has criticized the concept and applied it in incomparably more realistic manner than did the classical economists to the actually given and developing reality. To a far greater degree even than in Ricardo, precisely in Marx is the actual historico-social reality of those relations which he expresses with this concept an indubitable, palpable fact. "The poor fellow fails to see," writes Marx in a letter dating from 1868 with regard to a critic of his concept of value, "that even if my book contained not a single chapter on value, the analysis I give of the actual relations would contain the proof and the demonstration of the real value relation. The twaddle about the necessity of proving the value concept rests only upon the most complete ignorance both of the matter in question and of the method of science. That any nation which ceases to work, I will not say for a year, but for a few weeks, would die of hunger, is known to every child. He also knows that the masses of products corresponding to the different needs demand different and quantitatively determinate masses of the total social labor. That this necessity for the division of social labor in determinate proportions can absolutely not be done away with by reason of the determinate form of social production, but can only change its manner of appearance is obvious. Natural laws cannot be done away with at all. What can be changed in historically different conditions is only the form in which these laws operate. And the form in which this proportional division of labor operates, in a state of society in which the coherence of social labor asserts itself as private exchange of the individual labor products, is nothing other than the exchange value of those products."

But now compare with that the first three chapters of "Capital" as they present themselves to one who still knows nothing of all these realistic "backgrounds" of the author. Here we have at first, to be sure, a few concepts actually taken up out of the "phenomenal world"; that is, out of the experiential facts of the capitalist mode of production; among others, the quantitative relation appearing in the exchange of various kinds of "use values", or the "exchange value". This accidental exchange relation between use values, which



here still bears a trace of empiricism, is then, however, forthwith replaced by a new something, won thru abstraction from the use values of the commodities and which only appears in this "exchange relation" of the commodities or in their exchange value. It is this "imminent" or inner "value", won thru disregard of the phenomenal world, that then forms the conceptual starting-point for all the succeeding deductions of "Capital".

The very first basic clarification of the connection between "value" and "labor" takes place only upon this concept of "imminent value". It is not until we follow the further course of the investigation that we are led back to "exchange value", now defined as "value form"; and it is not until the reader has worked his way thru Marx's masterly development of the value form of the commodity to the money form that he is permitted, in that resplendent discourse on the "retrohistoric character of the commodity", to get a glimpse of the unveiled secret and to learn what in reality is concealed behind "exchange value" and the accompanying "value". He learns that this "value" of the commodity does not, like the body of the commodity and the bodies of the commodity owners, express something physically real, nor, like use value, a mere relation between a present or produced object and a human need, but rather reveals itself as a "relation between persons which is concealed beneath a material casing", a relation which belongs to a determinate historical mode of production and social formation, but to all earlier historical periods, modes of production and social formations was completely unknown in this "materially disguised" form, and for future modes of production and social organizations, no longer resting upon commodity production, will once more become quite superfluous. Like Robinson Crusoe on his island, so also the future free socialist society "will not need to express the simple fact that 100 square yards of cloth have required, say, 1000 hours of labor for their production in the squint-eyed and senseless manner to the effect that they are worth 1000 hours of labor. To be sure, then also society will have to know how much labor each useful object required for its production. It will have to establish the production plan in accordance with the means of production, to which belong in particular also the labor powers. The useful effects of the different use objects, balanced among each other and with respect to the quantities of labor required for this manufacture, will finally be determining for the plan. The producers will manage everything very simply, without the intervention of the much celebrated "value". These statements of Friedrich Engels, formulated later in popular and illuminating manner on the scientific basis of Marx's "Capital", contain the whole secret of value form, of exchange value

and of "value".

Nevertheless it would be over-hasty, merely because of these at first glance superfluous circumstantialities of the dialectical manner of presentation, completely to throw away the whole marxist dialectical method as a mere artifice and, say, as was once done a number of years ago by Trotsky, to bring up the ticklish question as to whether in the end it would not have been better if "the creator of the theory of surplus value had not been the universally educated doctor of philosophy Marx, but the turner Bebel who, ascetically economical in living and in thinking, with his understanding as sharp as a knife, would have clothed it in a simpler, more popular and more one-sided form?"

The real difference between the dialectical method of "Capital" and the other methods prevailing in economic science down to the present time does not by any means lie, as that question seems to presuppose, exclusively or mainly in the field of the scientific (or artistic) form of the thought development and presentation. The dialectical method employed by Marx is rather also in its contentual outcome most highly in keeping with a science directed not to the maintenance and further development, but to the militant undermining and revolutionary overthrow of the present capitalistic economic and social order. It does not permit the reader of "Capital" to relax for a single moment in contemplation of the directly manifest realities and connections between them, but points everywhere to the inner unrest in everything existing. In short, it reveals itself with respect to all other methods of historical and social investigation extremely superior in the fact that "while supplying a positive understanding of the existing state of things, it furnishes at the same time an understanding of its negation, of its necessary decline; regards every historically developed social form as in fluid movement, as transient; and let nothing overawe it, but is in its very nature critical and revolutionary".

It is precisely upon this stringent method, never deviating from the once chosen basis, and assuming nothing untested in advance from the superficial and prejudice-laden universal "experience", that the whole formal superiority of the marxian science rests. Once this feature is quite struck out of "Capital", one arrives in actuality at the standpoint, quite divested of scientificity, of that "vulgar economics" so bitterly ridiculed by Marx and which, in matters of theory, continually "relies upon appearances as against the law of their manifestation", and practically in the end merely defends the interests of that class which in the momen-



All this is not to assert, however, that such real, comprehensive and profound scientific recognition as has resulted for Marx from his genial application of the dialectic taken over from Hegel is possible still today and for all future time only thru an unmodified preservation of this "dialectical" method. By the side of the great advantages which it presents and which have just been indicated, the dialectic reveals, not only in its hegelian "mystified" form (as so-called "idealist dialectic!"), but also equally in its marxistically "rational" transformation (as so-called "materialistically turned-right-side-up dialectic!"), certain other features which are not wholly in harmony with revolutionarily progressive, anti-metaphysical and strictly experimental-scientific main tendencies of marxian investigation. Consider, especially, the peculiar manner in which Marx throuth "Capital", as also in his other works, makes use of the "dialectical" concept of "contradiction"; hence, say, the rather frequently occurring remark that any "contradiction" which turns up in connection with an expounded concept or law or formula--for example, the concept of "variable capital"--in reality is no argument against the use of this concept, but rather is merely an expression of "a contradiction inherent in capitalist production". In very many cases, however, a closer analysis shows--and it has been stated also by Marx himself in connection with this very example of "variable capital"--that the alleged contradiction is in fact non-existent, but is merely made to appear as such by way of a symbolically abbreviated, or for other reasons, unintelligible manner of expression. In those cases, however, where such a simple setting aside of the contradiction is not possible, anyone who objects to this talk of contradiction in a conceptual deductive sequence presenting itself as strictly scientific will have to comfort himself for the moment, with respect to such features of the marxian dialectical method, with Goethe's sentiment regarding similes (already brought to mind by Mehring in his interesting study of Marx's style), which the poet justifies on the ground that he could not otherwise explain himself:

- 20 -

- Korsch -

- 21 -



## THE NON-INTERVENTION COMEDY COMES TO AN END IN SPAIN.

At the beginning of August 1937 the "Daily Herald" reported that the Secretary of the London Non-Intervention Committee had sent an appeal to the delegates of the Committee. This appeal did not, as one might assume, refer to the obvious sabotage of the work of the committee by certain countries but to the omission of fulfilling their financial obligations toward the committee. Of the 27 countries that had pledged cooperation and adherence to the Non-Intervention pact no less than 26 failed to pay their financial share. Only Great Britain herself paid the dues.

