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Introduction

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The following introduction by Paul Mattick consists of the reminiscences, present views and opinions of one of the persons most closely involved with this journal.

—THE PUBLISHER

Introduction

This series of publications, which appeared during the years 1934 to 1943 under the title *International Council Correspondence*, later to be renamed *Living Marxism* and, finally, *New Essays*, expressed the political ideas of a group of American workers concerned with the proletarian class struggle, the conditions of economic depression and worldwide war. Calling themselves Council Communists,¹ the group was equally far removed from the traditional Socialist party, the new Communist party, and the various "opposition" parties that these movements brought forth. It rejected the ideologies and organizational concepts of the parties of the Second and Third Internationals, as well as those of the stillborn "Fourth International." Based on Marxist theory, the group adhered to the principle of working-class self-determination through the establishment of workers' councils for the capture of political power and the transformation of the capitalist into a Socialist system of production and distribution. It could be regarded, therefore, only as a propaganda organization advocating the self-rule of the working class. Because of the relative obscurity of this group and its ideas, it may be well to deal briefly with its antecedents.

Labor organizations tend to see in their steady growth and everyday activities the major ingredients of social change. It was, however, the unorganized mass of workers in the first of the twentieth-century revolutions that determined the character of the revolution and brought into being its own, new form of organization in the spontaneously arising workers' and soldiers' councils. The council, or soviet, system of the Russian Revolution of 1905 disappeared with the crushing of the revolution, only to return in

greater force in the February Revolution of 1917. It was these councils that inspired the formation of similar spontaneous organizations in the German Revolution of 1918 and, to a somewhat lesser extent, in the social upheavals in England, France, Italy, and Hungary. With the council system, a form of organization arose that could lead and coordinate the self-activities of very broad masses for either limited ends or for revolutionary goals, and that could do so independently of, in opposition to, or in collaboration with existing labor organizations. Most of all, the rise of the council system proved that spontaneous activities need not dissipate in formless mass exertions, but could issue into organizational structures of a more than temporary nature.

In both Russia and Germany the actual content of the revolution was not equal to its revolutionary form. Although in Russia it was mainly general objective unreadiness for a Socialist transformation, in Germany it was the subjective unwillingness to institute socialism by revolutionary means that largely accounts for the failures of the council movement. The great mass of German workers mistook the political for a social revolution. The ideological and organizational strength of social democracy had left its mark; the socialization of production was seen as a governmental concern, not as the task of the workers themselves. The workers' councils, which had made the revolution, abdicated in favor of political democracy. In Russia, the slogan "All Power to the Soviets" had been advanced by the Bolsheviks for tactical and opportunistic reasons. Once in power, however, the Bolshevik government dismantled the soviet system to secure its own authoritarian rule. The Russian soviets proved unable to forestall the transformation of the soviet into a party dictatorship.

It is clear that workers' self-organization is no guarantee against policies and actions contrary to proletarian class interests. In that case, however, they are superseded by traditional or new forms of control, by the old or newly established authorities. Unless spontaneous movements, issuing into organizational forms of proletarian self-determination, usurp control over society and therewith over their own lives, they are bound to disappear again into the anonymity of mere potentiality. This is not true, of course, for the

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minority of conscious revolutionaries who expect and prepare for new social struggles and to that end concern themselves not only with the critique of capitalist society but also with the criticism of the means required to put an end to it.

This accounts for the Left opposition within the Communist movement, which arose as early as 1918 and directed itself against the opportunism of the Bolshevik party in its endeavor to secure the existence of the Bolshevik government. Although bad experiences with bourgeois parliamentarianism and with the class-collaborationist practices of trade unionism had turned Western Communists into antiparlamentarians and anti-trade unionists, and thus into supporters of the council movement, the Bolsheviks insisted on a reversal of policies and the return to parliamentarianism and trade unionism. The Communist parties were split and their left wings excluded from the Communist International. Lenin's pamphlet, *Radicalism, an Infantile Disease of Communism* (1920) was written to destroy the influence of the *Left* in western Europe.

With the prestige of success on their side, and with the material means available to government to influence or destroy rival social movements, the Bolsheviks succeeded in reducing *Left* communism to practical insignificance. But it was never completely extinguished and has continued to exist in small groups in a number of countries down to the present day. For a time, it even won a hearing in the United States, where the lack of revolutionary conditions condemned communism to exist in merely ideological form. The formation of groups of council Communists was first made possible here during the Great Depression, which saw the spontaneous growth of organizations of the jobless and of councils of the unemployed.

With the demise of the unemployed movement, the group of council Communists elected to continue to function as an educational organization. A split in the Proletarian party added to their membership and made possible the publication of *Council Correspondence*. At the founding of the group it adopted the temporary name United Workers party, soon to be changed to Council Communists. It was, perhaps, due to the character of the group and its

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intentions that it failed to attract intellectuals into its ranks. With the exception of articles translated from European sources, all the material published in *Council Correspondence* was written by employed or unemployed workers. Contributions were not signed because they expressed the opinions of the group even when written by individuals. There was, of course, no money available to pay for printing, and the magazine was produced by voluntary labor. Only with an increase in the number of readers, which coincided with a membership decline in the group, did it become both possible and necessary to print the journal. In view of the reduced membership, however, it was clear that *Council Correspondence* did not promote the growth of the organization but was practically no more than a vehicle for the elucidation of the ideas of council communism. For this reason the change of name to *Living Marxism* was decided upon. Eventually, however, the general decline of radicalism resulting from America's entry into World War II made the name *Living Marxism* seem rather pretentious, as well as a hindrance in the search for a wider circulation. It was changed to *New Essays*, but this did not yield the hoped-for results. After a few issues it became clear that a sufficient number of subscribers to make the magazine financially viable was not forthcoming.

Throughout the existence of *International Council Correspondence* no attempt was made to simplify its style or content to suit less-educated workers. The intention was to raise their level of understanding and to acquaint them with the complexities of social, economic, and political issues. The magazine was also written for politically advanced workers and for the council Communists themselves so as to improve the collective knowledge of the group. It was a forum for discussion, unhampered by any specific dogmatic point of view, and open to new ideas that had some relevance to the council movement. The magazine eventually succeeded in attracting contributions from Socialist writers who were not associated with the group. And it had, of course, at its disposal the work of some academic people, for instance, Anton Pannekoek (writing under the pseudonym J. Harper), an advocate of workers' councils since their very inception. Others, like Otto Rühle, had been active in the workers' councils in the German revolution. It

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was Karl Korsch, however, who became *Living Marxism's* most prominent academic contributor as well as theoretician of the council movement.

Because large-scale unemployment was the most important aspect of the depression years, it received special attention in *Council Correspondence*—particularly with regard to self-help organizations and direct actions that attempted to alleviate the miseries of the unemployed. Connected with this in a special sense, but also for general reasons, was a great concern with the inherent contradictions of the capitalist system and their unfolding in the course of its development. The nature of capitalist crisis was more intensely discussed, and on a higher theoretical level, than is generally the rule in labor publications, encompassing as it did the most recent interpretations of Marxist economic theory and its application to the prevailing conditions. The various articles devoted to this subject make their perusal highly rewarding even today, since they have lost neither their actuality nor their validity.

In political terms, the rising tide of fascism, and thus the certainty of a new world war, occupied most of the space in *Council Correspondence*—not only with regard to the European scene but also with respect to its interconnections with Asia and the United States. From its earliest beginnings, German "National-Socialism" was recognized as preparation for a war to redivide economic power on a worldwide scale favoring German capitalism. The reactions to Fascist imperialism were considered as being equally determined by competitive capitalist interests. Fascism and war were seen as directed against the international working class, for both attempted to solve the crisis by capitalistic means in order to sustain the capitalist system as such.

The anti-Fascist civil war in Spain, which was immediately a proving ground for World War II, found the council Communists quite naturally—despite their Marxist orientation—on the side of the anarcho-syndicalists, even though circumstances compelled the latter to sacrifice their own principles to the protracted struggle against the common Fascist enemy. The essays devoted to the civil war were of a critical nature and for that reason possessed a high degree of objectivity, which made the failure of anti-fascism—as a

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mere political movement—more explicit. Not only were the political-military struggles, foreign interventions, and frictions within the anti-Fascist camp adequately dealt with, but even more attention was given to the short-lived collectivization of industry and agriculture in the anarchist-dominated centers of revolutionary Spain.

Insofar as the problem of the collective economy has been dealt with at all in nineteenth-century Socialist literature, it was in terms of the nationalization of productive resources and government control of production and distribution. Only with the Russian Revolution did this problem assume actual importance, even though the socioeconomic conditions in Russia allowed for no more than a state-controlled economy that retained all the essential economic categories of capital production. This system may best be described as state capitalism. In spite of its differences from the capitalism of old, it was, as far as the working class was concerned, merely another system of capitalist exploitation. The council movement did not recognize its planned economy as either a Socialist economy or a transition to such an economy, and opposed it not merely by denunciation but by developing its own concept of a Socialist society as a free association of producers in full command of all decisioning power connected with the production and distribution process.

The organization of socialism was, then, a recurrent theme in *Council Correspondence* and *Living Marxism*, for the questions it raised could be answered neither by the localized collectivization of economically backward Spain nor by the centralized government planning in equally economically backward Russia. Quite generally, however, Russia's state capitalism was either bewailed or celebrated as the realization of socialism—or, at any rate, as the road leading to it—and this illusion, though aiding Russian state interests, was detrimental to the international labor movement. It was the function of council communism, through its publications, to aid in the destruction of this illusion. There was no longer an urgent need to oppose social democracy. It had already, through its own practices, demonstrated its non-Socialist character and was now in the process of shedding its Socialist ideology as well. This,

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however, gave the no less counterrevolutionary activities of international bolshevism an unwarranted nimbus. Much space was, therefore, given to analyses of both the theory and practice of bolshevism, going back to its earliest critics, such as Rosa Luxemburg, and bringing this criticism forward by following the history of bolshevism down to World War II. This criticism was all-inclusive, philosophical, political, economical, and organizational, and expressed at an early date what became, only much later, a more widely accepted recognition of the true nature of bolshevism.

Criticism of the old labor movement, whether reformist or revolutionary in its tactics, did not exhaust the repertoire of *Council Correspondence*. Many of its articles and essays dealt with issues of a scholarly nature of more general interest, ranging from problems of psychology, sociology, and literature to such items as geopolitics, nationalism, and imperialism. Quite a number of these essays have been steadily reprinted by other publications and have served different authors as material for their own productions. Yet, for some years after World War II, the ideas propounded in the publications of council Communism seemed to be totally lost. Since then, however, a new interest in workers' councils has brought into being a great international library devoted to the subject and its history. This new interest was undoubtedly fostered by the institutionalization of workers' councils, shop stewards, and workers' committees in almost all the west-European nations, by the rather emasculated workers' councils in the Yugoslav "market socialism," and, last but not least, by their emergence as revolutionary organizations in the recent social upheavals in "Communist" Poland and Hungary. In view of this situation, this reprint of *International Council Correspondence* and its successors is not only of historical interest but may, in a small way, throw some light on the potentialities of a future labor movement.

—PAUL MATTICK

Cambridge, Massachusetts, 1969

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NOTE

1. *Radical Periodicals in America, 1890-1950*, published by Yale University Library, 1964, states erroneously that council Communists "never affiliated with any major party," and that the "great majority of its members were former members of the *German Sozialistische Arbeiter-Partei*." However, council communism was the program of the first west-European Communist parties before they were changed into parties of the Leninist type to fit them into the Third International. As regards the American group, none of its members had belonged to the *Sozialistische Arbeiter-Partei*, which held a position midway between social democracy and Bolshevism. The few Germans in the American group came from the German council movement. The large majority were native workers, and those with a political background came either from the Industrial Workers of the World or from the left wing of the Proletarian party—the most "American" of the three Socialist groups that had vied for Russian acceptance as the "official" Communist party.



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COUNCIL CORRESPONDENCE

ENGLISH EDITION

For Theory and Discussion

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OCTOBER, 1934 - No. 1

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FOR THEORY AND DISCUSSION

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WHAT IS COMMUNISM?

In communism, the process of production is no longer a process of capital expansion, but only a labor process in which society draws from nature the means of consumption which it needs. No longer are values produced, but only articles for use. As an economic criterion, the necessity of which is undeniable, since both production and the productive apparatus must be made to conform to the social need, the only thing which can still serve is the labor time employed in the production of goods. It is no longer the 'value' but the calculation in terms of use articles and the immediate labor time required for their production which is the necessary form of expression of a regulated communist economy.

And so, from the standpoint of Marxism, the Russian experiments in planned economy are not to be rated as socialistic. The Russian practice is not directed according to communist principles, but follows the laws of capitalist accumulation. We have here, even though in modified form, a surplus-value production under the ideological camouflage of "socialist construction". The wage relation is identical with that of capitalist production, forming also in Russia the basis for the existence of a growing bureaucracy with mounting privileges; a bureaucracy which, by the side of the private capitalist elements which are still present, is strictly to be appraised as a new class appropriating to itself surplus labor and surplus value. From the Russian experience no positive conclusions can be drawn which have a relation to communist production and distribution. It still offers only examples of the way in which communism can not be developed.

The decisive problems of a communist economy do not come up until after the market, wage labor, money, etc., have been completely dispensed with. The very fact of the existence of the wage relation signifies that the means of production are not controlled by the producers, but stand over against them in the form of capital; and this circumstance further compels a reproduction process in the form of capital accumulation. This latter is, by the Marxist theory, basic and because of its validity as a law of crises and collapse, at the same time the production of misery, and hence also the Russian workers are

actually growing poorer at the same rate as capital accumulates. The productivity of the Russian workers increases faster than their wages; of the increasing social product they receive a relatively ever smaller share. To Marx this relative pauperization of the working population in the course of accumulation is only a phase of the absolute pauperization; it is only another expression for the increasing exploitation of the workers, and to denominate this as the "growth of socialism" is after all hardly possible.

The gist of the Bolshevik "theory of socialization" may be sketched as follows: With the revolutionary overthrow, i.e. the expropriation of capital, the power over the means of production and hence the control over production and the distribution of the products passes into the hands of the state apparatus. This latter then organizes the various branches of production in accordance with a plan and puts them, as a state monopoly, at the service of society. With the aid of statistics, the central authority computes and determines the magnitudes and kind of production, as also the apportionment of the products and producers.

To be sure, the means of production have here passed from the hands of the private entrepreneurs into those of the State; as regards the producers, however, nothing has changed. No more than under capitalism do they themselves exercise the command over the products of their labor, for they still lack the control over the means of production. Just as before, their only means of livelihood is the sale of their labor power. The only difference is that they are no longer required to deal with the individual capitalist, but with the total capitalist, the State, as the purchaser of labor power. In the mind of the Bolshevik theoretician, as in that of the Social Democrat, monopoly capitalism has already made production "ripe for socializing"; the only thing left to do is to give a "socialistic" form to distribution. The decisive aspect of the matter here is the organizational-technical side of the production process; the side developed by monopoly capitalism or to be copied from it, instead of the truly basic factor of communist economy: the economic relation between product and producer.

The conception that the mere centralization of the means of production in the hands of the State is to be regarded as socialization precluded the practical employment of an accounting unit in keeping with a communist mode of economy. Centralized power over social production and distribution admitted of no form of accounting by which an uninterrupted economic process was possible as a substitute for money economy. The Russian attempts at a natural economy during the period of "war communism" completely miscarried. Money accounting had to be re-established.

Under capitalism, the means of production (mp) and labor (l) appear as constant (c) and variable (v) capital. The values c/v can be applied capitalistically only so long as they produce surplus value (s). The capitalistic formula of production is $c/v/s$. It is only because mp/l appear as c/v , that it is possible to attain s. If c/v drops out, so also does s, and vice versa. What remains is the concrete, material form of c/v , that is mp/l , the means of production and labor. The communist formula of production is - mp/l .

The development of mp and l proceeds in any society; it is nothing other than the "material interaction between man and nature". The formula $c/v/s$, however, is historically bound up with capitalist society. If under capitalism it was only the interest in s which determined the development of c/v , since here the need for the expansion of capital prevails over the social needs, under communism on the other hand, it is only the social needs which determine the development of mp/l . The formula $c/v/s$ presupposes exchange between the owners of c/v and the owners of l. Of c/v is lacking, so also is this exchange. It is not until mp has ceased to confront the workers in the form of capital, when it remains merely as the tool of society and is nothing else, that it is possible to speak of a communist economy. Labor time as the unit of reckoning would play a double role in the communist economy:

"Its apportionment in accordance with a definite social plan maintains the proper proportion between the different kinds of work to be done and the various wants of the community. On the other hand, it also serves as a measure of the portion of the common labor borne by each individual, and of his share in the part of the total product destined for individual consumption. The social relations of the individual producers, with regard both to their labour and to its products, are in this case perfectly simple and intelligible, and that with regard not only to production but also to distribution". (Capital, Vol. I - Page 90 - 91).

Taking the social average working hour as the computing unit of communist society, it must be capable of embracing all categories of production and distribution. The working hour unit must be applicable, that is, to the quantitative consumption, the quantitative reproduction and the quantitative expansion of the productive forces. Each enterprise must determine the number of working hours it consumes, so that they can be replaced in the same magnitude. Computation by working hours is not difficult, as all the presuppositions for it have already been formed by capitalist cost accounting. In particular, the capitalist process of rationalization has developed computing methods which are capable of getting at the cost price both as a whole and also down into the last detail. And while these computing methods are today related to the common denominator of money, their conversion into the working hour is attended by no difficulties.

The production formula of any enterprise, as also that of society as a whole, is very simple. We have already stated it as follows: mp/l product. With the aid of the means of production, human labor produces a quantity of goods. We distinguish between two different kinds of means of production: fixed and circulating. So we broaden our formula in accordance with this distinction.

mp	+	r	+	l
machines, etc.		raw material, etc.		labor power
10,000 working hours		70,000 working hours		70,000 working hours

Assuming that these figures are applicable to a shoe factory: $mp/r/l$ product -- 10,000 + 70,000 + 70,000 = 50,000 pairs of shoes in 150,000 working hours, or an average of three working hours is consumed in each pair. In this production formula we have at the same time the reproduction formula for simple reproduction. We know how

many labor hours were withdrawn from this factory for the production of 50,000 pairs of shoes. The same number of labor hours must accordingly be restored to it. And what holds for the single enterprise holds also for the whole of society, which of course is only the sum total of all enterprises. The total social product is the product of $mp/r/l$ of all enterprises. To distinguish the production formula of the single enterprises from that of society as a whole, we select capital letters for the latter. The formula for the social product (SP) then reads: $MP+R+L=SP$. Assuming MP (the sum of all the fixed means of production) to amount to 100 million labor hours, the corresponding sum R to amount to 600 million, and the labor time consumed to be equal to 600 million, we have the following for the total product: $MP/R+L=SP - 100/600/600=1300$. Of the total production of 1300 million labor hours, in conditions of simple reproduction, (i.e. -when no expansion of production occurs), we assume that 600 million labor hours are turned over to the consumers in the form of means of consumption.

The application of the social average labor hour as the computing unit presupposes the existence of workers' councils (soviets). Each enterprise comes forward as an independent unit and is at the same time, as we shall show later, connected with all the other enterprises. As a result of the division of labor, each factory has certain end products. With the aid of the production formula $mp/r/l$ each enterprise can compute the labor time contained in its end products. In the shoe factory taken as an example, the end product (one pair of shoes) contains an average of three working hours. This average can be found for each product in each enterprise. The end product of an enterprise, insofar as it is not destined for individual consumption, goes to another enterprise either in the form of mp or r , and this one in turn computes its end products in labor hours. The same thing holds for all places of production, without regard to the magnitude or kind of their products.

When the individual enterprises have determined the average labor time contained in their products, it still remains to find the social average. All enterprises of the same nature, i.e. -turning out the same kind of products, must get in touch with each other. From the individual enterprises of a determinate industry, in a given territory, will be derived the total average of all the given averages (average of averages) for these enterprises. To take a rough example: if 100 shoe factories strike an average of three hours, 100 others an average of two, then the general average for a pair of shoes is 2-1/2 hours. The varying averages result from the varying productivity of the individual enterprises. Though this is a condition inherited from capitalism, and the differences in productivity will slowly disappear, the deficit of one enterprise must in the meanwhile be made up through the surplus of the other. From the standpoint of society, however, there is only the social average productivity. The determination of the social labor time calls for the cartellisation of the individual enterprises. The opposition between the factory-average and the social-average labor time comes to an end in the production cartel.

The social average labor time decreases with the development of the productivity of labor. If the product thus "cheapened" is one for individual consumption, it goes into consumption with this reduced average. If it is an end product used by other enterprises as means of production, then the consumption of mp/r for these enterprises

falls, the production "costs" decline and hence the average labor time for the products of these enterprises is reduced. The matter of compensating for the variations caused in this way is a purely technical problem which presents no special difficulties.

If the working hour serves as a measure of production, it must likewise be applicable to distribution. A very clear statement of this unit is given by Marx: (Critique of the Gotha Programme, page 29) -

"What the producer has given to society is his individual amount of labor. For example: the social working-day consists of the sum of the individuals' hours of work. The individual working-time of the individual producer is that part of the social working-day contributed by him, his part thereof. He receives from society a voucher that he has contributed such and such quantity of work (after deductions from his work for the common fund) and draws through this voucher on the social storehouse as much of the means of consumption as the same quantity of work costs. The same amount of work which he has given to society in one form, he receives back in another".

The specialization of labor makes necessary the use of some sort of certificates for drawing from the fund of social articles of consumption. Each producer receives a number of these certificates corresponding to the number of hours of labor he has performed. These certificates may be called labor money, though they are not money at all in the capitalistic sense. "The producers", writes Marx, "may eventually receive paper checks, by means of which they withdraw from the social supply of means of consumption a share corresponding to their labor-time. These checks are not money. They do not circulate." (Capital, Vol. 2 - page 412).

The workers cannot, however, receive the full output of their labor. The labor time is not the direct measure for the part of the social product destined for individual consumption. As Marx goes on to explain:

"Let us take the words "proceeds of labour" in the sense of the product of labour, thus the co-operative proceeds of labour is the total social product. But from this must be deducted: firstly, Reimbursement for the replacement of the means of production used up; secondly, an addition portion for the extension of production; thirdly, reserve or insurance funds to provide against misadventures, disturbances through natural events, and so on."

There is left the other portion of the total product which is meant to serve definitely as means of consumption. But before this can go for individual consumption there has to be taken from it yet: firstly, the general costs of administration not appertaining to production; secondly, what is destined for the satisfaction of communal needs, such as schools, health services, etc.; thirdly, funds for those unable to work, etc., in short, what comes under the heading of so-called official poor relief today. (Critique of the Gotha Programme - page 27.)

Those institutions which produce no tangible goods (cultural and social establishments) and yet participate in the social consumption may be reckoned as enterprises. Their services go over into society without delay; production and distribution here are one. In the case of these enterprises, the final goal of communism, "the taking according to need", is already actualized; their distribution is governed by no economic measure. We call these public enterprises, or enterprises for general social labor (GSL). Communist accounting is complicated by the existence of these GSL enterprises just as it

was by the varying productivity of the single enterprises. Everything which the public enterprises consume must be drawn from the stores of the productive enterprises.

Going back to our production formula for society as a whole:
 $(MP/R)/L =$ mass of products, or $(100/600)/600 =$ million working hours.
 M_p and R have to be reproduced; there remain, of the total mass of products, 600 million working hours. The GSL enterprises take from these 600 million their means of production and raw materials. It is accordingly necessary to know the total consumption of these public enterprises. If we designate the means of production for the public enterprises as M_p , the raw materials as R_s and the labor power as L_s , we get the following total budget for GSL: $(M_p/R_s)/L_s$; services of the GSL, or (for example - 8 million / 50 million - 108 million labor hours.) From the 600 million labor hours to be consumed, 58 million must be deducted for M_p and R_s of the GSL enterprises. There remain 542 million labor hours for the individual consumption of all workers. In the productive enterprises the workers were employed 600 million hours, and in the GSL enterprises 50 million. Of the total output of labor power there is available for individual consumption, accordingly, only $542/650$ or 83%. We call this proportion the "factor of individual consumption" (FIC). The formula for FIC is: $L - (M_p/R_s)$ over $L + L_s$. Or employing the figures assumed in our example: $600 \text{ million} - 58 \text{ million} = 542 \text{ million}$ over $600 \text{ million} + 50 \text{ million} = 650 \text{ million}$ 0.83

If a worker has worked 40 hours, he receives a labor-money certificate in the amount of $0.83 \times 40 = 33.2$ which he exchanges for such articles as he pleases. This computation is possible because all enterprises keep an account of their consumption in m_p , r and l . The general social bookkeeping, which records all products, has at its disposal all data necessary for determining the payment factor, namely, L, M_p, R_s and L_s , which result from simple summation in the current account.

In the GSL enterprises, the "taking according to needs" was, as we have seen, already realized. With the growth of communism, this type of enterprise receives an ever increasing expansion, means of consumption, dwelling, passenger transport, etc. The more society grows in this direction and the more enterprises are transformed into the GSL type, the less will individual labor be the measure for individual consumption. This tendency serves to illustrate the general development of communist society.

With the development of communism, the accounting for FIC changes. Various enterprises, such as an electric plant, work in part for individual consumption and in part for purely productive purposes. To refer to our example: if the consumers are now supplied with electricity free of charge, the electric plant belongs to a new type of enterprise. For accounting purposes, these mixed enterprises must be included either under those of the productive or of the GSL type. This electric plant must receive back from the FIC the deliveries of current, expressed in working hours, going into the individual consumption. The addition of these parts of all mixed enterprises gives the deficit to be made up by the FIC. If we call this part the general deficit (D), we have a new distribution formula: $FIC = L - (M_p/R_s) - D$ over $L + L_s$.

A number of variations are possible here, depending on whether we assign the mixed enterprises to the public or to the productive ones or divide them between the two. But these variations do not affect the clarity of the general view.

When the relation between producer and product is established, the question of the horizontal and vertical grouping of the enterprises becomes a technically solvable one, which from the economic point of view presents no difficulties. Distribution also, like production itself, is a social question. The "expenses" of distribution are included in the general budget for GSL; that is to say, the organs of distribution are enterprises of the GSL type, which likewise conduct their accounting according to the formula $m_p/r/l$.

The conditions of simple reproduction, with which we have been working so far, are after all only a methodological assumption employed for the sake of simplicity and have no basis in actual fact. Human progress demands the expansion of the productive forces; the process of reproduction must be accomplished on a broader scale. Under capitalism, this process which goes on in terms of accumulation of capital, is the individual function of the various capitalistic enterprises. In communism, however, it is a social function. Of the social product a part is here employed for the further expansion of the productive apparatus. If this expanded reproduction is to be a conscious action, however, it is necessary to know the social labor time required for simple reproduction. The formula for simple reproduction is: $M_p/R/L$. If the material apparatus of production is to be expanded by 10%, a mass of products of this amount must be withdrawn from individual consumption. When this "accumulation" has been accomplished, production proceeds according to the formula: $1.1 (M_p/R)/L$. We have already shown that the social product is completely taken up by society when the individual consumption proceeds according to the formula $FIC = L - (M_p/R_s)$.

L/L_s
This individual consumption must now be further diminished by 0.1 (M_p/R) . In the case of a 10% expansion of production, we then get the formula: $FIC = L - 0.1 (M_p/R) - (M_p/R_s)$. This general formula does

L/L_s
not take the place of the concrete solution of the problem in actual reality, but within the scope of this work we must be content with it and merely refer further to Marx: "If we assumed that society were not capitalistic, but communist, then the money-capital would be entirely eliminated, and with it the disguise which it carries into the transactions. The question is then simply reduced to the problem that society must calculate beforehand how much labor, means of production, and means of subsistence it can utilize without injury for such lines of activity as, for instance, the building of railroads, which do not furnish any means of production or subsistence, or any useful thing, for a long time, a year or more, while they require labor, and means of production and subsistence out of the annual social production." (Capitol, Vol. 2 - Page 361).

Let us consider this example. If the construction of a railway proves necessary, the work involved belongs to the GSL part of the social production. If it consumes, for example, three years of labor in a certain number of working hours, this sum is deducted yearly by charging it to the GSL account, from the factor of individual consumption (FIC).

In the relations between the individual enterprises, labor-time money is superfluous. When an enterprise delivers its end products, it has linked $m_p/r/l$ working hours to the great chain of partial social labors. These must be restored to the various enterprises in the same magnitude in the form of other end products. The labor money is valid only for individual consumption. As more and more en-

enterprises are brought into GSL production, distribution by means of labor money grows less and less, and rushes on to its own abolition. Fixing the factor of individual consumption is the task of social-bookkeeping. On the credit side of the social bookkeeping stands L; on the debit side MPa, Ra, and La. "Bookkeeping as a control and abstract summary of the economic process," says Marx, "becomes the more necessary to the extent that the process functions on a social scale and loses its purely individual character. It is, therefore, more necessary in capitalist production than in scattered handicraft and agricultural production, and still more necessary in co-operative than in capitalist production." This bookkeeping under communism is merely bookkeeping and nothing else. It is the central point of the economic process, but has no power over the producers or the individual enterprises. The social bookkeeping is itself only an enterprise of the GSL type. Its functions are: the registration of the stream of products, the fixing of the FIC, the outlay of labor-time money, the control over production and distribution. The control of the labor process is a purely technical one, which is handled by each enterprise for itself. The control exercised by the social bookkeeping extends only to accounting for all receipts and deliveries of the individual enterprises and watching over their productivity.

The control of production in the society of free and equal producers does not come about through persons and authorities, but is conducted through the public registration of the objective course of the productive process; that is, production is controlled through reproduction.

The different industrial organizations turn their production budgets over to the enterprise which conducts the social bookkeeping. From all the production budgets results the social inventory. Products in one form flow to the enterprises; new ones in another form are given out by them. Each conveyance of goods is recorded in the general social bookkeeping by an endorsement, so that the debit and credit of any particular enterprise at any time can be seen at a glance. Everything which an enterprise consumes in the way of means of production, raw material or labor money, appear on the debit side of the enterprise; what it has turned over to society in the form of products appears as a credit. These two items must cover each other continuously, revealing in this way whether and to what extent the productive process is flowing smoothly. Shortage and excess on the part of the enterprise becomes visible and can be corrected. If an enterprise is unable to maintain its productivity, if that productivity declines, then the other enterprises, even though they work beyond the s.a. production time, cannot cover the shortage of the first one. The comparatively unproductive enterprise is unable to reproduce itself, the malfunction becomes visible and can be remedied by society. The control of the GSL enterprises runs parallel in part with that of the productive ones. It results from the material production, through the registration of the articles turned over to them and the receipt of labor money. The product of the GSL enterprises, however, goes into society "gratuitously", so that for these enterprises the credit factor is lacking in their bookkeeping. The control of their productivity will probably only be possible with the aid of comparative investigations.

While under capitalism the category s.a. labor time is dependent on "value", in communism it is only a matter of the labor embodied in goods turned out. And while social productivity under capitalism has

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to be regulated by the market, which involves a gigantic waste of the social forces of production, in communism the lowering of the s.a. production time is a conscious, socially-regulated act. It leads to a general drop in the times of production. If, for example, an enterprise has reckoned its means of production at 100,000 labor hours, and if we assume that these instruments have a ten-year span of life, then 10,000 working hours are to be added on yearly to the products of this enterprise. If the s.a. reproduction time of the means of production employed in this enterprise declines, then in its process of reproduction it can fashion better or more machines and thus increase its productivity, which in practice means expanding the productive apparatus without the expenditure of extra labor. The production time for this enterprise has changed. Since the s.a. reproduction time is observed, the only change is in the productivity factor of this enterprise. The s.a. production time of the cartel with which the enterprise is connected always remains the same as the reproduction time, since the means of production, too, flow in a continuous stream through all the enterprises. The lowest social reproduction times blend again and again in the process of production with the s.a. reproduction time.

By way of summary, it may be said:

"The basis of the s.a. reproduction time is the s.a. working hour. This category is already valid even in capitalism. Even now the individual differences find no expression in the commodity, for the product is converted on the market into money; that is, transformed into the general commodity, by which all individual differences are abolished. In communism, it is the s.a. reproduction time which embraces within itself all individual differences of slow and experienced workers, of capable and less capable, of manual and intellectual labor. The s.a. reproduction time is accordingly something which as such, as something special, does not exist. Like the laws of nature, which merely bring out what is general in the particular phenomena, without existing as actual laws, the s.a. working hour, which in the concrete sense has no existence, embodies what is general from among the enormous diversity in the material interaction of society".

THE U. W. P. GROUPS.

Our group in Buffalo, N.Y., have conducted quite a few out-door street meetings this summer, and the workers responded by the hundreds. It was a relief for these audiences to hear something about their own real problems in contrast to the C.P. speakers, who incessantly harp on the beauties of "the Workers' Fatherland".--Our Buffalo group is organizing a class on "Revolutionary Marxism".

Our comrades in New York City are planning some very outstanding activity for the fall and winter season, and we will announce the events in this paper from time to time.

In Washington, D.C. the comrades have helped to prepare material for this issue, and have shown much willingness in supporting the Party.

The Chicago group opens its annual Worker's Forum on Sun. Oct. 7. It will continue every Sunday evening thru-out the winter. Oct. 8 a study class on Marxian Economics will commence. The regular weekly meetings of the group on Wed. evenings are much better attended now than during the summer months, and the comrades are enthusiastically active.

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FORTHCOMING ARTICLES IN THE COUNCIL CORRESPONDENCE.

The Labor Movement in England.

Is The A. F. of L. a Labor Organization?

Henryk Grossmann's Interpretation of the Marxian Theory of Accumulation and Collapse of the Capitalist System.

Thesis on Bolshevism. (Translated from the Dutch "Council Correspondence".)

The present stand of the European Council Movement.

Perspectives of the American Labor Movements.

The Opposition Groups of the III International.

Will there be an American Labor Party?

FOR THOSE WHO READ GERMAN:

"Ratekorrespondenz" (Theoretisches - und Diskussionsorgan für die Ratebewegung) Herausgegeben von der Gruppe Internationaler Kommunisten Holland.

No. 1 : "Die Zusammenbruchstheorie des Kapitalismus". Eine kritische Auseinandersetzung Anton Pannekoek's mit dem Buche Henryk Grossmann's "Das Akkumulations- und Zusammenbruchsgesetz des kapitalistischen Systems" Weiterhin: "Die Wirtschaftslage im Nationalsozialismus".

No. 2 : "Der Historische Materialismus" und "Hitler Deutschland im Zeichen des Zusammenbruchs".

No. 3 : "Thesen über den Bolschewismus". Eine umfassende und glänzende Darstellung des Bolschewismus vom Standpunkt der Ratebewegung.

No. 4 : "Zu Pannekoek's Kritik in No. 1 der "Rate Korrespondenz". Paul Mattick antwortet Pannekoek vom Boden der Grossmann'schen Interpretation der Marx'schen Akkumulationstheorie.

Jede Nummer 10 cent. Portofrei. Bestellt bei "United Workers Par. 1604 N. California Ave., Chicago, Ill.

BESTELLT - LEST - Verbreitet -

"KAMPFSIGNAL" Deutsches der Ratebewegung gewidmetes Organ, der deutschen revolutionären Arbeiter New Yorks. - Einzelnummer 5¢. Geschäftsstelle: - 799 Broadway (Room 413) New York City.

Any speculation regarding the possibilities of the German labor movement must take into account, not merely the aims of the various organizations, but the structural transformations in modern society during the last decade. This change in the economic setup, together with its political consequences, is likewise the indispensable key to the complete understanding of fascism.

In the present crisis, the monopolist form of economy develops within itself stagnating tendencies directed economically against the laissez-faire principle and politically against "formal democracy". The process of capital concentration, which continues during the crisis, acts as a spur to all social groups, though it is only the working class which can be moved into a genuine opposition to the existing order. The economic dependence of the middle class allows it no policy of its own; it develops only a backward ideology, since any social advance brings with it the downfall of this class as a special group.

The fact that the middle class has become the chief support of the fascist movement is only a sign of its own historical insignificance. The policies of the existing economic system can not be subordinated to the fascist ideology, and the louder that ideology cries, the more surely it also destroys itself. Being incapable of bringing about a revolutionary change in the economic system, fascism is compelled to follow laws which simply force the impoverishment of the middle class as well. The fascist movement must of necessity, in the course of developments, shrink to a fascist state apparatus which has openly to defend the interests of the economically strongest groups against society as a whole. Practically, fascism can only be appraised as the expression of the political necessities of the monopolistic groups during the crisis. It is nothing other than the compulsion to permanent terrorism against the working class; and this compulsion results from the fact that the further endangering of industrial profits by social unrest can no longer be tolerated, since the already insufficient profit brings into question more and more the continued existence of the economic system. Fascism, furthermore, has to wage the class struggle against the class struggle which it denies, so as to prepare the "nation" for the imperialistic clashes to be expected.

As a result of the conflicts of interests within society - conflicts deniable only in words, not in reality - fascism may change its leaders and symbols or may even under certain circumstances, as a result of new social upheavals, give place to a neo-democratic regime. But practically, this transformation would be nothing more than an exchange of leaders and symbols, since even the restored "democracy" would be compelled to adopt the fascist policies. Even a democratically "minded" state apparatus would have to protect the existing society with the necessary means, which today are means of terrorism. Without overlooking the differences between fascism and democracy, it may still be said that both these social forms, within the framework of the present system, have only the same possibilities of action, since politics is always dictated by the economic necessities.

From this standpoint, any struggle for democracy is only a pseudo struggle. And for this reason, such a struggle is quite out of the question for the workers, and can only be conducted by those groups which are willing to play capitalistic politics, that is, merely want to govern. This fight will not even be decided by the "fighters", but by the processes within the economic system. Only the false assumption that the present economy is still capable of further progressive development can feed the illusion of a new democratic era.

In Germany also, the real class struggle will not turn on the question of democracy, and all attempts to erect a new labor movement on this basis are doomed in advance. The efforts of the socialist movement to get a new lease of life through the radicalizing of its phraseology fall down on the objective impossibility of turning history backward. The demand for the rehabilitation of democracy is no less laughable than the faith of the fascist in the restoration of the "good old times".

The attempts of the various communist groups to build up illegal movements in the old party style show that they thoroughly share the illusions of the socialist movement. Nothing has changed as regards the idea held by these groups as to the role of the party. What was once legal shall now continue to function illegally in the same form. They completely fail to see that the old party movement was just an expression of formal democracy, and could exist nowhere else. The party is bound up with democracy, the one is not possible without the other. Anyone who fancies that strong party organizations capable of playing a decisive role in history can be built up anew, such a person must necessarily, however much he may protest, believe in the possibility of a new democratic era, and, like the fascists and socialists, is merely intoxicating himself with traditions.

Nothing is more naive than the various assertions of the different political groups in Germany to the effect that they have so and so many thousands of illegal members in their ranks. These computations can only be made and peddled about in foreign countries. They are incapable of proof, and spring only from the competitive needs of the various parties in the countries which have not yet gone fascist. Those computations are dubious for the very reason that there is absolutely no way of making them; no controlled, illegal labor movement embraced on party principles exists in Germany.

It is true that the Communist Party succeeded, during the first few months of the dictatorship, in leading portions of its non-renegade membership to engage in pigmy demonstrations, in collecting dues from the membership, in prompting them to the distribution of leaflets, etc. But this activity was possible only because the fascist terror was still lacking in system, and we find that the communist activity let up in the same measure in which the fascist "Tcheka" spread its nets. This "revolutionary" spirit of the C.P. - a spirit which was asleep at the proper moment, because it did not want that moment to come - collapsed from its own senselessness. Thousands of fanatized party hangers-on drifted into the concentration camps for distributing leaflets containing nothing more than the phrase, "Hands off the Soviet Union". The fluctuations in membership was peculiar to the C.P. The S.P. was composed of old fellows, incapable of changing,

while the C.P. was largely composed of younger elements which instead of convictions had only uniforms to change. These deserters made it all the easier for fascism to wipe out the illegal activity of the C.P. in the shortest conceivable time. The gladiator politics of the C.P. was not even the courage of despair, but served merely to justify the communist "theoretical structure", who of course had asserted that the rule of Hitler could only be of brief duration. The real relations of power contradicted this original policy designed to conceal embarrassing facts, and under the ax of the fascist executioners, the deepest-dyed party fanaticism went to pieces.

Though political groups were reorganized underground, the fascist police apparatus also adjusted itself to underground pursuit. Day after day occurred, and still occurs, the arrest of officials, the suppression of meeting places, the seizure of contact men. What is built up today is tomorrow already destroyed. Slowly but with deadly certainty, the very beginnings of the illegal movement are blotted out. It was these circumstances which first clearly revealed how deep the national socialist ideology is still rooted even in the workers. They put themselves willingly at the service of the authorities for the purpose of exterminating "Marxism". A state of general distrust spread over the movement. One who still sat in the "party" councils today might stand revealed as a Nazi tomorrow. The ideological sway of the Nazis over the great masses brought into the labor movement a state of depressing resignation and a feeling for the necessity of a complete change of policy. Anything that escaped the hands of the hated and foul of this resignation. What remains is a very small group of hounded revolutionists who, in view of the tense situation, might continue for the present to keep their own camps. The "groups of five" include workers from the most disparate camps of the old labor movement. The groups themselves serve for the present merely to assure the mutual understanding of those engaged in the movement; they refrain from all outside activity.

Having shattered the old labor movement, Fascism neither can nor will permit the building up of another. What is more, with the further deepening of the crisis, the terrorism must still continue to grow sharper. The necessity of atomizing the masses for the sake of ruling them under the direct control of the fascist state apparatus does not, however, do away with the economic necessity of bringing them together in great numbers in the enterprises, industries, employment bureaus, labor service camps, etc. The impossibility of formal party organizations does not abolish the class struggle itself; in the new situation, it will simply assume new forms. The absence of dominant permanent organizations will and can only lead to the extension of the workers-council movement. The social development has reached a point which makes the council movement the natural and only possible one. What hitherto has been propaganda arises now from the relations themselves. Since the class struggle, viewed as the essential form of historical movement, is not susceptible of being forbidden, the struggle of the workers for their existence must take the spontaneous character under the fascist dictatorship and will be one with the organization. The councils exist only so long as they are in action; they are in action as soon as they exist. In order to be permanent, they have first to win. They are at the same time the realization of the united front, since they are not bound together on the basis of ideologies, but are the expression of the material life needs of the combatants without regard to their ideology. They make a reality of what could hitherto be

valid only in words; namely, that the Revolution is not a party matter, but the affair of the class.