This is a reflection of the real conditions backstage. England, from the beginning, was the party most interested and concerned in the Non-Intervention Pact and profited mostly by it. If there was serious concern over settling the international conflicts, then there would have been plenty of occasion for the League of Nations to interfere, in accordance with the principles laid down in the Spanish conflict as soon as it was known that Italy and Germany sent regular troops to Spain. However, England had no reason to object too violently against this action because she was more concerned with France in this instance. England, "faithful" ally of France, had already indicated by a separate naval treaty with Germany that she was unwilling to tolerate a military hegemony of France over Europe. A France that is menaced from the Pyrenees and threatened in her African possessions will be much more willing to entertain English demands than a France that, protected by the Maginot-Line, would continuously find support in a peaceful republican Spain.

These are contradictions of capitalist economy. The imperialist thieves agree only in one respect: in the common action against "Bolshevism". The situation is cleverly taken advantage of by the fascists who, under hypocritical threats of sanctions, undertake little wars independently.

The reputation of fascism in the capitalistic world can be improved only by these independent actions. On the other hand, the conflicting interests of international capitalism play their role, in relation to the distribution of profits in the capitalistic world. Even the League of Nations cannot be expected to do more than any other cartel; the struggle of competition can be eliminated only on the surface, the economically stronger enterprises still grabbing the largest portions of the total profits.

Where crude force does not attain the goal, intrigue begins. Even the British Empire has sensitive spots where it may be hurt. In the first respect, there is the seaway to India which, passing Gibraltar, leads to the Mediterranean. Today there are mounted, on Spanish territory, opposite the Fort of Gibraltar, German guns of heaviest caliber, the shells from which easily reach not only the port but also the strait of Gibraltar. This "unfriendly" act of Germany is supplemented by the successful attempt of Mussolini to incite the Islamic world to rebellion against England. (Italy also can be blamed partly for the riots in Palestine.)

But, all these circumstances were only secondary in giving the Non-Intervention Comedy the decisive turn which is immediately before us. A development, a so-called "innerpolitical" affair, in a country that was once known as "backbone of the world revolution" had a catastrophic result: the Moscow trials decreased considerably the value of an allied Russia for the world powers. And here in particular the trial against Tuchatschewski effected far-reaching militaristic activities: Japan believes that the moment has arrived when she may continue her attacks on China. England certainly would not mind if Russia is threatened from the East, but unfortunately this implies the possibility of damaging her own interests in India and Australia. And England's rather strong position in Singapore was assured only at a tremendous financial cost. The struggle for the key position in the Pacific has begun and even America, whether she wants it or not, will be drawn into the conflict. The real "world war" is just approaching.

The inner dynamic of capitalism, collapsing under its own burden of necessity, influences the political situation. The treaty of the "democratic" powers of the West with Russia was only of temporary importance: a new Locarno four-power-pact (England, France, Italy and Germany) is in formation. The Non-Intervention Comedy has fulfilled its purpose. It was a tragedy that the "socialist" Government in France was forced by circumstances to participate in this comedy. Capitalists know where to attack: if once the currency of a country starts to become unstable then the downfall of a "people's front" is not far away. The stock exchange assumes the function of Government ruling, elects suitable secretaries and disposes of unwanted ones. It would not matter if the People's Front in France sympathizes ideologically with the Valencia Government; the capitalists of the world know what is in the game if fascism in Spain is defeated.

There remains, of course, plenty of rivalry between



different capitalist countries. Mussolini, for example, would be at any time willing to turn against Hitler, no matter how much at present a Rome-Berlin agreement is valued. There would be no real difficulties to find enough capital from one or another nation for investment in Abyssinia which possesses valuable soil for exploitation. Money doesn't smell. In Spain, as well, the question does not resolve itself in the defeat of "Polshewism", but the main object is the exploitation of mines and especially the acquisition of the mercury monopoly of that country.

The conflict in Spain teaches a serious lesson to the world proletariat: that it is impossible for the workers of one country to do away with their own bourgeoisie. The class front of today embraces the whole world. The decisive battle between international capitalism and international socialism has begun. The masses were aware of this long before the leaders of the socialist movement began to realize it. The volunteers who hurried to the Spanish Front from all countries to help their fellow workers defeat the fascists understood that not only the fate of the Spanish working class but that of the world working class was at stake. The working class organizations, however, furthered the Non-Intervention Comedy insofar as they propagated the slogan: Democracy against Fascism. Even to this day these socialists look at England and France as democratic powers. In the "Sozialistische Warte" of Aug. 1, 1937, E. Vandervelde makes a statement in which he gently reproaches the representatives of the democratic countries of the Non-Intervention Committee that "with the approval of their respective governments, they permit the fascists gangsters to lead them by the nose" But, in reality, it is the proletariat that is "led by the nose" if it falls for such hypocritical statements as "the democratic countries tried in vain to fight successfully the fascist gangsters".

The present English Premier N. Chamberlain approaches more frankly the real conditions when he protests against a differentiation between fascistic and democratic countries. He knows quite well that not only the fascists consider a treaty merely a piece of paper when necessity demands, but that this applies to any other capitalist country including England. And if Mussolini declared cynically that when conquering Abyssinia he only followed English colonial policies, he can truthfully point to historical events. In reference to Spain, he also frankly confessed that "in this great struggle which represents two forms of culture and two entirely different world views, fascist Italy could not remain on the neutral side". Slowly but steadily the picture improves in vision.

International capitalism has a very clear conception about the real factors underlying the economic development, and it is not denied that the present "prosperity period" is due to the enormous rearmament projects carried out all over the world. The socialist's newspapers, however, changed their policy. Nothing is mentioned any more about the crisis involving the economic structure of the entire capitalistic system. From their viewpoint everything is to be explained by a "faulty program of capitalist rationalization" which would mean that the change in the "organic composition of capital" was brought about by the deliberate acts of some irresponsible entrepreneurs and not by the economic forces and contradictions inherent in the capitalistic system itself. That such an ideology can express itself at a time when there are millions of unemployed (in spite of the flourishing rearmament industries) is to be explained by the development and failure of the socialist movement of the past years. The tremendous ideological confusion in the socialist camp that followed the collapse of the socialist movement in Germany and Austria, and which was intensified by the recent developments in Russia, is best illustrated by the attitude of socialist leaders in the Spanish situation. In the article by E. Vandervelde, mentioned above, he criticizes the "system of one-sided neutrality" in Spain and he concludes as follows: "If in any country the socialists, under the influence of certain considerations, would follow the neutrality pact, or would restrict themselves to weak protests of a policy whose fatal consequences are becoming very conspicuous, then by this very act they would exclude themselves automatically from international socialism."

Correct! And now may we ask what has been done by the socialists of all countries to uncover the swindle of the Non-Intervention-Policy? They precisely restricted themselves to "weak protests" against the neutrality policy of the democratic countries. Apart from the solidarity of those volunteers that went to Spain and the delivery of war material thru Mexico and Russia--which was a business transaction as any other--where was there proof of "international socialist cooperation"? We may quote here the General strike of English Miners in 1926, whose terrible defeat was the result of insufficient international solidarity. Instead of collecting funds and assuring them moral support, the miners and sailors of Germany, France, etc., should have aided their British fellow-workers by refusing to dig and ship coal to England. Instead, they continued working and thus became--whether knowingly or not--strike-breakers. It was lack of international solidarity which brought the British miners down in defeat, and again it is lack of international solidarity which stabs the



Spanish proletariat in the back. If the workers of the world do not realize this very soon, the capitalist non-intervention comedy will have fulfilled its purpose - namely, to turn it into a proletarian non-intervention tragedy.

- Hartwig -

o-o-o-c-o-o-o-o-o-o-o-o-o-c-o-o-o-o-o-o-o-o-o

o-o-o-o-o-o-o-c-o-o-o-o-o

# HITLER'S NATIONAL "SOCIALISM"

A study of official statistics shows the changes in the real income of the German workers since Hitler came to power as follows:

|                                       | 1932            | 1936   |
|---------------------------------------|-----------------|--------|
|                                       | (million marks) |        |
| Incomes (wages & salaries)            | 26,001          | 34,540 |
| Supplementary incomes:                |                 |        |
| Unemployment relief                   | 2,812           | 865    |
| Rent reductions                       | 200             |        |
| Benefits from Social Insurance        | 3,007           | 3,360  |
| Decline in savings                    | 200             |        |
| Marriage loans                        |                 | 60     |
| Winter aid                            |                 | 200    |
| Reductions in fat prices              |                 | 100    |
| Total gross income                    | 32,220          | 39,125 |
| Deductions:                           |                 |        |
| Wage tax                              | 781             | 1,497  |
| Contributions for unemployment relief | 205             |        |
| Poll tax (increase 1936)              |                 | 100    |
| Workers contribution to:              |                 |        |
| Unemployment insurance                | 515             | 750    |
| Other social insurance                | 1,300           | 1,656  |
| Contributions to Winter aid           |                 | 110    |
| Other compulsory contributions        |                 | 40     |
| Total deductions                      | 2,801           | 4,153  |
| Total Net Income                      | 29,419          | 34,972 |

This net income must be translated into terms of purchasing power, for in 1936 prices were higher than in 1932. The official cost of living index of the Reich Statistical Office is of no use for this purpose. This was admitted in Nov. 1935, even by the Institut fur Konjunkturforschung in its half yearly report. Commodities are both dearer and poorer in quality. Taking everything into account, it is certainly no exaggeration to say, so far as the bulk of the workers is con-

cerned, at least 125 Marks must be spent in 1936 to get anything like what could be obtained in 1932 for 100 Marks. To allow for this in calculating the change in the purchasing power of the net income of the German workers, we must make a deduction of 20 per cent in the figure for 1936, which reduces this to 28,000 million marks as compared with 29,400 million marks in 1932. So that the purchasing power of the workers has thus not increased by 33 per cent as the Nazis claim, but has decreased by 5 per cent. This in spite of an increase in the employment figures by 35 per cent, and in spite of an increase in the total industrial working hours of 84 per cent.

That is what Fascism means to the workers. For the ruling class, it has been a brilliant stroke of business. The employers have gotten about 14,000 million working hours for nothing.

- H. S. -

o-o

## NOTE

THE COUNCIL CORRESPONDENCE OFTEN ACCEPTS ARTICLES FROM WRITERS WHO ARE NOT AFFILIATED WITH THE GROUPS OF COUNCIL COMMUNISTS. THESE ARTICLES ARE SIGNED TO DENOTE THAT WE DO NOT NECESSARILY ENDORSE THE VIEW OF THE WRITER. ALL MATERIAL PRESENTED WITHOUT SIGNATURE IS TO BE CONSIDERED AS THE COLLECTIVE WORK OF THE MEMBERS OF THE GROUPS OF COUNCIL COMMUNISTS. WE WILL APPRECIATE SUGGESTIONS, CRITICISM AND ARTICLES.

\*\*\*\*\*

## IN FOLLOWING ISSUES OF THE C.C.

ORIGIN OF ORTHODOX MARXISM.-BERNSTEIN, KAUTSKY, LUXEMBURG, LENIN. --- BY KARL KORSCH.

HISTORY OF THE MARXIAN IDEOLOGY IN RUSSIA - KARL KORSCH.

MARXISM AND PSYCHOLOGY - DEVELOPMENT OF THE COMMUNIST PARTY OF GERMANY - BY CARL SCHLICHT.

ALSO OTHER INTERESTING ARTICLES.

SUBSCRIBE TO THE COUNCIL CORRESPONDENCE. - \$1.00 PER YEAR.  
P.O.BOX 5343,  
CHICAGO, ILL.

#####

READ: OUTLINE STUDY COURSE IN MARXIAN ECONOMICS  
Based on Vol.I of Capital, by Karl Marx.  
50 Cents



AFTER THE REVOLUTION - Economic Reconstruction in Spain Today. By D.A. Santillan. Greenberg Publishers. 127 pp. \$1.25

To Santillan, one of Spain's prominent anarchists, there are three practicable schools of economy: 1-private capitalism; 2-state capitalism; 3-socialized economy or communism. He rejects the first two and chooses the third "not only because it is more just, but because it is the only means of overcoming the monstrous contradiction of competitive production based on profit" (p.79). To make such an economy possible, all power must rest in the hands of the workers since "no one knows better than the workers themselves the capacity of each one in a determined establishment" (50). As the best and most democratic form of representation, he proposes the council system which is to be organized as follows: in each establishment the workers would appoint an administrative and technical council; these councils would form a syndicate and the syndicates would be coordinated in the council of the industry branch. In this way all establishments would proceed from the simple to the complex; from the factory council to the syndicate; from the syndicate to the branch council; from the branch council to the local federation; and from the latter to the regional and ultimately to the national council. (52).

According to this plan, production and management will be organized from the bottom up. It will be noted, however, that the syndicates (unions) continue to function and the position assigned to them by Santillan is a very important one inasmuch as they should act as mediators between the factory councils and the branch, regional and national councils. "The workers, administrators, and technicians of each shop or factory would be guided and coordinated by the function of the syndicates" (57); which means, in simple and direct language, that the syndicates have the last word. Regardless of what the workers in any given factory might want or propose, the syndicate, as the guide, will determine the course. Even if we go so far as to admit that during the first phase of the revolution many workers might remain indifferent to the needs of the revolution and thus unduly stress production and consumption resources, we maintain that the dual power exercised by the syndicates constitutes a grave danger towards the development of real communism, the society of free and equal producers. It must be borne in mind that syndicates, including the anarchist CNT,

are pre-revolutionary organizations which were organized principally to wrest concessions from the capitalist class. In order to do this most efficiently, a staff of organizers, an apparatus, was necessary. This staff became the new bureaucracy, its members the leaders and guides of the workers. (Though the CNT did not pay high salaries and changed the personnel rather frequently, it could not eliminate the apparatus as such which, in spite of counter-arguments, permitted the development of a bureaucracy.) This bureaucracy, whether it consists of good or bad leaders is of no concern, -Santillan wishes to keep intact and expects from it "guidance" in the workers' attempt to reorganize society along communistic lines. To us, this form of dual power, at the best, will lead to state capitalism, the very thing which Santillan so vehemently decries in his articles dealing with Soviet Russia's economy. In Russia it is one party which exercises the power; in Santillan's anarchist Spain the syndicates will do it; the result is the same.

Santillan's program has striking similarities with the post-war German factory council system. There, too, the workers were permitted to elect councils and voice their demands and grievances; there, too, the unions acted as guides and advisors, and in such efficient manner that not only the bosses but also the workers themselves soon laughed it out of existence. We recognize, of course, the difference between the type of organizations and the situation the anarchists might find after "their" revolution, and yet, we consider our parallel quite fitting. We do not ask, "Who are the organizations that head the workers?" We insist on knowing "who is actually in control over the means of production", and upon this answer we base our analysis as to the character of the revolution.