To avoid going off into empty speculation regarding the coming German labor movement, it must be realized that the period of disintegration of existing society constitutes a new historical epoch which follows its own laws and not those of the past. The old party movement which regarded itself as the decisive factor of the revolution was in reality only a child of aspiring capitalism; a child which the cannibalistic mother devours in the crisis. The setting in of this new epoch is necessarily bound up with the end of democracy and hence with the end of the previous labor movement. The past, to be sure, still weighs upon the present and leads to the building of neo-socialist, neo-communist and other such "neo" organizations, but all traditions must yield in the face of the changed circumstances. The world crisis is still in its first stage, the process of disintegration has only begun. The farther this process advances, the more must the terrorism against the workers be sharpened. But this terrorism serves for their political education. In the course of development, fascism will be compelled to destroy its own organizations; nature sets a limit even to the greatest joy in thralldom. Famishing fascists cease to be fascists. Resignation kills individuals, but not classes. Every attempt of the workers to ward off their impoverishment will be combated in the manner in which rebellions are put down. Thus even the most backward workers will be compelled, in order to save themselves, to act as if they were conscious revolutionists. Every assembly of workers becomes a reservoir of revolutionary energies. The weakness of the illegal organizations will not permit of any degree of control over the masses. In committees of action and workers councils they will create their own form of organization and their own leadership. And it is only in these first beginnings and their quantitative growth that the revolutionary movement can be discerned.

The tempo of this development is determined by that of the period of disintegration. Unless there occurs a sudden and rapid deepening of the crisis or unless a new war fundamentally changes the whole world picture, nothing much of a surprising nature in reference to the labor movement will happen in Germany in the near future. Of a restoration of the labor movement upon the basis of the old, nothing of the sort need be looked for. So that, so far as concerns the party movement, one will have to deny its very existence. It is impossible to conceive of any way in which it could set itself up as a quite special group, since the movement is identical with the working class itself. And nevertheless, still more surprisingly than did the fascists, that movement will one day snatch the power into its hands.

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The October Issue of the MODERN MONTHLY contains, between other interesting articles, a criticism of the American Workers Party, by Paul Mattick, from the viewpoint of the council movement. Also a criticism of Lewis Corey's book, "The Decline of American Capitalism" from the standpoint of over-accumulation.

UNITY FOR WHAT?

Communist League and the American Workers' Party
Move to Form New Party.

According to the "Militant" (#37) the organizational unity of these groups is close at hand. The political bargainers are almost sure to put their deal through to the satisfaction of all concerned. The membership of both groups will be very happy, and they will be proud of a larger and more important organization. The Trotsky bodyguard will easily forget that only yesterday the Musteites were fakirs and political scoundrels. The Muste crowd will soon agree that Trotsky on the same side with their "American Lenin", the former and present Priest Muste is not so bad. Together they will fight for the American kind of a revolution, and celebrate the memory and bones of American Bourgeois rebels dead 150 years or more.

The whole matter is a joke, only indicating that by this merger they hope to stop the disintegration going on in both groups. It is of no importance to the working class, and as a matter of fact the workers ignore both of "the only ones". Divorced or combined, they have no future as their only weapons are outworn traditions which may still confuse part of the workers, but never really influence them.

Practically it may be summed up as an expression of the sound policy "for bigger and better business". As long as it is not positive that this unity will actually take place, it is not worthwhile to deal with it at great length. We will come back to the subject in one of the future issues of the C. C.

WE WISH TO ANNOUNCE: -

A Monthly Organ of The International Communist Workers' Council Movement.

"LIVING MARXISM"

A monthly magazine to be published beginning Jan. 1, 1935, "Living Marxism" will be unique insofar as it will not be restricted by party interests, will not serve the interests of any parasitic bureaucracy, or be obsessed by leader fetishism. It will deal with vital problems of interest to workers, and will publish only such material which will be of value in the revolutionary struggle for Communism. It will publish the never-mentioned opinions of Marxists like Rosa Luxemburg, Franz Mehring, Karl Liebknecht, Anton Pannekoek, Herman Gorter, and many others. "Living Marxism" has correspondents, revolutionary workers, and writers in almost every country. It will be able to present objective reports of the situations in the various countries, and on international scale. It will also bring forward the economic works of Henryk Grossmann and others, of the greatest importance for the international working class movement, which have been ignored and suppressed by the "official labor fakirs".

It will be published by the United Workers' Party of America in collaboration with the Groups of International Communists in Holland and Denmark, and the Council Movement in Germany, England, France, Bulgaria, Checho-Slovakia and Hungary. We can expect no help from the "official labor movement", so we ask for your support and subscription. Write to United Workers' Party - Chicago, Ill.

-THE STRIKE WAVE.-

The present strike wave is characterized by defeats and betrayals. The workers suffer defeats because of their insufficient and treacherous organizations on the one hand, and because the capitalist class and its state cannot permit a victory to the workers on the other. Capitalism in the period of general crisis, must combat to its fullest extent any attempt by the workers to improve their conditions. Victory for the workers would mean endangering the position of capitalism. Every strike is practically lost in advance.

But this does not exclude the necessity of workers fighting every onslaught on their living standard. We must take part in every one of these struggles, and encourage the worker to fight, because the present strike wave in spite of its shortcomings is more important than the whole of the "official political movement" at this time. The fact that these strikes are destined for defeat or betrayal does not mitigate the revolutionary value of the struggle. We may point out that on the basis of the present labor movement no victory is possible, but we have to fight in all these labor struggles as they are, and not as we might want them. We must strive to hinder the labor fakirs from using these strikes to their own advantage, and this is best done by the most activity on the actual strike front.

The fight for existence is the fight of today; and the struggle for a new society can only grow out of these daily struggles. As these day to day struggles increase, and as the worker gains experience from the defeats, the fight changes its quality and becomes revolutionary leading to the overthrow of the present system. A communist may criticize and condemn the character of the strikes and the organizations involved, but he must take part in the strikes and fight, for this is the shortest road to revolution in the declining period of capitalism.

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ANNOUNCEMENT: -- Do not fail to get the next issue of Council Correspondence (#2). It will be entirely devoted to the translation of the "Thesis on Bolshevism", consisting of ten separate articles on this subject, prepared jointly by the Group of International Communists of Holland. It is an exceptional and comprehensive history and analysis of Bolshevism. There will be only a limited amount of copies available, so order yours now!

We recommend the next pamphlet to be published by: Polemic Publishers 673 Broadway, New York City, - "THE INEVITABILITY OF COMMUNISM", -25¢ A critique of Sidney Hook's "Interpretation of Marx" by Paul Mattick. It is written from the view-point of the United Workers' Party of America, and deals with almost every aspect of revolutionary Marxism. Should be in the hands of every Marxist.

To be published soon by United Workers' Party: - "WHAT NEXT FOR THE AMERICAN WORKER?" - - A pamphlet dealing in a simple manner with the needs and future of the American labor movement.

We still have some copies of:
"World-Wide Fascism or World Revolution" - 10¢
"Bolshevism or Communism" - 5¢

UNITED WORKERS' PARTY -- 1604 N. California Ave., - Chicago, Ill.

COUNCIL CORRESPONDENCE

ENGLISH EDITION

For Theory and Discussion

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Henryk Grossmann's Interpretation of Marx's Theory of Capitalist Accumulation.

Upton Sinclair on the road to Fascism?

The Uprising of the Dutch Unemployed in Amsterdam.

French Trotskyites go over enmass to the Socialist Party.

The Spanish Class Struggle.

NOVEMBER, 1934 - No. 2

UNITED WORKER'S PARTY

AN APOLOGY.

In the first issue of Council Correspondence we announced that this issue would be devoted to the "Thesis on Bolshevism", a series of ten articles prepared jointly by the Group of International Communists of Holland. We are sorry to say that difficulties encountered in the translation of the thesis forces us to postpone this material to the next issue, number three - available Dec. 1, 1934.

AN EXPLANATION.

In March 1934, the United Workers' Party published the pamphlet "World-Wide Fascism or World Revolution?" - the Manifesto and Program of the Party. This manifesto made a very general and brief analysis of the most important questions with no attempt to take up any subject in detail. It was hoped that subsequent booklets would treat each subject more fully, and cover other subjects not possible in the first pamphlet. The pamphlet "Bolshevism or Communism?" followed soon after, and took up the question of the role of the Party and the leaders in the revolutionary movement. The feature article in Council Correspondence #1, "What is Communism", helps to explain our attitude to the USSR. The main article in this issue elaborates the economic analysis in the manifesto. A popular pamphlet now gone to press entitled, "What Next For The American Worker?" will also deal with questions not given much space in the first booklet. Future issues of this paper, as well as the contemplated monthly journal "Living Marxism", to be published by the United Workers' Party in collaboration with the European groups, will take up in detail for discussion all the questions and problems of vital import to the Revolutionary Proletariat.

For Theory And Discussion INTERNATIONAL COUNCIL CORRESPONDENCE

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"THE PERMANENT CRISIS"

Henryk Grossmann's Interpretation of Marx's Theory
of Capitalist Accumulation

I.

According to Marx, the development of the productive forces of society is the motive power of historical development. In acquiring new productive forces men change their mode of production, and in changing their mode of production, their manner of gaining a living, they change all their social relations. The transformation of the spinning wheel, the hand-loom and blacksmith's sledge, into the self-tending mule, the power-loom and the steam hammer was not only accompanied by a change of the small, individual shops of the craftsmen into huge industrial plants employing thousands of workers, but there also came with it the social overturn from feudalism to capitalism; that is, not merely a material revolution, but a cultural revolution as well.

Capitalism as an economic system had the historical mission of developing the productive forces of society to a much greater extent than was possible under any previous system. The motive force in the development of the productive forces in capitalism is the race for profit. But for that very reason this process of development can continue only as long as it is profitable. From this point of view, capital becomes a barrier to the continuous development of the productive forces as soon as that development comes into conflict with the necessity for profit. "Then the monopoly of capital becomes a fetter upon the mode of production which has sprung up and flourished along with, and under it. Centralization of the means of production and socialization of labor at last reach a point where they become incompatible with their capitalist integument".

Marx always considers the economic laws of motion from two points of view: first, as "a process of natural history": second, in its specific, social form. The development of productive forces went on in every social system, a process consisting of an ever increasing productivity of labor due to better working tools and methods. The productive process under capitalism, in addition to producing the necessities of life, also produces value and surplus value, and it is only due to this fact that capitalism has been able to acceler-

ate the development of the productive forces so tremendously. They are not only machines, raw material and labor-power, but also capital. The development of the instruments of production means the expanding of production and reproduction of capital, and this is only possible when surplus value or profit is the result of the productive process of capital. By analysis of the process of producing surplus value, Marx finds the tendency of a conflict between the material productive forces and their capitalist integument. When insufficient surplus value results from production, if capital cannot be "utilized", there is no possibility of continuing the development of the productive forces. The capitalistic forms must burst asunder to make place for a higher, more advanced, economic and social system.

In the capitalist system wage labor is necessary for the production of surplus value. In buying labor power, the capitalist acquires the right to use it for his own benefit. By his labor, the worker is able to produce a greater value than he consumes, i.e. - he produces more value than the capitalist pays him in form of wages. Since the capitalist buys labor-power at its exchange value, and has full control of its use value, the result is the creation of surplus value out of which he takes a part for additional capital, for accumulation, pays interest to the banker and rent to the landlord, allows the merchant his commercial profit, and retains the rest for his own consumption.

All commodities have in common the quality of being products of labor; they are measured and exchanged in proportion to the socially necessary labor time incorporated in them; this includes also the commodity labor power. The development of the productive forces means increased productivity of labor, and increased productivity means less labor incorporated in each commodity, or less value, and consequently less surplus value. This decrease in the value of one single commodity can only be compensated by the increase of the quantities of commodities produced, which means an increase in the exploitation of labor. This is done by two main methods: by lengthening the working day ("absolute surplus value"), or by shortening the labor time necessary for reproducing the wages of the workers ("relative surplus value"). If the lengthening of the working day is impossible, then there only remains the shortening of the necessary labor time which can only be done by decreasing the value of labor power. The decrease in the value of commodities is the only means of reducing the value of labor power, but this in its turn can only be the result of increased productivity. This process is, at the same time, an accelerator forcing technical development at an ever increasing tempo towards mass production and gigantic and costly machinery, concentrated in huge industrial plants, eliminating individual and small capitalists in favor of big capitalists and corporations.

Since wage labor is the source of his profit, the capitalist should be interested in exploiting as many workers as possible. The more workers, the more surplus labor and value, the more profit. But it is nevertheless a fact that from the very beginning of the capitalist epoch, the number of workers employed relative to the capital employed, has been falling. Even if their number has absolutely increased for a period, they have increased more slowly than capital

has accumulated. Today the number of workers employed has fallen, not only relatively, but absolutely. (Since 1918 the number of those employed in American industry has continuously decreased though production increased until 1929.) Increased productivity coupled with the process of concentration of capital thus results in a constantly growing mass of commodities produced by fewer and fewer workers, - increased production, in increased unemployment. This fact, in the face of the capitalist urgent need for more extensive exploitation, indicates the limits of capitalist production. The more exploitation is intensified, the faster these limits are reached. "The same circumstances which have increased the productive power of labor, augmented the mass of produced commodities, expanded the markets, accelerated the accumulation of capital, both as concerns its mass and value, and lowered the rate of profit, these same circumstances have also created a relative over-population and continue to create it all the time, an over-population of laborers who are not employed by the surplus capital on account of the low degree of exploitation at which they might be employed, or at least on account of the low rate of profit which they would yield with the given rate of exploitation."

The law of value is, according to Marx, the regulator of the production of commodities and determines in what proportion the work of society is distributed, but this only holds good for society as a whole, not for individual capitalist units. In reality the law of value is only enforced through the competition of individual enterprises; actual exchange of commodities does not take place according to value, but according to price of production. If one capitalist sells above value, another capitalist sells below. Competition, which resulted in the establishment of the average rate of profit, also established the law of value as the final and general law which underlies the sum total of individual transactions at the prices of production.

Without this, the rate of profit would differ from one branch of production to another according to the rate of surplus value, period of capital turn-over, and the organic composition of capital. The greater the rate of surplus value, the higher the rate of profit. (The rate of surplus value or exploitation is the surplus value divided by the capital invested in wages, - the variable capital. The rate of profit is the surplus value divided by the total capital including constant capital: - means of production, and variable capital.) The quicker the turn-over of capital, - i.e., the quicker the capitalist gets his capital outlay plus surplus value back, - the higher the rate of profit, and vice versa. The ratio between the means of production and labor power, expressed in value form as constant and variable capital, we call the organic composition of capital. The higher the organic composition, the lower the rate of profit.

As not only the rate of profit for individual capitals, but also the average rate of profit continuously sinks on account of the rise in the organic composition of capital, small capitals would be destroyed if they were unable to increase their capital sufficiently. The existence of the capitalist depends on a continuous increase of his capital by lowering production costs below normal. He strives to gain an extra profit by producing and selling his products over their individual but below their social value. Each capitalist has of necessity the same desire and so each capitalist must accumulate.

If he stops reinvesting part of his surplus value in his enterprise, he runs the risk of his capital becoming valueless, if its technical form is falling behind the general development of the productive forces. This fact results in again raising the organic composition and further lowering the rate of profit, and thereby hastens the tempo of development by stimulating the search for extra-profit. To resist would mean economic suicide for the capitalist.

To understand the action of the law of value and accumulation, we must first disregard these individual and external movements, and consider accumulation from the point of view of total capital, since the total social capital values and total prices are identical. "The most important factor in this inquiry is the composition of capital and the changes it undergoes in the course of the process of accumulation". In the capitalist mode of production, and in that alone, is the development of the productive power not only expressed as a growth of means of production in order to have more results with less labor, (as it is expressed in all economic systems) but as a rise in the organic composition of capital, more constant capital, less variable capital and a consequent falling rate of profit. "A fall in the rate of profit and a hastening of accumulation are insofar only different expressions of the same process as both of them indicate the development of the productive power. Accumulation in its turn hastens the fall of the rate of profit, inasmuch as it implies the concentration of labor on a large scale and thereby a higher composition of capital".

The fall in the rate of profit is at the same time accompanied by an increase in the mass of profit as long as capital accumulates faster than the rate of profit falls. The sinking of the rate of profit and the growth of the mass of profit are therefore both caused by capitalist accumulation. At the same time the sinking rate of profit acts as an index to the relative fall of the mass of profit. When the accumulation of capital reaches a certain point, the mass of profit will fall not only relatively to the total capital invested, but also absolutely; a larger social capital will bring an absolutely smaller profit. But this point only appears at the end of a certain period of accumulation. Up to that point, "the same development of social productivity of labor expresses itself in the course of capitalist production on the one hand in a tendency to a progressive fall of the rate of profit, and on the other hand in a progressive increase of the absolute mass of the appropriated surplus value, or profit; so that in the whole, a relative decrease of variable capital and profit is accompanied by an absolute increase of both." This is the characteristic expression of the progressive development of the productive power of labor under the capitalist mode of production.

II.

Accumulation and Crisis.

The fall in the rate of profit has thrown bourgeois economy out of balance. For Marx "the falling rate of profit turns into an antagonism of this mode of production at a certain point and requires for its defeat periodical crisis." Accumulation and a higher organic composition of capital are identical. With it goes the fall of the rate of profit. With an organic composition (1:1) say 30 constant capital and 30 variable capital, and a rate of exploitation of 100%, the rate of profit will be 50%. With an organic composition (5:1) say 25 constant capital and 50 variable capital, and the same rate

of exploitation, the rate of profit will be 16.6%. (As stated before the rate of surplus value (here 100%) is determined by the proportion between the necessary and the surplus labor time. But the rate of profit is surplus value divided by the total capital; i.e. constant and variable both.) In above example, both constant and variable capital is increased. Not only is the scale of production expanded, but the number of workers employed increased. We began with a low organic composition (1:1) and end with a high (5:1). This is both a cause and expression of the increased productivity of labor that also must be expressed in an increased rate of surplus value. We had a rate of surplus value of 100%, but the increased productivity shortens the necessary labor time and increases the rate of surplus value, which counteracts the fall of the rate of profit. If the rate of surplus value is increased from 100% to 300%, then even a high organic composition or capital (5:1) would yield the same rate of profit, that is 50%, as the low organic composition (1:1) with a rate of surplus value of 100%. Besides this, through the increased productivity of labor, the rate of surplus value may also rise due to other causes and thereby compensate for the increase in the organic composition. We shall later investigate this, but in whatever way this may be accomplished, the fact is that the falling rate of profit is accompanied by a rise in the mass of profit that counteracts the danger implied in a falling rate. But this growth of capital in turn implies a further fall in the rate of profit. Thus the sinking rate of profit creates further attempts to raise the surplus value as is actually the case.

Since at first the fall in the rate of profit is accompanied by an increase in the mass of profit, it is difficult to understand how the collapse of capitalism would result from the decline in the rate of profit, and what relation there is between periodic crisis and the falling rate of profit. An explanation of this connection has often been attempted, but all of those attempts have failed because in each case the explanation was based on, and limited to, the investigation of the falling rate of profit alone. Henryk Grossmann was the first to point out that the crisis and the final collapse must be explained not only by the falling rate of profit, the mere index of profit, but by the actual mass of profit underlying it. According to Marx, capitalist accumulation is determined not only by the rate of profit, but also by the mass of profit. In other words, the surplus value may absolutely increase, but it will nevertheless be insufficient for the needs of accumulation because the rising organic composition constantly swallows an ever greater part of surplus value.

Capital accumulation initiated a series of great booms interrupted by periodic crises. As the rate of accumulation grew, the intensity of the crises grew with it. The capitalist process of reproduction repeats itself, not in the form of a circle, but as a spiral, narrowing to a point. The production of values must, due to its inherent contradictions, lead to its own negation; but only the accumulation of these contradictions can transform them into something qualitatively different: into revolution. The same laws which had at first constituted the motive force of a rapid development of capitalism, now become the driving force of capitalist collapse. But this collapse does not develop evenly and in a straight downward line. It is continuously interrupted as capitalist reality modifies the general abstract law of capitalist accumulation. Marx elaborated no

special theory of crises, but his analysis of the laws of capitalist reproduction, or accumulation, was also a theory of crisis. Let us illustrate with an abstract table the law of capitalist reproduction.

In order that accumulation may be possible, the surplus value must be divided into three parts; one to be invested in additional constant capital, one in additional variable capital, and the remainder to be consumed by the capitalist class as individuals. During the rise of capitalism, variable capital grows as well as constant capital, only more slowly. We begin, in our table below, with an organic composition of 2:1. The constant capital grows at a yearly rate of 10%, the variable at 5%. The rate of surplus value remains 100%. (Constant capital we call C, variable V. The consumption fund of the capitalists is R. AC is surplus value available for accumulation of constant capital; AV for variable. The value of the yearly product we call VYP; the percentage of surplus value consumed by the capitalists we call R%; the rate for accumulation A%, the rate of profit P%.

Yr.	C	V	R	AC	AV	VYP	R%	A%	P%
1.	200,000	100,000	75,000	20,000	5,000	400,000	75	25	33.3
2.	220,000	110,000	77,500	22,000	5,250	430,000	74.05	25.95	32.6
3.	242,000	115,000	80,539	24,200	5,511	462,500	73.04	26.96	31.3
4.	266,000	115,762	83,374	26,600	5,788	497,524	72.02	27.98	30.3

We see how in this table accumulation increases in spite of a falling rate of profit. Accumulation pays for the capitalists, for while their revenue becomes smaller relative to the surplus value as a whole, it increases absolutely. During the first year the capitalists command 75,000 as revenue (R); during the fourth year, 83,374.

This table is a fiction that should in no wise be mistaken for reality. A progressively higher organic composition accompanied by a constant rate of exploitation is an impossibility, nay an absurdity. The table is only meant to illustrate the tendency of accumulation with no disturbing and complicating tendencies. Even with a constant rate of surplus value, accumulation can take place so much faster with an increased rate of exploitation. This table also reflects accumulation only in its value-form, not expressed in the quantity of use values; to express it thus, would cause many modifications. The devaluation of capital necessarily connected with accumulation here has been disregarded.

If we, like Henryk Grossmann, extend this table to the 35th year, we shall be able to show if not actual capitalist accumulation, at least its "inner law". But to arrive at capitalist reality, we must in addition to basing ourselves on the inner law of capitalist accumulation, also take into account the elements disregarded in the illustrating table. It must be borne in mind, however, that the elements disregarded in the table only determine the tempo of the process of accumulation, either hastening or slowing it down; but in either case the process remains essentially the same. Let us follow the table:

Yr.	C	V	R	AC	AV	VYP	R%	A%	P%
5.	292,600	121,550	86,213	29,260	6,077	535,700	70.93	29.07	28.3
6.	321,250	127,627	89,060	32,125	6,381	577,114	69.70	30.30	28.4
20.	1,282,271	485,691	311,732	128,227	25,126	2,172,634	40.63	53.37	17.1
21.	1,344,742	505,325	325,117	134,474	26,661	2,275,127	44.33	55.67	16.4
34.	4,841,437	1,700,304	1,114,464	484,144	105,015	8,642,097	24.45	95.55	9.7
35.	5,156,837	1,787,525	1,194,056	515,684	111,756	9,156,275	26.04	104.61	9.3

The table shows that the same forces which at first made the rise of capitalism possible at a certain phase of accumulation lead to over-accumulation and its consequences. The constant capital that in the first year (first table) was 50% of the years production, demands in the 35th year (second table) 82.9%. The revenue (R) that until the 20th year only increased relative to the total mass of surplus value as shown by (R%) from then on decreases absolutely. In the 35th year it disappears completely. It is only after the 20th year that the fall in the rate of profit is first felt as an absolute fall in that part of the mass of profit which the capitalist class had at its disposal for its own private consumption. Until the 20th year, accumulation was a paying proposition as measured by the returns. From the 21st year, these returns dwindle down to a vanishing point. Besides that, from the assumption made that the additional variable capital increases yearly 5%, AV has a deficit. Instead of the needed 26,265 in the 35th year, only 14,756 is available, leaving a deficit of 11,509. This deficit would represent the industrial reserve army as the inevitable outcome of the capitalist process of accumulation. The capital accumulated in the 35th year can't function completely. Because 11,509 workers cannot be employed, the whole additional constant capital (AV: 510,563) cannot be reinvested. On the basis of our assumption, a population of 551,548 in the 35th year would require a constant capital of 5,616,200; consequently by a population of 540,075 only 5,499,015 constant capital could be invested. There is a capital surplus of 117,185 that cannot be used. Insufficient capital "utilization" has led to over-accumulation. We have a surplus of capital unable to expand and an unusable surplus population. (The empirical researcher, e.g. by W.C. Mitchel in the U.S.A. has shown that in time of economic expansion profit is uninterruptedly increasing, while a crisis is preceded by a decrease of profits.) Thus, increasing "utilization" of capital is the chief cause of capital accumulation, and the lack of a sufficient "utilization" of capital the cause of crisis.

The theoretical formulation of the theory of over-accumulation as here presented was first undertaken by Henryk Grossmann who considers his work as only a reconstruction of Marx's theory of accumulation which is the theory of crisis and collapse. According to Grossmann, if accumulation is to take place, the organic composition of capital must increase and then a relatively ever greater part of the surplus value must be taken for the purpose of the additional constant capital (AC). As long as the absolute mass of the total social capital of a low organic composition is small, the surplus value is relatively large, and leads to a rapid increase in accumulation. For example: by a composition of 200 C / 100 V / 100 S (surplus value), the constant capital can (assuming the total surplus value to be used for the accumulation) be increased by 50% of its original size. At a higher stage of capital accumulation, with a considerably higher organic composition, e.g. 14,900 C / 100 V / 150 S the increased mass of surplus value is only sufficient, when used as additional capital (AC) for an increase of 1%.

By continued accumulation on the basis of an ever higher organic composition, a point must be reached when all accumulation ceases. Not every fragment of capital can be used for expansion of production. A definite minimum proportion is needed which grows continuously with the progressive accumulation of capital. Therefore, since in the development of capital accumulation, a not only absolutely but also

relatively greater part of the mass of surplus value must be used for the purpose of accumulation. At a high stage of accumulation, where the total social capital is of huge size, the part of surplus value demanded for additional constant capital (AC) must become so great that it finally absorbs all of the surplus value. A point must come when the parts of surplus value to be used for additional workers and for capitalist consumption (AV and R) must decrease absolutely. This would be the turning point at which the previously latent tendency to collapse begins to be active. It is now evident that conditions necessary for the progress of accumulation no longer can be met, that the mass of surplus value though grown absolutely is insufficient to take care of its three functions. If the additional constant capital (AC) is taken from the surplus value in necessary quantity, then the revenue at disposal is insufficient to take care of the consumption of workers and employers at the prevailing scale. A sharpened struggle between the working class and employers over the division of the revenue thus becomes inevitable. If, on the other hand, the capitalists by pressure from the workers are forced to maintain the wage scale and the part earmarked for accumulation (AC) thus decreases, the tempo of accumulation slows down, and the productive apparatus cannot be renewed and expanded to keep pace with technical progress. All further accumulation must, under such conditions, increase the difficulties, since for a given population the mass of surplus value can only be raised by a trifling amount. Surplus value flowing from the previously invested capital must therefore lie fallow, and there arises a surplus of idle capital vainly looking for possibilities of investment.

Thus accumulation is a process that inevitably leads to overproduction of capital, to ever increasing unemployment, to a surplus of CAPITAL UNABLE TO FUNCTION PROFITABLY, and an unuseable surplus population. And this is the final great contradiction of capitalist production that causes it to go to pieces. "The fact that the means of production and the productivity of labor increases more rapidly than the productive population, expresses itself, therefore, capitalistically in the inverse form that the laboring population always increase more rapidly than the conditions under which capital can employ this increase for its own self-expansion".

On the basis of this analysis of accumulation, the question no longer is whether the capitalist system will collapse, but rather why it has not already collapsed. We have hitherto followed the process of accumulation in a fictitious capitalism. Reality is different. The law of capitalist collapse as demonstrated by us functioned in a "pure" capitalism, - a capitalism that actually does not exist. In order to best illustrate the law of capitalist accumulation and consequences flowing therefrom, we have had to disregard the secondary features and tendencies that are characteristic of the real capitalism. For the purpose of our investigation up to now, they were quite irrelevant since they only obscure the inner law of the process of capitalist accumulation. Outside of the already mentioned simplifications, we dealt only with the process of production, disregarding modifications of accumulation by the process of circulation. Only the dynamics of society as a whole interested us, so that we did not consider the individual spheres of production, and disregarded competition and its modifying effect on the tempo of accumulation. In our analysis of accumulation there was no foreign trade which from the point of view of capitalist production is of great importance.

We disregarded the middle class groups, and spoke only of capital and labor. There was in our analysis no credit problem. We disregarded it as well as other important items that more or less modify the absolute law of accumulation. In short, our analysis of accumulation is based on a non-existent capitalism. All that we set out to do was to demonstrate that by following the process of accumulation in such a "pure" capitalist system, the result would with mathematical certainty be the collapse of the system.

Since, in reality, there is no such "pure" capitalist system, it follows that the tendency to collapse does not operate in the above described "pure" form. Instead, the "pure" tendency of capitalist accumulation is slowed down in its dizzy pace by counteracting tendencies which also arise out of the capitalist development. The tendency towards collapse which is expressed through crises is nevertheless slowed down and temporarily halted by these very crises though they be the embryonic form of the final collapse; but the counter tendencies are essentially of a temporary character. They can postpone the collapse of the system. If the crisis is only an embryonic collapse, the final collapse of the capitalist system is nothing else but a crisis fully developed and unimpeded by any counter tendencies.

If the causes of crisis are over-accumulation which makes the "utilization" of capital impossible, then new means must be established to assure again the necessary capital "utilization" in order to end the crisis. According to Marx, a crisis is only a process of healing, a violent return to further profitable expansion; from the point of view of the capitalists, a "cleaning out". But after the "cleaning" with its series of capitalistic bankruptcies, and the starvation of the workers, the process of accumulation is continued and after awhile the "utilization" of capital again becomes insufficient. The self-expansion stops as the accumulated capital again becomes too large on its new basis. The new crisis sets in. In this manner, the tendency towards collapse is broken up into a series of apparently independent cycles.

III

How Crisis Are Overcome.

The changing periods in the economic cycle may be longer or shorter, but their periodicity is a fact. It is furthermore a fact that the boom periods are always growing shorter, while the duration and intensity of the periods of crisis is increasing. This reveals the fact that the tendencies which serve to delay the collapse of capitalism, while being an integral part of capital accumulation, are nevertheless greatly weakened with every passing cycle; and the overcoming of crises becomes an ever greater difficulty. The United States has passed through a series of industrial crises followed and preceded by boom periods. The crisis of 1837 was preceded by a feverish activity of construction. A nationwide network of roads were built, canals were constructed and steamship traffic developed. Gigantic amounts of capital were imported, and a general optimistic anticipation of profits developed speculation. By the first sign of insufficient profit-production, "business" flowed into speculation that then took the most bandit-like forms. A crisis shortly followed. To bourgeois economists, the crisis appeared to be caused by the impossibility of paying interest on borrowed capital, as the rate of

profit that could be yielded was too small." The panic of 1857 was preceded by a period of intoxication due to the discovery of California gold, and the large railroad constructions aiding industrial development in general. Again prosperity was transformed into intensified speculation which is always the case when profits become small. The crisis was again explained by the problems of "interest". According to bourgeois conceptions, the railroads were constructed too "quickly", industry developed too "hastily", and it became impossible to pay interest on the money invested in industry. Capital had grown faster than the possibility of "utilizing" this growth. This was followed by the crisis of 1873, 1893, 1907, 1921, - to name only the most important.

In whatever manner these crisis were explained, each individual explanation suggested that profits were insufficient, that further expansion of industry was unprofitable and for that reason could not take place, so that each explanation, unconsciously it is true, gives over-accumulation as the cause of crises. But no one spoke about this as the inevitable outcome of the capitalist process of accumulation: this fact was always disguised as "overproduction of commodities", "a too heavy burden of debts and inability to pay interest". The fall of prices, therefore, was accepted as the cause of crisis.

According to Marx, in times of crisis, the rate of profit and with it the demand for industrial capital almost disappears. There is no lack of purchasing power with which to expand production, but no use is made of this purchasing power because it does not pay to expand production since expanded production does not bring in more but less surplus value than on the previous scale. Though expansion of production has become unprofitable, production at first continues at its previous volume. By this continuation of production at its previous rate, each year, there is produced surplus value part of which is intended for accumulation, but without any chance for such application. Thereby the stock of unsold means of production, of unsold goods in general grows; cost of storing increases, plant equipment is unnecessarily tied up since there is no reflux through sales of commodities produced. The capitalist must at any cost sell, to obtain the means of continuing production at its previous scale. This leads to price cutting and limited operations of factories. Enterprises go bankrupt; unemployment grows.

The capitalist solution to this problem lies in the reestablishment of the "utilization" of capital. To do this, either the value of the constant capital must be decreased, or the surplus value increased. Both possibilities are found in the sphere of production as well as in the sphere of circulation. We shall deal here only with a few of the tendencies that overcome crises and delay the collapse of the system.

We said the capitalist always sees the fall of prices as the cause of crisis. A rise in prices, consequently means to him the beginning of recovery. Bourgeois economists claim that as prices fall, bankruptcies increase proportionally, and they offer statistical demonstrations of this fact. According to them, price stability is a guarantee of social stability. But what they really show is only the increased productivity of labor expressed in prices. The bemoaning of bankruptcies only illustrates the process of capital concentration, in spite of this, bourgeois economists have always, in their super-

ficial manner pointed to the fall of prices as the cause of crises, and they still hold to this stupid explanation in face of the fact that in the U.S. since 1925 a boom period took place with falling prices. It is also a fact that the expansion of the productive apparatus takes place in times of depression when prices are low. Only when the demand created by that expansion exceeds supply will prices increase. Therefore, the rise in prices, if it takes place, which is not absolutely necessary, is the effect and not the cause of recovery. Nay, profitable operation must be made possible at the low price level before recovery can begin. This demands increased productivity of labor which again means higher organic composition of capital, or the reproduction of the crisis on a higher plane.

Increased productivity is, besides other things, a process of concentration and centralization accompanied by amalgamation of industrial units and general rationalization. So that the crises, even though they are accompanied by "overproduction" are always overcome, in spite of that, by a further expansion of production. That this leads to increased laying off of workers first relative to capital employed, later also absolutely does not alter its necessity. Statistics show that in periods of upswing in the United States these bankruptcies which occurred involved small enterprises, and that while these bankruptcies increased, trusts made superprofits in spite of falling prices. Trustification made larger profits at lower prices possible, while the small enterprises outside this movement of "rationalization" succumbed. Prof. Eitemann writes:

"The low prices which had prevailed during the depression of 1873, encouraged the introduction of labor-saving devices by industry in order to cut cost of manufacture. This search for cheaper methods of production continued even after the return of prosperity, and resulted in a steady downward trend of prices".

The increased productivity of labor, and the thereby relatively diminished cost of constant capital makes the "utilization" of capital again possible. This tendency is apparent during the present crisis. Reports like the following are not infrequent:

"General Electric's new power plant of \$4,000,000 will be ready for operation next spring. According to the estimates of the engineers, the plant will produce steam and kilowatt hours of energy at a lower cost than has ever before attained".

At the same time that the "Merchant Fleet Corporation" allowed 124 ships of approximately one million tons to be destroyed, the construction of 20 million tons of new ships are planned even though "overproduction" leaves a great number of these ships idle in port. In the crisis, in spite of "overproduction", the apparatus of production instead of becoming restricted has been enlarged. Nevertheless, previous crises have passed. The crisis, then, is not a restriction of the real apparatus of production, but a breakdown of an accepted system of prices and values, and its reorganization on a new level.

According to Marx, the tendency in the fall of the rate of profit is accompanied by an increase in the rate of surplus value, or in the rate of exploitation of labor. By the development of the productive

forces, commodities are made cheaper. Insofar as this happens to commodities consumed by the workers, the elements of variable capital are made cheaper. The value of labor power sinks and rate of exploitation increases. The same effect is gained by intensifying labor by technical rationalization and by more pitiless modes of speed-up, or by lengthening the working day. One of the most important means is by the forcing of wages below the value of labor power by taking advantage of the growing army of unemployed during a crisis. (The lowering of wages below value has already become a "basis" of existence for the whole system.) The ridiculous conception that by increasing the purchasing power of labor the crisis can be overcome has always and still is answered by capitalism reducing that purchasing power still further. It is exactly in this manner, by wage cutting, that capitalism tries to overcome the crisis. Thus, the "Commercial and Financial Chronicle" writes:

"The manufacturer is no longer able to produce goods at a profit, and accordingly he stops producing at all and as a consequence, hosts of wage earners find themselves idle and out of employment. If the President could be induced to prevail upon the wage earners to adjust wages to a lower basis, one more nearly in accord with the times, trade depression would soon become a thing of the past."

Statistics, for example those of the U.S. Steel Corporation, show that crisis and increasing exploitation run parallel.

Aug. 1, 1918	- - -	10% increase in wages
Oct. 1, 1918	- - -	8 hour basis day adopted
Feb. 1, 1920	- - -	10% increase in wages
May 16, 1921	- - -	20% decrease
June 6, 1921	- - -	basic 8 hour day abolished
Aug. 29, 1921	- - -	decrease to 30 cent hourly
Sept. 1, 1922	- - -	20% increase
April 16, 1923	- - -	"
Oct. 1, 1931	- - -	10% decrease

The crisis of 1921 destroyed the previously adopted 8 hour day and led to sharp wage cutting. In 1931 this was repeated. The intensification of exploitation is one of the strongest tendencies working against capitalist collapse.

The shortening of the time of capital turn-over is also a force acting against collapse. The main means for accomplishing this, outside of increased productivity, are better and more direct means of communications, especially transport, and diminution of stock in storage, etc. Furthermore, an increase in use-values at the same exchange value, and the founding of new spheres of production with lower organic composition weakens the tendency towards the collapse since these branches of production yield exceptionally high profits. As the capitalist class cannot dispose of the appropriated surplus value alone, but must divide it with the middle class groups, the crisis is always the beginning of an intensified fight between these groups in the form of a fight of "actual" producers against ground-rent commercial profits, and all other "parasitical" elements. In short, a fight of industrial capitalists against all other capital-

ists and the middle-class groups who exploit labor indirectly through the industrialists.

An important element in re-establishing profitable operations is the devaluation of capital. This devaluation is expressed by the same amount of means of production being represented at a smaller value. The technical composition (M.P.:L) remains; the organic composition (O.V.) sinks. The mass of surplus value remains the same, but as it is now calculated on a smaller capital basis, the rate of profit has risen. In practice, devaluation takes the place of sale at ruinous prices. Crisis and capitalist wars are gigantic devaluations of constant capital by violent destruction of value as well of use value forming its material basis.

By ever drawing in new foreign use-values, capitalist production is expanded and the tendency towards collapse weakened. The importing of cheap foodstuffs lowers the value of labor power and increases the rate of surplus value proportionally. By the furnishing of cheap raw materials, the elements of constant capital are made cheaper and the rate of profit increased. This is why the struggle for sources of raw materials contributes one of the main objectives of international capitalist politics. Through the tendency of the equalization of profits, the more highly developed countries can appropriate part of the surplus value created in the less developed countries. This extra profit counteracts the clogging of the rate of profit. By foreign trade, the movement towards collapse is slowed down, and as this, with the development of accumulation, becomes a matter of life and death to the capitalist system, it leads imperialist expansion to become more and more violent.

The international character of crisis develops with foreign trade. The same factor also leads to the development of world monopolies, yet even though so much capital has been accumulated that further accumulation, though necessary, is unprofitable, a collapse of the system need not follow as long as sufficient capital in form of foreign loans and investments can find a raw and satisfactory basis for "utilization". This makes the export of capital characteristic of imperialism. All these elements, concentrated in imperialism, are remedies against the insufficiency of profits. The final consequence of imperialism is the political annexation of foreign territories, so that the securing of an additional stream of surplus value helps to postpone capitalist collapse. As the progress of accumulation makes the threat of collapse more imminent, the imperialist tendencies are proportionally strengthened.

IV Permanent Crisis.

We have previously shown that the Marxist theory of accumulation is the law of the collapse of the capitalist system. We have further demonstrated that this law is overcome by counter-tendencies for certain periods. But these counter-tendencies are themselves overcome in the course of development or lose their effect through overaccumulation. Rationalization becomes failing rationalization. Amalgamation, or merging of industrial units, is made unfavorable by the dead weight of closed down units. Wage cutting and intensified exploitation also have their limits. The workers cannot permanently be paid below their cost of reproduction. Dead and starving workers

produces no surplus value. The shortening of the time of capital turn-over has its limit beyond which it breaks the continuity of production and circulation. Even if commercial profits were eliminated altogether, the sinking of the rate of profit would still continue. Foreign trade as a counter-tendency eliminates itself by turning capital-importing countries into capital-exporting countries by forcing their industrial development through a hot house growth. As the forces of the counter-tendencies is stopped, the tendency of capitalist collapse is left in control. Then we have the permanent crisis, or the death crisis of capitalism. The only means left for the continued existence of capitalism is then the permanent, absolute and general pauperization of the proletariat.

In previous crises it has been possible to regain sufficient capital "utilization" without permanent cutting of real wages. Marx said: "in the measure as capital accumulates, the situation of the workers, whatever its pay, high or low, must become worse". All statistics available show that accumulation and pauperization of the workers are two sides of the same process. But in the period of the rise of capitalism only a relative, but not necessarily absolute, pauperization of the workers took place. This fact formed the basis for reformism. Only when the proletariat must necessarily be absolutely pauperized are objective conditions ripe for a real revolutionary movement.