In Spain, as elsewhere, the task of the revolutionary forces is not to consolidate the power of any party or syndicate, but to curtail and, if possible, abolish it at once so that the revolution may live, that revolution which aims to abolish the existing capitalistic relationship - wage slavery. Dual power breeds unrest, disintegration, favoritism, exploitation. To avoid it, all power must rest in the workers' councils. They alone are capable of reorganizing society without, and even against, the educated guides. The councils will need technicians and statisticians, to be sure; but these will have no executive power. They will merely carry out the orders of the workers, be it a plan for a new factory or the compilation of data assembled by factory councils. In Santillan's plan, however, technicians and statisticians shall determine the required volume of production that is needed to give to each worker so and so much of this or that commodity. In



reality this would mean almost unlimited power over the mass of consumption goods on the part of the statisticians against which the workers have practically no means of opposition. The result would be the renewal of the class struggle, the syndicates and their statisticians playing the role of the former capitalist exploiters. But this plan is also impracticable from the viewpoint of a planned economy inasmuch as the market will function as the regulator of supply and demand much the same as under capitalism where this phenomenon leads to competition, shortage of profits, and finally, crises.

---

THE CRISIS AND DECLINE OF CAPITALISM. Published by International Council Correspondence, P.O.Box 5343, Chicago, Ill. 28 pp. 10 cents.

This pamphlet should be read by all workers interested in Marxian economics. It outlines the principles of Capital, the theory of value and surplus value, the consequences of the accumulation process based on value production, and illustrates these postulates from the history and the present status of American capitalism. Mainly, the pamphlet deals with Henryk Grossman's exposition of Marx theory of Crisis and Collapse, published in 1929 in Germany. As this book is unfortunately not yet available in English, the pamphlet becomes a necessity for those workers interested in the advance of economic thought among Marxists. The theory of over-accumulation, by which all existing under-consumption theories in vogue in the labor movement are shown up as ill-conceived Marxism, revolutionizes not only the theoretical, but also the practical, problems of the class struggle. The development of crises, the forces which overcome depressions, the tendencies stalling off the collapse of capitalism and also their historical character, which make for the permanent crisis of capitalism, are explained in a manner as simple as possible. Consideration is also given to the present "boom" and its limitations.

As the edition is limited, it will be wise to order a copy at once.

---

ECONOMIC WELFARE by Oscar Newfang. A Plan For Economic Security For Every Family. 187 pp. \$1.50  
Earnes & Noble, Inc. New York.

In a brief and well written exposition of the mechanism of the present economic system, Oscar Newfang presents laissez-faire as the cause of all existing social misery.

In this system the masses become more and more impoverished, the rich concentrate more and more of the Social Wealth in their hands. This situation is reflected in all phases of social and economic life and brings about crises and depressions; that is, situations in which commodities cannot be sold because of the insufficient purchasing power of the masses. Newfang's argumentation quite often sounds as if presented by a socialist, though he favors a "middle course between extreme laissez faire and the extreme regimentation of fascism or communism", and proposes a system which he calls "Economic Government". No longer shall economics and morals be divorced. He conceives a plan by which to bring security to every family without abolishing the classes. Economy is to be regulated by governmental control. This economic government would promote thruout the country the free and clear possession of farms and homes. The wage system would be replaced by a partnership system which would eliminate unemployment and the class struggle. After these basic demands, Newfang outlines the consequences of the proposed fundamental changes of the system in all spheres of industrial and social life, on the basis of a National Economy as well as from the point of view of world capitalism. His plan is based on the assumption that capitalism can be regulated, organized and planned. There is no need on our part for a theoretical refutation of this book, as we have already tried often enough to show that a planned capitalism is an impossibility. In practical life there is nothing which would lend support to Newfang's utopian ideas. His "partnership" system is, furthermore, only another name for a somewhat modified wage system; it does not preclude exploitation. Newfang does not say in what way, by what means, his plan could be realized, and that, in our opinion, is just as well. A middle class mind is trying to find a solution for society which favors the middle class. But history is destined to be made by the proletariat which cannot regulate, but only abolish, the capitalist system of production.

---

AN OUTLINE OF FINANCE. By Arthur Woodburn.-The N.C. L.C. Publishing Society, 15 South Hill Park Gardens, London, N.W.3. 181 pp. 2/6.

This text book throws light on what, to the average man, are the "mysteries" of finance. It deals in simple language with the gold standard, banking, trustification, the creation of credit, the financing of a company, the Stock Exchange, inflation, balance sheets, local government finance, national finance, etc. The book begins with the origin of the existing social



system and ends with a sketch of the economic future of society. Socialism to the author is what it was for Lenin, "nothing but the next step forward from state capitalist monopoly...nothing but state capitalist monopoly made to benefit the whole people". And so it is clear to Woodburn "that socialists will require to have control of social administration for some time before the point defined as socialism can be reached. Otherwise, socialism would be established by non-socialists--an extremely improbable supposition." An "extremely improbable supposition" for the social democrat Woodburn. To him, "labor's first duty in the realm of finance is to obtain the power of directing the wealth in desirable directions instead of undesirable, e.g. to house building rather than to gambling institutions; to education rather than to war preparations". "To suggest", he says in a footnote, "that nationalization of the banks, etc., means that the socialists in power are going to appropriate the depositor's money is as ridiculous as to suggest that to municipalize the reservoirs means that the councilors will drink all the water. The simple fact is that instead of the flow of investments being, as at present, directed by irresponsible stock exchange speculators, they would be under the guidance of public experts acting according to the principles of public policy."

To Woodburn, the "control of capital means control of capitalism. With the nationalization of investments, insurance and banks, the great bulk of the available capital would be under the direction of the government, and it would then be possible to guide its investment in the direction of building up a socialist economy". So that to Woodburn it is not the abolition of capital-relations, but the control of capital that means socialism. Governmental control of capital means, for the workers, that they will then be controlled by the government instead of by the individual capitalists. Control of capital always means also control of the workers. What Woodburn is aiming at is not socialism at all, but state capitalism. And for his new system of exploitation, he naturally needs the carrying over of the "mysteries" of finance into the new society. But apart from his bureaucratic illusions about socialism, his description of the financial mechanism of capitalism makes worth-while reading for the critical worker.

---

SOCIAL SECURITY, by Abraham Epstein. League for Industrial Democracy, 112 E. 19th St., New York City. 36 pp. 10 cents.

Epstein sets forth in this booklet, written from a

capitalist-liberal point of view, the necessity for an extensive program of social security similar to those which have been in effect for almost 50 years in some European countries. To him the aim of social insurance is "the establishment of a minimum level of economic sustenance below which no one should fall during such emergencies as unemployment, sickness, invalidity and old age". He explains the existing Social Security Act and subjects it to some criticism. "The basis of the Act must be changed from a private insurance scheme to a socially and economically constructive social insurance program. The Social Security Act must be amended so that it will enhance national security thru a better balance in the national economy achieved by increasing mass purchasing power thru progressive taxation". Obviously, his whole argument is based on a consistent ignorance of fundamental problems of capitalism. He never inquires whether all his proposals are objectively possible, or whether, if carried thru, they would actually mean an easing of the lives of the poor. The quest for social security is so much nonsense. Laws enacted for this purpose can only prove the absence of all security. What Epstein is really concerned with, even though he may not know it, is the organizing of the existing and growing misery to safeguard the present social system which he mistakenly thinks capable of balancing the national economy. The social reformer steps in where the clubs of the police prove inadequate. For demonstration of this fact, and also for the information contained, this pamphlet may be recommended.

---

INDUSTRIAL UNIONISM IN THE AMERICAN LABOR MOVEMENT.  
by Theresa Wolfson and Abraham Weiss. League  
For Industrial Democracy. 52 pp. 15 cents.

This pamphlet, though written by people to whom labor problems and organizations are a phase of bourgeois sociology, nevertheless makes worthwhile reading. The authors think themselves very progressive for fostering the C.I.O. movement; but in order to arrive at this point of view, they sketch the whole development of trade unionism in America in such an efficient manner that their pamphlet should be in the hands of all workers. Considering its size, we feel justified in stating that it is probably the best exposition of the development of the trade unions published of late. It starts with the earliest attempts at organization, describes the rise and decline of the Knights of Labor, the attempts of the I.W.W. at industrial unionization, explaining the success and the shortcomings of the A.F. of L. and suggests also the economic reasons which led to the present C.I.O. movement.



THE LABOR SPY, by Gordon Hopkins. Social Action.  
32 pp. 10 cents.

This study is largely based upon the evidence presented before a subcommittee of the Senate Committee on Education and Labor headed by Senator R.M. LaFollette, Jr. While still other sources were records of the cases of the National Labor Relations Board. It deals with industrial espionage, tells how spies are obtained, how they work, by whom they are used, and then recommends some silly legislative remedies,---which reminds us of the much touted Anti-Lynching Law which was supposed to work in the interests of the unfortunate. Here it is in practice: "Penitentiary sentences are being imposed, under the Virginia Anti-lynching Law, on strikers convicted of taking part in a melee at the gate of the Industrial Rayon Corporation's mill at Cowington on July 7th. Union men tried to prevent non-union men from returning to work. Two automobiles were overturned but no one was seriously injured. Instead of preferring assault and battery charges against the strikers, warrants were sworn out under the Anti-Lynching Law, passed in 1928. The three strikers thus far convicted, members of the C.I.O.-textile union, have received terms from two to four years from a jury brought from neighboring Highland County. Attorneys believe that if a single conviction of this sort is permitted to stand, the organized labor movement in Virginia will be virtually destroyed." (New York Times, Aug. 15, 1937) All progressive legislation under capitalism actually furthers capitalist progress which sometimes consists in nothing more than putting workers behind bars. Legislative action against the Labor Spy will be taken when the latter is replaced by something better.

---

JOHN L. LEWIS EXPOSED, by Eric Hass. New York Labor News Co., P.O. Box 1076, City Hall Station. 69pp. 10¢

This pamphlet published by the Socialist Labor Party will make very good reading for workers. To understand the C.I.O. it is also necessary to be informed in regards to its leadership. The dirty history of John L. Lewis in the trade-union movement might somewhat dampen the unjustified enthusiasm which many workers feel for the C.I.O. Although the pamphlet is written in the spirit of competition---that is, the authors see in the C.I.O. a fake industrial unionism and in their own unionization plans the only salvation for the workers, and oppose the rotten leader of the C.I.O. with their own excellent leaders---the material assembled in this pamphlet should, nevertheless, be brought to the workers' attention. The Socialist Labor Party's position on the question of

organization precludes on its part an understanding of the forces which bring about and again destroy unions, whether based on trades or industries. These people cannot recognize the forces which transform labor leaders into fakers, and so they have nothing of real importance to say against the C.I.O. But their pamphlet serves one purpose quite well: that of showing up the lousy character of the fathead by whom the C.I.O. is ruled.

---

THE SOVIETS, by Albert Rhys Williams. Harcourt, Brace & Co.-383 Madison Ave., New York City. 554pp. \$3.00

Sometimes a lack of understanding appears as an objective attitude. Works written with such a "detachment from personal interestedness" are almost always very dull. Williams' book, pro-bolshevik not because he wants to be subjective, but because he does not know any better, proved to be hard reading to this reviewer. Once more Williams restates what was already set forth in so many volumes and by so many people: namely, that there is progress in Russia. And this progress is shown in all phases of social life with the exception of one, the brutal exploitation of the mass of the workers and the consequent political dictatorship over the workers. Williams really does not know what constitutes capitalism, so he cannot be blamed for not knowing what sort of society exists in Russia. He likes it, for he is not one of the Russian wage workers. One of his reviewers has said that this book, on account of its information, may well serve as a useful college course. We must agree it is perfect for such purposes in capitalist colleges. "His system of questions and answers," says the congenitally superficial Duranty, "is the easiest and the best manner of informing the American public about the Russian scene." Surely the "public" should always be served with questions and answers simultaneously. In this way all unwarranted questions are avoided and life becomes much easier. For those people who, like the religious fanatics, can spend a life time in rereading again and again what they already know, this book might be recommended.

---

THE LETTERS OF LENIN, Translated (and often very badly) by Elizabeth Hill and Doris Mundie. Chapman & Hall, London.--Harcourt, Brace & Co., New York. 495 pp. \$4.00

These letters, chronologically arranged, consist of both personal and political correspondence. There are letters to his mother, wife, sisters, brother and others, from prison, from Siberia and from abroad. The



political letters cover the whole period from 1895 until his death. Most of the letters are of no real interest either to the revolutionary worker or to the student of Marxism. They might be of interest to the psychologists and those people interested in the human side of the "more-than-human" leader. Those who worship personalities will discover again in the insignificance of most of the letters the grandiose simplicity of the genius. A few of the letters, however, are very illuminating with regard to the psychology of the professional revolutionist, and also with regards to the character of Bolshevism. It seems in reading these letters, that Lenin was always struggling for supremacy and for domination within his organization and the labor movement. All other aspiring personalities are constantly attacked, belittled or ridiculed. There does not seem to be one who could please Lenin, though there are also exceptions, for he praises a man very much who proved later to be a stool pigeon....

On Oct. 31, 1914, Lenin writes: "The Second International is definitely dead. The opportunists have killed it, (and not "parliamentarization", as that clumsy Pannekoek called it)". As if opportunism were a mental sickness, as if it could be divorced from the objective possibility of being opportunist which was provided by the organization of the Second International, whose existence and importance was in turn largely dependent on Parliamentarism. But Lenin's opponents from the right were not much better treated than those from the left. On Dec. 3, 1904, he says that Trotsky's pamphlet, "Our Political Tasks" is as rotten as himself. And even as late as Feb. 17, 1917, he cries out: "What a swine that Trotsky is". But all this was forgotten as soon as Trotsky subordinated himself under the genius, because after all, Lenin controlled the party machine, and this control he would never give up.

In the autumn of 1920, in a note to A. J. Elizarova, he states: "The basic principle of Government in the spirit of all the decisions of the Russian Communist Party and the Central Soviet institutions is that a definite person is wholly responsible for conducting a definite piece of work. I have been conducting the work and I am responsible. A certain person is in my way, since he is not responsible and is not in control. That is confusion! That is chaos! It is the interference of a person unsuitable for responsible work, and I demand his removal".