If, instead of misleading ourselves by the actual increase of nominal wages in the United States during the last three decades, we examine the trend of wages in relation to production, we shall have a true picture of the relative pauperization of the American proletariat. If we divide the index of real wages by the index of production, we have the index of the purchasing power of the workers.

Year	Index of purchasing power	Year	Index of purchasing power
1899	100	1922	73
1904	91	1923	68
1909	70	1924	76
1914	70	1925	68
1919	65	1926	68
1920	67	1927	71
1921	91	1928	70

The purchasing power of factory workers in the United States has not increased in proportion to the total product of the factories; it has lagged. The workers position is relatively worse. This is true in spite of real wages having increased from 100 in 1900 to 123.6 in 1928. But in the same period the volume of production increased from 100 in 1899 to 283.8 in 1928. The workers lived better, but were more exploited in 1928 than in 1900. To Marx this relative pauperization was only a phase of absolute pauperization. If wages at first only decline relatively to general wealth, they later decline absolutely as the quantity of commodities falling to the worker's share becomes absolutely smaller. This relative worsening of the workers position in the face of absolute improvement, only continues as long as conditions permit sufficient increase in the mass of surplus value to allow sufficient "utilization" of capital. In the final phase of capitalism, the surplus value is insufficient for the maintenance of both previous wage levels and satisfactory "utilization". Therefore, the crisis can now only be overcome by a satisfactory rate of

accumulation and the reestablishment of profits at the cost of the workers. What differentiates the final from all previous crises is that with renewed profitable operation the wage level cannot be re-established, - that the latter will sink permanently in times of "prosperity" as during the crisis. While capital "overcomes" the crisis, the workers remain under its sway, and if they refuse to let themselves be destroyed, they have no other recourse but the abolition of the capitalist system.

The level of world industrial production is today below the scale of 1914. The depression is world-wide. Relative to the high stage of accumulation, the crisis may vary from country to country, but the international character of the crisis is everywhere perceptible. The shrinking of the domestic market sharpens competition in the world market which likewise shrinks due to protective tariffs. The shrinking of world trade intensifies the crisis by making their economic and financial status more precarious. These events are paralleled by a heavy loss in profits. The condition of bank capital is catastrophic. The number of unemployed in the United States alone in 1933 was about 16 millions. All this indicates that the present crisis in the United States as everywhere differs from all previous crises by its extent and intensity. It is the greatest crisis in capitalist history; whether it will be the last for capitalism, as well as for the workers, depends on the action of the latter. The "Roosevelt prosperity" in the United States to which the bourgeois press referred as the "end" of the depression was of a very temporary character and did not effect the world crisis at all. Anything the U.S. did gain for a short while was a loss for some other country. The inflationary policy allowed the United States to compete better on the world market, but only as long as the other countries were not ready to hit back, by inflating their own money or find other means of fighting the American competition. Inflation as the means of general wage cutting and the elimination of the middle class, as well as the elimination of profit-eating bank capitalists, to a certain extent may spur production because this again becomes profitable for a short while. But this profit is only gained by a pauperization process, not only of relative but of absolute character. It is a "boom" in the death-crisis, a gain that does not indicate development but decay. It shows that we are not at the "end", but only at the beginning of the crisis.

The actual beginning of the present depression in the United States is always connected with the stock market crash, though the latter was the effect rather than the cause of the crisis which had already begun. As far back as 1927 the "utilization" of capital in the U.S. had become more and more difficult. The falling rate of profit indicated the over-accumulation. But in spite of that, expansion of industry took place until 1929, but not to such an extent as would have been necessary according to the rate of accumulation in previous years, and on the basis of accumulated capital already existing industrial profits, which could not more fully be reinvested in industry flowed to the banks. The surplus lay fallow in the banks; deposits in member banks of the Federal Reserve System was by the end of 1927, 17 billions of dollars more than in 1926. While an increase of 5% was considered normal, this amounted to 8%. Simultaneously, available credit grew. Speculative loans for the stock market and speculatively inflated stock quotations were the result, bringing on the Wall Street fever of speculation ending in the stock

market crash. But the speculative fever was only the index of the lack of possibilities for sufficient productive investments. As the surplus of capital lowered the rate of interest to 1 percent, the industrial crisis was followed by a bank crisis; and in spite of the low rate of interest, from which the bourgeoisie economists expected the turn towards prosperity, no credit was demanded by industry. The "Chicago Daily Tribune" writes: "What idle money has piled up in banks had difficulty in finding safe outlets, interest rates dropped but loans and investments did not increase". This situation is not peculiar for the United States, but general throughout the whole world. J.P. Morgan testified at a Senate inquiry: "The depression for the first time as far as I know in the history of the world, is a widespread no country can lend money in any other. At the present time there is no demand for capital for industry."

This situation can, nevertheless, only be overcome by further accumulation; i.e. - expansion of the productive apparatus or renewal of the fixed capital on a larger scale. The mass necessary for accumulation is dependent on the previous volume of fixed capital regardless of whether this has only been utilized at half of its capacity, because accumulation is determined by the rate of speed it has previously gained; and this accumulation must take place on a lower price level as expansion of production is coupled with a fall in prices. Therefore, if accumulation is to continue, then the expansion of production must lower the cost of production so that the expected mass of profit will compensate for the fall in the rate of profit. For this reason, "Barrons Weekly" says in its yearly survey: "the extent to which the pressure of accumulating capital may be effective in promoting economic recovery depends on whether the necessary adjustments have been made in other parts of the mechanism - in cost of production and prices, in supply and demand relationship for individual commodities, and in the governmental services, in their cost to the tax payer and their real value to the country; in short, on whether capital can earn a profit and keep it".

A static system of capitalism is an impossibility; capital must either go forward, i.e. - accumulate, or collapse. Accumulation presupposes reestablishment of profitable operation; hence we see violent efforts on an international scale to achieve this end. But all previous measures taken to overcome the depth of the present crisis have failed miserably.

As we have said before, the resumption of profitable operation depends on the lowering of the organic composition of capital, or the increase, by other means, of the surplus value. The devaluation of capital lowers the organic composition. In practice, this means the ruin of many individual capitalists; from the point of view of total capital, from the point of view of the system, it means rejuvenation. The devaluation of capital is a continuous process, an expression of increased productivity of labor, but in the crisis it progresses violently. The increased rate of bankruptcies shows that the devaluation of capital is also taking place today. But bankruptcies, while expressing the speedy and violent devaluation taking place, are not symptoms of an intensification of the crisis; up till now they have been aids in overcoming it. In all previous crises, the number and the speedy growth in the number of bankruptcies were connected with a speedier overcoming of the crisis. That today this effect is gone merely proves that accumulation has reached a point where devaluation ceases to be an effective element in overcoming the crisis.

There are not enough bankruptcies, or the devaluation accomplished is insufficient to lower the organic composition of capital enough, to make continued profitable accumulation again possible. This fact is closely connected with the structural change in capitalism from competition to monopoly capital.

"Classical" capitalism answered a crisis with a general fall in prices that lead to widespread bankruptcies and forced the survivors to adapt themselves to the new price level by installing of new machinery. The demand of fixed capital felt in some industries caused other industries to be drawn into the boom. But in monopoly, or as Lenin called it, "stagnant" capitalism, the crisis does not have the same results. Here we have prolonged condition of huge masses of productive machinery lying idle without being destroyed as the characteristic feature of crisis under monopoly capitalism. The reserve funds of fixed capital created by monopoly capitalism are, in boom periods, put at the service of production and make the construction of additional enterprises unnecessary, and thereby increase the difficulties of a transition to expanding production. When the crisis comes, production is restricted, and when later the demand increases it is supplied by opening the closed enterprises. In this manner technical progress is hindered by monopoly capitalism, and the market for means of production narrowed. How small the importance of violent devaluation of capital is can be seen when one compares the monopolies with the total of socially productive forces. (We have in the United States 37 tire producers; five of them account for 70% of the total production, the other 32 divide the remaining 30% among themselves. In the automobile industry, 75% of the total production is accounted for by two enterprises: General Motors and Ford. Two steel trusts (U.S. Steel and Bethlehem) control 52% of the total steel production. In the meat packing industry 70% of the total production is controlled by four firms: Swift, Armour, Wilson and Cudahy.) In other industries similar situations are found. What effect can the collapse of small enterprises have here? The fusion of capital and the resultant strengthening of monopolies strengthens this tendency towards stagnation and decay, which really means that permanent depression is a characteristic of monopoly capitalism. Even the huge writing down of capital values is only a raid on the small share holders, but not a move towards recovery. It is also clear that a technical revolution, scrapping huge masses of capital by antiquating them, cannot be expected today since the restriction of productive forces has become a "necessity" of capitalism. To expect an end of depression through devaluation is to pin hope on a still higher form of capitalism than monopoly-capitalism, and that is impossible within the framework of private property in the means of production. (State capitalism is not a higher economic form of monopoly capitalism, but only a different political mask trying to straighten out the maladjustments of class forces, which due to the narrowing down of the ruling class and its retainers under monopoly capitalism needs more direct state interference to maintain class rule.)

To increase the mass of surplus value, the cost of production must be lowered. This is attempted through the process of general rationalization; but increased rationalization leads to irrationalization. For while the profits of individual enterprises are increased by its rationalization, but the net income from the total social labor is diminished. Individuals become richer, society poorer. How far this sort of rationalization has gone can be seen by the researches of the

technocrats. Rationalization is only effective when the saving in wages made possible is greater than the increased cost of fixed capital made necessary. Rationalization causes the shut-down of many enterprises, and therefore the saving in wages must exceed, not only the increased cost of fixed capital in the rationalized enterprises, but in addition, balance the loss caused by depreciation of fixed capital in idle enterprises. If the costs of fixed capital are increased, all enterprises become more sensitive to downward fluctuation of economic activity. Rationalization, therefore, leads to an increase instead of a decrease in cost of production, and thus increases the difficulties of overcoming the crisis. By overdeveloping the productive apparatus, rationalization at a high stage of accumulation hastens the collapse of capitalism instead of delaying it. The American productive apparatus was rationalized in the years of prosperity following 1921, and this was one of the causes of the length of that phase. In spite of continued rationalization, the crisis arrived and created a situation which hardly allowed the utilization of 50% of the rationalized enterprises, and thereby annulled the increase in surplus value gained by rationalization. This case of "irrationalization" shows definitely the impossibility of recovery through further rationalization.

Increase in surplus value through shortening the time of capital turnover, likewise finds its objective limits in the development of accumulation. The period of turnover of total capital has been prolonged by the decreased utilization of fixed capital. The same rate of profit for one period of turnover becomes thus a much smaller yearly rate of profit. The fall of prices, though limited by monopoly capitalism, today outweighs the still remaining possibilities of reducing the period of turnover. Decreasing the stock to raise the rate of profit is limited by the demand for continuity in production and circulation. Outside of this, the action of the crisis causes an increase in the stock of unsold commodities that further decrease the rate of profit both by the cost of storing and by the further causing a fall in prices through forced sales. The net effect is that stock on hand increases, the period of turnover is prolonged, and the rate of profit falls. The increased stock is especially evident in raw materials. The world's supply of raw materials were at the end of 1929 - 192, and 1933 - 265. To reduce them to normal would mean the cessation of world production for months.

The cost of circulation increases due to sharpened competition during the crisis. While the number of workers engaged in production permanently decreases, the number of those in distribution increases. (Advertising expenses alone have lately been over a billion dollars a year in the United States.) This naturally further decreases profits.

In the crisis of 1920 and 1921, 30% of all enterprises in the United States were idle representing approximately a 30 billion dollar investment. If depreciation and maintenance is estimated at 10%, this means a clear loss of three billion dollars or the value of the labor of one and a half million workers. This takes place today on an even larger scale causing a further fall in the rate of profit. As 16 million workers are unemployed in the United States, it becomes necessary for those employed besides compensating for the causes already mentioned, also to produce as much additional surplus value as these workers would have produced if employed, or the mass of profit

will decrease and sufficient accumulation become still more difficult. The decrease in the mass of profit sharpens the struggle for its division. The banks have advanced capital to industrial enterprises during the period of prosperity; credit that was based on prices as they then were. Falling prices "freeze" these credits and cause, first, industrial bankruptcies, and second, bank failures, hastening the process of concentration of capital generally. At the same time, there has been an enormous change in the division of profits between industrial and money capital in favor of the latter. The acuteness of the crisis and the price fall makes the load of debts unbearable for industrial capital. Only a general reduction of debts makes general bankruptcies unnecessary. This is done through inflation which unloads the liquidation of these debts on the workers, the professional middle class, and money capital.

The depth of the crisis is also shown in the vicious attacks of capital on the standard of living of the middle class groups. In spite of increasing expropriation of the middle classes, reducing those catering directly to capitalist consumption, the crisis continues to deepen, nullifying those methods of retaining a greater part of surplus value in the hands of the capitalist class. But after all, these groups could only be eliminated once, and even before this was done, another barrier would have been set up against further expropriation of them by the fact that the continued rule of the capitalist class depends on their existence. And in contradiction to these strenuous efforts to eliminate expenditures for unproductive activity, these expenditures are increasing. The growth in taxation was more rapid than the growth of the national income in the United States. Increasing pauperization causes increasing relief expenditures, and increasing expenditures for the purpose of violent repressions of revolt, and for imperialist designs.

In the present crisis, a fall in the ground rent "has to some extent softened the fall in the rate of profit" but at the cost of raising the threat of agrarian revolt. As a matter of self preservation, it has been necessary for the capitalist class to counteract these tendencies favorably to themselves by allotment plans, agrarian protective tariffs, price subsidies, etc. A sufficient increase of profit by a decrease in ground rent cannot longer be expected.

In this crisis, all forces working towards overcoming it have thus either neutralized each other, or have been insufficient! This even applies to the strongest imperialistic means of recovery:—capital export. During the last years there has practically been no capital exported from the United States. In other imperialist countries, the situation is similar. This has sharpened the competitive struggle for the world market tremendously between all industrial nations. The profit flowing back to the United States from previous capital export in form of interest on foreign investments can neither be invested here or abroad. Simultaneously, the United States makes it impossible for the debtor nations to pay interest by forcing them out of their markets for means of production. This also makes it impossible for them to buy raw materials and food stuffs, as they are unable to sell means of production to pay for them. The end of this development must be either an insoluble, irrational crisis, or a new world scale butchery.

The law of accumulation is the law of collapse of capitalism. A collapse delayed by counteracting tendencies until these tendencies have

spent themselves or become inadequate in face of the growth of capital accumulation. But capitalism does not collapse automatically; the factor of human action, though conditioned, is powerful. The death crisis of capitalism does not mean that the system commits suicide, but that the class struggle assumes forms that must lead to the overthrow of the system. There is, as Lenin said, so absolutely hopeless a situation for capitalism; it depends on the workers as to how long capitalism will be able to vegetate. The "Communist Manifesto" sounds the alternative; Communism or Barbarism! A static capitalism is impossible; if the accumulation cannot continue, the crisis becomes permanent and the condition of the workers will continually worsen. Such a crisis is barbarism!

Today, half the workers in the great industrial countries are unemployed and the enormous increase of exploitation does not compensate for the smaller number of workers employed; and still there is no other way for capitalism but continuous attacks on the workers. The general, absolute and permanent pauperization of the workers has become an absolute necessity to the existence of capitalist society. Thus, according to Marx, the final and most important consequence of capitalist accumulation and the final reason for every real crisis is the poverty and the misery of the broad masses, in contradiction to the essential driving force of capitalism to develop the productive forces to such an extent that only the absolute consumption possibilities of society be its barrier. Under such conditions, the bourgeoisie can rule no longer, since, as the "Communist Manifesto" pointed out, "it is unfit to rule because it is incompetent to assure an existence to its slaves within its slavery, because it cannot help letting him sink into such a state that it has to feed him, instead of being fed by him".

The analysis of capitalist accumulation ends, as Marx said in a letter to Engels: "In the class struggle as a finale in which is found the solution of the whole smear!" In the phase of accumulation where the further existence of the system is only based on the absolute pauperization of the workers, the class struggle is transformed. From a struggle over wages, hours and working conditions or relief, it becomes, even as it fights for those things, a struggle for the overthrow of the capitalist system of production, - a struggle for proletarian revolution.

THE STRUGGLE AGAINST THE REDUCTION OF UNEMPLOYED RELIEF IN AMSTERDAM.

(From "Raetekorrespondenz" #4 of the Group of International
Communists of Holland.)

In the first days of July, the Dutch Government cut the unemployed (cash) relief to an extent which aroused the unemployed to spontaneous demonstrations at the relief stations and on the streets. These demonstrations were at once combatted by the police and the guardsmen in the most brutal manner. In the "Indian District" and the "Jerdan Workers District" of Amsterdam the unemployed did not allow the police to break their demonstrations up without a fight. They answered the bullets and sabers of the police with the stones they got from the pavement. The struggle lasted many hours. In the evening

after the workers left for group meetings which had been hastily arranged, these groups in passing through the streets grew in a very short time to powerful and large demonstrations which the police again tried to break up. The workers erected barricades to keep the police out of the streets, as it is impossible to defeat bullets with stones. The street lights were destroyed in order to make it difficult for the police to advance. This, which was done in a few streets became the situation in the whole "Jerdan District" the next day. At all corners hastily but well erected barricades were seen; the streets were torn up to exclude all fast transportation. On this day the workers succeeded in driving every policeman out of the district which by evening was entirely in the hands of the workers. The unemployed were victorious for this day; but, by twelve o'clock at night they all returned to their homes and the police moved in again without a fight.

On the following day the guardsmen took possession of the district. They came with tanks, armored automobiles and machine guns. They arrived in such a strength that the unemployed alone could never be able to fight them successfully. They were not cowardly in not opposing the guardsmen because the events of the day before had brought proof that they were good fighters. However, in the face of this strong enemy, a fight would have been suicide.

The struggle had grown out of a relief question. The immediate goal of the fighters was to force the government to recall the relief cut. Workers who want to fight the government at least need the support of very broad layers of the working class. This support was not forthcoming. The majority of the workers will only participate in a movement which embraces their immediate interests. But the fight was merely a fight for unemployed relief; it did not involve the employed workers. Without their support, there was no sense to go farther in the struggle, and it ended in a defeat.

The relief cut was an absolute necessity for the Dutch bourgeoisie. The wages of the employed workers had become so low by a series of wage cuts that there was almost no difference any more between the relief and the wages; but before further wage cuts could be made, the relief had now to be cut first. The continuation of the profitableness of the capitalistic system made this absolutely necessary. This is why the government answered a simple demonstration of the unemployed in a way in which formerly only revolutionary uprisings would have been answered. It was martial law. This offensive against the unemployed was a challenge against the whole working class. There could only be one answer after the brutal attack of the police and the guardsmen: "The General Strike"; but the trade-unionist traditions made it hardly possible. It is important to note that in factories not controlled by the trade union, the workers walked out in sympathy with the unemployed.

As bitter as the battle was, which the unemployed put up and which spread as a guerilla warfare all over the city, in a few days the whole thing was crushed. After the defeat of the uprising, the attack against the existing labor organization set in. In all labor organizations, such as press bureaux, offices, etc., the police searched for documents, stole the important parts of the printing presses, put many workers in jail, forbade every kind of workers' activity. Although this may hurt the labor organization very much,

it is not bad at all from the viewpoint of the actual class struggle of the working class. The fighting strength of the workers actually increases through such measures of the ruling class. To forbid the class struggle itself is impossible, but if the bourgeoisie makes the existence of the pseudo-revolutionary organizations impossible, it also removes at the same time an obstacle against the real revolutionizing of the workers. The workers cannot merely be neutralized by the labor fakers; they have to find their own way. Their labor becomes more difficult to be sure, but also more effective. What they now do is to actually fight and not engage in some opportunistic sidetracking of the real issue in the fields of parliamentary fake-success, etc.

The greatest value for the revolutionary movement is the fact that actions of this kind, and the actions of the ruling class which followed them, showed the weaknesses of the present day labor movement in all its ugliness. One stroke of the ruling class sufficed to do away with the Communist Party and all its affiliated organizations. The leadership of the C.P. had not anticipated this, and actually, the bourgeoisie had really no reason to be so hard on this organization which, in spite of all their self-assurance, is only trying to live and prosper inside of the capitalist system. Even the last number of the Communist Party of Holland's paper, the "Tribune", before it was suppressed, tried to support the system of private property. We read therein regarding the action of the unemployed ("Tribune" - July 6), "Fight Against Looting and Provocations".

"When the workers in the Jordaan District were fighting a mass battle, some criminal elements were trying to loot the stores. The workers have nothing in common with these elements. They have to fight them. The workers want the sympathy and the support of many small business men in Jordaan. They, like the workers themselves, are hit hard by the depression and also by the relief out".

(By the way: The lootings hit the firm "Jamin", a big capitalistic enterprise in foodstuffs, - a chain store.)

The C.P. also advised the workers in order to combat the military onslaught of the ruling class to engage in such silly things as to organize "school strikes," "don't pay rent movements", etc.; but not a single word of the only thing which was logically necessary, "The General Strike".

The most important lesson to be drawn from the struggle of the unemployed in Amsterdam is the fact that successful group struggles are no longer possible. The difficulties in which the bourgeoisie finds itself, not only in regard to their diminished profits in this country but in their extended necessity to compete on the world market and thus prepare for the imperialistic actions, forces them to make of the workers not only paupers, but also willing tools in the hands of the ruling class. They are unable to stand even the weakest opposition on the part of the workers, and each demonstration against the policy of the bourgeoisie is translated by the ruling class as a direct menace against its existence.

What took place when the sailors of "De Zeven Provinciën" revolted

was repeated with this demonstration of the unemployed. The sailors demonstrated against their miserable condition, but they were treated as if they had started a revolution. So again the "Handelsblad" of July 5 writes: "Whosoever is building barricades in the City will be answered as it is the custom to answer when barricades are built".

The brutality with which the bourgeoisie answered even the slightest protest of the workers comes actually as a surprise to these workers. They did not even understand this at first. The sailors of "De Zeven Provinciën" locked up to the army planes, and laughing, they never thought that these army planes would drop bombs to destroy the rebels. The workers of Amsterdam did not dream that a mere demonstration would turn the city into a battle field, with military tactics, barricades and killings; but they learn and they learn fast as their action proves. They will soon know that not even the weakest activity will be granted to them; that the ruling class is deadly serious in their determination to kill all actions in favor of the working class.

The periods of "Democracy", of "Parliamentary Humbug", of "Reforms" and of "Legal Action" is definitely over. Now machine guns make history, and realizing this new situation, the workers will also find out that it is absolutely necessary to adopt a class policy, and that success is only possible if the present system is destroyed through proletarian revolution.

THE CLASS STRUGGLE IN SPAIN.

In the middle of September, "La Nacion", a leading bourgeois newspaper in Spain, wrote "that the danger growing out of this situation of strike activities can at this time only be combated by the erection of an open dictatorship". Since then the days were marked by increasing provocations by the government against the labor organizations, as well as the whole working class. Demonstrations, meetings, organizations were forbidden, the press suppressed, elections declared illegal and communist and socialist deputies replaced by reactionary ones. The bourgeois press spoke of a planned revolution, and supported the development of the fascist organizations. All this did not decrease the strike activity, and the consequences in which these strikes were carried through. The economic struggle became at once a struggle against the government, as the government has to assure its capitalists profits. The ruling class is determined to bring, by all means, the activity of the working class to a standstill, and is preparing for an open dictatorship supported by the growing fascist forces.

In the beginning of October, the strike situation changed to civil warfare. October 5th, about 100 deaths were reported, and the days following, this number increased more and more. The government engaged all military means to suppress what they called an uprising of the workers, after they had started this slaughter ring of the workers merely for their strike activity. The streets of Madrid and of many of the smaller cities became battlefields. The heroism of the workers was remarkable in the face of their meagre weapons. "The troops have been given orders to fire on any suspicious person or manifestation". "All extremists carrying weapons shall be shot!",

ordered the premier. Once more it became clear that a real General Strike of the workers in such a situation is identical with civil war.

Using this melee, the separatist elements, partly supported by the C.P. slogans of national self-determination, also struck for their special interests. They declared Catalonia temporarily an independent republic, and led the class struggle in this part of Spain on the sidetrack of nationalism.

The issues of the workers were not clear. They were, by their different organizational interests, in a terrible ideological mess. Anarchists, syndicalists, communists and socialists were forced into one front against the fascists and the fascist attitude of the government. They still fought in spite of this common enemy for their special group interests. This weakened the strength of the workers and also did away with all hope that out of the struggle would come anything more than a terrible defeat. Only by way of struggle, and especially this kind of struggle, will the workers recognize their true interests which forces them not only to the overthrow of this feudal-capitalist combination of exploitation in Spain, but also to the recognition that the enemy must be faced by a working class united on one issue, the issue of communism. The present class struggle can be regarded as evidence that class consciousness nowadays takes on at once concrete form. The workers learn to understand their problems, not merely on a purely ideological basis, but they learn at once by actual practice. The reality is more revolutionary than the ideas of the workers; and so even a defeat of the workers in Spain can indicate nothing more than a temporary one which also carries with it the weapons for certain success in the future.

UPTON SINCLAIR ON THE ROAD TO FASCISM

Two years ago, in relation to Sinclair and the Eisenstein movie, "Thunder Over Mexico", the critics already tried to point out that his ideology was of a fascist character. With his attitude towards the cutting up of the movie, he had lost his prestige as a socialist and was considered on the road to the class enemy. A good business man, however, is not necessarily also a fascist, and the noise about Sinclair's perversion soon died out.

He ran for governor several times on the Socialist ticket, and now he enters the Democratic Party with his Epic Platform (End Poverty In California) trying to gain as a bourgeois candidate what he had failed to reach as a Socialist. From our point of view, this makes no difference, but for the Socialists it is outright betrayal, and they look now upon their former friend as a traitor, who is hurting the cause of socialism.

Sinclair brought the Democratic Party, as he himself boasts, about 300,000 members in a short time. He received about 400,000 votes and soon started a newspaper which in a few weeks attained a circulation of 175,000. He also sold about 200,000 copies of his platform. A very successful man, and we understand, the envy of all labor-fakers without a doubt.

The C.P. consider him the Orange Hitler of California. In one of the latest issues of "New Masses" (which had to take up the matter as Sinclair is a literary figure) he is classed as a full-fledged fascist, and should be treated as such. The "pure" fellows of the "New Masses" are, however, a bit misinformed. During August in Moscow, at the Congress of Russian Revolutionary Writers, one of the many under organizations of the C.I., a resolution was adopted and sent to Sinclair which says in part: "accept our most hearty and brotherly greetings, because you have always done and you are still doing with heroism your duty as a friend of the working class". We also find Theodore Dreiser, who adheres to the Third International, works directly for Sinclair's campaign fund. Dreiser also got a nice telegram from Moscow. At the time these telegrams were sent, it was positively known, and the Moscow Congress was aware, that Sinclair was already a member of the Democratic Party for more than a half a year and intended to run for governor.

This does not make the slightest difference to the Third International as Sinclair at least entered a party which completed the recognition of Russia by the United States, and which seems to be favorable to help in defending the "fatherland of the workers", in case the bargaining between Russia and Japan should collapse, and if a war becomes necessary to settle the differences between these two nations. In this event, it becomes the duty of American workers to volunteer in the American Army to help "defend the Soviet Union". Sinclair is doing heroically, a little early perhaps, what may eventually be the duty of the whole American working class. But this is not the only reason the Third International likes Sinclair. They know that it is possible for Sinclair to fight in the Democratic Party for the "status Quo" of capitalism just as well, if not better, than in their own freakish organization, the C.P., which the Third International is slowly liquidating. Telegrams and warm, brotherly greetings for Sinclair; for the workers in the C.P. the empty phrases against Sinclair in order to use them for reactionary purposes indirectly; a purpose which Sinclair directly serves.

But Sinclair is just a freak. He never had any scientific understanding of capitalism or Socialism. He merely wrote sentimental stories to soften the hearts of millionaires; to make a nice world out of a capitalist world. Meanwhile, he made a good living. Occasionally he entertained the world by exhibiting his immeasurable stupidity, falling for all kinds of medical and social fakers. He never missed a chance to put himself in the spot light; too many years near Hollywood probably accounts for this.

Sinclair wants to bluff the voters of California and the workers also, that he, single-handed, can transform the capitalist system into a Socialist one. All that is necessary are a few new taxation laws. "Sock the rich" by taxes and give to the poor. By means of taxation force the proprietors of land and idle factories to turn them over to the unemployed who will engage on a grand scale self-help movement, a movement which has been repeatedly proven a failure. By this means, too, he promises the farmer and middle-class a lighter tax burden, as the unemployed will provide for themselves. Many of his reformist ideas, old-age pensions, etc., cannot be successfully carried out inside the framework of capitalism, and if some of them are, they will deepen the crisis rather than help to overcome it.

The most important parts of the Epic program have been dropped, however. In order to insure himself the support of the Democratic Party, and in order not to hurt Roosevelt, he has thrown overboard his platform even before he is elected. The state-farms, factories run by the state, old age pension, etc., he dropped; nothing remains but empty phrases. He is willingly and knowingly betraying his voters in order to satisfy his film-star ideology; he cannot sleep well without being mentioned at least once daily in the papers.

He claims that he and Roosevelt agree on everything, and that the "New Deal" has advanced to the position of 'Epic'. This is true. Epic has lost its main points and the New Deal is bankrupt. They are both bankrupt before they start working. Where there is nothing, there can be no disagreement; so the Democratic Party adopts Sinclair as its own.

Daily Sinclair becomes more patriotic. He now expresses what he always felt. It was formerly more outstanding to play at being a socialist, now there is more fame by showing fascist tendencies. There is no likelihood that he will become a California Hitler, as he is seeking advertisement - not power. He fills the space between the real acts in this historical drama, and when the social forces begin to move, he will probably be disposed of in short order by the real Fascists or pushed aside by a revolutionary Proletariat. The future will not be determined by freaks of his size, but will be determined by the social struggle for power.

HOME COMING.

The End of the Trotsky Movement.

A short time back the "Militant" expressed quite a lot of pity for some of the Lovestone group who were trying to find their way back to the Socialist Party. A few weeks ago, too, they became vehement in complaints against "the treacherous Third International" because it started a United Front from the top with the Socialist Parties, with a proposal of merging the two organizations. "The Stalinists are liquidating the Communist Movement", cried the Unser Wort, the Trotsky organ in France. "Down with such a merger. It will weaken, not strengthen the revolutionary movement".

Then came a surprising move; the liquidation of the Trotsky group in France, and the offer of the American Trotskyites to enter the American Workers' Party. Yesterday, the liquidation of independent Communist parties was open betrayal of the revolutionary cause. Today in France, these same people subject themselves to the discipline of the Socialist Party, and in the United States merge with the petty bourgeois American Workers' Party.

These events suit us fine. The common sense displayed by the "leaders" is to be congratulated. It helps clear up the real situation in the labor movement. The revolutionary workers know now by actuality that behind the "revolutionary" slogans nothing else was concealed but the old labor fakery of the Socialist Party. These are times of stress for "Labor's Leaders". It is dangerous now to hide behind revolutionary slogans. There is the perspective, too, of

the eventual destruction of the old labor movement, and with it the income and prestige of "leaders". Faced with this common danger, the petty differences of organizations are forgotten; unity on the basis of "Status Quo" is established, and the professional revolutionists are saved from what they call "The Horrible Reaction of Fascism". We will be good; no more revolutionary slogans; give us a chance; fascism is not necessary; labor and only labor, under a safe and sane leadership, can oil the troubled sea of economic chaos!

"Comrades", calls the National Conference of the Communist League of France, "join us in the ranks of the Socialist Party for the revolutionary struggle of the proletariat. Without renouncing our past and our ideas, but also without any mental reservations of sectarianism, we speak out what is. It is necessary to enter the Socialist Party, not for the sake of exhibitions nor of experiences, but for serious work under the banner of Marxism". J.P. Cannon, in the Militant #39, writes: "Prior to the decision of the conference to take this step, the National Committees of the Communist League of America decided by a majority of eight to one, to recommend this course of the French comrades, despite the great dangers and difficulties involved in such a drastic reorientation. We recommended this course with full confidence that they would remain true to their banner and carry it with them into the Socialist Party".

The above, in plain English, is a command to join the party of social chauvinists; to join with the murderers of Liebknecht and Luxemburg; to join with the Otto Bauers, the Thomases and Vanderhelts. The members of the Communist League in France who could not stomach this "reorientation" were expelled. Do the Trotskyites really believe that this "turn" will speed "social convulsions" and lead to a "radicalization of the masses"?; that in this "revolutionary rise" the Socialist Party will fight for the "Fourth International" and for Communism? Is this why they "orientate" from the "wing" of the Communist Party to follow at the "tail" of the Socialist Party? They don't!! The new orientation of the S.P. is based upon the thesis that the Socialist Movement in Austria and Germany fell because it was too revolutionary; that the S.P. must drop its revolutionary slogans, win the middle class, gain power and in that way make fascism impossible. The S.P. is offering to perform the task of the fascists themselves, and in this enterprise finds help from the Third International and its "wings", which in reality cannot be distinguished from the "Noske" and "Scheideman's".

We have said that the old labor movement reaches from "Noske" to Trotsky. It has departed only temporary. The departure was only a family fight; now they are united again. The "Left Leadership" of the old labor movement have gone over to the petty bourgeoisie. They have come home not to die, but to eat. In order to eat, these fakery offer themselves to the capitalist class as a way out that is better than fascism. In doing so, they become, in the words of Trotsky: "the party of counter-revolutionary despair." They prove to the workers by these zigzags that they are cheap demagogues, servants of capitalism, enemies of the revolution who live by betrayal. They prove by deeds that this "Bolshevik Leninist kernel" is as mouldy and worm-eaten as the other peas in the pod. They prove that the Socialist Party, Communist Party and Left Opposition have always been afflicted with a capitalist ideology. They prove that they are revolutionists in name, constitutionalists in deed. They fight with their flag

unfurled, and must be crushed with the capitalist traditions of yesterday. They are fakery again making history, struggling in a feeble effort to ward off the dialectic movement of reality. Meanwhile, the class struggle deepens - real revolutionists must carry on!

It has come to our notice that the Weisbord group, another "wing" of the Bolsheviks, who have "adhered" to the Trotsky movement internationally while opposing the Left Opposition in America, have repudiated Trotsky and his whole movement on the basis of this new orientation.

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Produced jointly by the Group of International Communists of Holland.

[First English Translation from "RATEKORRESPONDENZ"]

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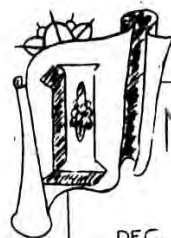
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"THESES ON BOLSHEVISM"

(Prepared Jointly by the Group of International Communists of Holland. Translated From "Ratekorrespondenz" #3, the Council Correspondence Published by the G. of I. O. of H. at Amsterdam, Holland, - the International Correspondence Bureau of the Left Communist Groups and the Council Movement of Europe.)

I. - The Significance of Bolshevism.

1. In Soviet Economy and the Soviet State, bolshevism has created for itself a closed field of social practice. In the Third International, it has organized an instrument for controlling and influencing the labor movement on international paths. Its directives in matters of principle and tactics are elaborated in "Leninism". The question arises: Is the Bolshevik theory, as Stalin says, Marxism in the epoch of imperialism and the social revolution? Is it, accordingly, the axis of the revolutionary movement of the proletariat on an international scale?
2. Bolshevism obtained its international reputation in the proletarian class movement, first, by its consistent revolutionary struggle against the World War of 1914-18 and, secondly, by the Russian Revolution of 1917. Its world-historic importance lies in the fact that, under the consistent leadership of Lenin, it recognized the problems of the Russian Revolution and at the same time created, in the Bolshevik Party, the instrument by which those problems could be practically solved. The adaptation of Bolshevism to the problems raised by the Russian Revolution was brought about by 20 years of painstaking and consistent development with the aid of insight into the fundamental class questions involved.
3. The question of whether this successful mastery of its tasks entitles Bolshevism to leadership, in theory, tactics and organization of the international proletarian revolution involves, on the one hand, an examination of the social bases and preconditions of the Russian Revolution, and, on the other, of the problems of the proletarian revolution in the great capitalist countries.

II. - The Preconditions of the Russian Revolution.

4. Russian society was decisively conditioned by its position between Europe and Asia. While the more progressive economic force and the stronger international position of Western Europe destroyed in Russia, before the end of the Middle Ages, the first beginnings of a commercial capitalist development, the political superiority of oriental despotism created the foundations for the absolutist state apparatus of the Russian Empire. Russia thus occupied, not only geographically but also economically and politically, an intermediate position between the two continents, combining their different social and political systems in its own peculiar way.

5. This internationally ambiguous position of Russia has decisively influenced not only its remote past, but also the problems of its revolution in the first two decades of the 20th century. The capitalist system in the era of imperialist upswing created two mutually opposed but intimately interlaced centers: the highly developed capitalist center of active imperialist advance in the strongly industrialized area of Western Europe and North America, and the colonial center of passive imperialist plunder in the agricultural regions of Eastern Asia. The class menace to the imperialist system thus arises from both these centers: the international proletarian revolution finds its pivot in the highly developed capitalist countries of Europe and America, the national agrarian revolution in the peasant countries of Eastern Asia. In Russia, which stood at the dividing point between the spheres of influence of the two imperialist centers, the two revolutionary tendencies were mingled.

6. The Russian economy was a combination of antiquated agrarian production characteristic of Asia, and of modern industrial economy characteristic of Europe. Serfdom in various forms survived in practice for an enormous majority of Russian peasants. The small beginnings of capitalist agriculture were thus hindered in their development. They merely caused the breaking up of the Russian village, its indescribable pauperization, while leaving the peasant chained to a soil which no longer was able to nourish him. Russian agriculture, embracing four-fifths of the Russian population and more than half the total production, was until 1917 a feudal economy sprinkled with capitalistic elements. Russian industry was engrafted upon the country by the czarist regime, which wanted to be independent of foreign countries especially in the production of army supplies. Since, however, Russia lacked the basis of a well developed system of handicrafts and the rudiments for the building of a class of "free laborers", this state capitalism, though born as mass production, created no wage-working class. It was a system of capitalistic serfdom, and preserved strong traces of this peculiarity down to 1917 in such features as the mode of wage payments, barracking of the workers, social legislation, etc. The Russian workers were therefore not only technically backward, but also to a great extent illiterate and in large part directly or indirectly bound to the village. In many branches of industry, the labor force was made up mainly of seasonal peasant workers who had no permanent connection with the city.

Russian industry until 1917 was a system of capitalist production interpermeated with feudal elements. Feudal agriculture and capitalist industry were thus mutually penetrated with each other's basic elements

and had been combined into a system which could neither be governed by feudal principles of economy nor furnish the foundations for an organic development of its capitalistic elements.

7. The economic task of the Russian Revolution was, first, the setting aside of the concealed agrarian feudalism and its continued exploitation of the peasants as serfs, together with the industrialization of agriculture, placing it on the plane of modern commodity production; secondly, to make possible the unrestricted creation of a class of really "free laborers", liberating the industrial development from all its feudal fetters. Essentially, the tasks of the bourgeois revolution.

8. It was on this foundation that the State of czarist absolutism arose. The existence of this State depended on an equilibrium between the two possessing classes, neither of which was able to dominate the other. If capitalism furnished the economic backbone of that State, its political prop was provided by the feudal nobility. "Constitution", "right to vote", and system of "self-government" could not conceal the political impotence of all classes in the czarist State which, under the conditions of the country's economic backwardness, produced a method of government which was a mixture of European absolutism and Oriental despotism.

9. Politically, the tasks confronting the Russian Revolution were: the destruction of absolutism, the abolition of the feudal nobility as the first estate, and the creation of a political constitution and an administrative apparatus which would secure politically the fulfillment of the economic task of the Revolution. The political tasks of the Russian Revolution were, therefore, quite in accord with its economic presuppositions, the tasks of the bourgeois revolution.

III. - The Class Groupings of the Russian Revolution.

10. Due to the peculiar social combination of feudal and capitalistic elements, the Russian Revolution was also confronted with complicated tasks. It differed in essence as fundamentally from the classic bourgeois revolution as the social structure of Russian absolutism at the beginning of the 20th century differed, say, from that of French absolutism in the 17th century.

11. This difference, corresponding to the dissimilar economic foundation, found its clearest political expression in the attitude of the various classes of Russia toward Czarism and the revolution. From the standpoint of their economic interests, all these classes were fundamentally in opposition to Czarism. In political practice, however, this opposition differed not only in degree but was quite different also in its aim and goal.

12. The feudal nobility fought fundamentally only for the extension of its influence over the absolutist State, wishing to keep it intact for the safeguarding of its privileges.

13. The bourgeoisie, numerically weak, politically dependent and directly bound to Czarism through state subsidies, made numerous shifts in its political orientation. The Decembrist movement of 1825 ~~was only a~~ only a ~~revolutionary~~ revolutionary attack on the absolutist State.

At the time of the terrorist movement of the Narodniki in the 70's and 80's, they supported the revolutionary movement passively for the purpose of strengthening the pressure on Czarism. They also attempted to utilize, as a means of pressure, the revolutionary strike movements down to the October struggles of 1905. Their aim was no longer the overthrow but the reform of Czarism. During the parliamentary period from 1906 to the spring of 1917, they entered upon a phase of cooperation with Czarism. Finally, the Russian bourgeoisie, in flight from the consequences of the revolutionary struggles of the proletarian and peasant masses, arrived at unconditional surrender to czarist reaction in the period of the Kornilov Putsch, which was designed to reestablish the former power of the Czar. It became counter-revolutionary even before the tasks of its own revolution had been accomplished. The first class characteristic of the Russian Revolution is, therefore, the fact that as a bourgeois revolution it had to be carried through not only without but directly against the bourgeoisie. Thus arose a fundamental alteration of its whole political character.