This principle of Government precludes a real Soviet rule. Thus also in a letter to the National Commissars (Aug. 29, 1918) he states: "It is essential that in the reports, which ought to be as popular as possible, the

following points should be quoted: ...the participation of workers in the Government, (the outstanding individual workers and workers' organizations, etc.,)..." So that what he has in view is not a workers' Government, but merely their participation in the Government, just as all capitalist governments find it to their advantage to have labor representations. How, in case of the existence of workers' rule could the following order of Lenin be issued, directed to the members of the Council of Defense and dated Feb. 1, 1920: "The railway transport position is catastrophic. Bread transport to Moscow has ceased. Special measures are essential to save the situation. The following measures should be passed: decrease the individual bread rations for those workers who are not transport workers. Let thousands perish, but the country must be saved." But not only the country, also its elite has to be saved. In April of the same year, a very sensitive Lenin, like a real "father of his people", after the latter have successfully perished for the country, writes to his lick-spittle, Adoratsky: "I have passed it on to Comrade Hodorovsky asking him to help you with regard to rations, fuel, etc. Has anything been done to help you in the way of rations? Fuel? Is there anything else you need?" No doubt, also here, Stalin is the best disciple of Lenin, by introducing incomes ranging from 100 to 20,000 rubles.

---

THE WEB OF THOUGHT AND ACTION, by H. Levy.-Watts & Co., London, 5 and 6 Johnson's Court, Fleet St. E.C.4. 238 pp. 2/6 net.

Professor Levy's book, the second volume in the Library of Science and Culture, explores the social and philosophical meaning of scientific advance. The book is extremely well written and its manner of presentation interesting. Experts from a variety of different fields are cross examined in order to find out what they have contributed in their field of study and activity to the order and chaos of modern civilization. And this in order to "unearth a philosophy of life--a philosophy that will lead, if successful, to an understanding of the way in which the world about us behaves and of our conduct in relation to it; and it must fit the one into the other as a united picture". Interviewing the "man on the street", a scientific engineer, a politician, an economist, a representative of religion, a language expert, a social historian, a biologist, a psychologist, and a physicist, Professor Levy assembles a wealth of facts and ideas relating to nature and society which establishes the Web of Thought and Action responsible for the present social misery, but also for the recognition of the necessity for conscious control, "which means



predicting the next higher level of social life, and working consciously for it. That means studying history as a science, and it means emerging from the study and entering the social laboratory where politics is practiced and history is made". Although Professor Levy's approach to social change is still bound up with the traditional position that only theory and insight permit successful action, nevertheless his exposition of the many existing ideas, including his own, is quite illuminating and well worth recommending to readers interested in Marxian thought.

---

EARL BROWDER, COMMUNIST OR TOOL OF WALL STREET.  
(Stalin, Trotsky or Lenin) by George Marlen.  
P.O.Box 67, Station D, N. Y. \$1.00

Marlen's book forces the reviewer to contradictory statements. On the one hand the documentary evidence of the treacherous role of the Comintern and sundry split-off groups is startling, convincing and deserves to be read. On the other hand, the author's theoretical weakness is equally startling and makes for painful reading. The introduction itself, telling of his personal struggle with the Party bureaucracy concerning his novel, "The Road", creates the impression that the present book is mainly his personal revenge for having been shoved aside. Only after all his attempts to further his own personal aims had proven futile did he break with the CP, and that was as late as 1933--after six years of bickering. Of course, we realize that very often only personal experiences open people's eyes, but in this case we have to do with an intellectual who purports to be an independent thinker on political matters. Still, aside from this part of Marlen's book, there remain many pages interesting enough to be read and to be remembered. Especially the quotations from literally hundreds of papers and magazines should prove a useful weapon against the comintern as well as the Trotskyites and other dissenters. But wherever he attempts to answer burning questions of the present labor movement, he reveals an ignorance or a defective sense of reality, which leaves one dumbfounded.

---

FROM LENIN TO STALIN, by Victor Serge.-Pioneer Publishers, 100 Fifth Ave., New York City. 112pp. 50¢

Far from agreeing with Serge on any of the points he raises and answers in this pamphlet, nevertheless we sincerely wish that all workers would read this booklet. Especially his comrades of the Trotsky movement should read it carefully and again. Then he himself should spend some time in contemplation of what he has

written. For Serge here describes a fascistic system just as crude as Hitler's, and just as dangerous for the working class. If he is convinced of what he says, then he must be insane in maintaining farther on with his "Old Man" Trotsky, that Russia is still a Workers' State worthy of being defended by the international working class.

Serge is still a Leninist; that is, an unsuccessful Stalinist, and for this reason he is incapable of describing the period from Lenin to Stalin from a historical materialistic point of view. He sees the whole development largely as the product of bad men, as the result of their wrong ideas, especially Stalin's, or due to a lack of ideas, such as are sacred to Serge. The pamphlet contains nothing which would make clear to workers why Lenin's theories and the Russian scene should lead to Stalinism. The prevailing opinion here is that another policy, probably that of the "Old Man", might have changed conditions in Russia considerably.

History is not looked upon as a product of class struggles, but as if made by the competitive quarrels of organizations and leaders. The individual Lenin is responsible for the success, the individual Stalin responsible for the betrayal of the revolution. But apart from this bourgeois attitude of Serge's towards the Russian revolution, his account of the first years of the revolution and the Third International, as well as of Stalin's period, brings out so many interesting facts throwing light on the whole development, that this pamphlet should be read. We have no interest at this time in presenting a theoretical refutation of Serge's views. We have dealt with Leninism quite often and will deal with it again. But one thing more we must say: the pamphlet is excellently written and will disappoint no one.

---

Leon Trotsky, The Stalin School of Falsification.  
Pioneer Publishers. 336pp. \$3.50

This is the second volume of the selected works of Trotsky, which are being brought out by International Publishers. The first volume, "The 3d International after Lenin", contained Trotsky's criticism of the draft program of the C.I. and a statement of his position on the Chinese revolution. In this second volume, Trotsky demonstrates how the new school of Soviet historians has distorted the history of the Russian Revolution. The idea behind this falsification was not only to eliminate Trotsky's name from that history, but also to undermine the very basis of the revolution. Anyone interested in these quarrels between the bolshevik factions will find the book attractive. We have found it a deadly bore.



L.C.R. James, World Revolution 1917-1936: The Rise and Fall of the Communist International. Pioneer Publishers. 429 pp. \$ 3.50.

This elaborate statement of the trotskyite position is distinguished from other such works in the fact that here the bourgeois ideology underlying the whole of bolshevist thought comes more clearly to light than ever before. It is essentially no more than an idealization of Lenin, of the same sickening sort as the idealization of Stalin in the ranks of the party faithful. History is seen by James, tho somewhat apologetically, as a struggle between principles incorporated in two individuals. Books like this show clearly that the bolshevik movement is related to the workers only in the same sense as is the bourgeoisie: the workers are to be used for the needs of the Party, as they are now used for the profit requirements of capital. Apart from this, all the slogans of the Trotsky movement turn up again; the book contains not a single new thought. The whole work is characterized by such nonsensical statements as the following: "Unless a new International is created, the U.S.S.R. as a workers' state is doomed". In other words, the Russians have to be saved against their own will; for so far, they have killed off their would-be saviors. But the fatherland must be defended, even if this very same fatherland represents only another sort of fascism. Occasionally, however, a doubt creeps into James's mind as to the quality of Lenin's organizational principles. The centralism exercised in the bolshevik party was good for the workers, he says, only because Lenin was such a good revolutionist, while with a Stalin at the head it becomes bad. So that the whole history of the labor movement, which in James's opinion depends on the existence of a party, is now in reality seen to depend on the qualities of the leader (not even leaders, but leader). And this book is dedicated to a "marxist" group!

Many attacks launched in this book upon the stalinist regime are justifiable only on the assumption that the author is ignorant of the pre-Stalin policy of the Communist International. That Stalinism is partly also the product of the Lenin-Trotsky era in Russia, James can not admit, for that would mean to abandon his bourgeois approach to history. Whatever James says about the pre-Stalin period of the C.I. is simply wrong. He speaks, for instance, of the "anarchist tendencies" of the (german) Spartakists, which frightened the then existing workers' councils and precluded an alliance between them and the Spartakists. Leaving the objective conditions to one side, we may say that it was not the anarchistic but the social-democratic tendencies among

the Spartakists which precluded a more revolutionary and consistent policy on the part of this organization. The little success of the Spartacus League might be attributed to a lack of what James calls anarchist tendencies. The early failures of the C.I. are just as closely connected with Lenin and Trotsky as the later failures with Stalin's administration. "The Socialists, in 1918," James says, "were afraid of starting socialism with a ruined economy." They must already, then, have been Trotskyites, because Trotsky said in 1923: "It is not at all in our interest (the interest of the C.I.) to have the revolution break out in a Europe which is bled and exhausted and to have the proletariat receive from the hands of the bourgeoisie nothing but ruins."

Farther on, in speaking of the Kapp Putsch, James says: "The german C.P. put itself at the head of the fighting"; but he does not say that this was done only in support of the democratic regime against the reactionaries, and that after the defeat of Kapp the C.P. helped to disarm the workers and to deliver them over to the capitalists. James goes on to blame the C.P. for its aggressive tactic in Central Germany in 1931; but the fact is that the C.P. was not aggressive at all, but sabotaged the whole struggle. Brandler, then in power, explained the uprising as the work of the Communist Labor Party (K.A.P.D.), for which the C.P. was not responsible. For this service, he became an honorary member of the C.I., to the delight of Lenin and Trotsky. The K.A.P.D. was, in James's opinion, "infested with syndicalist tendencies and did not consolidate itself". The truth is that the K.A.P.D. was always an outspokenly marxist organization; it existed down to 1933, and still plays its part in the illegal german movement. But funniest of all, James actually writes: "If Brandler had met in Moscow, not Stalin... but Lenin, there would have been a revolution in Germany in 1933." How simple world history really is! James's new Song of Lenin provides material for a few good laughs, but otherwise it is devoid of all value.

---

THE NATIONAL DEBT AND GOVERNMENT CREDIT. Twentieth Century Fund. 330 W. 43d St. New York, 1937. 169 pp. \$1.75.

Since 1930, the gross debt of the United States Government has more than doubled, climbing from about 16 to more than 33 billions. This was brought about by way of a policy of financing deficits. The authors of this admirably written volume believe that the increase of indebtedness has not yet undermined government credit. They point out that in most of the european countries the debt burden is relatively heavier. But if the size of the debt is not as yet a cause for



concern to capitalist society, the trend of the development certainly is. The budget must eventually be balanced, unless there is to be inflation. Besides a balanced budget, the authors recommend a debt reduction of one billion yearly. To this recommendation a reviewer in the New York Times has properly answered: "The problem today is not what to do but how to do it." The authors have no real answer to this question. For it is one of the contradictions of capitalism that its government expenditures rise continuously, in spite of the more and more urgent need for cutting down on the part of surplus value floating to the government. The tool of capitalism becomes too heavy for capital. Anyhow, the book may be recommended to workers interested in the difficulties of present-day capitalism.

#### UNEMPLOYMENT and ACCUMULATION

(David Weintraub in TECHNOLOGICAL TRENDS AND NATIONAL POLICY; including the Social Implications of new Inventions. Report of the Subcommittee on Technology to the National Resources Committee. Washington: 1937. \$1.00)

"The problem of 'technological unemployment' is essentially twofold: One, the expansion of total production sufficiently to overcome the effect on unemployment of declining labor requirements and increasing labor supply; and two, adjustment of the individual employment dislocations, which accompany technological progress. The growth in total output from 1920 to 1939 was not sufficient, in the light of the increased productivity and the growth of the labor supply, to absorb all the available manpower; the result was a substantial volume of unemployment during this entire period. The data examined indicate that.... we must look to a much more rapid expansion of production than has taken place between 1933 and 1935 before we can expect a return either to the employment or to the unemployment levels of the predepression period. A rough calculation indicates that, in order for unemployment to drop to the 1929 level by 1937, goods and services produced would have to reach a point 20 per cent higher than that in 1929, even if the productivity level of 1935 remained unchanged. Further technological advance in industries would necessitate an even greater expansion of production to restore predepression unemployment levels, while a continued relative growth of service activities would tend to minimize the volume of expansion required. The outlook for the immediate future seems to be in the direction of further technological progress...., it may be expected that the dislocations occasioned by technological progress will continue to present serious problems of industrial, economic, and social readjustment."

#### ONE YEAR "PEOPLE'S FRONT" IN FRANCE (continued from page 15)

becomes apparent.

What was the social content of this development, the organizational form of which we referred to? When Blum-Faure supported by Jouhaux-Thorez took over the government we witnessed the most powerful strike wave which the French labor movement had seen in 30 years; and there is no doubt that the assumption of power by "their" government was one of the most encouraging factors in these mass actions, outside of the fact that the social conditions in France, were more backward than in any of the industrially high developed European countries and that the economic upswing had here also already begun.

Statistics of the strikes for 1936 show the character of the sudden swelling of the strike wave better than any words.

| Statistics of the Strikes in 1936 |                   |   |                    |
|-----------------------------------|-------------------|---|--------------------|
| Months :                          | Number of Strikes | : | Number of Strikers |
| Jan. :                            | 51                | : | 8,731              |
| Feb. :                            | 41                | : | 9,142              |
| March :                           | 39                | : | 12,127             |
| Apr. :                            | 32                | : | 12,784             |
| May :                             | 65                | : | 13,727             |
| June :                            | 12,142 (8,941 #)  | : | 1,830,938          |
| July :                            | 1,751 (839)       | : | 181,471            |
| Aug. :                            | 542 (199)         | : | 56,861             |
| Sept. :                           | 699 (310)         | : | 123,592            |
| Oct. :                            | 540 (54)          | : | 21,767             |
| Nov. :                            | 347 (54)          | : | 10,603             |
| Dec. :                            | 239 (85)          | : | 24,868             |

#) In ( ) the number of Strikes with occupation of the factory as fighting form.

The leaders of the P.F. parties were bewildered by this effect of their "appeal to the masses". "The movement sprang up and developed without our exact knowledge of how or wherefrom" said Jouhaux in his speech to the National Confederal Committee on 6/16/1936. But at that time he and his colleagues, the ministers of the People's Front, again had the reign in their hands. At that time the agreement at Matignon was already signed. In face of an uncontrolled mass movement and of form of mass action until then unknown in France, the leaders of the workers' parties and of the unions together with the leaders of the General Employers Organization recognized their common interest in view of a common danger. As result of their cooperative intensive thinking -and they are accusto-



med to logical thinking in such situations- they subscribed to the Matignon agreement on June 7, 1936. This agreement is a blanket code, the rules of which the employers obligate themselves to make a part of the singular collective contracts. They promised to grant some concessions to French labor, most of which had already been obtained in the more developed industrial countries. After they saw that the German bourgeoisie could manage quite well with paid vacations, that the 40 hour week did not dispossess American capital, why not deliver these concessions to the French workers through the intermediaries of their union bosses whom they could trust to switch the locomotive of mass activity off the rails of social revolution. And the trust honored them.