14. In conformity with their overwhelming majority, the peasants became the social group which at least passively determined the Russian Revolution. While the numerically less important capitalist--middle and upper--peasantry represented a liberal, petty-bourgeois policy, the preponderant number of famishing and enslaved small peasants were forced by elemental necessities into the course of violent expropriation of the large estates. Unable to pursue a class policy of their own, the Russian peasant elements found themselves compelled to follow the leadership of other classes. Until February 1917 they had, on the whole, despite sporadic revolts, been the firm basis of Czarism. As a result of their massive immobility and backwardness, the 1905 revolution collapsed. In 1917 they were decisive in bringing about the end of Czarism, which had organized them in great social units in the army, in that they passively crippled the conduct of the war. By their primitive but irresistible revolts in the villages during the further course of the Revolution, thus doing away with the large estates, they created the necessary conditions for the victory of the Bolshevik revolution which, during the years of civil war, was able to maintain itself only by reason of their further active assistance.

15. In spite of its backwardness, the Russian proletariat possessed great fighting strength, due to the merciless schooling of the combined czarist and capitalist oppression. It threw itself with enormous tenacity into the actions of the Russian bourgeois revolution and became its sharpest and most reliable instrument. As each of its actions, through the clash with Czarism, became a revolutionary one, it developed a primitive class-consciousness which in the struggles of 1917, especially in the spontaneous taking over of dominant enterprises, raised itself to the height of subjective communist will.

16. The petty-bourgeois intelligentsia played a distinct role in the Russian Revolution. Intolerably restricted in material and cultural matters, hindered in professional progress, schooled in the most advanced ideas of Western Europe, the best forces of the Russian intelligentsia stood in the forefront of the revolutionary movement, and by their leadership imprinted upon it a petty-bourgeois, jacobinical stamp. The Russian social-democratic movement, in its professional-revolutionary leader-element, constitutes primarily a party of the

revolutionary petty-bourgeoisie.

17. For the class solution of the problems presented by the Russian Revolution, there arose a peculiar combination of forces. The enormous peasant masses formed its passive foundation; the numerically weaker but revolutionarily strong proletarian masses represented its fighting instrument; the small element of revolutionary intellectuals arose as the master mind of the Revolution.

18. This class triangle was a necessary development of czarist society which was ruled politically by the absolutist, independent State, based on the disfranchised possessing classes; the feudal nobility and the bourgeoisie. The peculiar problems involved in accomplishing the bourgeois revolution without and against the bourgeoisie grew out of the necessity for the overthrow of Czarism, of mobilizing the proletariat and peasantry in the struggle for their own interests and thereby destroying not only Czarism but the existing forms of feudal and capitalist exploitation. Numerically, the peasants would have been able to handle the matter alone, but were politically not in a position to do so as they were unable to actualize their class interests except by subordinating themselves to the leadership of some other class element which in a certain measure determined to what degree the class interests of the peasantry were carried through. The Russian workers developed, in 1917, the beginnings of an independent communist class policy, but lacked the social presuppositions for their victory, which as a victory of the proletarian revolution would have had to be a victory also over the peasantry. This was impossible for the Russian proletariat which, in its various strata, numbered but ten millions. Accordingly they—just like the peasants—had to subordinate themselves to the leadership of a group of intellectuals not organically bound up with their interests.

19. The creation of the organized leadership of the Russian Revolution and the development of an appropriate tactic is the merit of the Bolsheviks. They accomplished the seemingly hopeless task of creating the contradictory alliance between the peasant masses fighting for private property and the proletariat fighting for communism, thus making the revolution under its difficult conditions possible and assuring its success by binding together this contradictory peasant-worker combination with the iron links of their party dictatorship. The Bolsheviks constitute the leadership party of Russia's revolutionary petty-bourgeois intelligentsia; they accomplished the historical task of the Russian Revolution, namely, the fitting of history to the back of the bourgeois-revolutionary peasantry combined with the proletarian-revolutionary working class.

IV. - The Essence of Bolshevism.

20. Bolshevism has all the fundamental characteristics of bourgeois-revolutionary policy intensified by the insight (taken over from Marxism) into the laws of movement of social classes. Lenin's phrase, "the revolutionary social democrat is the Jacobin, linked with the masses", is more than an external comparison. It is rather an expression of the inner technico-political affinity with the movement of the revolutionary petty-bourgeoisie of the French revolution.

21. The basic principle of Bolshevist policy--the conquest and exercise of power by the organization--is Jacobinical. The guiding line of the great political perspective and of its realization through the tactic of the Bolshevist organization fighting for power is Jacobinical; the mobilization of all suitable means and forces of society for the overthrow of the absolutist opponent, combined with the application of all methods which promise success; zigzagging and compromising with any social force which may be used, if even for the shortest time and in the least important sector of the struggle. The fundamental idea of Bolshevist organization, finally, is Jacobinical; the creation of a strict organization of professional revolutionists which will remain a pliant tool of an omnipotent leadership.

22. Theoretically, Bolshevism has by no means developed a thought structure of its own which could be considered a closed system. It has, rather, taken over the Marxist method of looking at classes and adapted it to the Russian revolutionary situation, i.e. basically changed its content while maintaining its concepts.

23. The one ideological achievement of Bolshevism is the connecting of its own political theory as a whole with philosophical materialism. As a radical protagonist of the bourgeois revolution, it falls upon the radical, philosophical ideology of the bourgeois revolution and makes it the dogma of its own view of human society. This fixation upon philosophical materialism is accompanied by a continual backsliding into philosophical idealism which considers political practice as in the last instance the emanation of the action of leaders. (Treason of reformism; idolatry of Lenin and Stalin.)

24. The organization of Bolshevism arose out of the social-democratic circles of intellectual revolutionists and developed through factional struggles, splits and defeats into an organization of leaders with the dominant positions in the hands of the petty-bourgeois intellectuals. Its further growth, favored by the continuously illegal situation, established it as a political organization of military character, based on professional revolutionists. Only through such a straight-laced instrument of leadership could the Bolshevist tactic be carried through and the historical task of Russia's revolutionary intelligentsia be fulfilled.

25. The Bolshevist tactic, in the service of pursuing the conquest of power by the organization, revealed--especially up to October 1917--a powerful inner consistency. Its continual outer fluctuations were essentially only temporary adaptations to altered situations and to altered relations of forces between the classes. In accordance with the principle of absolute subordination of the means to the end, without any consideration of the ideological effect on the classes which it led, the tactic was overhauled even in apparently fundamental questions. It was the task of the functionaries to make each of these maneuvers understandable to the "masses". On the other hand, every ideological stirring among the masses, even when fundamentally in contradiction to the party program, was utilized. That could be done because the only issue was the unconditional capture of masses for its policy. It had to be done because these masses, workers and peasants, had contradictory interests and a completely different consciousness. Precisely for this reason, however, the tactical method of

Bolshevism reveals its connection with revolutionary-bourgeois policy; it is, in fact, the method of that policy which Bolshevism actualizes.

V. - The Directives of Bolshevist Policy.

26. The goal which furnished the starting point of Bolshevism is the overthrow of the czarist system. As an attack on absolutism, it is of revolutionary-bourgeois character. To this goal is subordinated the struggle about the tactical line within the Russian social democracy. In this struggle, Bolshevism develops its methods and slogans.

27. It was the historical task of Bolshevism to weld together, by its leadership tactic, the rebellion of the proletariat and peasantry, who stood on quite different social planes, to the end of common action against the feudal State. It had to combine the peasant revolt (action of the bourgeois revolution at the beginning of the development of bourgeois society) with the proletarian revolt (action of the proletarian revolution at the end of the development of bourgeois society) into a unified action. It was able to do this only by reason of the fact that it unfolded a grand strategy in which use was made of the most diverse class stirrings and tendencies.

28. This utilization strategy begins with the willingness to capitalize the smallest splits and cracks in the opponent's camp. Thus Lenin once spoke of the liberal proprietors as "our allies of tomorrow", while at another time he came out for support of the priests who turned against the government because of their material neglect. He was also ready to support the religious sects persecuted by Czarism.

29. The clarity of Lenin's tactic, however, reveals itself in the fact that, especially as a result of the experiences of 1905, he posed the question of the "allies of the revolution" on the right line, in that he turned more sharply against all compromises with the dominant capitalist groups and restricted the policy of the "ally" and of compromises to the petty-bourgeois and small-peasant elements, i.e. those elements which alone historically could be mobilized for the bourgeois revolution in Russia.

30. The two-class basis of Bolshevist policy is expressed broadly in the tactical slogan of the "democratic dictatorship of the workers and peasants", which in 1905 was made the general guiding line of Bolshevist policy and which still carried with it the illusory idea of some sort of parliamentarism without the bourgeoisie. It was later replaced by the slogan of a "class alliance between the workers and peasants". Behind this formula was concealed nothing but the necessity of setting both these classes in motion for the Bolshevist policy of seizing power.

31. The temporary slogans under which these two classes determining for the Russian Revolution were to be mobilized on the basis of their contradictory interests were ruthlessly subordinated to the one purpose of using the forces of these classes. In order to mobilize the peasantry, the Bolsheviks as early as 1905 or thereabouts coined the slogan of "radical expropriation of the landed proprietors by the peasants". This slogan could be regarded from the peasants' standpoint as an invitation to divide the big estates among

the small peasants. When the Mensheviks pointed out the reactionary content of the Bolshevik agrarian slogans, Lenin informed them that the Bolsheviks had not in the least decided what was to be done with the expropriated estates. To regulate this matter would be the function of social-democratic policy when the situation arose. The demand for expropriation of the large estates by the peasants was thus of a demagogic character, but struck the peasants on the dominant point of their interests. In like manner, the Bolsheviks have also dropped slogans among the workers, e.g. that of the soviets. Determining for their tactic was merely the momentary success of a slogan which was by no means regarded as an obligation of principle on the part of the party with respect to the masses, but as a propagandistic means of a policy having for its final content the conquest of power by the organization.

32. In the period 1906-14, Bolshevism developed, in the combination of legal with illegal activity, the tactic of "revolutionary parliamentarism". This tactic was in accord with the situation of the bourgeois revolution in Russia. With the aid of this tactic, it succeeded in linking the day-to-day guerilla warfare between the workers and Czarism, and between the peasants and Czarism, into the great line of preparation for the bourgeois revolution under Russian conditions. In particular, each step in parliamentary activity on the part of the Russian social democracy bore, in consequence of czarist dictatorial policy, a bourgeois-revolutionary character. In its tactic of mobilizing the two decisive classes of the Russian Revolution in the altered situation between the revolution of 1905 down to the World War, this aim was further pursued and the Duma was used as a tribune for its propaganda among the workers and peasants.

VI. - Bolshevism and the Working Class.

33. Bolshevism has solved the historical problem of the bourgeois revolution in feudal-capitalist Russia with the aid of the proletariat as the active, fighting instrument. It has also appropriated the revolutionary theory of the working class and transformed that theory to suit its purposes. "Marxism-Leninism" is not Marxism, but a filling of the Marxist terminology adapted to the needs of the bourgeois revolution in Russia with the social content of the Russian Revolution. This theory becomes, in the hands of the Bolsheviks, and in spite of its being a means of understanding the class structure and tendencies of Russia, also the means of veiling the actual class content of the Bolshevik revolution. Behind the Marxist concepts and slogans is concealed the content of a bourgeois revolution which had to be brought about, under the leadership of a revolutionary petty-bourgeois intelligentsia, by the united assault of a socialistically oriented proletariat and a peasantry tied to private property, against czarist absolutism, land-owning nobility and the bourgeoisie.

34. The absolute claim to leadership on the part of the revolutionary, petty-bourgeois and jacobinical intelligentsia is concealed behind the Bolshevik conception of the role of the Party among the working class. The petty-bourgeois intelligentsia could expand its organization into an active revolutionary weapon only on condition of attracting and making use of proletarian forces. It therefore called its jacobinical party proletarian. The subordination of the fighting working class to the petty-bourgeois leadership was justi-

fied by Bolshevism on the theory of the "vanguard" of the proletariat--a theory which it extended in practice to the principle that the party is the embodiment of the class. The Party, that is, is not an instrument of the working-class, but the working-class an instrument of the Party.

35. The necessity for basing Bolshevik policy on the two lower classes of Russian society is transcribed by Bolshevism into the formula of a "class alliance between the proletariat and the peasantry"--an alliance in which logically antagonistic class interests are consciously lumped together.

36. The demand for unconditional leadership of the peasantry is disguised by Bolshevism with the formula of the "primacy of the proletariat in the revolution". As the proletariat in its turn is ruled by the Bolshevik Party, the "primacy of the proletariat" means the primacy of the Bolshevik Party and its claim to governing both classes.

37. The Bolshevik pretention of seizing power with the support of two classes finds its highest expression in the Bolshevik concept of the "dictatorship of the proletariat". In conjunction with the concept of the Party as the absolute leader-organization of the class, the formula of the proletarian dictatorship naturally means mastery on the part of the jacobinical-bolshevik organization. Its class content is furthermore completely done away with by the bolshevik definition of the dictatorship of the proletariat as the "class alliance between proletariat and peasantry under the primacy of the proletariat". (Stalin and the program of the Comintern.) The Marxist principle of the dictatorship of the working class is thus distorted by Bolshevism into the rule over two opposed classes by the jacobinical party.

38. The bourgeois character of the Bolshevik revolution is underscored by the Bolsheviks themselves in their revised slogan of the "people's revolution", i.e. the common struggle of different classes of a people in one revolution. That is the typical slogan of every bourgeois revolution which behind a bourgeois leadership brings masses of petty-bourgeois peasants and proletarians into action for its own class aims.

39. In view of the organization's struggle for power over the revolutionary classes, every democratic attitude of Bolshevism becomes a mere tactical chess move. This has been proved particularly in the question of workers' democracy in the soviets. The Leninist slogan of March 1917, "all power to the soviets", bore the typical two-class aspect of the Russian Revolution, for the soviets were the "councils of workers, peasants and soldiers" (i.e. again peasants). Furthermore, the slogan was mere tactic. It was put forth by Lenin in the February revolution because it seemed to assure the "peaceful" transition of control from the social-revolutionary Menshevik coalition to the Bolsheviks by the increase of their influence in the soviets. When, after the July demonstration, the influence of the Bolsheviks over the soviets declined, Lenin temporarily abandoned the soviet slogan and demanded the organization of other slogans of insurrection by the Bolshevik Party. It was only when, as a result of the Kornilov Putsch, the bolshevik influence in the soviets again sharply increased, that Lenin's party again took up the soviet slogan.

Since the Bolsheviks regarded the soviets preponderantly as organs of insurrection instead of as organs of self-government of the working class, they made it all too clear that to them the soviets were only a tool by the aid of which their party could take over the power. This has been demonstrated in general practice, not only by their organization of the soviet state after the conquest of power, but also in the special case of the bloody repression of the Kronstadt rebellion. The peasant-capitalist demands of this insurrection were granted by the NEP; its proletarian-democratic demands, however, were drowned in working-class blood.

40. The struggle over the content of the Russian soviets led, as early as 1920, to the formation of a genuine, though on the whole still weak, communist current in the Party. The workers' opposition (Utyanikov) represented the idea of carrying through soviet democracy for the working-class. Like all other serious oppositions of this nature, later on, it was eradicated by imprisonment, exile and military execution, but its platform remains as the historical starting point for an independent, proletarian-communist movement against the Bolshevik regime.

41. The attitude of the Bolsheviks toward the trade union question is likewise determined from the point of view of control and leadership of the workers by the Bolshevik party. In Russia, the Bolsheviks have completely taken away from the trade unions their character of labor organizations, by governmentalizing and militarizing them by the compulsory character imposed upon them after the conquest of power. In the other countries, the final result of the Bolshevik policy has been to protect the bureaucratic, reformist trade-union organizations, and instead of the breaking up of such organizations, the Bolsheviks have advocated the "conquest" of their apparatus. They were bitter opponents of the idea of revolutionary, industrial organizations because these latter embodied democratic democracy. The Bolsheviks fought for the conquest or renovation of organizations controlled by the centralistic bureaucracy, which they thought to rule from their own command posts.

42. As a leader-movement of jacobinical dictatorship, Bolshevism in all its phases has consistently combatted the idea of self-determination of the working class and demanded the subordination of the proletariat to the bureaucratized organization. In the discussion which took place, prior to the war, on the question of organization within the Second International, Lenin was a violent and vindictive opponent of Rosa Luxemburg and supported himself outspokenly on the centrist Kautsky, who during and after the war clearly revealed his policy of class betrayal. Bolshevism had even then, as constantly since, proved that it not only has no understanding of the question of developing the consciousness and the class organizations of the proletariat, but that it also combats with all means all theoretical and practical attempts to develop actual class organizations and class policies.

VII. - The Bolshevik Revolution.

43. Bolshevism has called the revolution of February the bourgeois revolution, and that of October the proletarian revolution in order to be able to pass off its later regime as proletarian class rule and

its economic policies as socialism. The absurdity of this division of the revolution of 1917 becomes clear merely from consideration of the fact that in that case a development of seven months would have sufficed to create the economic and social presuppositions for a proletarian revolution in a country which had just entered the process of its bourgeois revolution, i.e. simply to leap an economic and social phase of development that would at least require decades. In reality, the revolution of 1917 is a quite unitary social process of transformation, beginning with the collapse of Czarism and attaining its climax with the victorious armed insurrection of the Bolsheviks on November 7th. This violent process of transformation is that of Russia's bourgeois revolution under the historically created, peculiar Russian conditions.

44. In this process, the party of the revolutionary, jacobinical intelligentsia seized power on the two social waves of peasant and proletarian mass insurrection and created in the place of the shattered governing triangle, Czarism, nobility, bourgeoisie, the new governing triangle, bolshevism, peasantry, working class. Just as the state apparatus of Czarism ruled independently over the two possessing classes, so the new Bolshevik state apparatus began to make itself independent of its double class basis. Russia stepped out of the conditions of czarist absolutism into those of Bolshevik absolutism.

45. Bolshevik policy attains, during the revolutionary period, its highest point in the way of embracing and mastering the class forces of the revolution. The apex of their revolutionary tactic is reached in the preparation and carrying out of the armed insurrection. The question of the violent uprising became for the Bolsheviks a question of an exact, thoroughly scheduled and planned military action, the head of which as well as its driving and controlling force was the Bolshevik Party with its military formations. Conception, preparation and execution of the armed insurrection by the Bolsheviks bear the obvious stamp of the jacobinical conspiracy, (in the Russian Revolution again the only possible policy) that is, of insurrection under the peculiar conditions of carrying through the bourgeois revolution against the bourgeoisie.

46. The inner character of the Bolshevik revolution as a bourgeois revolution reveals itself in its economic slogans. To the peasant masses, the Bolsheviks represented the violent expropriation of the large estates by the spontaneous action of the land-hungry small peasantry. They perfectly expressed in their agrarian practice and slogans (Peace and Land) the interests of the peasants fighting for the security of small private property, hence on capitalistic lines, and were thus, on the agrarian question, ruthless champions of small-capitalist, hence not socialist-proletarian interests against feudal and capitalist landed property.

47. Nor with regard to the workers were the economic demands of the Bolshevik revolution filled with a socialist content. Lenin on several occasions repelled with distinct sharpness the Menshevik criticism that Bolshevism represented a utopian policy of socialization of production in a country not yet ripe for it. The Bolsheviks declared that in the revolution it was not at all a question of socialization of production, but of control of production by the worker

The slogan of control of production served the attempt to maintain capitalism as a force for technical and economic organization of production, but depriving it of its character of exploitation. The bourgeois character of the Bolshevik revolution and the Bolshevik self-restriction to this bourgeois economic character, as opposed to the consolidation of the results of the overthrow of 1917, could not be shown more clearly than in this slogan of control of production.

48. The elemental force of the workers' attack, on the one hand, and the sabotage of the dethroned employers on the other, meanwhile drove the Bolshevik industrial policy further into taking over the industrial enterprises by the new governmental bureaucracy. The state economy which at first, throughout the period of war communism, was denoted by Lenin most choked from overorganization (Stavism), was denoted by Lenin as state capitalism. The designation of the Bolshevik state economy as socialist is a product of the Stalinist era.

49. Lenin himself had, however, no other fundamental conception of socialization of production than that of a bureaucratically conducted state economy. To him the German war economy and the postal service were illustrations of socialist organization, i.e. economic organization of an outright bureaucratic character, centralistically controlled from above. He saw only the technical, not the proletarian, social side of the socialization problem. Lenin likewise based himself, and with him Bolshevism in general, on the concepts of socialization propounded by the centrist Hilferding, who in his "Finance Capital" had sketched an idealized picture of a completely organized capitalism. The actual problem in socializing production, i.e. the taking over of the enterprises and the organization of the economy through the working class and its class organizations, the shop councils; Bolshevism has completely passed it by. It had to be passed by because the Marxist idea of the association of free and equal producers is directly opposed to the essence of the rule of a Jacobinical organization, and because Russia did not possess the social and economic conditions necessary for socialism. The socialization concept of the Bolsheviks is therefore nothing but a capitalist economy taken over by the State and directed from the outside and from above by its bureaucracy. The Bolshevik socialism is state-organized capitalism.

VIII. - Bolshevik Internationalism and the National Question.

50. During the World War, the Bolsheviks represented a consistently international standpoint under the slogan "Convert the imperialist war into civil war" and had apparently conducted themselves as consistent Marxists. But their revolutionary internationalism was as much determined by their tactic in the struggle for the Russian Revolution as was later their swing to the NEP. The appeal to the international proletariat was only one side of a large-laid policy for international support of the Russian revolution. The other side was the policy and propaganda of "national self-determination" in which the class outlook was even more definitely sacrificed than in the concept of "people's revolution", in favor of an appeal to all classes of certain peoples.

51. This double-faced "two-class internationalism" of the Bolsheviks corresponded to the international situation of Russia and of

revolution. Russia stands between the two centers of the imperialist world system, geographically and sociologically. In Russia, where the active imperialist and the passive colonial tendencies met, the system collapsed. The reactionary classes of Russia were incompetent to put it together again, as their decisive defeat in the Kornilov Putsch and later in the civil war has proved. The only real danger threatening the Russian revolution was that of imperialist intervention. Only military invasion on the part of imperialist capital could strike down Bolshevism and restore Czarism - the old regime which had been built into the world system of imperialist exploitation both as an instrument and as material at the same time. The problem of active defense of Bolshevism against world imperialism consisted, therefore, in counter-attacking in the imperialist centers of power. This was brought about through the two-sided international policy of Bolshevism.

52. With the standpoint of the international proletarian revolution, Bolshevism propagated an internal attack by the international proletariat on the center of world imperialism in the highly developed capitalist countries. With the policy of "the right to national self-determination" Bolshevism propagated an attack by the oppressed peasant peoples of the Far East on the colonial center of world imperialism. In a double-phased international policy adjusted to tremendous perspectives, Bolshevism attempted to lengthen the proletarian and peasant arms of its revolution into the international stretches of world capitalism.

53. The position of Bolshevism on the "national question" is practical, hence not merely an expedient of the bourgeois revolution of its own country, - a revolution which wished to strike Czarism with the aid of the national instincts of the oppressed peasant elements, and nationalities of the Russian Empire. It is, at the same time, the peasant internationalism of a bourgeois revolution which was accomplished in the age of world imperialism and which could hold out in the meshes of the imperialist net only with the aid of an internationally oriented and activated counter-policy.

54. As instruments of Bolshevik leadership for this policy of international support for the bourgeois revolution accomplished on Russian soil, Bolshevism attempted to create two international organizations: the Third International to mobilize the workers of the highly developed capitalist countries, and the Peasant International as an organization for Bolshevik mobilization of the oriental peasant peoples. As the final guiding thought of this international double-class policy there appeared the idea of the world revolution, in which the international (European-American) proletarian revolution and the national (mainly Oriental) peasant revolution were to be riveted into a new international unity of bolshevik world policy under the strict leadership of Moscow. Thus the concept of "world revolution" has for the Bolsheviks an altogether different class content. It no longer has anything in common with the international proletarian revolution.

55. The international policy of Bolshevism was thus directed to repeating the Russian Revolution on a world scale by simultaneous utilization of the proletariat and the peasant-bourgeois revolutions and thereby making the leadership of the Bolshevik party of Russia

the commander of a world bolshevik system of coupling together the communist-proletarian and peasant-capitalist interests. This policy was insofar positive as it has protected the Bolshevik State from imperialist invasion by continually disquieting the capitalist States, and thereby has given it time to build itself gradually into the world imperialist system again by the capitalist methods of commercial relations, economic agreements and non-aggression pacts. It has given Russia the opportunity for an unhindered national building up and extension of its own internal position. The two-front policy of Bolshevism was negative in that on both sides the attempt to carry over the active bolshevik policies onto a world scale has collapsed. The experiment of the Peasant International has completely broken down with the defeat of bolshevik policy in China. The Third International, after the pitiful collapse of the Communist Party of Germany, is no longer a factor in bolshevik world policy. The gigantic attempt to transplant the bolshevik policy of Russia into world relations is historically a failure, and proves the national, Russian limitations of Bolshevism. At any rate, the bolshevik experiment in international Machtpolitik has afforded time and space for the retreat of Bolshevism onto its national (Russian) position and for the conversion to capitalist-imperialist methods of international policy. Theoretically, this retreat found its expression in the formula "socialism in one country", thereby removing the international ties from the concept of "socialism" after the Russian economic practice had already robbed it of its proletarian class content and turned it into a disguise of state-capitalist tendencies found as well in reformism and in petty-bourgeois fascism.

56. Actually, it is unessential, now that we have the results of 15 years of the bolshevik State and of the bolshevik international, whether Lenin at or before the founding of the Comintern had or had not a different idea about the effect of this bolshevik international. In practice, Bolshevism with its concept of the "right to national self-determination" has developed the tendencies to a world-bolshevik Machtpolitik. It has also, through the Comintern, decisively contributed to the result that the European proletariat was unable to rise to the height of revolutionary communist insight and instead remained stuck in the mud of reformist concepts revived by Bolshevism and decorated with revolutionary phrases. Thus it has come about that the concept of the "Russian Fatherland" has become the cornerstone of the whole policy of the bolshevik parties, whereas for proletarian communism the international working class stands at the center of all international orientation.

IX. - State Bolshevism and the Comintern.

57. The establishment of the Soviet State was the establishment of the rule of the party of bolshevik-Machiavellism. The sociological basis of this state power, made independent of its supporting classes and creating the new social element of the bolshevik bureaucracy, was composed of the Russian proletariat and peasantry. The proletariat, enchained with the methods of compulsory membership in the trade unions and the terrorism of the Tcheka, formed the basis of the bolshevistic, bureaucratically conducted state economy. The peasantry concealed and still conceals in its ranks the private capitalist tendencies of that economy. The Soviet State in its inner policy was continually being tossed back and forth between the two tendencies.

It has attempted to master them through violent organizational methods such as the five-year plan policy and compulsory collectivization. In practice, however, it has only increased the economic difficulties to the danger point of an explosion of the economic contradictions by the intolerable overextension of the forces of the workers and peasants. The experiment in bureaucratically planned state economy can by no means be denoted as a complete success. The great international cataclysms threatening Russia are bound to increase the contradictions of its economic system till they become intolerable and may enormously hasten the collapse of the hitherto gigantic economic experiment.

58. The inner character of Russian economy is determined by the following circumstances: it rests on the foundation of commodity production; it is conducted according to the viewpoints of capitalist profitability; it reveals a decidedly capitalist system of wages and speed-up; it has carried the refinements of capitalist rationalization to the utmost limits. Bolshevist economy is state production with capitalistic methods.

59. This state form of production also produces surplus value, which is squeezed out of the workers in fullest measure. The Russian State does not, to be sure, reveal any class of people who individually and directly are the beneficiaries of the surplus-value production, but it pockets this surplus value through the bureaucratic, parasitical apparatus as a whole. In addition to its own quite costly maintenance, the surplus value produced serves for the expansion of production, the support of the peasant class and as a means of settlement for the foreign obligations of the State. So that, in addition to the economically parasitical element of the ruling bureaucracy, the Russian peasants, as a distinct part of international capital, are the beneficiaries of the surplus value produced by the Russian workers. The Russian state economy is therefore profit production and exploitation economy. It is state capitalism under the historically unique conditions of the bolshevik regime, and accordingly represents a different and more advanced type of capitalist production than even the greatest and most advanced countries have to show.

60. The foreign policy of the Soviet Union has been subordinated to the point of view of securing the position of the Bolshevist Party and of the state apparatus which it controls. Economically, the Russian government fought for support of its industrial construction, which was pushed forward with the greatest exertions. The isolation of Soviet Russia's economy led to a strenuous policy of doing away with the compulsory autarchy while maintaining control of the foreign trade monopoly. Commercial treaties, concessionaire agreements, as well as extensive credit arrangements, reestablished the bond of Russian state economy with capitalist world production and its markets, into which Russia entered partly as a courted customer and partly as a keen competitor. On the other hand, the policy of economic attachment to world capital compelled the soviet government to cultivate friendly and peaceful relations with the capitalist powers. The principles of a bolshevist world policy, where they were still propagated, were opportunistically subordinated to the bare commercial treaty. The entire foreign policy of the Russian government took on the stamp of a typically capitalist diplomacy and thus, in the international sphere, definitely tore bolshevist theory loose from bolshevist practice.

61. In the center of the foreign propaganda of the Comintern, Bolshevism placed the thesis of "imperialist encircling of the Soviet Union" though such a phrase did not harmonize in the least with the complicated lines of imperialistic conflicts of interests and their continually changing groupings. It attempted to mobilize the international proletariat for its foreign policy and, through a partly parliamentary partly putschist policy on the part of the communist parties, to create unrest in the capitalist states from within and thereby strengthen the diplomatic and economic position of the Soviet Union.

62. The oppositions between the Soviet Union and the imperialist powers led to the ideological counter-propaganda of the Comintern under the slogans: "Menace of War against the U.S.S.R.", "Protect the Soviet Union". In that the workers were presented with these oppositions as the only and determining ones in world policy, they were prevented from gaining an insight into the actual realities of international politics. The adherents of the communist parties became, before everything else, blind and opportunistic defenders of the Soviet Union and were kept in ignorance of the fact that the Soviet Union had long ago become a full-fledged factor in imperialist world politics.

63. The continual cry of alarm about an imminent war by the combined imperialist powers against the U.S.S.R. served in domestic politics for justifying the intensified militarization of labor and the increased pressure on the Russian proletariat. At the same time, however, the Soviet Union had and has the greatest interest in the unconditional avoidance of any military conflict with other States. The existence of the bolshevik government depends internally in large measure on the avoidance of all convulsions in the sphere of foreign politics, both military as well as revolutionary. Therefore the Comintern has in practice, in crying contradiction to its old theory and propaganda, carried on a policy of sabotage of all real revolutionary proletarian development and in the communist parties somewhat openly spread the conception that the upbuilding of the Soviet Union must first be secured before the proletarian revolution in Europe can be pressed further. On the other hand, the Russian government has, to be sure, employed strong gestures against imperialist powers for the sake of prestige, but in practice always capitulated to them. The "sale" of the Manchurian railway is an example of the unresisting capitulation of the U.S.S.R. to the imperialist opponent. The over-hasty recognition of the Soviet Union by the United States at the same point of time is, conversely, a proof that the imperialist powers, within the bounds of their policy of opposing interests, also know how to give a positive value to the factor represented by the Soviet Union. But especially has the Soviet Union documented its bond with capitalism by arranging and extending particularly close economic relations with Italian fascism and Hitler Germany. The Soviet Union appears as a reliable economic, and hence also political, support of the most reactionary fascist dictatorships in Europe.

64. The policy of unconditional understanding of the U.S.S.R. with capitalist and imperialist States has not only economic grounds. Nor is it merely an expression of military inferiority. The Soviet Union's "peace policy" is, rather, quite decisively guaranteed by the inner situation of Bolshevism. Its existence as an independent state power

depends on its success in maintaining an equilibrium between the dominated working class and the peasantry. In spite of the progress made in industrializing the country, the position of the Russian peasantry is still extremely strong. First, in its hands still rests in large measure, in spite of all repressive policies from above, the decision about the feeding of the country. Secondly, collectivization has strengthened not only the economic, but also the political power of the peasantry which as before is still fighting for private capitalist interests. (For "collectivization" in Russia means a collective union of privately owning peasants with the maintenance of capitalistic methods of accounting and distribution.) In the third place, finally, a war and the mass arming of the peasantry would form the conditions for a renewed and violent peasant revolt against the bolshevik system; just as, on the other hand, a revolution by the European proletariat would also make probable an open rebellion by the Russian workers. On these grounds, the policy of understanding between the Soviet government and the imperialist powers is a life necessity of bolshevik absolutism.

65. The Comintern itself has become a tool for the misuse of the international working class for the opportunist aims of national glorification and the international security policy of the Russian State. It arose, in its extra-Russian parts, from combining the revolutionary cadres of the European proletariat. By utilizing the authority of the bolshevik revolution, the organizational principle and tactic of Bolshevism was forced upon the Comintern with the utmost brutality and without regard for immediate splits. The executive committee (E.C.C.I.) - another tool of the leadership of Russia's governmental bureaucracy - was made the absolute commander of all communist parties and their policy was completely cut loose from the actual revolutionary interests of the international working class. Revolutionary phrases and resolutions served as a cloak for the counter-revolutionary policy of the Comintern and its parties, which in their bolshevik manner became as adept in working class betrayal and unrestrained demagogy as the social-democratic parties had been. Just as reformism went down, in the historical sense, on the fusion of its apparatus with capitalism, so the Comintern suffered shipwreck by the connection, through its apparatus, with the capitalist policy of the Soviet Union.

X. - Bolshevism and the International Working Class.

66. Bolshevism, in principle, tactic and organization, is a movement and method of the bourgeois revolution in a preponderantly peasant country. It brought the socialistically oriented proletariat and the capitalistically oriented peasantry to a revolutionary uprising, under the dictatorial leadership of the jacobinical intelligentsia, against the absolutist State, feudalism and the bourgeoisie, for the purpose of smashing feudal-capitalistic absolutism, and, in a great strategy of turning everything to advantage, joined together the opposed proletarian and peasant class-interests with the aid of insight into the class character of the laws of social development.

67. Bolshevism is therefore not only unserviceable as a directive for the revolutionary policy of the international proletariat, but is one of its heaviest and most dangerous impediments. The struggle against the bolshevik ideology, against the bolshevik practices and

hence against all groups seeking to anchor them anew in the proletariat is one of the first tasks in the struggle for the revolutionary reorientation of the working class. Proletarian policy can be developed only from the proletarian class ground and with the methods and organizational forms adapted thereto.

WHAT'S BEHIND THE "NEW DEAL"?

The New Deal is no harbinger of a "new social order", nor is its apostle, Franklin Delano Roosevelt, self-proclaimed Messiah for the "forgotten man", the really unselfish and public-spirited individual he is portrayed.

Roosevelt's election was engineered, just like all other previous elections, by a group of individuals whose economic interests required urgent governmental aid.

The fall of 1932 saw the complete collapse of American industry and a rising tide of agrarian discontent. The current occupant of the White House, Herbert Hoover, placed there by the Morgan and Mellon financial interests, appeared totally oblivious to the desperate straits of these two groups. It was only natural that these groups should strive for that political power in the coming election which would enable them to pass beneficial legislation for themselves.

Why was Roosevelt selected to "lead" the country out of economic chaos? Not only because he had caught the nation's attention as a much advertised "liberal" politician, but even more so because his own economic interests were identical with those of the group pushing his candidacy.

James Roosevelt, father of Franklin D., one-time vice-president of the Delaware & Hudson R.R., accumulated such a tremendous fortune in railroad organization, both down South following the Civil War, and in the East, that he was considered one of the five richest men in New York City. Although young Franklin D., had expressed a desire to enter the Navy, the elder Roosevelt persuaded him to study law instead and thus better equip himself for the ultimate management of the extensive Roosevelt holdings. Following graduation from Harvard and Columbia Law School, Roosevelt entered the offices of the best established firm of management lawyers in New York City. While in their employ, he directed the affairs of the huge Astor estate, and thereby established a very close friendship with William Vincent Astor, one of the country's most influential industrialists and bankers. In a spirit of fun, Roosevelt then entered politics. Running for the state Senate on the Democratic ticket, he surprised everyone by capturing the office. No sooner was he seated, than Roosevelt, the comparatively unknown, drew national attention to himself by leading an opposition to the Tammany nomination for U.S. senator (in those days, 1911, they were elected by the state legislature). Thus he gained through his one act that unfounded reputation for unselfish devotion to the people's interests that has endured to this day. Next Roosevelt boosted Woodrow Wilson for the Democratic presidential

nomination in 1912, stumping for him afterwards during the successful election campaign. As a reward, Wilson appointed him Assistant Secretary of the Navy. Roosevelt spent seven years in this position. Several months ago, the Administration publicity agencies made much of the State department's order removing the U.S. Marines who had been stationed in San Domingo (Haiti). They discreetly neglected to mention that it was this same Franklin D. Roosevelt who sent them there in 1913 in his first official act as Assistant Secretary ostensibly to protect American lives, actually to protect American investments, Astor interests among others! During the summer and fall of 1915, our peace-loving Asst. Secretary of the Navy began preparing the Navy for eventual participation in the World War, two years before our actual entry! In addition, he developed a gift for oratory and began to advocate publicly for a much larger Navy. This missionary work was largely instrumental in causing President Wilson to sponsor the largest Navy appropriation bill up to that time. Passed in 1916, it provided an appropriation of \$320,000,000 for naval expansion.

After America was propagandized into the war, thanks to paid Allied propaganda plus the help tendered by American financial interests (J.P. Morgan & Co.) and young jingoists of the Roosevelt type, our hero proved himself quite capable. Roosevelt invented the "Macy Board" the first governmental war labor board, which coordinated wages in every part of the country. The National War Labor Board developed from this. This latter Board showed its regard for labor by forbidding all strikes for the termination of the war. Roosevelt also served as representative of the Navy on the War Labor Policies Board, charged with working out labor policies. In his capacity as Navy labor expert, Roosevelt helped "arbitrate" labor disputes pertaining to the Navy construction yards. This work brought him into contact with various American Federation of Labor officials, who all displayed great patriotism and extreme reasonableness in their dealings.

The greatest of these patriots and the most reasonable in his demands was the vice-president of the International Association of Machinists. Roosevelt never forgot the favors he received from this official, and so when the C.C.C. was instituted last year, at its head was placed this sterling patriot, Robert Fechner.

After helping to win the war to "make the World Safe for Democracy", Roosevelt returned to civilian life, resuming his law practice. At Alfred E. Smith's behest, he reentered politics, gaining the governorship of New York in 1928, and again in '30. During this period, the Governor discovered he possessed a remarkable radio voice, for a politician. From such humble beginnings sprang that great American Institution: Intimate Fireside Chats With The President (through the courtesy of both broadcasting systems).

His administration as governor, in spite of press-agency to the contrary, shows no benefits for labor. The legislation to which Roosevelt points with greatest pride as a boon to labor, The New York State Old Age Pension Act, doesn't benefit labor at all. Not only must applicants be 70 years or over, (surely no help to most workers who never reach 60, let alone 70 because of modern working conditions but the procedure is so loaded with red-tape that really needy individuals without money for legal aid can hardly hope to secure its meagre benefits.

Roosevelt is not the only member of his family with extensive railroad holdings. His first cousin on his mother's side, Lyman Delano, is today Chairman of the board of directors of the Atlantic Coast Line R.R.Co., the Louisville & Nashville, and has an interest in many others. Other relatives are J.J.Pelley, recently resigned president of the New York, New Haven & Hartford R.R., and a shareholder in others; and Mr. Curry of the Union Pacific. Roosevelt's three most intimate friends are likewise industrialists with huge railroad holdings. The aforementioned Vincent Astor, besides extensive interests in industry and ocean transportation, is a director of the Great Northern Ry.Co., and the Illinois Central. Wm.A.Harriman, heir of the old railroad king, is a director of both the Illinois Central and the Union Pacific. Wm.K.Vanderbilt holds directorates in the New York Central, the Michigan Central, and other railroads. Besides these relatives and close friends, all who supported Roosevelt's presidential campaign with substantial financial contributions, almost every other railroad mogul in the country likewise backed him: Robert Goellet, Arthur C. James, Edward S. Harkness, C.S.McCain, David Bruce, Howard Bruce, Wm.T.Kemper, and F.H.Rawson. The railroad group behind Roosevelt numbered almost everyone but, significantly enough, the representatives of the roads controlled by the J.P.Morgan financial interests.

The railroads had indeed taken the worst beating of any capitalist group during the period of the crisis, and certainly needed help. For example, in 1932, 150 selected railroads showed a deficit of \$150,634,00 compared to earnings of \$896,807,000 in 1929. The railroad equipment industry led by Wm.Woodin also marshalled behind Roosevelt.

Another section of industry that rallied behind Franklin D., was the mining, particularly the precious metals - gold and silver - group. Most prominent here were the Guggenheim and Bernard M.Baruch interests, exerting a virtual monopoly on silver through control of the American Smelting & Refining Co., which either extracts or refines for others almost one-half of the world silver produced yearly. Included with these is also Wm.R.Hearst, newspaper publisher, large Mexican silver mine owner and shareholder in the Homestake Gold Mining Co. This group in advocating gold devaluation and greater use of silver for monetary purposes enlisted the large farmers' vote who demanded that farm product prices be raised through monetary legislation.

A political party that promised to raise farmer purchasing power, (fallen in 1932 to almost one-half that of 1929) was bound to gain the support of industrial interests dependent on the farmer; and so we find the McCormicks, owning the monopolistic International Harvester Co., and other farm implement and fertilizer manufacturers joining the Roosevelt band-wagon.

Minor industrial interests included the liquor concerns who wanted repeal of the Prohibition Amendment, and construction industry moguls such as C.R.Crane of Crane Co., Jesse H. Jones (R.F.C. head) and J.T. Jones of the Jones Lumber Co., etc.

Behind both political parties was also a grim struggle between two factions for control of the giant Chase National Bank. Backing the Republican Hoover were his 1928 mentors, the House of Morgan. Opposing

J.P.Morgan was this other group of stockholders headed by John Rockefeller, Jr., and including Vincent Astor, the Vanderbilts and Guggenheims. The fight centered about the policy of J.P.Morgan, who controlled the bank, in forcing the Chase National to engage in practices outside its own legitimate field, such as lending money for speculative purposes, the floating of new stock and bond issues, and buying and selling on the stock market. Rockefeller, Jr., and his allies who are primarily industrialists, violently disapproved of this policy blaming it in great part for the stock market crash of '29. They not only wanted to gain control of the bank and return it to its normal commercial banking practice, which is to provide funds to industry and business for meeting current expenses, on good security, but they wanted control of the federal government in order to enact federal legislation against the Morgan policy which had become widespread under the influence and example of the Chase National. The Lehman Bros. (among which is Gov. H.H.Lehman of N.Y.) the country's second largest firm of investment bankers, and other investment houses such as Halsey Stuart, supported this attempt to legalize against their competitors.

Roosevelt was no sooner inaugurated than he commenced to remember the "forgotten men". First on the list, of course, were the Rockefellers, So on March 15, 1933, J.P.Morgan was summoned before the Senate Banking Investigation. His revelations and those of Albert H. Wiggin, the nominal head of the Chase National appointed by Morgan, were so damaging that Wiggin was forced to resign and the Rockefellers gained the balance of voting power, enabling them to elect their own man Winthrop W. Aldrich to the Chairmanship of the Board of the Chase National Bank. When Aldrich appeared before the Banking Investigation, he announced that the Chase National would divorce its Chase Securities Corp. He argued for a complete divorce of the securities business and commercial deposit banking. This suggestion was embodied in the Glass-Steagall Banking Act (June 16, 1933) ordering all commercial banks to be separated from their securities business within twelve months. Restrictions were also placed against loans for speculative purposes.

The devaluation of the gold dollar, followed later by the nationalization of silver, enriched immediately the gold and silver producers. This monetary policy plus crop curtailment as practiced by the A.A.A. has increased farm prices to some degree. The Administration, however, overlooked the obvious fact that higher food prices raise the cost of living for the worker, which is directly opposed to the interests of the industrialist who desires low production costs.

The N.R.A. whose first form was suggested by Bernard M. Baruch as the result of his war-time experience as Chairman of the War Industries Board, was administered by Hugh Johnson (a former employe and disciple of Baruch's) in such fashion as to allow the natural tendency toward monopoly inherent in capitalism to develop unrestrictedly. Codes were drawn by the largest industrialists in each industry and naturally they were drawn in their own interests. Minimum wages and hours served to eliminate the small competitors who were only able to stay in the race by paying unbelievably low wages and working long hours. Governmental restriction, therefore, helped to liquidate these small fry and fostered monopoly. Since anti-trust restrictions have been set aside during the course of N.R.A., it is evident that this phase will be continued.

In the effort to help those other "forgotten men", the backbone of his political support, the railroad and addiliated interests (including himself) the President has been forced to adopt a cautious and slow policy. Because they are subject to federal regulation, the railroads present a delicate problem. Rates cannot be arbitrarily raised without consent of the Interstate Commerce Commission. Competition at the hands of the bus, waterway and the aeroplane has caused a great drop in railroad traffic. For example: volume of freight traffic today is only 60% that of 1929; passenger traffic today is only 50% of 1929 and 33% of 1920. A coordinator of railroads was established after Roosevelt took office. His job has been to develop a plan to reestablish the roads. His plans call for greater consolidation among the various competing roads which would eliminate competition between them -- one of the requirements of the I.C.C. In addition, it has been suggested that the I.C.C. be reorganized with separate divisions for railroads, motor lines, air lines and other carriers in a coordinated system of government regulation. If these plans are carried through, and they should considering Roosevelt's hold on Congress today, then the railroads will become more of a monopoly than ever, and rival forms of transportation will suffer. The government will also be forced to subsidize the railroads in order to modernize them. Private capital could hardly finance the costs involved today.

Having secured most of its real objects, or about to secure them, the "New Deal" can now afford to drop its mask of "radicalism". Overtures have been made to big business assuring it that the administration is inherently devoted to preserving the profit system. Because of Labor's growing militancy and its refusal to obey and accept docilely the traditional trade-union leadership of the A.F. of L., in the face of ever-growing misery, a change in the governmental labor policy may be expected shortly. In return for some sop, such as unemployment insurance of a kind, labor will be made to give up its right to strike. Once the strike is outlawed, is made illegal, wage cuts will become the rule. Of course, Labor will be asked to accept these cuts only "temporarily until business revives!"

Our only conclusion is that Labor only by completely changing the social and economic system can really and truly give itself a New Deal for all time.

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To those who have written in asking for additional copies of the first issue of Council Correspondence, we are sorry to say that this issue is entirely sold out. We hope to get out the feature article, "What is Communism" in pamphlet form sometime in the near future, and when we do we will notify the workers who have sent in these requests. We still have a few copies of the November issue.

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WORKERS PARTY".

By KARL KORSCH

JANUARY, 1935 --- No .4

UNITED WORKERS' PARTY



JAN 1935 No. 4

THE BABBITTS HAVE A PROGRAM

On The Program of the National Association of Manufacturers.

The spirit of Hoover, Babbitt & Company lives on, very much unimpaired. The Roosevelt Revolution came, passed over it, and finally spent itself in the vaporings characteristic of predepression Cal at his best. The manufacturers, industrialists or whatever one chooses to call them (but the word "capitalists" is taboo) have taken heart, emerged from their cellars and come forward with a "Proposed Platform for Recovery" which we understand was adopted at their annual convention at the Waldorf-Astoria, Dec. 5 and 6. Or if it wasn't adopted, that was a mere oversight due to the fact that the delegates no doubt had a number of more important things to think about, as, for example, the best way to spend the evening.

And if you don't believe that this Platform is a gem, just read the first page introduction by Mr. C. L. Bardo, president, and be convinced. Here we are informed specifically that the worthy Babbitts are intent on "giving their best thought and unity towards business recovery" and that "at this particularly crucial time" the "elements of recovery" are merely awaiting "the materializing effect of stabilizing policies". Which at any rate seems to prove that the lords of American capital are learning to use bigger words; perhaps they will actually be reading before long -- if only the signs of the times. In fact, even the present program contains an occasional note of alarm regarding radical criticism, and a hint at fascist repression. We are warned, for example, to "stop poisoning the wells of public opinion" (as if that were not another capitalist monopoly); and the Committee (of future relations of government to industry) "urges a check upon those utterances that rashly assail the general integrity and competence of our industrial leadership or assert the failure of our economic system". But even at the risk of injecting a little more poison into those wells, we wish to take up the various proposals of the Platform in order and in some detail.

The first proposal, "subject to ratification by industry", deals in a general way with "The Road to Recovery". The keynote here is that "recovery must be ranked first among all relief measures" or "recovery and re-employment must not be subordinated to reform". And how is re-

covery to be brought about? After all the talk covering three large pages, it all boils down to the old cliché of "confidence" and the removal of "impediments in the road to recovery". In other words, the Roosevelt program of action having failed, and capitalism having proved that it is not amenable to reform, back to the do-nothingism of the Great Engineer. The Committee is evidently not altogether unaware of the weakness of its position, and accordingly devotes a couple of paragraphs here to pointing with pride to past accomplishments under the American Constitution and to uttering a warning against some unmentionable malefactors by whom "our people are now being told that our difficulties are due to the breakdown of an outworn economic system". However, "out of experience in the daily conduct of our business", the enlightened economists go on to be more specific.

Here we come to the real "Platform for Recovery" which in its extra-large type covers five pages and deals with six different subjects: 1 - National Economic Planning and Public Administration; 2 - Public Finance; 3 - Money, Banking and Private Credit; 4 - Government Competition; 5 - Employment Relations and Industrial Disputes; 6 - Social Security. The whole thing is quite as hidebound in its conservatism and as barren of any idea that would even so much as tend to promote recovery as an editorial by William Randolph Hearst, or a Republican Party platform written, say, by Herbert Hoover. How any set of men with even normal intelligence could seriously put forth such stuff as worthy of consideration in this sixth year of the "depression" is rather a mystery and can perhaps be most satisfactorily explained by the unconscionable demagoguery of the bourgeoisie throughout the world. They seem to feel that the radical arguments have to be countered in some manner or other, and that nonsense is better than nothing.

But here are the dreary examples. Economic planning is, of course, rejected, on the long-hackneyed and purely ideological ground that it tends to regimentation, and that "no group of men is wise enough to plan and control the operations of all our manifold business activities"; though this latter statement does at least contain an implied admission that capitalism itself precludes planning, and is perhaps for that reason worthy of being called to the attention of all liberal

On the question of public finance, the great aim is, of course, to balance the Federal budget -- and how? Merely by the "adoption of policies which will stimulate business, restore employment, increase national income and permit cutting public expenses to fit reasonable taxes". Here, however, the Babbitts are at their best; they make some concrete proposals which might possibly prove somewhat effective -- mostly at the expense of the workers and others whose budgets (if any) are rarely or never balanced. These include rejecting payment of the soldiers' bonus until due, federal appropriations for constitutional purposes only (whatever that means) and "an equitable non-cumulative manufacturers' sales tax" to take the place of "existing state sales taxes and present selective Federal sales and 'nuisance' taxes".

Government competition is, of course, a very touchy point with these gentry, and their phraseology on the subject becomes quite ludicrous in its unguarded rage. Thus we are told to "abandon all forms of

government competition which as examples threaten industry, thwart private initiative and retard recovery" (italics ours), and again: "Stop government competition which converts the taxpayer's money into an instrument for his destruction" (!). Demagoguery here turns upon and devours itself.

The section on employment relations and industrial disputes is equally rich in what it tries to conceal, though more carefully worded. It contains in miniature the complete open-shop and no-strike philosophy dear to the hearts of all industrialists. They are very solicitous, of course, about strike-breakers (what they call "protecting men in their right to work"), they want the government to prohibit sympathetic or general strikes, they would "refrain from policies which attempt to force men into labor organizations", and above all, they would not "deprive individuals and minorities of their right to bargain for themselves", - nor, no doubt, of their right to starve. And while "management recognizes that the productivity of the worker should be fairly and even liberally reflected in his compensation", still, of course, "labor cannot share what is not produced". We wonder, however, if labor might not reasonably ask why it is not produced. Would the self-sollicitous capitalists be good enough to explain that, or would such an explanation belong among those rash utterances which must be checked? Or would it simply be to "ignore economic" (i.e. capitalistic) "possibilities"?

The question of "social security" is taken up in more detail in a special proposal farther on in the Platform: It contains nothing of any particular interest, or at least nothing particularly new or unexpected, except perhaps the apparent effrontery of the first sentence which reads: "Both prevention and relief of unemployment are social problems in which management, employees and all other social groups must accept their full share of responsibility". We say "apparent" because it is quite possible that here the industrialists were thinking of the responsibility of these employees and other groups for permitting capitalism to keep on vegetating. In fact, we read on the previous page of the Program about "the normal and orderly method through which a free people in its own interest authorizes its (!) private enterprises to demonstrate by voluntary action their capacity for self-organization, and self-control and self-enforcement of that control in the light of their experiences". (Very obliging of a free people, to be sure!) Otherwise, the "relief principles" of the industrialists are, as we said, very much what was to be expected in view of the origin. There is the usual talk about "relief so extravagant that it undermines the morale of those who receive it", and the usual concern with having wage rates for work performed on work relief lower than current wage rates in private employment, and the fear that taxpayers' money might be used in such a way as to encourage or incite strikes. Finally, it is suggested that "the amount provided for relief should be based on actual individual and family needs and not permitted to become a matter of legal right", and the C.C.C. is commended as an "example of successful relief work combined with citizenship training".

The report of the Committee on the Future Relations of Government to Industry is perhaps the most interesting part of the Program, since it reveals the direction in which the industrialists think they are headed -- mostly backward. Of course the Committee "expresses its faith

in the tested fundamentals of our political and economic system" and "recognizes as an essential task of statesmanship the continuing adaptation of these principles to the problems peculiar to modern life without compromise or surrender of the basic truths which they contain. It assumes that the powers contained in the National Industrial Recovery Act rest upon the assertion of emergency authority and that "it is obvious the emergency will pass". It looks forward to the "expiry date" of the N.R.A. (June 16, 1935) with considerable relief, whereupon it trusts that its own plan "would provide a means of securing, with a minimum of executive enforcement, the free and effective cooperation of industry and Government". This plan consists essentially in the enactment by Congress of a Fair Trade Practice Act which would differ from the N.R.A. primarily in the fact that the adoption of codes of fair practice would be voluntary on the part of the different industries and subject to approval or disapproval by an administrative court. In fact, the plan would go still farther in the freedom granted to industry, in that "an approved code should likewise place upon the industry the primary obligation of policing enforcement".

The Program ends with a parody to the achievements of American industry,--a parody which turns out to be a rather lame apologetic. The good industrialists display a real concern about the future of "this great financial, industrial and humanity-serving structure" which to "destroy through prejudice or lack of understanding would be to burn down the house in order to punish some rat". But the last sentence reveals a chastened and (to the initiated) hopeless outlook which belie all the brave words that went before; as if they had faintly realized that capitalism still drags on merely by inertia and strength of tradition. The best that they can gather up heart to say is that "once artificial obstacles are removed, and confidence restored, industry will do its full part toward recovery".

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*** CAPITALISM AND PLANNING. ***

I.

The literature dealing with the problems of a planned economy has attained proportions comparable only with those of the crisis which brought it forth. In all this welter of thought, we may distinguish three main currents: one which stands for the possibility of capitalist planning, another which denies it on principle, and a third which hovers between these extremes and finds its champions both in the bourgeois and 'socialist' camps. While the first group sees in the planning tendencies a vague intimation of an harmonious capitalism, the latter hopes for a gradual and peaceful transformation of the present economic system into a thoroughly socialist one.

Though liberalism is, politically, the ideological reflexion of the laissez-faire principle of 'classic' capitalism, still the different theories of planned economy stem in the main from liberalistic circles. This only means, of course, that the end of liberalism is necessarily bound up with that of laissez-faire; we are here presented merely with political adaptations of accomplished transformations in the economic structure. In view of the concrete situation of crisis, the surviving representatives of the laissez-faire principle have a hard time defending their theoretical postulates against the planners. It becomes increasingly implausible that the market mechanism, of itself, can overcome the present difficulties. And even if it could, there still remains open the no less important question of whether society shall submit supinely to the brutal healing process in which the market produces its regulating effects or whether it shall not rather take a conscious part in this process. In a word: is it not better to regulate the market than to resign oneself to its control?

In spite of the liveliness of the discussion on the part of the laissez-faires, the fact no less remains that they are historically superseded, for their basis in 'classic' competitive capitalism is drawn from under them. The enterprises bound up with free competition fall easy victims to the monopolistic forces in which the process of capital concentration still expresses itself. The resistance offered by these groups to all planning experiments is accordingly not a struggle against any 'socialistic' tendencies of the various governments but the last despairing efforts of weaker capitalist groups against the monopolistic competition by which they are being destroyed; and so, in their agitation, they had to take flight from reality into a mystic fatalism; for monopoly capitalism has undeniably grown out of free competitive capitalism, and thus the representatives of the latter cannot attack the first without at the same time striking themselves. The same competitive capitalism which in its heyday never tired of talking about its determining and forming mission in world affairs is today endeavoring to relegate to the realm of fancy any possibility of conscious regulation of the economic life. Its champions, ideologically bound to commodity production, see in their own end the downfall of society itself and raise their warning voices with the assertion that no advance is possible except through complete planlessness. However much support they may find for such a position in the past, it remains clear that the future is not destined to follow the pattern of the past but immediately that of the present; and for that reason

their cry of protest can inspire no more terror or restraint than, as that of the hogs in the slaughterhouse prior to having their throats cut. Rather as the English champion of planned economy, Blackett, writes: "The idea of planning has passed rapidly beyond the stage of being suspect for its communist connotations and has become perfectly respectable.

II

The champions of capitalist planned economy have the present on their side. Their darts directed against laissez-faire principle strike home, even though they are fired with closed eyes. Of course, the Marxists as well as a number of the bourgeois economists - on different premises, to be sure - reject the possibility of a partial planning, asserting that such a thing is a self-contradiction and that a planned economy necessarily involves the meaningful and harmonious interconnection of all processes in all economic and social spheres, to which end the most consistent centralization of economic direction is indispensable. But such a position, however correct it may be, still fails to meet the objection that a partial planning in certain circumstances is capable of suppressing some of the economic friction, of overcoming a number of minor difficulties and thus of creating new situations which in their turn can exert a more or less favorable influence upon the economic process. If this is the case, one has a perfect right to speak, if he likes, of "partial planning", and any criticism would practically only be tilting against the terminology which makes this piecemeal planning synonymous with planned economy itself.

Every planned economy has its planless aspects, and every planless economy has also its regulated moments. In the classic capitalism of free competition there were monopolies, and in monopoly capitalism there is competition, even though of a mere limited sort. From general competition arose that of the monopolies among each other, which amounts to saying that competition has on the one hand waxed as regards complexity in order to wax in other forms as regards intensity. However much the classic capitalism may be differentiated from the monopolistic, still the one cannot be set over against the other: monopoly capitalism is the old-age manifestation of laissez-faire, and its planned-economy phraseology is only the makeup which conceals decay.

If we identify the results of monopolization, or of the capitalist process of centralization and concentration, with the experiments in planned economy, we get away from the idle and purely conceptual dispute as to whether the planning shall, can or must be carried out completely or half way, at once or gradually. Also the question as to where the planning will lead loses all significance, so that only the question of principle remains open: whether planned economy and capitalism are at all susceptible of being combined. We might state in advance that a negative answer to this question does not lend support to the opponents of capitalist planned economy but that such an answer is at the same time an approval of planned economy, though only after the overcoming of the capitalist system of production.

III

The major part of the theories of planning hitherto devised can be appraised only as literature, since their authors have refrained from touching upon the laws by which capitalist relations are governed. Their starting point was always discontent with existing conditions. They noted, as anyone may readily do, what was ably set forth by Hoover's Research Committee on Social Trends: that society's capacity for producing commodities is continually increasing at a more rapid rate than the purchasing power of the population, that the ratio of employment fails to keep step with the improvement of the productive machinery, and that the means of communication between nations change more rapidly than the reorganization of international relations. In brief, the rate of growth of the social forces of production is such and the forms assumed by them are such that the social relations can not be adapted to these forms but are breaking them down. The natural conclusion, namely, that these backward relations must be swept aside, never occurs to the theoreticians of planning and cannot occur to them, since they are theoreticians of planning only within the existing social relations. So they try to turn history backward and to arrest this painful growth of the social capacities, after the manner of those lovely Japanese ladies who bandage their feet in order to keep them dainty. In both cases, the actual result is simply maiming. To the economic planners, it is a question of diminishing the productive capacity and at the same time of increasing the purchasing power. In the course of this two-fold process a time must come when the disproportion now existing between the two will be eliminated and the way prepared for a harmonious interplay. In this connection there is no attempt to blink the fact that such an end requires the utmost centralization of political and economic power, and the theoreticians hold as a presupposition of all planning what has been emphasized in the words of Sir Arthur Salter, one of the most vital of English theoreticians: "The congregation of individual wills must be still further controlled by the exercise of the public will, accelerating or smoothing the readjustment or preventing the circumstances themselves from changing so violently".

Whatever pains the theoreticians may take to work out their theses down to the least detail, all these pretty games will be very much wasted so far as capitalism itself is concerned. To the capitalists, the problem of planning is a quite one-sided and practical matter, namely, the conversion and adaption of their productive apparatus and of their business to the automatically contracting relations of the market and to the changes within the economic structure--as brought about through monopolization, cartellization and trustification--in order to win for themselves as much as possible of the social profit. What actual "planning" takes place would take place even without deliberate modifications--even if the various brain trusts did not exist--and precisely upon the prescribed basis of the natural market tendencies under "monopolistic laissez-faire". The "planning" does not change the social mechanism, but this mechanism functions today in a manner which falls in with the theories of the planners. It expanded the productivity of society in order then, on the ground of this expansion, to contract it. This capitalistic sabotage is not determined by any plans whatsoever,--the plans merely make it known,--but by the planlessness of the existing economic system. Capitalist planned economy is therefore nothing more than planned planlessness, or more

simply stated--nonsense. With the acceptance of the present economic system as the only one for all time there can, of course, be no insight into the fact that any planning within it can only be a fanciful one; the present economic system really permits no genuine economy at all, but only one which is hazed over with the fetishism of commodities. To talk of planning from the standpoint of commodity production is just as interesting as to hear a blind man lecture on van Gogh. The planner cannot see with his own eyes, but only by way of an outside agent by which he is determined. But this outside agent, commodity fetishism, stands economy on its head. The manner in which bourgeois economy thinks had already been characterized by Marx: "To be a good-looking man is a product of circumstances, but to be able to read and write is a natural gift."

IV

The shares of the individual capitalist enterprises in the total social profit being dependent on the magnitude of the capitals involved, so that their owners are compelled to keep on increasing their capitals in order to maintain themselves as capitalists when profits are diminishing in virtue of the development of the social forces of production since they must strive to attain the average social productivity in order to maintain the necessary average profit--it follows that the hindering of the growth of the small capitals means eventually their destruction. These capitalists are well aware of the fact that control of production means their elimination in the interest of larger aggregations; that the combining process which goes on automatically even during the crisis, by way of bankruptcies, is now to be further promoted by political means, through the planned-economy demagogy; that "freeze the status quo" is in reality the painful destruction of small capitals in order to prolong the life of the larger ones, whose only remaining means of subsistence is death. The thing which to some, (e.g. Professor Moley) is a new humanitarian adjustment in the economic and political spheres is to the others a downright selfish policy of strangulation, and these latter are justified in appealing to the laws of nature, which do not admit of a "status quo"; and while their downfall is a proof of the correctness of this conception, yet in the capitalist sense--as shown, for example, by the perfectly natural manner in which crises occur--natural laws operate only by way of eruptions. Although the stagnating tendencies are doomed to remain no more than tendencies, still, so long as they work, they will accomplish their task, and the fate of many outsiders will be absolutely and forever settled through the "unnatural status quo" of monopoly.

No longer, as formerly, does the number of individual capitals increase with the growth of the total social capital; rather, as capitalist development proceeds, that number continually diminishes. We are going back, even though with many modifications, to conditions like those which existed in the beginnings of capitalist society, when there was little distinction between expropriation and accumulation. The reason is that at the end of capitalist society, as at its beginning, the thirst for profit and the compulsion to reap it are greater than during its time of vigor. The primitiveness and unscrupulousness of childhood repeats itself in old age, though with more finesse. The beneficiaries of the capitalist system grow fewer and fewer, so that the struggle for shares of the social profit must grow sharper. While

on the one hand there are increasingly greater possibilities for the conscious regulation of the economic life, they are more and more excluded by the property relations. What passes itself off as planned economy, that is, as a conscious taking in hand of the social process of life, is in reality the sharpening of the struggle of all against all.

So long as society is bound to commodity production, it is only through the market that its needs can be satisfied. Where the social connection of the individual functions of mutually independent private producers is delayed in its realization, without regard to society, until the goods reach the market, any limitation imposed upon the freedom of marketing is a limitation upon the individual entrepreneurs themselves and can only lead to sharpening their oppositions. Limitation of production, which can only be brought about by way of the market, has the same effect. Even if the idea of a capitalist planned economy need not be completely rejected, it can be assigned no more than a limited validity. It is only under conditions in which a certain group of interests succeeds in completely dominating all the rest of society that the idea could be justified in a conditional sense. Yet the unavoidable social convulsions arising under such conditions are probably enough again to exclude the speculation; quite apart from the still weightier factor that under such conditions, with the retention of capital production, its liability to crisis is still not done away with, for that liability is only modified by the market and has its final basis in capital accumulation itself. Capitalist society necessarily presupposes exchange. Even if the impossible should be accomplished, namely, the embracing of all capitals in a giant cartel, this latter, as the buyer of labor power, would still stand over against the workers with only their labor power to sell, so that production, and hence also distribution, would necessarily continue to be antagonistic. Thus we have already at hand the germ of crisis and collapse, even under such conditions. Even here a genuine planned economy would be excluded, since the contradiction which is present in the distribution of the conditions of production cannot be abolished without struggle and without changes in the social form. From this standpoint, it is impossible to see in the current planned-economy tendencies more than a new conceptual formulation of the legitimate course of the monopolistic movement of capitalism in its period of decline. That in this development we have at the same time the preparation of the material foundations for a genuine socialist planning, goes without saying.

V

The endeavor to stabilize present capital investments at their present level, under the pretext of planned economy, is but an expression of the fact that at a high level of capitalist development further technical progress no longer, as before, increases profits but diminishes them. Though the continuance of monopolization cannot be halted, this process is at the same time the destruction of capitalist sources of existence, in that it eliminates more and more such things as capital devaluations, taking practical expression in mass bankruptcies, and by which the load of the crisis is lightened. The opening up of the world to capitalist enterprise, while becoming more necessary to capitalism, becomes at the same time more difficult by reason of the expansion already attained, since here it is not the geographical limits but those of accumulation which are decisive. The more imperative the

imperialistic conflicts become, the more dubious also their results. In short, the restriction of the productive forces is at the same time their development and this development at the same time their restriction. This two-fold movement has brought the capitalist economy to a standstill which can only be overcome through the overthrowing of capitalism.

It is only to one who has never delved beneath the surface of capitalist phenomena that this contradictory movement appears to arise from the disproportion between production and consumption. Though it can not be denied that such a disproportion exists, it is bound up with the material character of production and consumption, a character which in the capitalist world, however, has validity only for the individuals and not for the social movement. If a communist society, or if a single individual in looking on piled-up stocks of food, were to go hungry, that is, if both were crazy, in that case one might speak of a disproportion between production and consumption. But the commodities under capitalism, regarded as use articles in their material form, play in the social sense no part. So that when one speaks of the spread between production and purchasing power, one must first know what all the theoreticians of planning completely neglect, namely, what capitalist purchasing power is. Human consumption capacity and capitalist purchasing power are fundamentally different things. The senselessness of destroying commodities, e.g. from the standpoint of natural consumption, is very 'sensible' from the standpoint of capitalist purchasing power, and any one who gets excited about this capitalist 'insanity' and wants to abolish it under capitalism simply fails to understand that insanity is the prime motive of this society and consequently is not insanity. The natural necessities of a certain proportionality between production and consumption assert themselves violently in the end against such inverted social conditions and form the content of revolutionary history.

Present-day society does not even concern itself with determining the consumption capacity or needs of society, in order to make a corresponding adjustment of production. It leaves this to the individuals, while the only social concern is the market on which the purchasing power depends. Since the market forces the capitalists to individual accumulation, the only decisive factor in determining capitalist purchasing power is the necessities and possibilities of accumulation. Capital itself is the greatest consumer and forms its own market. To speak of lack of purchasing power merely means that capital is making no use of its purchasing power, and we have to inquire about the reason for this fact. Since profit is the motive of capitalist production, it must also furnish the explanation for this abstention. With this question, we come up against the laws of capitalist movement. These laws are wisely neglected by the theoreticians of planning, and hence their theories cannot be taken seriously.

VI

Capital which fails to increase must of necessity some day cease to be capital. The development of the social forces of production can be either restricted or promoted by the social relations, but restricted only temporarily. Eventually, human advance asserts itself in all social forms, since the productive forces, once aroused, are endowed with self-movement and take on ever new and more complicated patterns.

This process, which underlies all social and historical forms, assumes the capitalistic garb of the need for accumulation of capital. The laws of this necessity retain their autonomous power even when they have ceased to serve human progress. The resulting conflict forces the revolutionary solution.

Since accumulation is in practice the continual growth of the apparatus of production and of its productive capacity, its progressive expansion devours a greater and greater part of the newly produced social product, or, capitalistically expressed, of the newly won capital. The same process cheapens labor and changes the proportions in which the capital is divided. General human advance which consists in the possibility of setting in motion more and more means of production with less and less labor, and hence of turning out greater and greater quantities of products, expresses itself capitalistically in a more rapid growth of the capital invested in means of production and raw materials than of that invested in wages. This fact is evident at once from a comparison of the capital composition of fifty years ago with that of today. Capitalist profit is, however, computed on the total capital, though since in the final analysis it is nothing but unpaid labor it varies only with the magnitude of the wage capital. The contradiction between appropriated labor as the basis of profit and the magnitude of the organic composition of capital (means of production, and labor power) leads, with the further development of accumulation, to the fall of the rate of profit and, at a high stage of accumulation, to the actual decline of the mass of profit. In a word: a greater social capital produces a smaller social profit. This contradictory movement, which here can merely be indicated, must lead to a situation in which the diminished profits not only take away the incentive to further accumulation, since such accumulation would diminish instead of promote profitability, but in which accumulation becomes quite impossible. Absolutely, the profit acquired may be greater than before, and yet be too small relatively to the demands of further accumulation.

The capitalist crisis is but an expression of the fact that further accumulation is capitalistically not worth while or is impossible. The capitalists make no use of their purchasing power, since it doesn't pay them to do so or because accumulation consumes more than is at hand for its purposes. Practically, there then takes place what the theoreticians want to 'plan': the productive apparatus will no longer be expanded to correspond with the hitherto prevailing tempo of accumulation. Of course, profits continue to be made, but those parts set aside for new investments fail to reach their destination, for however great they may be, they are too small with respect to the demand of accumulation. They lie idle and one gets the impression that too much capital is present though in reality this superfluity is a deficiency of capital: an excess of capital arises from a lack of capital. However paradoxical this may sound, scientific truths always appear paradoxical to that "common sense" which never gets beyond appearances.

On this basis it becomes clear that the overproduction of commodities is to be regarded merely as a result and not as a cause of the crisis. Even though accumulation is not continued and the productive apparatus is not expanded in the necessary proportion, still at first production goes on at the previous level. Since, however, there is essentially no new capital invested, so also its material embodiments, the means of

production and raw materials, remain unused in their commodity form. Thereupon, production is diminished or quite suspended, workers discharged. The consumption industries also are dragged into the crisis, which soon seizes upon all the social domains. With this, the competitive struggle of the capitalists among each other grows sharper, and this leads to great price drops, bankruptcies and the general predicament.

From this point of view, we see also the factors which may serve in overcoming the crisis. The crisis can be done away with only through the continuous of accumulation. Capitalist purchasing power must be strengthened. Capitalist economists stare in perplexity at the 'riddle' of the crisis. If they draw the favorite parallels with the past, they say that 'scarcity' was responsible for economic complications in all pre-capitalist forms of economy, though in view of the productive capacity, this factor offers no explanation for the present difficulties. In other words, these economists are looking upon the capitalist world in a manner in which it can not be looked upon; that is, as a world which serves to supply the needs of human beings. This crisis too has its basis in 'scarcity'; scarcity, however, not of use articles but of capital, and this scarcity must be overcome if the depression is to be weathered. Profitability must be reestablished on the basis of continued accumulation. Since, however, profits do not fall from heaven, but are the result of labor, they can be increased only by raising the expropriable quantity of surplus labor which the workers because of their social position have to perform for the capitalists. In other words: the raising of capitalist purchasing power, which also has any importance, presupposes lowering the purchasing power of the workers. Overcoming the disproportion between capitalist purchasing power and the need for accumulation is bound up with increasing the disproportion between production and consumption. As a matter of fact all countries, even those engaged with experiments in planned economy, show that the purchasing power of the masses in relation to production is constantly still sinking lower. The statistical material for the United States is at hand: it shows that even after the triumphal march of the NRA, the disproportion between the purchasing power of the masses and the actual production became greater. It was precisely in this way that a rise occurred in capitalist purchasing power and production advanced temporarily; but to denote as planned economy the further impoverishment of the population is after all a bit strong.

At the end of each crisis, capitalism reorganizes itself, after enormous sacrifices, on a new price and value level which enables profitable expansion of the productive apparatus for a further period. However greatly 'logic' may be scandalized, capital really accumulates for the sake of accumulation. If a reorganization is no longer possible, -- in view of the fact that the price and value level cannot be shrunk to zero, since a condition in which the workers work for nothing is not possible, -- then there is no overcoming of the constantly deepening 'depression' through other than revolutionary channels. "Planned economy", insofar as it contains conscious elements, is the attempt to delay the attainment of this point, and in so doing, even though against its will, it merely drives toward the point more rapidly. It plans against the possibility of a genuine planned economy, and thus merely plans its own downfall.

VII

The various exponents of planned economy are well known. Whatever may be the nature of their particular proposals, they all share with John Dewey the habit of viewing the problem from the side of distribution, even when they speak of production. Various proposals with reference to money, credit, banking, tariff, cartellization, and control of profit are designed to govern the market, and with it, the whole economy according to predetermined plans. The legitimacy of the market, though first rejected, is now to be controlled and again made into the regulator of the social life. However, the market and competition have a meaning only in so long as they work their pernicious effects; if their operations are controlled, they are deprived of their regulating functions and we arrive at the opposite of what we set out to attain. Any market control becomes the privilege of the groups already favored by that market. The individual interests are not governed according to the planning, but this planning can only adapt itself to the existing interests already established as a result of the previous development.

Competition is made responsible for the over-development of the productive apparatus, though it is only this continuing over-development which is the secret of capitalist prosperity and its limitation is nothing but the philosophy of crisis. Competition is to be reduced through the further trustification and cartellization of enterprises, in spite of the fact that this trustification is a result of competition. It may be true that within the production cartels the overproduction of commodities may be hindered (a matter which in the capitalist sense plays no decisive part). Still the cartellization does not hinder competition between the cartels. Nor does it hinder the over-expansion of the productive apparatus; since over-expansion is facilitated by way of monopoly profits, since each of the cartellized enterprises improves and expands its plants in order to make differential gains and raise its production quota. Capital formation and control can never be attained from a planning station so long as production remains in private hands. The enterprises as well as the individual monopolies can cross the plans of the central bureau in hundreds of ways and, as a matter of fact, it has been shown in practice that ways have been found for getting around the plans as fast as they were made.

So in the face of these numerous contradictions, the economy planners take refuge in the illusion of a stationary capitalism. However senseless since a demand may be, it is nevertheless the logical consequence of all capitalist planning, which thereby, though of course ruefully, establishes its impossibility. A stationary capitalism is only another name for the permanent crisis; and even here the term fails to hold water, since any permanent crisis can only lead to collapse and is accordingly not stationary. But it is only with a stationary, i.e. illusionary, capitalism that planning is possible, since any revival promptly throws all planning overboard. If the planners endeavor, nevertheless, to make the impossible possible, and, for example, believe that in spite of technical advances it will be possible to hold on to an accepted price level -- that is, if they fancy that prices can be juggled with like balls -- there is concealed behind these dreams nothing but a total ignorance of the real nature of prices. Technical progress, which changes all values, obviously changes also the prices to be deduced from values; a matter which in view of the decline of prices which has accompanied the whole of capitalist de-

velopment, is hardly worth mentioning. The market may exercise a modifying influence on the determination of prices, but more decisive than the market relation is the development of the productive forces which in the first place formed this market as one of their many expressions.

As a proof of the possibility of capitalist planning, we are often referred to the control of economy in countries at war. However, the monopolist economy of war time was only a means to capitalist accumulation, to perpetuating planlessness. A man takes castor oil in order to get well, but it will not occur to him, merely because he can, to live on castor oil exclusively. Yet such mental derangement is actually attributed to capitalism. During the war, the national economy was not subjected to the military necessities, but the military necessities, i.e. the necessities of the strongest capitalist groups interested in the war, subjected all other groups to themselves and forced their will upon them. Here also the technical possibility of planning was not proved, since this economic dictatorship remained tied up with the market mechanism. As a matter of fact, today also we hear complaints that the thing which passes for a beginning at planned economy is in reality only the economic dictatorship of the stronger against the weaker capitalist groups; that through it the poor become poorer and the rich richer.

VIII

Even though individual theoreticians of planning go so far as to raise the demand for a "World Economic Council", most of their theories stop short with autarchy. The national economy is to be made independent of the movements of the world market. For while centralization of economic power within the national boundaries is held possible, there is some doubt of the matter as applied on a world scale. Capitalist society is, however, bound up with international trade, as of course the whole capitalist development is identical with the creation of the world market. From division of labor within the separate nations arose international division of labor, and the latter can no more be gotten away from than the first. It may be objected here that individual countries, such as the United States, are capable of a self-sufficing economy by reason of their manifold natural wealth and are to be distinguished from countries less blessed. On this assumption, autarchy would be a special, not a general possibility and in certain circumstances would involve the death of countries which are not in a position to make themselves self-sufficient. Since this latter possibility would not, however, greatly disturb the humanitarian theoreticians of planning, we also are willing to overlook the matter, and nevertheless it must still be noted that the very possibility of autarchy at the same time precludes it as an actuality. The very diversity of the geographic, climatic and cultural conditions of the United States are an obstacle to their unified co-ordination, for this diversity, under capitalist relations, is nothing other than a multiplicity of mutually hostile interests which are not very distinguishable from those of the continent of Europe, even though their forms are different. However small may be the part of foreign trade in statistics, it is nevertheless a question of life and death to whole social groups. However decisive may be the domestic market in time of economic upswing, when over-accumulation sets in the imperialistic compulsion becomes the dominant factor, for the insufficient

profit at home compels to the conquest of additional sources of profit. Even though foreign trade is not at the root of either crises or periods of prosperity, these latter nevertheless develop or shrink the foreign market. Neither this market itself, however, nor the renouncement of it, explains anything. While as regards industry, autarchy is impossible even in "war manufacture", so as regards agriculture, as the best experts bear witness, it is quite out of the question. In agriculture it would involve structural transformations which from the view-point of productivity would not only be chaos but which, in view of the social upheavals which they would bring in their train, are not at all likely to be attempted. It is specialization and division of labor which are here determining, and not the will of the economic planners.

By way of summary, let us repeat: The thing which likes to pass itself off as planned economy is nothing more than the monopolistic form of laissez-faire. Planned economy and capitalism are irreconcilable contradictions; the one excludes the other. If an economy is planned, then it has also ceased to be a capitalist economy.

ON THE NEW PROGRAM OF THE "AMERICAN WORKERS PARTY".

By - Karl Korsch.

The first question to be put with reference to the statement of principles of a revolutionary labor party has to do with whether and how far that program really breaks with the existing capitalist order of society. The A.W.P. is not lacking in the subjective will to make that break. It rejects not only the hitherto existing form of the bourgeois social order and its economic foundation, but also the previous and future forms of the Rooseveltian New Deal, inclusive of inflation, "social credit", and "state socialism"; it recognizes Fascism as merely an attempt to save the capitalist State and property, and lays bare within the Roosevelt administration the clearly arising tendencies to fascism. It rejects the traditional American concept of "politics" and the replacement of the real political movement by the parliamentary electoral movement. It proclaims a new type of State in the form of the workers' state based on workers' councils as a democratic instrument for solving the contradictions of the capitalist system and for accomplishing the transition to the communist society. It takes the standpoint of an unconditional revolutionary internationalism of the labor movement; and it separates itself from the Communist International because primarily this organization is "completely and mechanically" controlled by the Russian party and serviceable to the changing official interests of the Soviet Union, so that the identity of its tasks with the immediate tasks of the international struggle of the working class is no longer unconditionally and at every moment guaranteed. In its economic analysis it decisively takes the position that even though the present world crisis may be temporarily "overcome" the decline of the capitalist system is no longer reversible, and it regards the present crisis as the "beginning of the end of the present form of society". It makes the claim of having recognized the nature

of the impending revolutionary change and of having the capacity for the correct carrying through of the revolutionary proletarian class struggle and for the setting up of a free workers' democracy.

Nevertheless, the present draft program does not contain the break with the capitalist social order and all present and future further developments of that order. Even in the economic part of the program there is a striking gap, in that nowhere is there any attempt to come to grips with the concept of planned economy, and much less is the fundamentally capitalist-fascist character of all present day talk and pretense of so-called planned economy decisively pointed out. The draft speaks of "planned economy" only in two places. In the one it is taken for granted that a "planned socialist economy" exists and is making headway in the Soviet Union; and although in the next paragraph there is express mention of the "compromises" forced upon Russia even in the economic sphere and a statement of the impossibility of building a socialist economy in the Soviet Union alone, there is not a word of explanation as to why and to what extent the unlimitedly socialist character of the Russian planned economy accords with these compromises and impossibilities and in what that character consists. In the other passage which reveals a lack of clarity almost reminiscent of the Rooseveltian and Hitlerian "economic planning", we read that the future workers' State issuing from the victorious revolution is destined "to undertake great projects of social reconstruction by the planned economy of the new society". To this unsatisfactory treatment of the concept of planned economy may be added the ambiguous manner in which, immediately thereafter, in the section on "Socialization", there is demanded only the expropriation of all "monopolies" in industry and land". In view of the monopolistic character of all capitalist property, that may, on the one hand, mean complete socialization. On the other hand, many doors remain open for limiting the "socialization" to the so-called monopolies after the manner of the "socialization program" of the German and Austrian Social Democracy from 1918 to 1933, or even according to the still further watered proposals of the new-socialist post-war "socialism" (de Man's "Plan d'action").

Thus in the very incompleteness and ambiguity of the economic demands it becomes manifest that the carrying out of this program might require, instead of the revolutionary attack upon the whole of capital, possibly only one or another partial attack. Likewise the lack of theoretical clarity at the basis of these demands is proved by the form in which (in the last paragraph of the first chapter) "the central contradiction" of the capitalist system and its "solution" are defined:

"The central contradiction is unmistakably clear; it is the contradiction between a productive plant (1) now physically capable of supplying amply all the basic needs of men, of freeing men forever from hunger, want and insecurity, of assuring mankind as a whole thereby full and creative life--between this and a system of social relations that prevents this productive plant from operating effectively, that directs its operations not to the fulfillment of human needs but to the making of profits for private individuals and corporations. Out of this contradiction and the irreconcilable class divisions it creates, flow the many other contradictions that devastate modern society."