With the prelude "the dignity of the worker is now recognized" Jouhaux explained the "glorious social victory" of the agreement to the masses, and he succeeded with the help of the legislative machine of his P.F. colleagues, to return the workers to their jobs!

Besides some gains in the field of social security (new regulations of apprenticeship, advancing the age for compulsory education, lowering the age for pensions of the state employees, and so forth) the social achievements of this legislation can be divided in two parts: the 40 hour week law without lessening of wages and the paid vacations, which were actual advantages for the workers. (The will, however, only be put into practice in the big industries, and only for a relatively small part of French labor, as, for instance, the strike of the Hotel Employees in this summer has shown). But the decisive part of the social legislation is not to be found here, it must be looked for in the obligatory arbitration and such measures as the creation of the Wheat Board.

Obligatory arbitration was contrary to all traditions of French trade unionism. But with the argument that the capitalist employers were opposed to it Jouhaux and Blum made it palatable for the workers. It is clear that the growth of state power which limits the autonomy of the individual capitalist will be fought by him, but that does not mean that the power of the working class increases thereby. On the contrary, the state machine becomes only more effective fulfilling the superpersonal interests of the dominating class. After protracted discussion it is now evident that the Temps, this newspaper become bourgeois, as Jaures called it, wrote quite correctly: "The strike right suspended or not? The reading of the law concerning arbitration and its procedure does not leave any doubt. From now on, every strike is illegal."

And the P.F. government does not conceal the function of the obligatory arbitration as an instrument for "class peace" and "economic democracy". In one of the debates in the chamber Blum characteristically declared: "Yes, the workers' organizations today feel strong enough to realize their duties and responsibilities toward the national life. Nothing could prove this better than their acceptance of such a text!" And in the Senate even more frankly as he retraced the situation at the Matignon Hotel Blum said: "To actualize the economic revival and to ensure the social peace, we have the good fortune to be backed by the unions, who for so many years repulsed the idea of arbitration and its procedure. Let us profit from this situation. If we should not clasp the hand extended to us by the union organizations to assure the social peace and class collaboration we would commit a mistake fatal to our French republic." And as Jouhaux repeated several times: "There can be no question here of one sided sanctions."

The unions are also ready to back the sanctions against those who refuse to submit to arbitration. This is manifest in the discussions of the question, recently again debated in the meeting of the National Confederation Committee of the CGT.

Of particular significance is further the role of the factory delegates. Article 5 of the Matignon agreement states that in all enterprises which employ more than six wage earners, one or more delegates shall be elected by the workers. In his speech of 6/16/36, Jouhaux made it clear that in his opinion shop delegates were to be "under union control". And when it was interposed that there could be a strong influence of non-union workers in these delegations, he shouted to the applause of his audience: "For us, we consider them as nothing and non-existent. The delegates must in no case come from outside the unions. For us, nothing relating to working conditions, exists outside the union organizations. Only the union has the right of intervention!" In that sense, later legislation designated the functioning of the unions and their factory delegates - the transformation of the unions from an instrument of class struggle to a wheel in the modern capitalist state machine - is now substantially completed. So it occurs that in spite of the cancelling of the increase of wages through devaluation, in spite of the worsening of the situation of large sections of the workers, especially in the white collar group, in spite of the fact that at the moment the power of the unions is greater than ever before, there has been in the last month the smallest amount of labor struggle in years. As we tried to show, there is



only a seeming contradiction in that fact. There is no impotence of the working class in spite of but because of their mass organizations. And when we hear the P.F. parties and especially the C.P. melody of the primate of the national production, these tunes seem to come from the other side of the Rhine. Imagine Blum, the leader of a socialist party, going to the workers slaving at the Paris exhibition and asking them to make sacrifices, to work Saturdays and Sundays - "how could you not be touched by the symbolic power of this coincidence... We want to be ready on the first of May, which for 50 years has been Labor's Day. For 50 years workers celebrated under conditions I will not describe here;... it is a sad and heroic, sometimes even bloody history. This time our May Day must become a triumph!"

We discussed here only two sides of the P.F. policy. We did not touch upon the reorganization of the war industry, achieved under cover of "Nationalization". We did not speak of the fact that the Blum government through a series of finance decrees since March of this year did fully reestablish the power of the "200 families". We did not mention the reactionary policy of this "socialistically" oriented government in Spain and its open imperialistic colonial policy. (One must always bear in mind that France is the second largest colonial power and that it exploits 60,000,000 colonial slaves.) These facts are only the other side of the same matter which we treated here from the perspective nearest to the working class.

.....

## NEWS NOTES ON THE C.I.O.

### A Definition

"Unionization, as opposed to communism, presupposes the relation of employment; it is based upon the wage system and it recognizes fully and unreservedly the institution of private property and the right to investment profit." --John L. Lewis in his radio speech; Sept. 3, 1937.

### Miners "Hang" Leaders

Coaldale, Pa., Oct. 8 --Defying the wishes of John L. Lewis and other leaders of the United Mine Workers of America, nearly 7,000 hard coal miners threw down their tools today and walked out of five collieries of the Lehigh Navigation Coal Co. This spontaneous action of the union rank-and-filers, which halted all operations in Panther Creek Valley, was an expression of sympathy for 39 "stay-down" strikers who were in the fourth day of self-imposed imprisonment 1,200 feet underground. Three union leaders and a labor mediator were hung in effigy from football goal posts. New York Times.

## C.I.O. Union Curbs Locals

To prevent the possibility of "wildcat" strikes called by locals without the international board's consent, the final authority to call a strike was placed in the hands of the general executive board by the Industrial Union of Marine and Ship-building Workers of America at its convention on Sept. 25. New York Times.

## Responsibility vs. Irresponsibility

"The United Automobile Workers desires to function as a responsible labor union. The refusal of President Martin to be bludgeoned by irresponsible actions is the best assurance that the U.A.W. is able to assume responsibility and live up to it." --Richard Frankenstein, vice-president of the U.A.W. issued this statement after Homer Martin had pulled a gun on a rank-and-file union delegation seeking to protest against Martin's discharge of "communistic and irresponsible organizers".

Martin admitted pulling a gun, saying: "I have a lot of enemies and I didn't know who was at the door." At a meeting of Canadian automobile workers later in the day, Martin denied that he had pulled a gun. --The Daily Worker printed this story on Oct. 2, 1937, having deliberately delayed its publication by 24 hours according to its own admission.--

#####

PLEASE NOTICE: The New York Public Library needs Council Correspondence, vol. 1, no 1 to vol. 3, no 6. Readers who no longer need their copies should send them to: The New York Public Library, Fifth Ave. and 42nd Street. N.Y.C., or to: P.O. Box 5343, Chicago, Ill.

#####

The Group of Council Communists (New York) announces:

### STUDY CLASS IN MARXISM

Beginning Tuesday, October 19, 1937 at the Labor Temple, 242 East 14th Street (Room 39).

### PROCEDURE

- 1) Popular Introduction and Interpretation of Marxian Theories.
  - 2) Scientific Analysis, based on Capital, Vol. I.  
12 evenings
  - 3) The Communist Society (2 evenings)
- SESSION: Every Tuesday, 8-10 p.m. Dues: Arbitrarily.  
For further information write W.P. Berck, c/o Labor Temple.

The Group of Council Communists (Chicago) meets every Monday, 8 p.m., at Idrott's Cafe; 2nd floor. Lectures, classes, discussions. Admittance free. 3206 Wilton Ave. Near Belmont Ave. For information write to: P.O. Box 5343, Chicago, Ill.