What is here proclaimed is not the Marxist and revolutionary basic contradiction between the productive forces and productive relations and (what is strictly identical with this economic contradiction) the historical, social and practical contradiction and struggle between the possessing class (interested in maintaining the present relations of production) and the non-possessing proletarian class (interested in overthrowing the present relations of production), a class which, according to Marx, is "itself the strongest productive force". Rather it is here asserted, after the fashion of Stuart Chase and other modern apostles of capitalist planned economy, that even today, under capitalism itself, a new epoch has set in, in which "scarcity production" could be replaced by "plenty production" if only the present productive apparatus were no longer capitalistically misused but humanly used. As if the capitalist mode of production had not ever been at the same time the production of 'plenty' and the production of 'scarcity' and ever the one only through the medium of the other! As if the root of the capitalistic evil lay, not in production itself and in the capitalistic fettering of the productive forces (i.e. in the capitalistic suppression of the productive forces which could be released through the socialist mode of production and which even now, in the proletarian class struggle, are rebelling against the capitalistic relations of production) but only in an avoidable misdirection of this production, in the misuse of the available productive apparatus and in an improper distribution! The basic contradiction of capitalist society is not between the available productive apparatus and the productive relations. Rather is this whole material productive apparatus (the technical equipment of the industries), this whole enormous apparatus with its capacity which in times of peace, even in boom periods, is no longer completely used and which lies idle during the crisis--this apparatus is nevertheless, if one will only take into consideration also the "normal condition" of war, still today completely adapted to the capitalistic property relations. This adaptedness exists even for the wage workers and for the now rapidly increasing mass of those who are temporarily and chronically unoccupied.

Just as in the capitalistic division of labor the productive workers are assimilated in the most exact manner to their means of production, the "part-worker" to his 'tool' and the laboring man has become a mere appendage of the machine, so the growing army of unemployed, even in its long-known quality of the "industrial reserve army" of capital in peace and the more so in its new quality (now grown important) of the "military reserve army" of capital in war, forms in its functions an exactly determinate component of the equipment of the present-day capitalist mode of production. Any one who takes as his starting point the means of production which are actually at hand must logically not only renounce the proletarian revolution in favor of a capitalistic reform, but in the end capitulate before fascism. The present capacity of production in its capitalistic form, computed by such theoreticians as the Technocrats and Stuart Chase, is given by the existence of the means of production, by the enormous capitalistic productive apparatus at hand. When confronted with the storms to which the world market is subjected as a result of the crisis, with the ravages of an "unregulated" competition and, last not least, with the unavoidable rebellions on the part of the suppressed and exploited workers and of the growing mass of under-workers who are "planfully" left jobless in time of peace, that productive capacity can be protected only by means of the strong State, by which this technical foundation of capitalism

is protected under all circumstances in war and in peace and defended with all ordinary and extraordinary means against all attacks of the workers as well as of the individual capitalists and special capitalist groups. That is the feeling today of the bourgeoisie, even where itself suffers under fascism, and that is the feeling of a large and growing part of the people and of the peoples, even deep into the ranks of the workers and of the unemployed under-workers. The sophism at the bottom of all this, the deceptiveness of the illusion that the strong State of a Hitler or Mussolini or Roosevelt could really solve this problem, and the insufficiency of this static and evolutionary goal itself can be illuminated only when the basic contradiction is seen not from the material side in the relation between productive means (apparatus) and the productive relations, but from the human side in the relation between the productive forces which are potentially present in the working population and the present capitalistic relations of production (which are in full accord with the productive apparatus). The modern working class, which has developed upward, not without the capitalistic means of production, but with them and thru them to the present level of its economic and historico-social-practical productive power, but which in increasing clarity of consciousness is already separable from those means of production and can already be joined to them ideologically in new socialist forms, -- the modern working class represents that "strongest force of production" which in its advancing development comes in ever increasing revolutionary contradictions with the fixed capitalistic productive relations, property relations, distribution relations, their State, law and all their ideologies. Its own State, the proletarian workers' State, is the strong State of which today fascists and half-fascists technocrats and Stuart Chasists dream only in a confused manner, but which becomes actual through the unfettering of that strongest revolutionary productive force which even today is the proletarian class itself, through the bursting of those fetters which even today is capital itself, and through the violent solution, in the international proletarian revolution, of the sharpening basic contradiction existing between the two.

It is not my intention to say that this, the real meaning of the Marxist doctrine on the basic contradiction of capitalist economy, was misunderstood by the authors of the program. There are Marxian "materialists" who look upon the Marxist doctrine of the "productive character of the proletariat itself" as an "idealistic" deviation of the master from his own materialism. This draft program is in general far remote from such dogmatic narrowness. Still less is it my design to base this whole criticism, say, on the single phrase, "productive plant." But the whole passage above quoted, which occupies a decisive position in the program, is saturated even in its style with those only apparently revolutionary, in reality superficial ideas which today are disseminated by the voluntary and involuntary pacemakers of the fascist counter-revolution regarding the possibility of a New Deal through a mere transformation of distribution and a few "planned-economic" invasions into the present system of production. Even where the program brings out, with a decisiveness not hitherto attained in any socialist program, the special significance of the industrial workers and particularly of the "basic industry workers", for whom the revolutionary solution is pointed to as the only way out because of their very situation in life, it defines as the goal of this action the creation of a condition in which "the shops run to serve the needs

of society, and not to make a profit for private individuals and corporations. This, and this only, will release the machinery now braked by the overload of capital debt and the impossibility of finding solvent purchasers for commodities". This ostensibly revolutionary goal of the basic industry workers can today, in the exigencies of the crisis, be taken over even by the capitalist who is threatened with bankruptcy, and in Germany we find Hitler shouting: "The general welfare comes before private welfare"!

The "Revolutionary Parliamentarism" of the A. W. P.

In the criticism of the political part of the draft program, I take as my starting point the view (won through study of the program and press of the A.W.P.) that the A.W.P. at its present stage of development is not yet a directly revolutionary party but is merely on the way "toward an American Revolutionary Labor Movement". This becomes evident even from the external division of the program, where the aims of the party are treated quite separately from the means and methods which in the present and immediate future it thinks of employing in its "struggle for power". The second chapter which treats of "the aim of the A.W.P." is immediately followed by an intercalated third chapter which gives a criticism of the other labor parties and should really stand as an annex at the end of the program; and it is only in the fourth and last chapter that we get the answer to the question, "How the AWP will fight for Power". The significance of this sharp separation between the so-called "final goal" (questions of the maximal program, questions of the program of principles) and the so-called "present tasks" or "transitional slogans" (questions of the minimal program, questions of the program of action) is sufficiently well-known to anyone familiar with the Marxist movement from the history of the European labor parties of pre-war times. Such a party is (at the best) revolutionary in its theory and in the meaning which it theoretically assigns to its present actions and to the connection between them; it is also revolutionary in its practical tendency -- more or less directed to the "final goal" -- and it may in a certain measure, even in its present practice, fulfill that role which the Communist Manifesto of 1847-48 had once proclaimed for the Communists: namely, that they "represent in the present-day movement at the same time the future of the movement" or (what merely concretizes the same thing from two directions and in another form) that they represent in the national at the same time the international movement and in the political at the same time the economic and social movement on which it is based. It is not yet able, however, - whether from objective causes, based on the outer development, or from subjective ones, based on its own development - to combine its different activities, distributed over different spheres and time intervals, among each other and with all the other actions of the proletarian class into the cohesive whole of one revolutionary action.

Where such a situation is given - and that this applies to the A.W.P. to its own character and its position within the present-day American labor movement is clearly proved, in my opinion, by the present draft program - it would be improper to take the standpoint of a "pure" and total revolutionary ideology and to regard the difference between the final slogans and the present demands of the program offhand, as so many "contradictions" and "inconsistencies", or to deny to the party in question any sort of "revolutionary" character because of the

limitedness of its immediate practical tasks. The critic of such a program, and particularly the outside critic, must rather set out from the disconnectedness and transitional character of such a program as from a given fact. He must confine himself to pointing out the cases in which as a result of this (within certain limits unavoidable) division between future aims and present means and methods of the struggle, the revolutionary development of the party, oriented in its actions on this program, is hindered and endangered. He can protest when the revolutionary theory degenerates to a mere ideology, to the ideological cloak for an actually opportunistic practice, and he can prove that in certain cases, as a result of the peculiarly "revolutionary" position of the party on a certain form of proletarian activity, the present force of this proletarian activity is in reality weakened and its future revolutionary development fettered, while with an apparently less revolutionary attitude together with maximum intensification of the present activity the way for a really revolutionary further development is much better kept open.

The given starting points for such a criticism, one which is not ideologically doctrinaire but realistically revolutionary, is offered by the position taken in the program, on the one hand, to the question of parliamentarism, and on the other to the question of trade unions.

All the mistakes committed in the earlier development of the Marxist parties in Europe and there already shown up by reality are brought together with encyclopedic completeness in the program's attitude to participation in elections. It is not a matter of criticizing the decision adopted by the party in this field of tactics. A sober exposition of mere grounds of expediency, which make participation in elections a transitorily unevadable necessity in present-day America, even for a proletarian and in its tendency revolutionary party, would suffice if not to refute all the fundamental objections which might arise against the tactical decision, at least to make them practically of no account. Instead of that, the present draft program has, in the first place, taken a position on this question which is thoroly contradictory -- and this is by no means a dialectical contradiction, brought about thru the relation between final goal and present tasks, but a simple and direct contradiction arising thru unclear and inconsistent thinking and speaking. It has, furthermore, at the place where after long beating about the bush in the very last section of the program the practical decision is now really taken, it has forthwith added on to this opportunistic decision an ideological and apologetic, illusionary and "revolutionary" justification by which itself and in addition to other others are deceived. In doing so, it has decided not simply for parliamentary activity of the party, but has rather taken up with that thoroly unreal monster of a so-called "revolutionary parliamentarism" the nothingness of which has been proved by the previous experience of all Marxist parties in Germany and in all other European countries before and since the war, -- a something which, after the close of that historical period in which the Parliament constituted for the bourgeois revolution itself a means of struggle and not yet a mere means for coordinating the different competing class interests within the bourgeoisie, hence in the entire epoch of the beginning proletarian revolution has actually never and nowhere existed and which likewise will by no means exist for the present and future America now entering upon the era of the final struggle between revolution and counter-revolution, democracy and fascism, socialism and capitalism.

Because of the importance of the matter, I shall sketch in some detail the different stages by which in this program a revolutionary principle, which from the very beginning is formulated ambiguously becomes converted into a mere revolutionary phrase.

As early as the second chapter, (which in itself is not concerned with present practice, but only with the "goal" of the party) we get some remarkable phraseology concerning the allegedly "common aims of all political parties" -- as if (and particularly from the viewpoint of the revolutionary final goal) there could be such a common character of proletarian and capitalist parties even for a moment. The program itself describes in detail, in two special sections, "The Nature of the Capitalist Dictatorship" as the rule of a minority and the technique by which the capitalist class imposes this rule upon the great majority of the people and of the working class with all forceful means, direct and indirect.

This exposition is counterbalanced in the next section by "The Specific Aims of a Revolutionary Party", and on this occasion, if words have any meaning, parliamentary action as a possible means for the attainment of even the smallest part of these specific aims is radically rejected. This rejection begins -- still somewhat weakly -- with the observation that the A.W.P. to be sure, like the capitalist parties aims at the conquest and consolidation of state power, but that, unlike the capitalist parties, it regardsthis measure "merely as an essential (1) step to fundamentally changing the whole order of society". It wants to bring this about "not by stepping into state power, the Presidency or Congress, but by doing away with the present basis of state power entirely". The whole exposition immediately following reaches its climax in the result that in the given conditions of the political dictatorship of capital, resting upon the economic and social class-character of the capitalist order, it would be utopian for the workers to believe that they could take over the state power along parliamentary paths. To this end, the working class would rather require other, newly forged weapons. The united action of the working class organizations must provide the basis for the construction of truly united revolutionary working-class organizations; the workers' councils, which carry through the struggle for power "with all means".

But all the theoretical clarity which with these formulations seems at first to be won, not only for an action lying in the remote future, but in tendency also for the present action of the revolutionary labor party, -- that becomes illusory through the statements of the fourth chapter by which they are irreconcilably opposed. Here we find, in the next to the 1st section, devoted to the "United Front", the remarkable inversion of the real relation between a genuine workers' united front and the revolutionary seizure and exercise of power through the workers' councils; namely, that the united front is not denoted as a breeding ground for the workers' councils, but inversely "the so-called (why only so-called?) workers' councils" as merely "the most highly developed form of the united front". But this little discrepancy between the fourth and the second chapter completely disappears before the magnitude of the catastrophic downfall which now comes about in the last section of this chapter, on the last page of this whole program. Once more in this section, which is headed "Participation in Elections", but this time in a much more circumspect and reserved fashion, the "movement to the ballot box" is denoted as "in the last

instance (!) not (!) the (!) most important (!) form (!)" of the political mass-movement. This reservation now serves merely as a transition to the pompous observation: "This does not mean that the AWP will neglect the traditional methods of American politics". It will rather--the dam is now broken, and the floods so long held up rush back boisterously into their old accustomed course--"wherever and whenever possible, participate in local, state and national elections, and will fight to win elections".

Now to the justification of this tactic there march up, one behind the other, all those well-known ideological pseudo-reasons which in Germany and elsewhere have over and over again been thoroly deprived of force. Beginning with the "revolutionary" possibilities of the election struggle as a tribune for propagating the aims and program of the party and for uncovering the misleading and concealing manoeuvres of the opponents, and ending with those "strategic positions" into which the various elected party members will be placed through this election allegedly for the support of the organization and of the workers' struggles and for breaking down the capitalistic control over the State and for the public pilloring of the fraudulent government politics. One sees that the revolutionary "theory" of the basic part of the party program and especially the solemn promise "not to step into state office, the Presidency or Congress" is here actually reduced to a pure ideology of concealment, which enables the party also on its own account to faithfully carry on "the traditional methods of American politics".

The Trade-Union Policy of the A.W.P.

In the trade-union question also there is a contradiction between the theoretical position of the A.W.P. as consciously proclaimed in the program, and its actual practice as shown by the previous and continuing development of the party and as it receives at least an indirect expression in the concrete positions taken in the program on the questions of the present-day American trade-union organization and tactic. In its actual practice and in all concrete questions, the A.W.P., which in its past "has functioned primarily in the economic conflicts of the American labor scene", recognizes even yet today the peculiar and independent significance of the economic and social struggles of the working class and renounces expressly not only a "mechanical" but actually also any other form of rule over the trade-union organizations and the subordination of their special aims to the "higher" aims of the "politics" carried on by the "Party". In its theoretical position on the trade-union question, however, it takes its stand on that theory which in the best case (Lenin) is jacobinical-revolutionary and in the worse case (the German Social Democracy and other marxist parties of pre-war time) is simply bourgeois; namely, the primacy of politics over economics and of the political over the trade-union struggle. While it rightly reproaches the American Social Democracy with drawing too sharp and arbitrary a line of separation between the political and economic labor struggle, with leaving the leadership of the latter completely in the hands of the ultra-reformist bureaucracy of the A.F. of L. and with supporting in the trade-unions in all cases the reactionary measures of the right-wing bureaucracy against the progressive tendencies within the trade unions, still in the formulations of principle of its draft program the A.W.P. itself falls into the opposite one-sidedness. One

may say that in the American labor movement of the present time the Socialist Party repeats the actual development, while the A.W.P. repeats the ideology of the German Social Democracy of pre- and post-war time, where the true relation between party and trade unions was even then mirrored inversely.

In a sharp break with the actual character which it has previously revealed, the A.W.P. today wants to be above all a "political" party. For this reason it wishes to give a strictly political orientation not only to all its own activities, but in an extraordinarily abstract fashion to subordinate all other activities of the working class to this political activity of the Party. All other class organization of the fighting proletariat appear accordingly, even in this new program, under the bad and unspecific general name of "mass organizations" (to be won by the party). Even the trade unions, which in reality represent a peculiar and independent basic form of the proletarian class organization not replaceable by the party, come under this theoretical viewpoint. In the present draft program they are treated as, to be sure, most important but yet only of equal rank with the other "mass organizations" (by the side of farmers, negroes, professional workers and unemployed), thru which the Party, mainly bent upon its own narrower political party tasks, strives to extend and strengthen its influence in a secondary way. Though in this connection the overwhelming importance of the industrial workers and especially of the "workers in the large shops, mills, factories and mines of the basic industries" is correctly emphasized, yet immediately following, with a somewhat striking "idealism", the actual winning of precisely these most important workers is practically set equal to the purely ideological task of their merely theoretical attraction into the inner orientation of the Party. The program says that the A.W.P. "wants to support itself "in a two-fold sense" on these industrial workers. It wants to win their membership, their confidence and influential positions in their organizations; but even though the actual progress aimed at in this way among the industrial workers were to be slight, the A.W.P. wants to "make the needs and the historical position of these workers the viewpoint of its theoretical orientation". This "idealistic" turn of speech is not only suspiciously reminiscent of the manner of a merely parliamentary and electoral party, which also ever takes care to put the needs and the situation of broad masses of voters "in the mid-point of its orientation". It also shows very clearly the insufficiency of such a merely formal attitude of the political party of the proletariat to all activities of the proletarian class struggle which are not or "not yet" politically formed.

Now of course the A.W.P. in this very profession of allegiance to the primacy of politics over economics and to the superiority of the conscious political struggle of the Party over all other less developed forms of the proletarian fight for emancipation, has wished to profess allegiance to that revolutionary conception of the relation between economics and politics, party and trade unions, which since Lenin and Trotsky is regarded as the true Marxist position on the trade-union question. The A.W.P. wants in its turn to repeat that great struggle which Lenin, around the turn of the century, carried through in Russia and on an international scale against the "Economists", and to restore to honor that famous phrase of the Communist Manifesto which states that in the last instance "every class struggle is a political struggle". It quite correctly recognizes behind the

apparent bowing of the "Socialist Party" to the "trade unions" the real alliance of all backward instead of forward looking elements in party and trade unions, and wants to set over against this alliance of all reactionary elements under the "hegemony" of the trade-union bureaucracy the alliance of all progressive elements of the whole labor movement under the leadership of the revolutionary party. Such a genuine combination of the economic and political struggle and of all other forms of activity of the working class into the single whole of a directly revolutionary struggle is the necessary goal of all proletarian revolutionists, regardless of whether they perceive this alliance in the "Leninist-Communist" manner as a bringing together of all isolated forms of struggle into the revolutionary political struggle or in the "syndicalist" manner as an extension and intensification of the direct economic action into the single whole of a directly revolutionary and social struggle. On this point there scarcely remains in the revolutionary end-result a single difference between the two tendencies which today are competing with and warring upon each other. The very same Marx who called every class struggle a "political struggle" has also in exactly the same sense called politics a "concentrated economics". The coincidence of the two conceptions regarding the relation of the economic to the political class struggle first practically comes about, however, in the moment or in the period when, in the direct revolutionary action of the workers' councils, economics and politics actually coalesce. Until that time the claim to hegemony put forth by both of the tendencies, the "political" one of the Marxists and Leninists no less than the "economic" one of the syndicalists, contains a one-sidedness which restricts and weakens the practical class struggle of the proletariat. The identity which is present in the beginning of the economic and political class struggle of the workers can first be completely actualized in the full development of the directly revolutionary struggle. It can no more be brought about in advance through a merely formal "subordination" of the "trade union mass organizations" to the viewpoint of a revolutionary party than through the no less formal rejection of all "politics" in the other camp; and the damage unavoidably resulting from such an empty formalism strikes, as is especially clearly shown by the fate of the German Social Democracy, in the end not only and not even most severely the trade unions and the possible forms of organization to be "politicized" and "led" by the party in accordance with its "revolutionary" ideology, but also the party itself. Just as in an earlier period with the German Social Democracy, so with the AWP even today there is concealed behind the ideologically raised claim to the primacy of the party over the trade unions, in reality the opposite practical tendency of subjecting its revolutionary political theory to the preponderance of the trade-union mass organizations and their practice, oriented to their own and by no means revolutionary interests. Such a germ of future capitulation is concealed, for example, behind the extraordinarily general declaration of the party against "any general policy of dual unionism" and the equally general assertion, added to this declaration as the only reason for it, that any "divided trade union movement opens the way for fascism." This passage may be applicable to the policy of the Communist Party--a policy which is described immediately thereafter in considerably more concrete form with its paper red unions bound to the line set by the party leadership, though even for this trade union policy of the C.P. the most fatal mistake--a point which the program completely overlooks--consisted in the fact that it has been an unprincipled tactic different

for different countries and continually vacillating in the course of time, and has accordingly been no more a consistent policy of splitting the trade unions than a consistent policy of conquering them; but how can a revolutionary proletarian party in the USA--a party which is up in arms against the ineradicable reformism of the A.F. of L. bureaucracy, and at the same time has to ward off the new half-fascist tendency of the Roosevelt administration to turning the trade union movement into an instrument of state policy, and which furthermore propagates as the next stage of development to be aimed at with reference to workers' united front actions the forming of revolutionary workers' councils--how can such a party, in such a pompous manner resign itself to recognizing the now existing trade union organizations for all future time? In reality there is here revealed, in this first practical drawing back of the American Workers Party before the enormous difficulties of its theoretically proclaimed revolutionary tasks, the unavoidable developmental tendency of a political party which, instead of injecting itself as a definite part, fulfilling important part functions, into the existing working-class movement, comes forth with a "theoretical" claim to totality, in the name of a "revolutionary" theory which, under the given relations, is unavoidably converted into an ideological glorification of a much more limited practice, and behind which the process of reducing the revolutionary proletarian party to a bourgeois opposition party and its final destruction through the American Mussolini or Hitler can be accomplished the more readily.

IN GERMAN:--

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First Complete English Translation

*** LENINISM OR MARXISM? ***

By ROSA LUXEMBURG.

Introduction.

"Sensitive souls will again lament," wrote Rosa Luxemburg at the end of her quarrel with the pseudo-Marxists of the Second International, "that Marxists wrangle among themselves, and that approved "authorities" are combatted. But Marxism is not a handful of individuals who confer upon each other the right of "expert judgment" and before whom the great mass of believers is expected to die in a state of blind confidence. Marxism is a revolutionary view of the world which must constantly strive for new insights, which eschews nothing so much as the holding on to forms which have lost their validity, and which best preserves its vital strength in occasional clashes of self-criticism".

These sentiments of Rosa Luxemburg, written in jail during the World War, deserve to be repeated today louder than ever. The cry for unity which is now so much in favor, and which, after the frightful defeats of the international proletariat, serves merely to veil the fact that with the present labor organizations the forming of a genuine proletarian class front is impossible, must be answered by the revolutionary workers with unsparing criticism. The old, outlived labor movement excludes any real united front, which is possible only upon the basis of the genuine class struggle and not upon that of organizations. The unity of the dead form is the death of the fighting spirit of the working class. The proper concern is rather with breaking up the organizations which have become a fetter upon the class struggle, in order to make the working class fit for struggle. And what today must be broken up are not only the wretched remains of the dilapidated organizations of the Second International and of the trade union movement, but also the organizations of the "heirs" of the reformist movement, the Third International and its various 'right' and 'left' offshoots.

Scarcely had the Russian Revolution put an end to the "expert judgment of the Second International in the matter of class betrayal and murder of workers, when the new "authorities" of the new international were in their turn destroying the first beginnings of a genuine revolutionary movement, which found its new form of organization in the workers' councils. The 'official' labor movement has never been more contemptible, more treasonable, more nauseous than it is today. The neglect on the part of the international proletariat to make a violent end of the old labor movement has been paid for with the blood of its best fighters. The brazenness of the "owners" of the "labor organizations" lived down their betrayal of the working class during the World War, lived down the slaughter of the revolutionary movement of Central Europe after the War, lived down apparently also the defeats suffered at the hands of Fascism in Italy, Germany and Austria, only in order to make a new attempt to continue the treacherous business and prolong its parasitical existence at the expense of the workers. Though the organizations of both the Internationals are politically done for, they nevertheless still persist as traditions in the minds of the workers and poison the first attempts at the forming of genuine fighting instruments. They must further be shattered even as a tradition, and within the scope of this necessity lies also the destruction of the Lenin legend so artificially built up.

The history of the Leninist, pseudo-communist parties of the Third International is the history of uninterrupted inner crises. Their development could really take no other course; for the whole ideological and tactical baggage of the Third International is a mixture of social-democratic traditions and so-called 'experiences' of the Bolshevik Party--combined with the needs of Russian national policy (directed toward making Russia one of the Great Powers), which determine the political line of that International. Yet one of the elementary truths of the materialist dialectic is that the methods and means of struggle which are proper to a given period and to a determinate place prove inept when transferred to another period and to other localities and relations. For this reason, the tactic of the Third International did not, and does not, meet the needs of the revolutionary class struggle of the proletariat; and still less in harmony with this struggle is Russian domestic politics.

The defiling of Marxism, from opportunistic considerations, at the hands of Lenin's international, is no less extensive than that which it has suffered through the Second International. Neither of them has any connection with revolutionary Marxism. The un-Marxist character of Lenin's thought, for example, may be glimpsed in the fact that, misled by the ideological backwardness of the Russian workers while at the same time accepting the mechanistic conceptions of Plechanoff and Kautsky, he came to the philosophical conclusion that the working class will never be capable of developing a revolutionary class-consciousness but that such consciousness must be 'imposed' on the masses by the revolutionary party, which gets its ideas from the intellectuals. In his pamphlet "What's To Be Done", this view is given the clearest possible expression, and the upshot is that without a party, and, here again, a sharply centralized and strictly disciplined party, a revolutionary movement is -- possible, no doubt, but can in no case be a successful one. His principle of organization and revolution is of a disarming simplicity; the objective situation creates revolutionary ferments, which it is the duty of the Party to exploit.

The Party is the most important factor in the process of overthrow. The quality of the Party, of the central committee, of the leaders, of the slogans, the proper turns at the proper moment - on these alone depends, in the last instance, the well and woe of the revolutionary movement. Hence the forming of professional revolutionists and the demand for fanatic discipline in carrying out the party decisions, without regard for the fact that in this way history again becomes the "work of great men". The role of spontaneity in the historical development was misunderstood and underrated; it was of importance only in so far as it could be influenced by the Party. The workers' councils (soviets) arising spontaneously out of the masses themselves were of value only insofar as the Party was able to control them. The Party itself was the beginning and the end of the Revolution.

Such a position is idealistic, mechanistic, one-sided, and certainly not Marxist. To Marx, revolutionary consciousness occurs not only as ideology, but the proletariat as such, without regard to ideological factors, is the actualization of revolutionary consciousness. The Party to Marx, is welcome and a matter of course, but not unconditionally necessary; quite apart from the further consideration that revolutionary consciousness can also manifest itself in other than the party forms. Even without the existence of a Party, without a central committee, and without a Lenin, the revolution must finally come about, since it receives its strongest nourishment from the increasing social forces of production and not merely from the productive relations. The ideology corresponds to the social relations, but the driving forces of the revolution lie deeper; they are identical with the proletariat, as the strongest force of production. Class consciousness, to Marx, is not merely the revolutionary ideology crystallized in the Party, but the truly practical class struggle, through the growth of which (not the growth of the Party) the revolutionary movement is necessarily brought to a successful issue. To Marx, there is no separation between workers and Party; the existence of the Party is merely an expression of the fact that only minorities can do consciously what the masses themselves are compelled unconsciously to do. Even without a knowledge of the dialectical laws, the genuine movement remains dialectical. The minority is a part (though not the decisive part) of the revolutionary process; it does not produce the process but is produced by it. For Lenin, however, that minority is identified with the revolution itself.

The Leninist conception contradicts all historical experience as well as all theoretical considerations, and yet it is generally accepted today in the labor movement. The reason for this, however, consists merely in the fact that its untenability has been very largely obscured through the success of the Bolsheviks in Russia. The traditional enthusiasm for the Russian Revolution is still so strong that the countless defeats which the international proletariat has suffered through the agency of this same Party has, to be sure, shattered the confidence reposed in Lenin's epigones but not in his principles. Even those parties which take a position outside the Bolshevik International, such as the Trotsky group or the American Workers Party, hold fast to the principles of this International, without considering that by so doing they convert their whole opposition into one which is purely tactical and hence impossible.

Let anyone compare the programs of these opposition groups with those of the Bolsheviks. He will see at once that these new organizations

merely seek to restore what has already landed on the junk pile of history. All these formations are haunted by the ghost of Lenin who carried to its logical conclusion what had developed in the Second International; that is, the complete surrender of the working masses to the private needs of the professional bureaucracy in the organizations. "Back to Lenin" as people are so fond of shouting today, means to repeat the building up of labor organizations which of necessity, by reason of their very structure, must become obstacles to the revolutionary movement.

In the current debates on questions of organization of the proletarian revolution, it is significant that they are conducted upon a level far beneath that of 1916--in fact, as will be clear from the work of Rosa Luxemburg herewith presented, far beneath the 1904 level. Just let us compare, for example, the political conclusions drawn by Karl Liebknecht from the treason of the Second International with those of the neo-bolshevist movements of 1934, and it becomes clear at once that these latter have forgotten everything and learned nothing. "The interest of the professional bureaucracy within the labor movement," writes Karl Liebknecht, ("Nachlass" written 1916 in the house of detention) "aims at nothing so much as the avoidance of any serious discussion, any decisive conflict. It is directed toward official relations, toward the continuance of a labor movement which goes along at an even pace, one which is well tolerated and even looked upon with favor by the ruling classes. The movement must never endanger the 'organizations' and the positions of the bureaucrats. To them, the organization is an end in itself, not a means to the revolutionary end. The struggle of the organizations among themselves, that is, of the source of existence of the professional leaders, for the purpose of winning members, is the one end for which they can be had for struggles at all -- struggles within local limits, to which they give their consent reluctantly at the insistence of the masses. They are not revolutionists, but reformists at most; they are completely "above the battle"--a paradoxically parasitic element attached to the capitalistic social order.

"That is the fatal circle in which these organizations move--the great centralized affairs provided with functionaries living on a fixed salary and, considering their previous class level, a very good salary. In this professional bureaucracy they not only produce an element which is absolutely hostile to the revolutionary interests of the proletariat, but convert that element into their leaders with full powers, who easily become their tyrants. Meanwhile the mental and moral independence, the will, the initiative, the personal action of the masses is suppressed or quite eliminated. To this professional bureaucracy also belong the salaried parliamentarians.

"There is only one remedy at hand for this evil; removal of the salaried bureaucracy, or its elimination from the forming of all resolutions and limiting its functions to technical assistance. To which may be added: No reelection of any official after a certain tenure,--a measure which would serve at the same time to increase the number of proletarians familiar with organizational and technical matters; possibility of recall at any time during the term of office; restriction of the competency of authorities; decentralization; vote of all members on important questions. In the election of officials, the decisive weight must be laid upon their having stood the test of decided, will-

tant, revolutionary action, of revolutionary fighting spirit, of unreserved self-sacrifice inclusive of staking their whole existence for the cause. The training of the masses and of each individual for mental and moral independence, for skepticism regarding authority, for decided self-initiative, for readiness and capacity for free action, forms the only sure foundation for the development of a labor movement equal to its historic task, as well as the most essential presupposition for the eradication of bureaucratic dangers."

That was in 1916. A little later, Liebknecht and Luxemburg, and, with them, all true revolutionists saw with aversion that with the consolidation of party rule in Russia, with the degeneration of the dictatorship of the proletariat into the dictatorship of the bolshevist bosses, the real content of the revolution of 1917 was again dissipated. With the putting down of the German revolutionary movement, with the murder of Rosa Luxemburg and Karl Liebknecht, everything which had already been won by revolutionary criticism was lost again in the false enthusiasm for the Russian bogus socialism. We now have to start again from the beginning.

The collapse of the Third International was first required in order to bring about a real decision in the theoretical struggle which took place between Lenin and Luxemburg thirty years ago. History has decided in favor of Rosa Luxemburg. In laying her criticism of the opportunistic principles of Lenin before the proletariat again today, we are conscious of the fact that her argument might be considerably extended, that her standpoint was not a final one, that her position was still influenced (and necessarily so) by the Social Democracy. But regardless of the extent to which her criticism can no longer be regarded as having more than a historic interest, what she had to say against the Leninist form of organization is more to the point today than when it was written. The need for destroying the Lenin legend, as a prerequisite for a complete reorientation of the labor movement, restores to the work of Rosa Luxemburg a contemporary value. This pamphlet will be followed by others in which the question will be taken up at the point where Rosa Luxemburg was obliged to drop it when her life was snuffed out by the capitalistic gunmen of the Social Democracy.

- UNITED WORKERS PARTY OF AMERICA -

NOTICE.

* A few pages of this pamphlet by Rosa Luxemburg *
 * have been published in English before, but this *
 * is the first time the whole subject has been *
 * covered entirely with but a few sentences omit- *
 * ted which today have no meaning or relation- *
 * ship to the subject. *

- Editor -

LENINISM or MARXISM?

By Rosa Luxemburg.

Part I.

Organizational Questions of the Proletarian Revolution.

In the Social Democracy, organization too is a different thing from that of the earlier, utopian attempts at Socialism; being not an artificial product of propaganda but an historical product of the class struggle, a product into which the Social Democracy brings nothing more than the political consciousness. Under normal conditions, that is, where the class rule of the bourgeoisie precedes the social-democratic movement, the first political welding together of the workers has in large measure been the work of the bourgeoisie itself. "On this plane," says the Communist Manifesto, "the drawing together of workers in mass is not yet the consequence of their own union, but the consequence of the union of the bourgeoisie." In Russia there has fallen to the Social Democracy the task of consciously stepping in and taking over a part of the historical process and of leading the proletariat, as a fighting class which is conscious of its goal, from political authoritarianism, which forms the foundation of the absolutist regime, direct to the highest form of organization. Thus the organizational question is especially difficult to the Social Democracy of Russia not merely because its work must be done without any previous experience of bourgeois democracy, but especially because it has to create, in a sense, like the good Lord himself, "out of nothing", without the political raw material which is elsewhere ready prepared by bourgeois society.

The problem on which the Russian Social Democracy has been working the last few years is precisely the transition from the dispersed, quite independent circles and local organizations, which corresponded to the preparatory and primarily propagandistic phase of the movement, to a form of organization such as is required for a unified political action of the masses throughout the nation.

Since, however, the most prominent trait of the old form of organization, now grown unbearable and politically surpassed, was dispersion and complete autonomy, or the self-sufficiency of the local organizations, it was quite natural that the watchword of the new phase, of the preparatory work for the great organization, should become centralism. The emphasis on this thought was the leitmotif of Iskra. In its brilliant three-year campaign for preparing the last and really constituent party congress, and the same thought dominated the entire young guard of the party. However, it was soon to appear at the Congress, and still more so after the Congress, that centralism is a slogan which is far from exhausting the historical content, the peculiarity of the social-democratic type of organization; it has been shown once more that the marxist conception of Socialism is not susceptible of being fixed in formulas.

The present book of Comrade Lenin, one of the prominent leaders and debaters of Iskra in its campaign preliminary to the Russian Party

Congress (*), is the systematic exposition of the views of the ultra-centralist wing of the party. The conception which has here found expression in penetrating and exhaustive form is that of a thorough-going centralism of which the vital principle is, on the one hand, the sharp separation of the organized bodies of outspoken and active revolutionists from the unorganized though revolutionarily active masses surrounding them, and on the other hand, strict discipline and direct, decisive and determining intervention of the central authorities in all expressions of life in the party's local organizations. It suffices to note, for example, that the central committee, according to this conception, is authorized to organize all sub-committees of the party, hence also has power to determine the personal composition of every single local organization, from Geneva and Liege to Tomsk and Irkutsk, to give it a set of self-made local statutes, to completely dissolve it by a decree and create it anew, and finally in this manner to influence the composition of the highest party authority, the Party Congress. According to this, the central committee appears as the real active nucleus of the party, and all other organizations merely as its executive organs.

In the union of such a strict centralism in organization with the social-democratic mass movement, Lenin perceives a specific marxist-revolutionary principle, and has succeeded in bringing into the field a large number of facts to support his conception. Still, let us look into the matter a bit more closely.

There can be no doubt that a strong centralistic streak is native to the Social Democracy. Having sprung from the economic soil of capitalism, which is centralistic in its tendencies, and confined in its struggle to the political framework of a centralized great power under the dominance of the bourgeoisie, the Social Democracy is fundamentally opposed to any particularism or national federalism. Called upon to represent, in opposition to all partial and group interests of the proletariat, and within the framework of a given State, the total interests of the proletariat as a class, it reveals everywhere the natural striving to weld together all national, religious and professional groups of the working class into one unified party.

In this respect, there has been and is, for the Social Democracy also of Russia, no question but that it must form, not a federative conglomerate made up of a great number of special organizations on a national and provincial scale, but a unified, compact labor party of the Russian Empire. There is, however, a quite different question also to be considered: namely, the greater or less degree of centralization and the detailed structure within a united and unified party.

From the standpoint of the formal tasks of the Social Democracy as a fighting party, centralism in its organization appears a priori as an indispensable condition upon the fulfillment of which the fighting qualities of the party stand in direct relation. More important here, however, than the consideration of the formal demands of any fighting organization are the specific historical conditions of the proletarian struggle.

The social-democratic movement is the first one in the history of class societies which in all its factors, throughout its course, is
 (*) N. Lenin: "One Step Forward, Two Steps Backward".--Geneva, 1904.

calculated upon the organization and the initiative of the masses. In this respect, the Social Democracy creates a quite different type of organization than did the earlier socialist movements; for example, those of the Jacobin and Blanquist type.

Lenin appears to underrate this fact when he states in his book that the revolutionary Social Democrat is, after all, simply "the Jacobin inseparably linked with the organization of the class-conscious proletariat". In the organization and class consciousness of the proletariat, Lenin perceives the only factors which differentiate the Social Democracy from Blanquism. He forgets that this difference involves also a complete transvaluation of organizational concepts, a quite new content of the many-sided relation between organization and struggle.

Up to this point we have regarded the question of centralism from the standpoint of the general bases of the Social Democracy and also in part from that of the present-day relations in Russia. But the night-watchman spirit of the ultra-centralism championed by Lenin and his friends is by no means, as concerns him personally, an accidental product of errors but is bound up with a thorough-going opposition to ---opportunism.

"The question is," says Lenin, "by means of the rules of organization, to forge a more or less sharp weapon against opportunism. The deeper the sources of opportunism lie, the sharper must be this weapon."

Lenin perceives also in the absolute power of the central committee and in the strict hedging off of the party by statute the one effective dike against the opportunistic current, the specific earmarks of which he denotes as the inborn academic predilection for autonomism, for disorganization, and the wincing at strict party discipline and at any 'bureaucratism' in the party life. Only the socialist 'Literat', thanks to his innate instability and individualism, can, in Lenin's opinion, oppose such unlimited powers of the central committee; a genuine proletarian, on the other hand, must, even as a result of his revolutionary class instinct, experience a sort of rapture at all the stiffness, strictness and smartness of his highest party officials, and subjects himself to all the rude operations of party discipline with joyously closed eyes. "Bureaucratism as against democratism," says Lenin, "that is precisely the organizational principle of the Social Democracy as opposed to the organizational principle of the opportunists." He appeals insistently to the fact that the same opposition between the centralistic and the autonomistic conception in the Social Democracy is becoming noticeable in all countries where the revolutionary and the reformist or revisionist tendency stand facing each other.

First of all, it must be noted that the strong emphasis laid on the inborn capacities of the proletarians for social-democratic organization and the contempt heaped upon the 'academic' elements of the social-democratic movement, is not in itself to be appraised as anything 'marxist-revolutionary'. All that sort of thing can equally well be regarded as bearing a relationship to opportunistic views.

There can, to be sure, be noted in what has hitherto been the practice of the Social Democracy of western Europe an undeniable connection between opportunism and the academic element, and also between opportunism and decentralist tendencies in questions of organization. But when

these phenomena, which arose upon a concrete historical soil, are released from this connection, and converted into abstract patterns with general and absolute validity, --such a procedure is the greatest sin against the "Holy Ghost" of Marxism, namely, against his historic-dialectical method of thought.

Taken in the abstract, only so much may be definitely stated: that the 'intellectual', as an element stemming from the bourgeoisie and hence by nature foreign to the proletariat, can arrive at socialism not in accordance with his own class feeling but only through overcoming that feeling and by way of the socialist ideology, and is accordingly more predisposed to opportunistic strayings than is the enlightened proletarian, who, insofar as he has not lost the connection with his social origin, the proletarian mass, is provided with a sure revolutionary handhold in virtue of his immediate class instinct. As to the concrete form, however, in which this academic tendency to opportunism appears, particularly in matters of organization, --that depends in each case on the concrete social milieu in question.

The phenomena in the life of the German as well as of the French and Italian Social Democracy to which Lenin appeals were the outgrowth of a quite determinate social basis, namely, bourgeois parliamentarism. Just as this latter is in general the specific soil of the present opportunistic current in the socialist movement of western Europe, so also have sprung from it the special tendencies of opportunism toward disorganization.

Parliamentarism supports not only all the illusions of present-day opportunism, as we have come to know them in France, Italy and Germany, but also the overestimation of reform work, of the cooperation of classes and parties, of peaceful development, etc. It forms at the same time the soil on which these illusions can be confirmed in practice, in that the intellectuals, who as parliamentarians even in the Social Democracy are still separated from the proletarian mass, are thus in the sense elevated over that mass. Finally, with the growth of the labor movement, the same parliamentarism makes of this movement a springboard for political upstarts, and accordingly easily converts it into a refuge for ambitious and bankrupt bourgeois existences.

From all these factors results also the definite inclination of the opportunistic intellectual of Western European Social Democracy to disorganization and lack of discipline. The second definite presupposition of the present-day opportunistic current is, of course, the presence of an already high stage of development of the social-democratic movement, hence also of an influential social-democratic party organization. The latter then appears as that bulwark of the revolutionary movement against bourgeois-parliamentarian tendencies--a bulwark which has to be worn down and pulled apart so as to dissolve the compact and active kernel of the proletariat back into the amorphous mass of electors. In this way arise the historically well-grounded and determinate political aims of admirably adapted 'automatic' and decentralistic tendencies of modern opportunism; tendencies which, accordingly, are not to be traced back to the inborn slovenliness and looseness of the 'intellectual', as Lenin assumes, but to the needs of the bourgeois parliamentarian--not to the psychology of the academic element, but to the politics of the opportunist.

But all these relations have a considerably different aspect in absolutist Russia, where the opportunism in the labor movement is by no means a product of the vigorous growth of the Social Democracy, of the decomposition of bourgeois society, but inversely a product of its political backwardness.

The Russian intelligentsia, from which the socialist intellectual is recruited, has naturally a much more indeterminate class character, is much more declassified in the exact sense of the word, than the intelligentsia of Western Europe. From this there results--in combination, to be sure, with the youthfulness of the proletarian movement in Russia--in general a much wider field for theoretical instability and opportunistic meanderings, which at one time take the form of a complete negation of the political side of the labor movement, and at another time turn toward the opposite belief in the exclusive blessedness of terrorism, and finally rest up in the 'philosophic' swamps of liberalism or of Kantian idealism.

But for the specific active tendency to disorganization, the social-democratic intellectual of Russia lacks, in our opinion, not only the positive hold in bourgeois parliamentarism but also the corresponding social-psychical milieu. The modern writer of western Europe who devotes himself to the cult of his alleged 'ego' and drags this 'master morality' even into the socialist world of struggle and thought, is not the type of bourgeois existence; he is in fact the product of a decadent, corrupted bourgeoisie already hidebound in the worst circle of its class rule. The utopian and opportunistic vagaries of the socialist intellectual of Russia incline inversely, as is readily understandable, rather to assume the inverted theoretical form of self-mortification, of self-flagellation. In fact, that erstwhile "going to the people", that is, among the populists the obligatory masquerade of the intellectual as a peasant, was nothing other than a despairing invention of the same intellectual, just as is nowadays the clumsy cult of the "horny hand" on the part of the pure 'Economists'.

The same reflection also makes clear that centralism in the social-democratic sense is not at all an absolute concept which can be carried out equally well at any stage of the labor movement, but that it must rather be regarded as a tendency, the actualization of which proceeds in step with the enlightenment and political schooling of the working class in the course of its struggle.

The insufficiency of the most important presuppositions for the full realization of centralism in the Russian movement at the present time may, to be sure, have a very baneful effect. Nevertheless it is false, in our opinion, to think that the still impracticable majority rule of the enlightened workers within their party organization may be replaced 'temporarily' by a 'transferred' sole-mastery on the part of the central authority of the party and that the lacking public control on the part of the working masses over the acts and omissions of the party organs would be just as well replaced by the inverted control of a central committee over the activity of the revolutionary workers.

The history of the Russian movement itself furnishes many proofs for the dubious value of centralism in this latter sense. The central committee with its almost unlimited authority of interference and control according to Lenin's ideal would evidently be an absurdity if it should

limit its power to the purely technical side of social-democratic activity, to the outer means and accessories of agitation--say, to the supplying of party literature and suitable distribution of agitational and financial forces. It would have a comprehensible political purpose only in case it were to employ its power in the creation of a unified fighting tactic for Russia and in the release of a great political action. What do we see, however, in the phases through which the Russian movement has already passed? Its most important and most fruitful tactical turns of the last decade were not by any means 'invented' by determinate leaders of the movement, and much less by leading organizations, but were in each case the spontaneous product of the unbound movement itself. So was the first stage of the genuine proletarian movement in Russia, which set in with the elemental outbreak of the great St. Petersburg strike in the year 1896 and which for the first time had inaugurated the economic mass action of the Russian proletariat. Likewise, the second phase--that of the political street demonstrations--was opened quite spontaneously as a result of the student unrests in St. Petersburg in March 1901. The further significant turning point, by which new horizons were opened to tactics, was the mass strike which broke out "all of itself" in Rostov on the Don, with its ad hoc improvised street agitation, the popular meetings under the open sky, the public addresses,--things of which the boldest blusterer among the Social Democrats would not have ventured to think a few years earlier. Of all these cases, we may say that in the beginning was "the deed". The initiative and conscious leadership of the social-democratic organizations played an exceedingly small role. This was not, however, so much the fault of defective preparation of these special organizations for their role--even though this factor may have been a considerable contributing cause--and certainly not of the lack at that time, in the Russian Social Democracy, of an all-powerful central committee in accordance with Lenin's plan. Inversely, such a committee would in all probability only have worked to the purpose of making the indecision of the various party committees still greater, and brought about a division between the storming masses and the procrastinating Social Democracy.

The same phenomenon--the small part played by the conscious initiative of the party leadership in the shaping of tactics--is still more observable in Germany and elsewhere. The fighting tactics of the Social Democracy, at least as regards its main features, is absolutely not 'invented', but is the result of a progressive series of great creative acts in the course of the experimenting and often elemental class struggle. Here also the unconscious precedes the conscious, the logic of the objective historical process goes before the subjective logic of its spokesmen. So that the role of the social-democratic leadership becomes one of an essentially conservative character, in that it leads to working out empirically to its ultimate conclusions the new experience acquired in the struggle and soon to converting it into a bulwark against a further innovation in the grand style. The present tactic of the German Social Democracy, for example, is generally admired for its remarkable manifoldness, flexibility and at the same time certainty. Such qualities simply mean, however, that our party has adapted itself wonderfully to its daily struggle to the present parliamentary basis, down to the least detail, that it knows how to exploit the whole field of battle offered by parliamentarism and to master it in accordance with given principles. At the same time, however, this specific formulation of tactics already serves to much to conceal the further horizon.

that one notes a strong inclination to eternalize that tactic and to regard the parliamentary tactic as the social-democratic tactic for all time. As illustrative of this mood, we may mention the vain efforts which Parvus has been making for years now to bring about a debate in the party press regarding an eventual reformulation of tactics in case of the abrogation of universal suffrage, in spite of the fact that such an eventuality is viewed by the party leaders in full and bitter seriousness. This inertia is, however, largely explained by the difficulty of giving contour and palpable forms to a still in-existent, hence imaginary, political struggle, whatever its weight in the empty air of abstract speculation. To the Social Democracy also, the important thing each time is not the premonition and formulation of a ready-made recipe for the future tactic, but the preservation within the party of the correct historical appraisal for the then prevailing forms of struggle, a lively feeling for the relativity of the given phase and for the necessary intensification of the revolutionary factors from the standpoint of the final goal of the proletarian movement.

But to desire, as Lenin does, to deck out a party leadership with such absolute powers of a negative character would be only to multiply artificially and in a most dangerous measure in conservatism which is a necessary outgrowth of every such leadership. Just as the social-democratic tactic was formed, not by a central committee but by the whole party or, more correctly stated, by the whole movement, so the separate organizations of the party plainly require such elbow-room as alone enables complete utilization of all means offered by the situation of the moment, as well as the unfolding of revolutionary initiative. The ultra-centralism advocated by Lenin, however, appears to us as something which, in its whole essence, is not informed with the positive and creative spirit, but with the sterile spirit of the night-watchman. His thought is patterned mainly upon the control of party activity and not upon its promotion, upon narrowing and not upon unfolding, upon the hemming and not upon the drawing together of the movement.

Such an experiment seems doubly dangerous to the Russian Social Democracy at the present time. The party stands on the eve of great revolutionary struggles for the overthrow of absolutism, before or rather engaged in a period of most intense creative activity in the field of tactics and--a thing which is self-evident in revolutionary epochs--of feverish extensions and shiftings of its sphere of influence. In such times, to insist on fettering the initiative of the party spirit and raising a barbed-wire fence around its capacity for leap-like expansion, would be to make the Social Democracy largely unfit in advance for the great tasks of the moment.

These general considerations on the peculiar content of social-democratic centralism do not, of course, permit of deducing the concrete provisions of the rules of organization for the Russian party. Those depend naturally, in the last instance, upon the concrete circumstances in which the activity unfolds in the given period, and--since we are concerned in Russia with what is, after all, the first attempt at a great proletarian party organization--can scarcely pretend to infallibility in advance, but must rather in each case first stand the test of practical life. What can be inferred, however, from the general conception of the social-democratic type of organization is the

main outlines, the spirit of the organization; and this spirit prescribes, especially in the beginnings of the mass movement, coordination and drawing together instead of regimentation and exclusiveness. If this spirit of political liberty, combined with a sharp eye to stability of principles and to the unity of the movement, has secured a foothold in the ranks of the party, in such a case the defects of any rules of organization, even of those which are awkwardly worded, will soon undergo effective revision through practice itself. It is not the wording of the regulations but the spirit and meaning incorporated into that wording by the active fighters which decides concerning the value of a form of organization.

Blanquism was not calculated upon the direct class action of the working masses, and accordingly did not need a mass organization. On the contrary, since the great mass of the people was not to appear on the scene of action until the time for the revolution, while the preliminary action for the preparation of a revolutionary insurrection was performed by a small minority, a sharp separation of the persons entrusted with this action from the mass of the people was an indispensable condition to the successful carrying out of their task. Such a separation was possible and practicable, since no inner connection existed between the daily life of the masses and the blanquist conspiratorial activity, and likewise the tactic and the more immediate objects of activity--since these had no connection with the soil of the elemental class struggle, but were improvised out of whole cloth--were worked out in full detail in advance, fixed and prescribed as a definite plan. For that reason the active members of the organizations were naturally transformed into pure executive organs of a previously determined will existing outside their own field of activity, into tools of a central committee. Thus we have also the second characteristic of conspiratorial centralism: the absolute, blind subordination of the different organs of the party to their central authority, and the extension of the decisive powers of this latter onto the outermost periphery of the party organization.

Fundamentally different are the conditions of social-democratic action. This action grows historically out of the elemental class struggle. In so doing, it works and moves in the dialectical contradiction that here the proletarian army is first recruited in the struggle itself, where it also first becomes clear regarding the tasks of the struggle. Organization, enlightenment and struggle are here not separate, mechanic and also temporarily disjointed factors, as in the case of a blanquist movement, but are only different sides of the same process. On the one hand--apart from general principles of the struggle--there is no detailed, ready-made fighting tactic established in advance and in which the party membership could be drilled by a central committee. On the other hand, the process of struggle which shapes the organization leads to a constant fluctuation of the party's sphere of influence.

It follows that social-democratic centralization cannot be based on blind obedience, on mechanical subordination of the party fighters to their central authority; and, furthermore, that no absolute partition can be erected between the nucleus of the class conscious proletariat already organized into fixed party cadres and the surrounding element engaged in the class struggle but still in process of class enlightenment. The setting up of the central organization on these two principles

on the blind subordination of all party organizations, with their activity, down to the least detail, under a central authority which alone thinks, acts and decides for all, and on a sharp separation of the organized nucleus of the party from the surrounding revolutionary milieu, as championed by Lenin--appears to us for that reason as a mechanical carrying over of the organizational principles of the blanquist movement of conspiratorial circles onto the social-democratic movement of the working masses. And Lenin himself has perhaps characterized his standpoint more keenly than any of his opponents could do, in that he defines his "revolutionary Social Democrat" as the "Jacobin linked with the organization of the class-conscious workers". As a matter of fact, however, the Social Democracy is not linked or connected with the organization of the working class, but is the movement of the working class itself. Social-democratic centralism must therefore be essentially different construction from the blanquist. It can be nothing other than the imperious coordination of the will of the enlightened and fighting vanguard of the workers as contrasted with its different groups and individuals; this is, so to speak, a "self-centralism" of the leading element of the proletariat; the majority rule of that element within its own party organization.

Just from looking into this true content of social-democratic centralism, it becomes clear that the necessary conditions for such a thing are not yet fully realized in Russia. These conditions are, in the main, the presence of a considerable element of proletarians already schooled in the political struggle and the possibility of giving expression to its maturity through the direct exercise of influence (at public party congresses, in the party press, etc.).

It is clear that this latter condition can only be created with the advent of political freedom in Russia. The former condition, however,--the forming of a class-conscious, competent vanguard of the proletariat,--is only in course of achievement and must be regarded as the primary purpose of the next agitational and also organizational work.

All the more surprising is the effect produced by the opposite assurance of Lenin, according to which all the preconditions for the carrying out of a great and highly centralized labor party are already present in Russia. And he betrays once more a much too mechanical conception of social-democratic organization in optimistically proclaiming that even now it is "not the proletariat but a great number of intellectuals in the Russian Social Democracy who lack self-training in the spirit of organization and discipline". The 'discipline' which Lenin has in mind is impressed upon the proletariat not by any means merely by way of the factory, but also through the whole mechanism of the centralized bourgeois State. However, it is nothing short of an improper use of slogans to denote equally as 'discipline' two such opposed concepts as the willlessness and thoughtlessness of a four-legged and many-armed mass of flesh which performs mechanical movements to the accompaniment of the baton and the voluntary coordination of conscious political actions on the part of a certain social element; the lifeless obedience of a governed class and the organized rebellion of a class struggling for its liberation. It is not by adding on to the discipline impressed upon it by the capitalist State--with the mere transfer of the baton from the hand of the bourgeoisie into that of a social-democratic central committee--but by the breaking up and uprooting of this slavish spirit of discipline, that the proletariat

can be prepared for the new discipline, the voluntary self-discipline of the Social Democracy.

If we seek to solve the question of forms of organization, not by way of the mechanical transfer to Russia of inert patterns from Western Europe but through the investigation of the given concrete relations in Russia itself, we arrive at a quite different conclusion. To say of opportunism, as Lenin implicitly does, that it goes in for any one certain form of organization--say for decentralization--is at any rate to mistake its inner nature. Being opportunistic as it is, the only principle of opportunism, even in questions of organization, is - the lack of principles. It always selects its means according to circumstances, with reference to the degree to which those means promote its ends. But if, like Lenin, we define opportunism as the endeavor to paralyze the independent revolutionary movement of the proletariat in order to make it serviceable to the lust for ruling on the part of the bourgeois intelligentsia, one can only say that this purpose can be most readily attained, in the initial stages of the labor movement, not through decentralization but precisely by way of strict centralism, by which the proletarian movement, still unclear in its aims and methods, is turned over, bound hand and foot, to a handful of academic leaders.

Even from the standpoint of the fears entertained by Lenin, that is, the dangerous influence of the intellectuals upon the proletarian movement, his own conception of organization constitutes the greatest danger for the Russian Social Democracy.

As a matter of fact, there is nothing which so easily and so surely hands over a still youthful labor movement to the private ambitions of the intellectuals as forcing the movement into the strait-jacket of a bureaucratic centralism, which debases the fighting workers into a pliable tool in the hands of a 'committee'. And, inversely, nothing so surely preserves the labor movement from all opportunistic abuses on the part of an ambitious intelligentsia as the revolutionary self-activation of the working masses, the intensification of their feeling of political responsibility.

And, in fact, the very thing which Lenin sees as a specter today, may easily turn tomorrow into a palpable reality.

Let us not forget that the revolution which we see in the offing in Russia is not a proletarian but a bourgeois revolution, which will greatly change the entire scenery of the social-democratic struggle. Thereupon the Russian intelligentsia also will quickly absorb a strongly pronounced bourgeois content. Whereas today the Social Democracy is the only leader of the Russian working masses, on the morning after the revolution the bourgeoisie, and in the first instance its intelligentsia, will seek to convert these masses into a pedestal for its parliamentary rule. Now the less scope there is given in the present period of the struggle to the self-activation, to the free initiative, to the political sense of the awakened element of the working class, and the more that element is politically bell-wethered and drilled by a social-democratic central committee, the easier will be the game of the bourgeois demagogues in the renovated Russia and the more will the results of the current efforts of the Social Democracy turn to the advantage of the bourgeoisie.

On the other hand, it is a thoroughly unhistorical illusion to think that the social-democratic tactic in the revolutionary sense can be established in advance once for all time, that the labor movement can be preserved once for all from opportunistic side-leaps. To be sure, the Marxian doctrine provides effective weapons against all basic types of opportunistic thought. Since, however, the social-democratic movement is in fact a mass movement and the dangers by which it is menaced do not spring from human heads but from the social conditions, opportunistic strayings cannot be guarded against in advance; they must be overcome through the movement itself--of course, with the aid of the weapons supplied by Marxism--after they have assumed a definite shape in the course of experience. Regarded from this point of view, opportunism too appears as a product of the labor movement itself, as an unavoidable factor of its historical development. Precisely in Russia, where the Social Democracy is still young, and the political conditions of the labor movement are so abnormal, opportunism might very well at present spring largely from this source, from the unavoidable groping and experimenting in matters of tactics, from the necessity of bringing the present struggle into harmony with socialist principles in quite peculiar and unexampled relations.

But if that is so, one must marvel all the more at the idea that the rise of opportunistic tendencies can be forbidden in the very beginnings of a labor movement by means of this or that form of rules of organization. The attempt to ward off opportunism by such scraps of paper can, as a matter of fact, do no harm to opportunism but only to the Social Democracy itself, and, by restraining within the party the pulsing of a healthy blood, weakens its powers of resistance not only against opportunistic currents, but also--a thing which after all might be of some importance--against the existing social order. The means turns against the end.

In this frightened effort of a part of the Russian Social Democracy to preserve from false steps the aspiring labor movement of Russia through the guardianship of an omniscient and omnipresent central committee we seem to see also the same subjectivism involved by which socialist thought in Russia has frequently been imposed upon in the past. Amusing, in truth, are the somersaults which the revered human subject of history loves to perform at times in his own historical process. The ego which has been beaten down by Russian absolutism takes revenge by setting itself on the throne in its revolutionary thought-world and declaring itself omnipotent--as a conspiratorial committee in the name of a non-existent "popular will". The 'object' shows itself stronger, however: the knout soon triumphs, in that it proves itself to be the 'legitimate' expression of the given stage of the historical process. Finally there appears on the scene, as a more legitimate child of the historical process--the Russian labor movement, which makes a splendid beginning to shape, for the first time in Russian history, a real popular will. Now, however, the ego of the Russian revolutionary quickly stands on its head and declares itself once more to be an almighty ruler of history--this time, in the direction of the social-democratic working masses. In so doing, the bold acrobat overlooks the fact that the only subject to which this role has now fallen is the mass-ego of the working class, which everywhere insists on venturing to make its own mistakes and learning historical dialectic for itself. And by way of conclusion, let us say openly just to ourselves: Mistakes which a truly revolutionary labor movement commits are, in historical perspective, immeasurably more fruitful and valuable than the infallibility of the very best "central committee."

II.

Dictatorship of the Party or Dictatorship of the Proletariat(*)

The implicit presupposition of the dictatorship theory in the Lenin-Trotskyist sense is that the socialist overthrow is a matter for which there is a ready-made recipe in the pocket of the revolutionary party, which has only to put it into practice vigorously. That is unfortunately--or otherwise, if you will--not so. Far from being a sum of ready-made prescriptions which have only to be applied, the practical realization of socialism as an economic, social and legal system is a matter which lies completely veiled in the fog of the future. What we have in our program is only a few big sign-posts which show the direction in which the measures must be sought, and mainly of a negative character. Thus we have an idea as to what must be shoved aside in the very first instance in order to clear the way for the socialist economy; but as regards the nature of the thousand concrete practical matters to be dealt with in order to introduce the socialist principles into economics, law and all social relations, on those points no enlightenment is furnished by any socialist party program or by any socialist textbook. That is no defect, but the superiority of scientific socialism over the utopian brand: the socialist system of society can only be an historical product, arising from its own school of experience, in the hour of fulfillment, from the course of living history which, in precisely the same way as organic nature, of which in the last instance it is a part, has the lovely caprice of bringing forth, together with the genuine social need, also the means for its satisfaction, and with the problem also the solution. If that is so, however, then it is clear that socialism, from its very nature, is not susceptible of being imposed, or introduced by decree. It has as a prerequisite a series of violent measures--against property, etc. The negative part, the work of tearing down, can be decreed; the building up, the positive part, can not. This is new territory, with a thousand problems. Only experience is capable of correcting mistakes and opening new paths. Only unrestrictedly flowing life hits upon a thousand new forms, makes improvisations, contains creative power, itself corrects all blunders. The public life of the nations with limited freedom is so needy, so poor, so schematic, so unfruitful for the very reason that by excluding democracy it bars the living springs of all spiritual wealth and progress. The whole mass of the people must participate; otherwise, socialism is decreed, imposed from the green table of a handful of intellectuals.

Unconditional public control (according to Lenin's own words) is necessary. Otherwise the exchange of experiences remains only in the closed circle of the officials of the new regime. In place of the representative bodies arising from universal suffrage, Lenin and Trotsky have proposed the soviets as the only true representation of the working masses. But with the suppression of the political life throughout the land, the life of the soviets also must grow more and more paralyzed. Without general elections, unrestricted freedom of the press and of assembly, free conflict of opinion, life dies out in every public institution, becomes a mere semblance of life, in which the bureaucracy remains alone as the active element. No one can evade this law. The public life gradually falls asleep, a dozen party leaders of inexhaustible energy and boundless idealism direct and govern. Among these, the actual leadership is exercised by a dozen preeminent brains,

(*) Extract from Rosa Luxemburg's "The Russian Revolution".

and a selected group of the workers is invited to meetings from time to time to applaud the speeches of the leaders, and to approve by unanimous vote the resolutions laid before them. What we have, then, at bottom, is a clique economy--a dictatorship, to be sure, but not the dictatorship of the proletariat. Rather, the dictatorship of a handful of politicians, that is, dictatorship in the bourgeois sense, in the sense of the Jacobins--in a word, ruling (increasing the interval between the soviet congresses from three to six months!). And what is more: such conditions must be a symptom of the barbarization of the public life.

The basic error of the Lenin-Trotskyist theory is simply this; that they set dictatorship, just as Kautsky does, over against democracy. "Dictatorship or democracy"--that is the question both for the Bolsheviks and for Kautsky. The latter decides, naturally, for democracy, and for bourgeois democracy at that, since he views it precisely as the alternative to the socialist overthrow. Lenin and Trotsky decide, inversely, for dictatorship in opposition to democracy and, in so doing, for the dictatorship of a handful of individuals, that is, for dictatorship after the bourgeois fashion. Two opposite poles, both equally far removed from the true socialist policy. When the proletariat seizes power, it can never more follow Kautsky's advice and renounce the job of carrying through the socialist transformation, under the pretext of the "unripeness of the country", and devote itself merely to democracy, without committing treason to itself, to the International and to the Revolution. It is bound to and must without delay, in the most vigorous, unwavering and thorough-going manner, take socialist measures in hand, hence exercising dictatorship--but dictatorship of the class, not of a party or clique; dictatorship of the class, i. e. in the broadest publicity, with the active participation of the masses, in unlimited democracy. "As Marxists, we have never been idolaters of formal democracy," writes Trotsky. Certainly, we have never been idolaters of formal democracy. Nor have we ever been idolaters of socialism or of Marxism. Does it follow that we are entitled to throw socialism, Marxism, onto the scrap-heap when we find it uncomfortable? Trotsky and Lenin are the living negations of this question. We have never been idolaters of formal democracy; which simply means that we have always distinguished the social kernel from the political form of bourgeois democracy; we have always uncovered the bitter kernel of social inequality and constraint under the sweet shell of formal equality and freedom--not in order to reject these latter, but in order to urge the working class not to content itself with the shell but rather to win the political power in order to fill it with new social content. It is the historical task of the proletariat, when it comes to power, to create in the place of bourgeois democracy, socialist democracy, not to do away with democracy itself. Socialist democracy begins, however, not in the promised land after the substructure of socialist economy has been formed, as a ready-made Christmas present for the good people who in the meanwhile have loyally supported the handful of socialist dictators. Socialist democracy begins simultaneously with the tearing down of class rule and the building up of socialism. It begins with the seizure of power, it is nothing else than the dictatorship of the proletariat.

Yes, dictatorship! But this dictatorship consists in the manner in which democracy is employed, not in its abolition; in vigorous, decided intrusions into the well-established rights and economic relation

of bourgeois society, without which the socialist overturn cannot be actualized. This dictatorship must be the work of the class, and not of a small minority in the name of the class; that is, it must proceed at each step with the active participation of the masses, be subject to their direct influence, stand under the control of unlimited public opinion, proceed from the growing political education of the masses.

THE AMERICAN FEDERATION OF LABOR AND THE PRESENT CRISIS.

With the beginning of 1935 much rumor is heard about a possible major offensive by the A.F. of L. in a number of basic industries. Some superficial observers already see the threat of a nation-wide general strike to be initiated by textile, steel and automobile workers' unions. Vague statements about Labor's awakening, uttered by the pious Baptist who heads the A.F. of L., further alarm the backwoods shopkeepers, and 1935 opens with generally evil forebodings to the middle class and the small business men.

We say middle class and small business men, because big business does not fear the A.F. of L. It knows that no general strike will be countenanced by the labor leaders and even such dangerous consequences as might arise from a textile or steel strike will be curbed before reaching their objective.

It is not merely that Green, Woll & Co., are cowardly, vacillating and reactionary that leads to this conclusion -- it is that the A.F. of L. as an organization, lock, stock and barrel, is not by its nature inclined to take any risks.

The structure and history of the A.F. of L. are such that it can never engage in any struggle that endangers the existing order -- and in these times any major action by the workers will have just that effect.

Organized in 1881, the A.F. of L. represented at that time the revolt of the skilled aristocracy of labor against the contemporary primitive labor organizations. The Knights of Labor, most powerful organization in the eighties, with all its faults had crystallized a potentially powerful movement of unskilled workers. Reactionary officials were unable to stem the tide. "Orderly" strikes developed into major revolts of gigantic proportions. The workers, despite the pious pleadings of reactionary leaders, fought as only the completely disfranchised could fight - with any and all means at their command.

The Gould strike, waged by the Knights of Labor in 1885 in which they whipped the most powerful railroad combination in the United States, was an example of working class revolt that involved skilled, semi-skilled and unskilled laborers on the basis of the slogan "An injury

to one is an injury to all".

The elemental character of the movement which swamped the Knights of Labor is borne out by the membership figures during the growth and decline of the eight-hour agitation. For this period the membership figures for the Knights of Labor and the A.F. of L. were:

Yr.	1881	1882	1883	1884	1885	1886	1887	1888
K.ofL.	19,422	42,517	60,811	104,066	702,924	510,351	259,578	220,607
A.ofL.	40,000	65,000	76,000	105,000	125,000	138,000	160,000	175,000

The slow but steady growth of the A.F. of L. shows the substantial development of a movement of skilled workers, whose preferred position was not conducive to radical, revolutionary sentiment. They had banded together to take advantage of that position to secure further concessions - concessions that an expanding capitalism could well afford to grant. As they consolidated their position they became less inclined to risk it on any "wild revolutionary or socialist schemes".

America, the growing industrial giant, presented certain conditions that constantly frustrated a revolutionary labor movement. The continuity that characterized European movements was absent here. The possibility of rising into the petty bourgeoisie, of becoming farmers, etc., coupled with recurring crises of a violent character submersed completely recurrent labor organizations. Added to this the comparative scarcity of skilled labor in the United States enabled the latter to enjoy a standard of wages and living much higher than the unskilled or any of the European workers could boast of. The violent recurring strikes of the unskilled workers imposed sacrifices on the skilled which the latter were unwilling to make.

The American Federation of Labor represented above all things the effort of the skilled labor aristocracy to break away from the lower strata of labor. They were unwilling to submerge their interests to those of the whole. They wanted to occupy a preferred seat at the capitalist table at the expense of their less fortunate fellows.

Thus, while the growth of the A.F. of L. was slow, it was predicated virtually upon a property interest. Its growth was more substantial, making up in essence what it lacked in numbers. The Knights of Labor disappeared from the field. The eight-hour movement, fought courageously by the rank and file and betrayed miserably by the leaders came to a bloody conclusion in the murder of the Haymarket "Anarchists"; but the A.F. of L. succeeded in keeping its hands unsullied by any radical activity at that time.

By 1894 Eugene Debs had organized the American Railway Union and in the Pullman strike of that year the class struggle flared anew, only to be suppressed with federal troops. The A.F. of L. repudiated the A.R.U. strike.

The Western Federation of Miners at this time developed a militant movement which broke away from the A.F. of L., and by 1905 resulted in the organization of the I.W.W. Until shortly before the world war the I.W.W. represented the best and most militant elements of the labor movement. The ignored and submerged unskilled workers saw reason

for new hope, but the A.F. of L. kept its hands off except where it was possible to break "Wobbly" strikes and assist vigilante mobs in lynching-bees.

When the United States entered the world war, the A.F. of L. entered into an industrial peace pact with the master class and concentrated on sending American workers into the European slaughter. The I.W.W. was destroyed; its leaders sent to jail by the hundreds, and the A.F. of L. exulted with the rest of the jingoes at 20 year sentences handed out to "Wobbly" organizers.

With the close of the war, the revolutionary upsurge in Europe had its reflex in America in the growth of radical sentiment. Heeding reluctantly the insistent demands from below, the A.F. of L. entered upon a campaign to organize the steel industry. The steel workers responded enthusiastically only to be attacked on two fronts - by the forces of the national, state and local governments, and by the old-line A.F. of L. union of skilled steel workers, the Amalgamated Association of Iron, Tin and Steel Workers, who sabotaged the strike to the extent of scabbing. Jurisdictional disputes between the affected crafts played a good part in making the strike ineffective. The strike was lost.

When the present depression broke, the A.F. of L. had no plans to offer. The bureaucracy at the top was out of touch not only with the broad masses, but it was out of touch with its own membership as well. Its membership fell off. Already the possibility of complete collapse appeared when Roosevelt II saved the tottering structure. The decline in membership had been going on at a terrific pace. Dropping from four million members in 1920, it declined to two and one-half million by 1932. But with the help of the NRA, workers were again herded into the A.F. of L.

The president's attitude may have been surprising, but there was nothing extraordinary about his action in view of the conditions. The world chaos threatened by the never-ending depression left its mark on American politics as it did on those of Europe. The capitalists of the world are preparing for two eventualities - war and revolution. In each country they prepare for this in their own way: Italy with Mussolini, Germany with Hitler, and the United States with Roosevelt and NRA. The differences of approach and method do not alter the fundamental nature and purpose of this movement. In each case the capitalist class of each country consolidates its forces against the coming war and revolution, and in each case that process of consolidation may accurately be called the process of fascism. This process calls for the utmost concentration of the forces of the national capitalist class as a whole. This accounts for its nationalism. Individualistic and reckless capitalists must be curbed, subordinated to the interests of the whole class; thus the socialism of fascism.

The workers must be controlled or their organizations destroyed, - and since working class organization can never be entirely destroyed under capitalism, machinery is set up to control them. Here the A.F. of L. presents itself, offers itself as the willing and eager henchman of capitalism. No doubt even it will become superfluous or bothersome, or too ineffective in time to be of further use to the masters.

But at this time it is usable. Mr. Roosevelt holds out glowing vistas to the labor skates. Their mouths water as they peer into the promised land. Only one cent per month per member flows into the A. F. of L. treasury from members of affiliated international unions. But here is a chance to organize the unskilled into "Federal Unions" paying 35¢ a month per capita, and the president had practically told them to go ahead and organize to their hearts' content.

Roosevelt's friendly smile and naive radio talks might indicate the good natured clown, but his policies are those of a far-seeing capitalist who uses all methods necessary to prolong the existence of the present order. In this period of chaos and collapse, the most exploited and starving layers of the working class form a distinct menace of revolution. He hands out relief to the starving and lets the A.F. of L. take care of the exploited. The unskilled are to be herded into the A.F. of L. AND KEPT IN CHECK THEREBY.

The labor skates have delivered. They throttled the militant miners in the East. They surrendered to the steel industry; they scotched an attempt at an automobile industry strike and joyously broke the 'Frisco general strike from within.

With a reactionary history to its credit, a form of organization susceptible to no changes, an officialdom so firmly entrenched as to be immovable, a Rank and file that is either impotent or as reactionary as its leaders, the A.F. of L. at this time is much too useful to the master class to be discarded. It is expected to fulfill the work in America of the Nazi "labor front" in Germany, and so far it has realized all the hopes Roosevelt placed in it. Its job is to prevent strikes, to regiment and curb the workers, to duplicate the Fascist labor organizations of Europe.

General strikes are not a part of Fascist routine. So a question whether the A.F. of L. will initiate a general strike movement in 1935 is indeed laughable.

**** "MARXISM WITHOUT DOCTORS" ****

Review on: The Inevitability of Communism. by Paul Mattick. (*)

It has been the misfortune of Marxism in the United States that its greatest development took place under the influence of the Russian Revolution. Our native radicals have displayed a pig-headedness almost equal to that of the bourgeoisie itself in continuing to regard 'Leninism' or 'Marxism-Leninism' as synonymous with, or at least a logical extension of Marxism, and Bolshevism as synonymous with Communism. Even two such embattled antagonists as Sidney Hook and Max Eastman--the one wanting to be a Marxist and the other a Leninist--are in fundamental agreement on this point, and their heated disputes accordingly reduce largely to a mere matter of words. It has not yet dawned upon the American intellectuals that the Bolshevik Revolution was essentially only a bourgeois revolution directed to

(*) A 48 page pamphlet just published by Polemic Publishers, 122 East 25th St., New York City. - 25¢ per copy, postage prepaid from publisher; or order from U.W.P.-1604 N. California Ave., Chicago, Ill.

overthrowing Czarism and doing away with the vestiges of feudalism in Russia, thus preparing the way for an unrestricted state-capitalist development.

It has been the misfortune of Mattick personally--apart from the circumstance that he brought with him from Germany a philosophic mind and style--that his work is directed to breaking down these illusions and prejudices and to "cleansing Marxism from the filth of epigonism." He recognizes that Marxism in its pure and original form was impossible of application during the upgrade period of capitalism; that it was necessarily adapted to suit the needs of the governing bureaucracy of the old labor movement, and that it is only now, in the "permanent crisis" when the objective conditions are ripe for the overthrow of capitalism, that it is really possible for Marxism to come into its own. Which is merely another manner of saying that Marxism can be actualized only through the revolutionary proletariat in the act of throwing off the fetters of capitalism. Mattick accordingly rejects all forms of marxian 'orthodoxy', including particularly those associated with the names of Lenin and Kautsky. Yet, he is an 'orthodox' Marxist himself--but with a difference. In the first place, he makes a distinction between mere lip-service to Marxism, or the use of revolutionary phrases to conceal reformist or counter-revolutionary practice, on the one hand, and the practical application of marxist principles in the proletarian struggle against capitalism on the other. And secondly, to him, as to George Lukacs, orthodox Marxism "does not mean an uncritical acceptance of the results of Marx's investigations, does not mean a 'belief' in this or that thesis, nor the exegesis of a 'sacred book'. Orthodoxy in questions of Marxism relates rather exclusively to the method. It is the scientific conviction that in dialectical Marxism the correct method of investigation has been found, that this method can be developed, extended and deepened only in the sense of its founder, and that all attempts to overcome or 'improve' it have led, and necessarily so, merely to flatness, triviality and eclecticism".

Such a view of orthodoxy enables Mattick to be the most uncompromising of Marxists, and at the same time one of those who are least hampered by traditions. He recognizes the historical character of all the traditional forms of the labor movement, inclusive of parliamentarism and the political party. The political party, for instance, is just an expression of formal democracy--one which will be permitted to function only so long as the bourgeoisie can afford so much leniency--but the revolution itself, under modern conditions in highly developed capitalist countries, "is not a party matter, but the affair of the class" (of the proletarian class, be it understood, and not of a proletarian-peasant alliance such as was indispensable to the overthrow of Czarism). All expressions of "formal democracy", inclusive of labor organizations, become more and more intolerable to the bourgeoisie in the permanent crisis, when the continued existence of capitalism depends on a perfectly smooth functioning of the economic organism; but the class struggle itself cannot be suppressed--it is simply obliged to assume new forms adapted to the new conditions. These new forms are essentially embraced in the workers' councils (soviets), led by committees of action--that is, under the direct control of the workers themselves, hence not dependent upon the existence of parties, not subject to the personal sway of professional "labor leaders", but functioning over the heads of all

parties and bureaucracies and hence capable of effecting a real united front and waging a really common struggle against capitalism in its final and more or less 'fascist' form.

Ever since fascism first made its appearance in Italy, shortly after the War, and particularly since the rise of Hitler in Germany and the suppression of the Social Democracy in Austria, a reorientation of the labor movement has been under way. In this process are revealed two opposite tendencies. One is headed in the direction of compromise with capitalistic prejudices, abandonment of revolutionary principles and winning the middle classes, as best illustrated in this country by the recent "American Workers' Party" (now combined with the Communist League to form the "Workers' Party"). The other sees in the proletariat itself the only reliable instrument of the communist revolution and avoids all compromise with revolutionary principles as merely calculated to throw confusion into the ranks of the workers. It is that latter position which is represented by Mattick, in harmony with the "United Workers' Party" of America and the "Groups of International Communists" of the various countries throughout the world. It is essentially the same position as that combatted by Lenin under the name of Left Communism--a position which, from the point of view of the Russian Revolution, with its petty-bourgeois and jacobinical ideology, was naturally anathema at the time to any Bolshevik--as it was also to Noske and Ebert-- but which from the international proletarian point of view is revealing itself as the one truly revolutionary force in contemporary society.

In the present pamphlet, "The Inevitability of Communism," as well as in various other writings, such as his critique of the American Workers Party (*), Mattick has taken pains to show the disastrous consequences of the compromising attitude and of the reformist position in all its phases. He understands that fascism itself is merely an Ablenkungsmanöver, an attempt to mislead the workers by the use of pseudo-revolutionary or at least pseudo-radical phrases, as illustrated in the Hitlerian "National-Socialist German Labor Party." Fascism has copied the tactics of the bolshevik movement in Russia and of the national bolshevik parties controlled by the Third International. Fascism too pretends to be aiming at a form of "socialism", that is, state capitalism, which generally passes for socialism not only among the workers and petty-bourgeoisie but even among the so-called socialists themselves. What wonder, then, that the workers turn to fascism--a form of 'socialism' which can be introduced by the simple process of voting, without the necessity of a revolution with all its unpleasant connotations. Thus when the members of the reformist, petty-bourgeois parties--a term which includes even the self-styled revolutionary political parties--reproach the workers with being stupid, they fail to consider that these parties themselves are largely responsible for that 'stupidity', in that they put reformist notions into the heads of the workers and fail to make a clear-cut distinction between capitalism (in its fascist form) and communism (as conceived by Marx, the "society of free and equal producers"). Thus reformism in its various aspects, including participation in capitalist politics, leads logically to fascism, and all the reformist parties (regardless of their revolutionary phrases or intentions) will be forced in the end either to capitulate to fascism or be suppressed by it--or even both at the same time, as in

(*) "One Step Forward, Two Steps Backward".--The Modern Monthly, Dec. 1934

the case of the German C.P., which had lost all revolutionary character and become almost as fascist as the Nazis, but which nevertheless has to be swept aside as unadapted, or at least less adapted than Hitler's party, to the needs of the bourgeoisie in the permanent crisis.

These two opposed tendencies in the labor movement imply, of course, differences in theoretical base, involving questions not merely of psychology but of philosophy and economics. The reformist position is essentially opportunistic and undialectical. It is accordingly superficial, content with momentary successes, however won and with the aid of whatever elements, without regard for ulterior effects on the revolutionary movement and the form of society resulting from it. It fails to see in the capitalistic relations themselves and in the growth of the forces of production (in particular, the growth of the proletariat) the circumstance which makes the eventual triumph of communism inevitable, however long that triumph may be postponed by fascism and other varieties of reformism. On the other hand, the truly revolutionary tendency, which sees in the proletariat itself the antithesis engendered by capitalism, and in communism the synthesis resulting from this antagonism, is not concerned with catering to the petty-bourgeoisie but with developing the strength and the consciousness and the self-confidence of the workers, so that these latter will be capable of leading the petty-bourgeoisie instead of being led by it. In other words, as Mattick makes plain in the concluding sections of his work, it is not so much a question of 'educating' the workers in communist ideology, but one of developing their militancy. Education, in the sense in which the word is employed by Sidney Hook and on which he lays so much stress--in common, we might say, with socialists and reformists generally--is a matter in which the capitalists, so long as capitalism endures, will always have the advantage, if not practically a complete monopoly. The great mass of the workers, under capitalist conditions, cannot be reached by education at all; and hence to depend upon education and propaganda as the main forms of pre-revolutionary activity is merely to play into the hands of the reactionaries by indulging the sort of illusions characteristic of the socialists, who hold that nothing can be done about a new state of society until they have convinced enough people of the desirability of socialism to vote the socialist ticket into office. But to promote the militancy and self-confidence of the workers, even to the exclusion of communist ideology and what is generally referred to as class consciousness in its more intellectual form, is to make the collapse of capitalism inevitable in the shortest possible space of time. Their economic struggles under existing conditions naturally tend to assume a political form and acquire a revolutionary character; the workers may not be Marxists or conscious revolutionists while engaged in these struggles, but, as Mattick says, "the revolution makes them Marxists."

NO attempt will be made in this brief review to indicate the wealth of theoretical material which Mattick brings to the support of his views. Our aim is merely to point out the revolutionary significance of his work and to suggest the manner in which it differentiates itself from the 'orthodox' and all forms of 'vulgar' Marxism. The pamphlet was written mainly as a reply to Sidney Hook's book "Towards the Understanding of Karl Marx" which is perhaps the one distinctive American contribution to Marxism which could be named, as in any

sense worthy of such a critique. Mattick and Hook are, of course, in agreement on many specific points (omitted as obvious in the present pamphlet), and their differences are sometimes more a matter of emphasis than of fundamental opposition. But Hook, in common with all the other people who have tried to "make sense of Marx" has, we think Mattick clearly shows, merely succeeded in reducing what is essentially science to the 'common-sense' level of understanding and not only abandoned Marxism himself but made it all the easier for liberals and 'nice people' generally to feel that they were perfectly justified in never concerning themselves with the matter or never taking it seriously if they did. Mattick reveals that Marx is more modern than all his critics, whether of the pseudo-scientific radical camp like Max Eastman, or of the purely liberal type like Stuart Chase. Marx is not only the symbol of revolution, which is the only present alternative to world-wide fascism; he is also the man who has provided the most profound understanding of capitalist society, and that insight into economic laws and the movement of social classes which is the only sure guide to pursuing a really radical course of action under capitalism in its stage of decline. And Mattick, in spite or because of his comparative youth, has brought into marxist theory and the political labor movement a freshness of insight and depth of understanding gained in the course of years of experience here and abroad and hitherto lacking in this country.

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NOTICE

The February issue of Council Correspondence will feature an article by Kristen Svanum on "Daniel De Leon". There will be a brilliant article on "Revolutionary Marxism", as well as other very interesting material.--Be sure to get a copy.

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DANIEL DE LEON

BY-KRISTEN SVANLIM

There has of late been a tendency by intellectuals who during the present crisis have discovered the revolutionary movement to join with the Socialist Labor Party in its cult of Daniel De Leon. While these intellectuals remain very skeptical towards the S.L.P. they wax quite lyrical about the revolutionary abilities and potency of De Leon even going so far as to name him as the American Marx or Lenin. This is quite unjust to the S.L.P. that has ceased to be a factor in the revolutionary movement due to its devotion and loyalty to the theories and personality of De Leon. Such injustice is, of course, a matter of small importance but a distortion of revolutionary theory making a Marx or Lenin out of such shabby material as De Leon is much more serious; not because De Leon's importance in American revolutionary tradition is heavy enough to allow a reinterpretation of his theories and activity to have any influence on the class struggle, but because it is an index of the confusion existing in revolutionary theory, and if not countered by a correct analysis is a contributory cause towards making confusion twice confounded.

Frederich Engels' conception of De Leon must have been quite different. When Lucien Sanial and De Leon visited him in England, his sole comment to a friend in the United States was, "they did not impress me much."

The alleged greatness of De Leon is usually based on his conception of industrial unionism and his uncompromising stand against any reformist compromise. It is unfortunate for the former premise that the refusal of the credentials committee to seat him at the 1908 convention of the I.W.W. was due to the fact that he was a member of, and a delegate from, a craft local (the clerical workers) and had consistently refused to transfer to an industrial union local in spite of the insistence of the General Executive Board of the I.W.W. that he do so. During the discussion of the credentials committee's report, in which De Leon was permitted to participate, it was brought out by

De Leon himself that this was to him not just a question of expediency - preference for representing a numerically stronger local - but of principle, i.e. that according to De Leon the organization of industrial unions should commence with the organization of craft locals.

This attitude of De Leon amounted, in practice, to demanding that the I.W.W. retrace the steps of the A.F. of L. before starting out on its own proper career, and was the decisive factor swinging many of De Leon's former supporters against him. As Tom Powers, a delegate from New England, put it: "No one but De Leon himself could convince me that De Leon does not understand industrial unionism, - but he has done it."

The idea prevalent that it was the political action clause that was the issue of this convention is merely a deduction from the fact that after the withdrawal of the De Leon supporters from the convention, the political clause was struck from the I.W.W. preamble; but this was merely a result of the anti-political faction being in control after the withdrawal of the De Leonites, not the cause of this withdrawal.

De Leon's second claim to revolutionary fame is even more shaky; to examine it, it is necessary to go back to the time of his entrance in the S.L.P., and the discussion then raging on the "who pays the taxes" problem. On this question, De Leon and his supporters held that the workers do not pay any taxes. This stand was superficially considered more revolutionary. When the opposing faction contended that the question of taxes should furnish one of the main planks in the party's platform and be considered separately, any revolutionist must agree with De Leon that this was only a red herring to draw the workers off the revolutionary trail; but, when examining the grounds on which the De Leonites took this stand, the question then assumes a sinister significance.

De Leon's argument was that under capitalism wages are determined by the law of value of labor power. The workers are therefore unable to improve their conditions under capitalism, and vice versa the capitalists are unable to cut their wages, the law of value overriding all such subjective notions. From a theoretical point of view, this is changing the Marxist conception of the class struggle into a conception of society as ruled by "iron immutable" laws. This is not dialectic materialism, but metaphysical materialism; not the Marxist conception of historical materialism, but the bourgeois conception of economic determinism. It is a complete repudiation of the subjective factor, reducing the human element in the class struggle to nothing; reducing social science to the same elements as natural science. In practice, it means the cessation of all struggle except the struggle with immediate revolutionary results. This degrades the revolution to the level of a miracle; for if the wage level is decided by factors outside the determination of capitalists and workers both, then the struggles, whether defensive or offensive, about wages, hours, etc., must be just that much waste of effort.

Incredible as this may seem, this was the attitude of De Leon; and this is the attitude of the S.L.P. today. The position, briefly stated, is this: nothing short of a revolution can improve the position of the working class. The two methods for accomplishing this were,

according to the S.L.P., political and economic action, but these two concepts were narrowed down to become mere shadows of their original selves.

Political action was, in the main, defined as parliamentarism; but a stern attitude was taken against the Socialist Party program of reforms to be gained by such methods. Elections were simply thermometers registering the "revolutionary temperature". When the proper degree, a majority vote, was gained, the workers would assume power but not through their elected parliamentary representatives. This task was left to their economic organizations: the industrial unions. What were these unions in the meantime to do? Merely organize and keep in readiness for their historical mission? A program as narrow as this can, of course, not be carried through with perfect consistency; but the S.L.P. came very close to this "ideal". On the whole, S.L.P. candidates have honestly set forth at elections that, if elected, they could accomplish nothing; so, too, the W.I.U. organizers hold that unions can accomplish nothing for the workers. The result has, of course, been that there has been very little response from the mass of the working class. Only those very susceptible to revolutionary propaganda can respond to a message as severely academic as this. The only measure of success that the S.L.P. has been able to gain has therefore been to isolate within its ranks a small number of people highly susceptible to revolutionary propaganda, and thereby to restrain them from actively participating in any mass struggle.

Corresponding to these theoretical and strategical shortcomings is an equal deficiency in tactical principle. De Leon's opposition to the anti-political faction with the I.W.W. was not an opposition to opportunism and compromise, but against the "advocates of physical force". To his notion, political (read parliamentary) action plus industrial unionism made any actual physical struggle unnecessary. The class struggle could therefore be carried on "on the civilized plane" with peaceful electioneering, organization and propaganda work. De Leon's tactical principle therefore became an extreme of legalism and pacifism, and anyone failing to worship these fetiches were simply branded as "enemies of the working class" and agents provocateur.

The functions of a revolutionist joining the S.L.P. and adhering strictly to De Leon's principles were limited to a narrow sort of propaganda with no practical participation in the daily struggles of the workers, nay even disdaining these struggles and deprecating the necessary outbursts of violence of an offensive or defensive character incidental to them. The theoretical, strategical and tactical principles advocated by De Leon thus made revolutionists coming under their influence not only abstain from participation in the actual class struggle, but even made them into a counter-revolutionary force trying to canalize the spontaneous struggles of the workers into sterile channels.

The functions of a revolutionary movement is, of course, extremely limited. It does not furnish the motive power of the social revolution but only gives direction to it, and this even within narrow limits. The working class would, even if no revolutionary movement existed, revolt against the oppressive conditions that the capitalist system imposes on it. In the absence of a revolutionary movement such revolts would be empirical, tentative, blundering. The revolutionary

movement furnishes not only a record of such revolts, but, by analysis, establishes not only a connection between them by linking them historically to the past and discerning the relationships between the apparently disconnected struggles of the present, but, more important yet, sees the aim towards which the struggle is leading. The revolutionary movement is thus the central sensory and reasoning apparatus of the working class. And as it is impossible for a man to add an ounce of power to his bodily strength by the use of his mind and senses, so it is likewise impossible for the revolutionary movement to increase the revolutionary force of the working class. But a well-trained mind and perfect coordination of nerve and muscle cannot only utilize the muscular power of a man to ever better advantage, it can even, over a period of time, by suitable training increase bodily strength until tasks hitherto impossible can be conquered. It is likewise impossible for the revolutionary movement to accomplish any immediate increase in the revolutionary force of the working class. What it can do is to lead it into the most useful channels and thereby increase its effectiveness; to change it from a blind, instinctive, spontaneous, into a conscious, reasoned, deliberate struggle, not only for immediate redress of grievances but showing a path to the final aim - the rule of the working class as a transition to a classless society. Under such direction the revolutionary force of the working class would not only be better utilized, but would grow by continuous and rational exercise until it became adequate for its final aim.

De Leon's theory declared the actual class struggle senseless. His strategy would turn it into useless channels, his tactics would offer it as a sacrifice on the altar of legalism. De Leon never ceased to be a university professor in spirit; practical life had to be simplified into simple abstractions; the class struggle to be conducted within an academic, petty-bourgeois frame-work; and before all, no violence; let us be strictly legal. As all other reformists, he forgot that only one thing can make a revolution legal -- its success.

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ANNOUNCEMENTS.

Back numbers of Council Correspondence can be had by sending in 13¢ in stamps for each copy wanted. We have a few copies of each issue except #1 and #2.

We will accept a limited number of six month subscriptions at 50¢. If you want the C.C. sent you by mail each month, send in your subscription now.

The Council Correspondence will accept for publication, articles containing material which we consider should be brought to the attention of workers, by writers who are not members of the United Workers' Party. These articles are signed to denote that we do not necessarily endorse the views of the writer entirely. All material presented without signature is to be considered the collective work of Party members. We will at all times appreciate suggestions or criticism on the material contained in Council Correspondence.

- Editorial Committee -

---*** C. C. C. ***---

CAPITALISM'S CONSERVATION CORPS.

What stamps the C.C.C. as the most unique experiment inaugurated by Franklin D. Roosevelt is the almost total lack of criticism, - both from capitalist political opponents, and even those self-professing "liberals" admitting a "socialistic" taint. For that very reason, the Civilian Conservation Corps demands close scrutiny. Obviously, any innovation that immediately meets with the unqualified approval of ALL the rival capitalist groups bodes no good for the Proletariat.

The C.C.C. was launched amidst the usual fanfare of idealistic catch-phrases. The boys were to be given an opportunity to do useful work in healthful surroundings; God's Own Country - no less! Of greater importance to the members -- so they were gravely informed -- was the chance to regain that most precious of all possessions, their "morale".

Actually, of course, the Administration was moved by more practical motives. First, it was realized these youngsters, jobless and confronted with the ever-mounting misery prevailing in their homes, constituted a potential menace to Society (read: CAPITALIST Society). By draining off these, potentially, most militant elements into the C.C.C., that danger might be averted and the working class, as a whole, thereby weakened. Second, organization and training of the C.C.C. has been so conducted under Regular Army officers as to allow its conversion into a huge army at short notice. (Present 1935 plans call for an enrollment of over 1,000,000 men! Age limits are to be raised to 30 years, and married men are to be accepted.)

Against the second "alleged" motive the argument has been raised that because the members do not drill or engage in other warlike training the government cannot be accused of militarizing the C.C.C. By advancing this "argument", capitalist apologists either reveal their lying hypocritical role, or else betray an utter ignorance of modern warfare and military organization.

Modern industry requires hardly any specialized skill from the laborer, who today merely acts as an adjunct to the machine. Likewise, with modern warfare, one of Capitalism's greatest industries. Here, too, great development in the mechanization and efficacy of weapons has resulted in a lessened demand for specialized skill on the part of the modern soldier. The deadly accuracy of the machine gun has destroyed the old dependency on the closed formation. With the outmoding of this form of organization went the necessity for extensive drilling en masse. Today, soldiers fight in a loose, scattered formation in bodies of about 200 - 250 men under the command of a captain and several lieutenants. Significantly enough, this is the identical form of organization of the C.C.C. camps! Each camp holds from 200-250 men under the command of a commissioned army captain and two lieutenants. In addition, just as in the regular army, there are non-commissioned officers (corresponding to sergeants and corporals) chosen from the ranks of the C.C.C. seemingly, to judge by report, on the basis of physical brutality and blind obedience in carrying out orders. These

"straw bosses" known as leaders and assistant leaders receive more than the usual \$30. per month, - \$45. and \$36. per month respectively. It is evident then, that providing the men are thoroughly disciplined and unquestioningly obedient, they can be quickly whipped into military shape. Arming them with machine guns, skill in using them can be learned in a few hours, would turn the C.C.C. into a first-class army capable of engaging in regular warfare; or, what is more likely in the minds of Roosevelt and his counsellors, capable of combatting a militant working-class!

Only on this basis can the peculiar ideological training the boys have been subjected to, be explained. This explanation, too, furnishes the rational key to the extreme brutality with which, even, minor infractions of the rules have been punished. Both mentally, and physically the men are being prepared for the role they are to play.

A thorough "head-fixing" department has been set up in every camp under the guidance of an "educational advisor". The real purpose was blurted out by a naive educational advisor, who, writing in the New York Times (6-3-'34) said: "This lecturing stuff is out! A regular "bull" session will be started on government affairs, national news, and economics." Evidently a form of the Catholic confessional is being introduced into the camps. Any luckless Corps member who unwittingly reveals a lack of faith in the "New Deal" Trinity, Franklin D. Roosevelt, the United States and Capitalism, will be quickly shown his error.

This touching solicitude for what C.C.C. members read and think was demonstrated still further in the banning of the pamphlet "YOU and MACHINES", written expressly for the C.C.C. by Prof. Wm. F. Ogburn of Chicago University. Robt. Fechner in banning the booklet explained that it was not suited for its audience, and that it was just a bit too gloomy, painting too pessimistic picture of our technological future for the laborer. What Fechner actually objected to were certain stray remarks of Prof. Ogburn's that were REVOLUTIONARY in their implication.

Quoting from the pamphlet: "Machines are forcing our institutions to change; but always they lag behind. . . We can't bring back the good old days. . . Passing laws will never do it. . . If they want to stop change, they will have to break up the machine, or, better still, poison all inventors. . . They (Youth) must learn to adjust themselves to the machine. . ."

Again: "It is generally believed that not more than one person out of every seven persons unemployed in 1933, perhaps not even 1 in 10, had his job taken away by a machine."

What is Prof. Ogburn sketching in the above statement, if not the Materialist Conception of History? True, in a distorted and almost unrecognizable form. BUT, does he not show the futility of patching Capitalism by means of the New Deal in stating: "Passing laws will never do it". (i.e. "Bring back the good old days. . ."). Furthermore, isn't this an expression of the necessity of REVOLUTION for the further development of the machine (productive forces) and the progressive development of society? No wonder Robt. Fechner banned the pamphlet! No dangerous ideas were going to be put into the minds

of C.C.C. if he could help it! Fechner, a vice-president of the A.F. of L. International Association of Machinists, has been preaching "harmony" between Labor and Capital all his life. To him, capitalist society is eternal and the best of all societies. It HAS been good to him. The job as head of the C.C.C. was his reward for the fine work he performed during the World War "conciliating" Labor to capitalist oppression.

Humorously enough, Dr. Percy Bidwell, editor of the booklet, in defending it, said the author was "a pillar of society" and a man of "tremendous reputation". To no avail, however. Fechner, acting as censor for capitalist society, had to ban the pamphlet even though written by "a pillar of that society."

The administration cannot relax its regime of iron discipline and unquestioning obedience, for that would spell failure in their attempt to build up a large army. On the other hand, members of the C.C.C., not aware that they are actually being moulded into an army, are rebelling against the seemingly unnecessary and excessive discipline. Discipline, that certainly is out of all proportion to the type of work they have been doing: building roads, planting trees, digging and then filling those same holes, etc. As a result of this contradiction, the spirit of discontent is steadily growing and is manifesting itself increasingly in spontaneous outbreaks.

Secretary Dern of the War Department in summing up the achievements of the first year of the C.C.C. (4-16-'34) said: "No group of men understands Youth so well or holds it in greater affection than does the commissioned personnel of the army".

How the commissioned personnel practically display their "great affection" was demonstrated three months later (7-10-'34) by Lieutenant Gatlin at an Oklahoma C.C.C. camp. The Lieutenant, in an exuberance of affection, "attempted to quiet recruits who were reported to have been drinking" by firing once at a group, slightly wounding private Mc Cullough. This individual, not having heard Secy. Dern's report, evidently mistook the Lieutenant's affectionate action and is alleged to have returned the fire, killing him.

As time went on, the reaction to the restrictions and discipline, which in the beginning manifested itself in sporadic and individualistic acts of protest, took on a MASS character, expressing itself in SPONTANEOUS action on the part of WHOLE camps!

Thus, on Nov. 7, 1934, 250 C.C.C. workers (an entire camp) being sent South from their Maine camp to Virginia and Maryland camps, rebelled against this arbitrary, wholesale transfer. They rose in a mass, badly beat up their officers and then locked them in baggage cars! The government then promptly showed that action on the part of workers, however slight, in this period of the Permanent Crisis, the decline of capitalism, will not be tolerated and will meet with the same reception as the action of class-conscious workers in open revolt! In this particular case, 150 policemen were called to the yards and savagely beat up the boys. Had the police failed, the government stood ready to call upon regular troops.

This is even more strikingly shown two months later (1-8-'35) when

the entire camp at South Mountain Reservation, Orange, N.J. gathered before the camp commandant, Captain Tobin, and served notice through a committee that there would be no work unless the 11 o'clock bed time regulation was abrogated. His reply was to order the men back to work under penalty of discharge; 75 complied, the other 125 men returned to their barracks, refusing to work. The good Captain called upon Park police to escort the "mutineers" from the reservation. Although the boys went peacefully, they were threatened with tear-gas and clubbings from the police. Near Orange, N.J. the 125 workers held a demonstration and appointed a grievance committee. To newspaper me this committee revealed that besides dissatisfaction with the 11 o'clock rule, the commissioned officers practiced discrimination, and that there was a refusal on the part of the officers to arbitrate (! mistreatment. Evidently, the boys still took seriously the camp school teachings on the glorious "rights" conferred on the workers by the New Deal. They were quickly disillusioned by their own teachers. Captain Tobin and several high ranking officers from the army appeared before the meeting near Orange, made stirring speeches about "duty to their government," etc. etc., and finally ordered the boys back to camp, refusing to meet with the committee. Hemmed in by police, threatened with military law, the boys finally gave in and returned to camp. Capt. Tobin immediately issued a report to the papers stating: "three or four communist agitators had inspired the youths, the situation is now under control". To give the lie to his own words, he immediately "dishonorably" discharged the 12 members of the grievance committee. A regular Catholic Inquisition was then instituted and 28 more "heretics" were uncovered and discharged that evening and the following day. To show his contempt for the boys, the Captain moved up the bed time to 10 o'clock. To a complaint about food, he replied, "The food is the best to be had. I never had anything as good in the army". Evidently he doesn't read the newspapers. For only three months before, the New York Times (8-21-'34) carried an item revealing that 30 C.C.C. members and a Captain's wife and daughter had been stricken with ptomaine poison at Lewes, Del.

Major Morse, who investigated the affair for the government, in his report revealed the same "impartiality and thoroughness" that characterizes ALL "New Deal" investigations involving workers. Quoting: "We are not vindictive, we regard the C.C.C. camps as school, not work camps. It is our desire to have you (the members of the camp) return to your homes better citizens". What touching sincerity!

Of great importance to workers in general is the first appearance in this affair of the COMMITTEE of ACTION in embryo. True, it failed in this particular instance; but the fact remains that the C.C.C. workers have discovered that their problems are mass problems, and only as groups, as members of the working class, can their problems be solved. And the form of organization most natural and best suited for this purpose is that which takes the form of the Committee of Action, the only form that cannot be smashed as long as there are workers alive! The only form that can understand their local problem and solve it in conscious action!

Our conclusion (which is almost superfluous) is that as the crisis deepens and the capitalist class forces more and more of the burden of the depression onto the shoulders of the working class, the C.C.C., an integral part of that class, will likewise suffer. Just as the workers will organize in committees of action to gain food, clothing

and shelter, so the C.C.C. will organize in similar groups to combat the ever-tightening bonds of discipline, the attempts on the part of an evermore desperate capitalist class to force them to shoot down their own relatives fighting to live. And in this struggle which MUST culminate in the destruction of capitalist society, the C.C.C. will destroy the necessity for its own existence. With the inception and development of a CLASSLESS society, the members of the C.C.C. will take their rightful places in the ranks of FREE and EQUAL PRODUCERS.

THE SCUM OF HUMANITY.

Anyone unfamiliar with politics who strolls into a workers' meeting (leaving out of consideration the gatherings of the unemployed) is surprised by the fact that the larger part of those present is not to be numbered among the most impoverished stratum of the proletariat. The best organized workers are, of course, those who belong to the so-called labor aristocracy, which takes a social position between the middle class and the genuine proletariat. These trade-unionist organizations espouse the direct vital interests of their members, bringing to them immediate advantages; and yet they are neither able nor do they attempt to politicize their adherents in the socialistic sense. The radical labor movement, on the other hand, can provide its adherents only with ideological satisfaction; it offers them no direct material advantages. And this is precisely why it is incapable of embracing the truly impoverished part of the proletariat. This part, by reason of its very misery, is compelled to concern itself only with its pressing and direct interests if it is not to abandon life altogether. For this reason the political radical labor movement hovers between the two poles of the working population, namely, the labor aristocracy and the Lumpenproletariat, and is carried on by those elements which, though without illusions on the point that within the present society genuine possibilities of advance are barred to them, nevertheless still maintain a standard of living which permits them to devote money, time and energy to endeavors the fruit of which, in the form of real material advantages for themselves, is deferred to some uncertain future. They set themselves in opposition to the existing society from a recognition of the fact that it has to be changed and because, in spite of this position, it is possible for them to live in it.

The activity of the radical labor movement in times which are not revolutionary is mainly directed to transforming the prevailing ideology. Agitation and propaganda demand material sacrifices; they bring no material advantages. The members of these organizations have time available; they wait for the masses to become revolutionized, even though they seek, meanwhile, to hasten the day of the overturn; they educate, discuss, philosophize. Those elements of the working class which flock to their standard but which, because of their circumstances, are not in a position to wait, are continually repelled by these organizations. The fluctuation in membership within the radical movement is not exclusively the result of a false policy or of the lack of tact displayed by the bureaucracy to members not yet settled in their ideology; it is also the result of the increasingly imperious compulsion, for a growing stratum of the im-

poverished workers, to "restrict the horizon". The activity of the movement from which they expected help gives them only words and something to keep themselves occupied; it does not assist, but hinders them, in their individual struggle for existence--a struggle which becomes ever more difficult, time-consuming and nerve-wracking the more the impoverishment spreads and the deeper the individual becomes submerged in it. However much socialist propaganda they have absorbed, their present existence compels them to actions which stand in opposition to their conviction; and as a result, this conviction itself, sooner or later, again fades out, since it is "practically worthless".

This is also one of the reasons why the political labor movement goes to pieces in periods of economic crisis and functions better in boom times. And accordingly, a large part of the labor movement on the basis of its "experiences" has taken a hostile position to the idea that the impoverishment of the masses is identical with their revolutionizing. To those who hold to the theory of impoverishment, the existence of the Lumpenproletariat is heatedly pointed out as proof that pauperization makes the workers apathetic rather than revolutionary, sets them in opposition to, rather than serves the interests of, the proletariat, since the ruling class frequently engages the Lumpenproletariat to serve the needs of that class. And so the labor movement set about with great zeal to improve the economic position of the workers, considering that precisely in that way proletarian self-consciousness would be raised. As a matter of fact, in the upgrade period of capitalist society the improvement in the workers' standard of living was bound up with a growth in the trade-unionist and political labor organizations and with the strengthening of their political consciousness; but this consciousness, like the organizations themselves, was not revolutionary. So that the theory of raising the proletarian standard of living as a means to revolutionizing was just as much a failure as the rejected theory of impoverishment. This difficulty was gotten over by the unfortunate and meaningless explanation that the reactionary attitude of the organized workers was the result of the reactionary leadership, since the contradiction involved in combatting impoverishment and at the same time holding it to be necessary was recognized as injurious to the existence of the organization; the masses cannot be brought together in organizations without at the same time being made some promises.

The conviction, based on a superficial view of the phenomena, that impoverishment makes the masses reactionary rather than revolutionary, and abhorrence of the Lumpenproletariat as the living manifestation of this "truth", remained for a long while a common property of the political labor movement and is still continually brought up in political arguments when the question is one of explaining the aid recruited by the ruling class from the camp of the proletariat. Just as the defective degree of organization and the relatively undeveloped class-consciousness of the unemployed tends apparently to refute the theory of impoverishment, so also does the role played in society by the Lumpenproletariat. Of course it is the "scum of humanity" which, in alliance with the petty-bourgeoisie and at the order of monopoly capital, fills the fascist ranks. The elements which the fascist movement attracts to itself from working class circles expect and obtain advantages which at any rate are immediate,

however slight they may be. Those elements attach themselves to no movement from ideological motives; these are quite beyond their power to possess. The fact that these advantages are of a merely temporary nature cannot disturb these elements, which of course are constantly in a state of living "from hand to mouth". To reproach them with class betrayal is merely to attribute to them the possibility of a conscience and of a set of convictions,--a luxury which, however, their determinate mode of life precludes. They act on the strength of their most proximate interests, as, for that matter, the mass of workers in general later accepts the fascist movement, passively or actively, in order not to injure themselves. As to who first and who later goes over to the class enemy, that depends on the degree of impoverishment. Apart from this factor, the investigations of social scientists in almost all countries have proved that the decline in revolutionary tendencies is bound up with the impoverishment of the masses. Their conclusions are based exclusively, however, on the last few years and hence can do no more than indicate that impoverishment is at first bound up with the regression in revolutionary tendencies.

II.

The concept of Lumpenproletariat is by no means strictly delimited. Thus the communist groups to the left of the official parliamentary and trade-unionist labor movement have given such broad bounds to the concept that "Lumpenproletariat", become a term of abuse, is made to cover all those elements which, in virtue of their class situation, would naturally be counted among the proletariat but which perform some service or other for the ruling class. In this conception the lumpenproletarian element is made up not so much of the "scum of humanity" as of the so-called flower or top, i.e. of the governing bureaucracy of the labor movement. In this extension of the notion is mirrored the hatred directed at sell-outs; there is consciously left out of consideration the fact that the betrayal is more the product of the whole historical development than of the individual self-interest of corrupted leaders.

Almost the whole of the labor movement includes under the term Lumpenproletariat, the many pillars of present society who are thrown into the struggle directly in opposition to the workers, as, for example, the police, provocateurs, spies, strikebreakers, etc. To the reformist "labor movement" striving for power within the existing society, however, these elements forthwith lose their lumpenproletarian character as soon as the reformist bureaucracy is given a share in the government. The policemen then become the "brothers in uniform", the spies turn into worthy citizens who protect the country from threatening anarchy, and the strikebreakers become the "technical emergency workers." A change of government suffices to take away from these elements the stigma of "Lumpenproletariat".

The bounds of the existing or of any other antagonistic society cannot, however, be properly embraced in the concept of Lumpenproletariat, since they are quite necessary to the social practice. This is not quite true of the strikebreakers; but even they are logically to be excluded, since, to use an expression of Jack London's, "with rare exceptions, all people in the world are scabs." As a matter of fact, the scab can be reproached only from the standpoint of a

social order not yet in existence. Today they act in complete accord with the social practice, which, however much it has socialized production, nevertheless permits no other rule of conduct than private interest. The scab has not yet realized, nor sufficiently experienced in practice, that it is precisely his individual necessities which impose upon him collective action. He is not yet sufficiently disillusioned by the fruitlessness of the efforts directed to making his way on the basis of the existing society. He hopes to assure himself advantages from a better fitting into the practice of society and it is only through the nothingness of his endeavors that he can be convinced that in reality he stands estranged from that society, however much he has striven to do justice to it. However much the workers are forced to oppose the scabs, these latter cannot be denoted as Lumpenproletarians.

Since the capitalistic relations of production serve to advance the general human development during a certain historical period, these working-class "pillars of society", however parasitical and hostile they may be to the workers, must nevertheless themselves be recognized as productive elements. If the productive capacity of society was driven forward at a dizzying tempo by the market and competitive relationship, then the means for the safe-guarding and promotion of this relationship must likewise be understood as productive ones. The means can be properly opposed only by one who stands opposed to the society itself. The function of both groups of the proletariat, the directly productive as well as the indirectly productive, which assures the safety of society, are different only in manner; in principle, they serve the same purposes. The overthrow of existing society would show at once that the concept of Lumpenproletarian is applicable only to those outcasts of society who are taken over by the new society as the successor of the old; the shiftless and criminal elements which, though a product of present society and constantly denied and frequently employed by it, must also be combated by the new society. These are nothing other than what is regarded as the scum of humanity: the beggars, tramps, bootleggers, prostitutes, pimps, floaters, drunkards, thieves, swindlers, etc.

III

At the time when unemployment could still be denied as a regular social condition, since the temporary booms concealed the fact that it is inseparably bound up with the present system, a large part of bourgeois criminology came to regard all criminal activities and propensities within the lower strata of the population as having their roots primarily in shiftlessness. This attitude was nourished even in working-class circles, and the organized worker with a fairly regular income looked with no slight contempt upon the shiftless canaille of the large cities and highways. The source of this shiftlessness, in cases where the word could really serve as an explanation, was quite a matter of unconcern to the judges. The socialist movement, to be sure, made existing society responsible for it; and yet whenever the socialists had occasion practically to combat the tendency, they also merely reached for the bourgeois criminal code.

Impoverishment, Lumpenproletariat, criminality are not a result of the capitalist crisis; that crisis can only explain the great increase in their manifestations. Unemployment accompanies the whole

development of capitalism; it is necessary to the present system of production in order to keep wages and working conditions at the low level corresponding to the demands of a profitable economy. Even though unemployment alone does not explain capital's mastery over the workers, it yet explains the greater success of that mastery. Apart from the providential effect of the industrial reserve army upon the rate of profit attained by the various enterprises, the very existence of that army has its basis in the economic laws which determine the movements of capitalist society. The tendency of capital accumulation, producing superfluous capital on the one hand and excess population on the other, has become a very painful reality which is no longer deniable. So it comes to be admitted, however reluctantly, that unemployment can never more be entirely eliminated, and efforts are devoted less to setting it aside than to lessening the dangers which it involves for society. Hence also the vigorous discussions concerning reform of the penal system, discussions which only mirror the changes occurring on the labor market. Thus even H.L. Menken, in a recent number of Liberty, raised the demand for Chinese practices in the American penal system: the unrestricted physical destruction of criminals with or without proof of guilt, that is, a form of justice such as is common in countries with chronic overpopulation. In Germany there is talk of introducing the corporeal punishments in vogue during the Middle Ages, since the prisons have ceased to be means of frightening, and the gratuitous labor power of the prisoners can no longer be used. The increased misery resulting from the permanent crisis and large-scale unemployment diminishes the fear of punishment, since life in jail is not much worse than existence on the outside. The criminal elements are multiplying; a fact which compels to the further brutalization of punishment and hence to the impossibility of reforming the inmates. "When we get down to the poorest and most oppressed of our population," says Bernard Shaw, "we find the condition of their life so wretched that it would be impossible to conduct a prison humanely without making the lot of the criminal more eligible than that of many free citizens. If the prison does not underbid the slum in human misery, the slum will empty and the prison will fill." So that legal punishment is not only barbarous and compelled to ever greater barbarism, but its institutions become hothouses of criminality, -- as proved by statistics, which show that the majority of those previously convicted repeatedly find their way back into the jails.

Yet this animalization of human beings, a phenomenon bound up with the development of capitalist society and which finds its most pronounced expression in the growth of the Lumpenproletariat, arises not only from the unemployment and the mass impoverishment by which it is accompanied. The accumulation of wealth at the one pole is not only, to use an expression of Marx's, the accumulation of misery, but also of drudgery, slavery, ignorance, brutalization and moral degeneration at the other pole. Under capitalistic working conditions labor becomes forced labor pure and simple, however "free" the workers may be in other respects. Even outside the labor process, the worker does not belong to himself; he merely recuperates his labor power for the next day. He lives in freedom merely in order to remain in condition to perform forced labor. The worker becomes completely dehumanized; he has no voluntary relations of any sort to his work. He himself is only a thing, an appendage of the productive mechanism. To expect these workers, under such conditions, to take pleasure in their work

is out of the question. They have to endeavor to get away from it in order to assert themselves as human beings. Such a state of things must, in the long run, animalize them.

With external power, with force and compulsion alone, it is impossible to dispose of the Lumpenproletariat or to bring about a diminution in criminality. The question is one of maintaining or creating in human beings the psychical readiness to take their place in society and its definite mode of life; and this becomes, increasingly impossible. The lack of social conscience and of social adaptability on the part of criminals is susceptible of other explanations in addition to that of "shiftlessness". Of course there are a great number of lopsided theories by which mental and bodily defects are advanced as the essential reasons for the criminal actions of human beings. It is undeniable that biological psychological factors must be taken into consideration if criminal propensities are to be really understood. It nevertheless remains obvious that the theory which has the most to offer by way of enlightenment on this subject is the economic-social-political one. The biological and psychological factors assist in determining the conscious and unconscious actions of human beings, but these factors are in the fullest measure modified and in fact determined, as regards their quantitative and qualitative effects, through the social process. The drives of individuals are subject both to the socio-economic situation and also to that of the class to which they belong. In a society which grants the highest measure of recognition to the rich and propertied, the narcissistic impulses, for example (as has been shown by the social psychologist Erich Fromm), must lead to an enormous intensification of the desire for possession. And if, on the basis of society, those propensities cannot be satisfied along "normal" paths, they must seek their fulfillment in criminality. Even if criminality is traced back to bodily or spiritual defects, yet these defects in their turn can only be fully understood in connection with society and the class situation obtaining in it. Those crimes, the majority of which are directed against the laws of property, can be understood only from a consideration of the whole social process; and even the others are partially determined, if not directly, yet indirectly by the social and political situation. Hence also they can be changed or set aside only through changing the society in which they occur.

There is no better concrete proof of the importance of the economic factor for explaining crime than the fact that it greatly increases in times of economic crisis. As a consequence of depressions, the mentally and corporeally weakest of the poor are hurled onto the road of criminality; frequently, in fact, no other possibility is left open to them. How clearly the socio-political factor is here revealed as the essential one when we consider the fact, for example, that the sexual transgressions of children in families of the unemployed are much more numerous than in families whose economic life is orderly. How can any one attempt to explain the decline of the family--in present society another factor in the increase of criminality--on a biological and psychological basis? How the fact of the rapid increase in prostitution during the crisis? Investigations regarding the influence of the milieu on criminality in the United States revealed that the greater percentage of convicts came from the city slums and from families which lived from hand to mouth. The majority of crimes are those committed against property, the investigations further revealed, and the majority of criminals are of

"normal intelligence". The youthful tramps, who today are roaming planless and goalless through the States and populating the highways are in the best possible position for slipping forever into the Lumpenproletariat. No opportunities knock to them; they are embittered, and resolved to provide themselves with more of the fullness of life by all the ways, i.e. the criminal ways, which still remain open to them. "We will get ours." they assure themselves; and their heroes are not the respectable heroes of present society, but the Dillinger. While Jack London could once characterize the tramp as a discouraged worker, most of these youngsters have never yet worked at all. They are discouraged before having begun; and the longer they remain without a job, the more they lose the capacity ever to fit themselves in to the social rhythm of life.

"It is better for society", as William Petty already realized, "to burn the work of a thousand people than to let these thousand people lose their working capacity through idleness." But it is not only from the standpoint of profit, but also from that of social security, that the present system bites into its own flesh when it robs the workers, even though against its will, of the possibility of keeping themselves occupied. It is only through the sale of their labor power that the workers can remain alive as workers. Their whole life depends on the fickle movements of the labor market. To get away from the compulsion and chance of the market is possible only in case they evade the workers lot itself. To him who fails to make the leap into the middle class--a possibility which was always very exceptional, and which today is already precluded--the only remaining way out is into the Lumpenproletariat. This "way out" is sought voluntarily only in exceptional cases, but for an ever growing element of the unemployed it becomes unavoidable. Since it is quite as much out of the question, even if desired, to accord to the unemployed living conditions befitting human beings as it is to do the same for the criminals, since otherwise the compulsion to labor would lose some of its sharpness and the workers' power of resistance in the wage struggle would be increased, so also to the workers on relief there remains no other recourse than to increase their extremely limited means of livelihood by way of crime. Yet even in countries with unemployed relief, a larger or smaller percentage of the workers still remains excluded from its enjoyment, and this portion cannot save themselves, even assuming the greatest moderation on their part, from sinking down into the Lumpenproletariate.

Anyone who has been debarred from the labor process for some time loses also the capacity and the possibility of ever working again. Consider, for example, one who has been unoccupied three or four years; it becomes unspeakably difficult for him not merely psychologically and corporeally to take his place once more in industrial life, but has become impossible for him in many occupations merely by reason of the rapidly progressing rationalization; he is unable to meet the increased demands as performance regards. For this reason employers almost universally refuse to take back workers who have undergone years of unemployment. Toward such workers they have a very skeptical attitude, which is further strengthened by the poor and dilapidated outer appearance of the applicants. Once arrived at a certain stage of impoverishment, there is no further return into the ordinary daily grind. There then remains nothing further than the poor nourishment won by begging and the slow deterioration in the streets of the large cities. There is only the wheedled gin to en-

able one to forget the senselessness of his own existence; or the leap into the ranks of the underworld, which unavoidably leads to prison and violent death.

IV

If the impoverishment taking place among the masses in the course of the capitalist development were a uniform one, and if the entire working class were affected by it in a uniform manner, then it would be identical with the revolutionizing of those masses. The numbers of the "Lumpenproletariat" would be so great that the lumpenproletarian existence would be precluded. The "lumpenproletarian" activity of the individual would in this case be capable of expressing itself in no other way than collectively. The individual parasitic existence, or the individual expropriation, would do away with itself, since sponging or stealing can never be engaged in by a majority without at the same time completely overturning the basis of society. In the fact that the Lumpenproletariat is possible only as a minority lies also its tragic character. As a result of this minority situation there remains to it, in fact, no other than the sponging or criminal form of activity. In countries at war, for example, where increasing scarcity of food, in spite of the diversity of incomes, produces a rather uniform standard of living among the great masses of the population, a revolutionary situation is more likely to result than in times and situations in which the impoverishment takes place by stages and with leaplike impetuosity. Insofar as the Lumpenproletariat arises not only indirectly but also directly from the existing relations, the predominance in the matter of impoverishment must be awarded to the blind law by which it is brought about. The Lumpenproletariat had to take form because the impoverishment first arose simultaneously with the expansion of the economic system and because, with the close of this expansion, it is itself still condemned to remain for a long while a minority, even though an increasing one. Because society grows up too quickly and declines too slowly, a part of the working population is exposed to a measure of impoverishment to which it can respond in no other than the lumpenproletarian way, and to which it must therefore submit. These first "victims" of a slow process of social overturn which does not forthwith affect the individual cannot become a revolutionary, but only a negative force. Instead of revolutionary solutions, there remain to them only the individual and necessarily anti-social ones. So the Lumpenproletariat can free itself from its situation only through its growth, just as this growth is at the same time an index of the revolutionizing process going on throughout society. The lumpenproletarian basis of existence must become the level of life of such a great portion of humanity that there is no possibility for the individual to maintain any sort of life, even among the Lumpenproletariat.

As we have already said, superficial appearances seem to belie the claims of the theory of impoverishment. If one considers only the psychological attitude of the unemployed, not to speak of that of the Lumpenproletariat, one is horrified (unless he deceives himself, as is often regarded proper for agitational purposes) at the spiritual deadness of these elements. Released, to be sure, from the stupefying toil, they are still less capable than before of developing a revolutionary consciousness. Their conversations turn on the most trifling matters: current events and sports. They have no real relations to their own situation. They turn away, almost with fear, from

the recognition of that situation and its political consequences.

The impression made by impoverishment upon the unemployed can be divided into degrees. A small percentage is not at first cast down by the changed situation. They have not yet been out of work long enough, or are protected by savings from the rapid descent. They draw in upon themselves, try with increasing energy again and again to find work and still look hopefully into the future from which they expect an improvement in their situation. The intensity with which they endeavor to keep above water excludes this group more or less from political activity. More than previously, they are obliged to devote themselves to their narrowest interests; they have no possibility of applying their energy to several fields simultaneously. The great mass of the unemployed, however, -- these who, as a result of the length of time in which they have been unoccupied, have left this first level, -- lives on in the most profound state of resignation and lack of energy. They expect nothing more from life; fancy itself affords them no cause for hope. Nothing suffices to arouse their interest; there is nothing for which they are capable of engaging themselves; they have put off the living features of humanity; they vegetate and are conscious of the fact that they are slowly going under. From this broad, gray mass is still recruited a rather small percentage of the completely desperate who either dive down into the Lumpenproletariat or in a very short time disappear from life. Hopelessness and embitterment here border on insanity; the victims crawl or lash about each other like terrified animals. As rapidly as society is relieved of them, the places they vacated are again filled from the gray mass of the resigned, who in their turn are again replaced from the ranks of the still unbroken.

Whatever may be said against the theory of impoverishment, all the counter-arguments fall down before the impoverishment which is now under way and to which no halt can be put within the framework of present society. If the theory of impoverishment is false, then also is the Revolution an improbability. It is much more probable, however, that the impoverishment has hitherto remained without visible revolutionary consequences only because it always embraced only minorities. A great mass of the impoverished must by reason of its magnitude be converted into a revolutionary force. And this, the abolition of the proletariat as such, is at the same time the end of the Lumpenproletariat, even though it does not thereby disappear forthwith. Only the soil of its development is washed away; the lumpenproletarian ideology arising as a result of the lumpenproletarian mode of existence will still for a long while manifest itself as one of the many undesired heritages of the proletariat, until the new relations have sufficiently changed humanity that the ideological traditions are still to be found only in books of history and no longer in the heads of human beings.

So one need not shrink from holding impoverishment to be a necessary presupposition for the revolutionary overturn while at the same time practically combatting that impoverishment. This is no contradiction; for precisely by reason of the fact that one attempts within the framework of capitalism to diminish impoverishment, one actually increases it. But to enter farther into this paradox would lead us into the field of economics. Let us limit ourselves to the further statement that in the Lumpenproletariat the workers can only see the

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