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THE BABBITTS HAVE A PROGRAM.
On the program of the National Association of Manufacturers.

CAPITALISM AND PLANNING.

THE NEW PROGRAM OF THE "AMERICAN WORKERS PARTY".
By KARL KORSCH

JANUARY, 1935 -- No.4

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

The section on employment relations and industrial disputes is equal-
ly rich in what it tries to conceal, though more carefully worded. It
contains in miniature the complete open-shop and no-strike philosophy
clear to the hearts of all industrialists. They are very realistic, of
course, about strike-breakers (what they call "protecting men in right
to work") but the government to prohibit sympathy or
general strikes, they would "refrain from political attempts to
force men into labor organizations", and above all, they must not
deprive individuals and minorities of their right to bargain for,
their own, "no doubt, of their right to starve". While
"management recognizes that the productivity of the worker should be
fairly and even literally 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-solicitous 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" (a capitalist)
possibilities? The question of "social security" is taken up in more detail in a
special proposal further on in the Platform. It contains nothing of
any particular interest, or at least nothing particularly new or, as
expected, except perhaps the apparent antithesis of the first, which
means both prevention and relief of unemployment are solved in
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
in these terms when they stated the "primacy of those of the public
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? Hereby 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
gentle, and their phraseology on the subject becomes quite ludicrous
in its unguarded rage. Thus we are told to "abandon all forms of
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THE INEVITABILITY OF COMMUNISM—by PAUL MATTICK

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THE INEVITABILITY OF COMMUNISM

by PAUL MATTICK

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 10, 1933) 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 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 panegyric to the achievements of American industry, a panegyric which turns out to be a rather lame apologia. 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 belies 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 "the free and effective cooperation of industry and Government 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."
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 acceptable 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 are 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 more limited sort. From general competition arises that of the monopolies among each other, which amounts to saying that competition has on the one hand a tendency to increase complexity in order to wax in other forms as regards intensity. How is it possible that capitalism may be called 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 halfway, 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 the same, 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, cartelization and transportation--in order to win for themselves as much as possible of the social profit. What actual "planning" takes place would take place even without decisive modifications--even if the various brain trusts did not exist and precisely upon the prescribed basis of the natural market tendencies under "competitive 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 that, on the ground of this expansion, to commit the 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, states economy on its head. The supposed 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 the capitalist hypothesis of the "free competition" 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 destruction. 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 exploitation 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 thru the market that its needs can be satisfied. Where the social process of life is 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 producers 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 capitalist production, its liability to crises is still not done away with, for that liability is only modified by the market and not 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, wields power over 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 true, we have 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 intensity of the crisis is lightened. The opening up of the world to capitalist enterprise, while holding out every opportunity, now 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 econo-

my to a standstill which can only be overcome through the overcoming

of capitalism.

It is only to one who has never delved beneath the surface of capita-

list 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 a special significance 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 mat-

erial 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 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 capita-

list purchasing power. Human consumption capacity is very

'sensible' from the standpoint of capitalist purchasing power. And any one who gets excited about this

'sensibility' and wants to abolish it under capitalism simply

fails to understand that sensibility is the prime motive of this society,

and consequently is not sensibility. The natural necessity of a

proportionality between production and consumption asserts itself

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 cor-

responding 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 individual

accumulation, the only decisive factor in determining capitalist purchas-

ing 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 increasing power, and we have to inquire about the

reason for this fact. Since profit is the motive of capitalist produc-

tion, it must also furnish the explanation for this abstention. With

this question, we come up against the laws of capitalist accumulation,

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 a certain

on a certain extent. 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 pattern.
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, their gross disorder, this leads to great price drops, bankruptcies and the general prostration.

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 economy stands in perplexity at the 'ridicule' of the favor of the 'right hand' of the 'heavens', the workers, who 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 locked 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 '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, the logic may be scandalized, capital really accumulates for the same 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' by the workers 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.

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 seeing the problem from the side of distribution, evading the very essence of the matter. Whatever reference to money, credit, banking, tariff, cartelization, 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 philosopy of crisis. Competition is to be reduced through the further trustification and cartelization 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 cartelization does not hinder competition between the cartels. Nor does it hinder the over-expansion of consumer goods, which is initiated by way of monopoly profits. The trustification and cartelization 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 sensate such 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-
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 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 as its base of an economic program 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 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 independently of movements other than those of the world market. The renunciation 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, for it would involve the destruction of those natural transformations which from the viewpoint of productivity would not only be useless 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 megalomaniac form of laissez-faire. Planned economy and capitalism are irreconcilable contradictions; the one excludes the other. If an economy is planned, then it has ceased to be a capitalist economy.
of the impending revolutionary change and of having the capacity for
the correct carrying through 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
development 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
grips with the concept of planned economy, and much less with the
fundamentally individualistic character of our 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 a brief mention of the "compromises" forced upon Russia even
in the economic sphere and a statement of the impossibility of build-
ing 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 compromis-
seas 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 des-
tined to undertake great projects of social reconstruction by the
planned economy of the new society. To this unsatisfactory treat-
ment of the concept of planned economy may be added the ambiguous
manners in which, immediately thereafter, in the section on Sociali-
sation, there is demand 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, be explained by social-
sisation, on the other hand, many doors remain open for limiting the
"socialisation" to the so-called monopolies after the manner of the
"socialization program" of the German and Austrian Social Democracy
from 1816 to 1933, or even according to the still more radical 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 re-
quire, 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 in the next paragraph
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 all the basic needs
of men, of freeing men forever from hunger, want and in-
security, of assuring mankind as a whole thereby full and
creative life - between this and (2) the system of social re-
lations that prevents this productive plant from operating
effectively, that directs its operations not to the ful-
fillment of human needs but to the making of profits
for private individuals and corporations. The core of this con-
tradiction and the irreconcilable class divisions it creates,
flow the many other contradictions that devastate modern
society."
is protected under all circumstances in war and in peace and defended with all ordinary and extraordinary means against all attacks of the world, as well as of the individual capitalists and special capitalist groups. The ability to defend potentially its own, and the feeling of a large and growing part of the people and of the peoples, even deep into the ranks of the working class and of the unemployed under-workers. The self-sufficiency of the present level of its economic and historical-social-practical productive power, 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 the 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, or, more specifically, the proletariat 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 the real meaning of the Marxist doctrine on the basic contradiction of capitalist economy was misunderstood by the authors of the program, or that Marxian materialism is not the basis of the program, or that the program of action itself, is determined by the economic and social movement on which it is based. 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 counties as the solution 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 the very situation in life, it defines as the goal of this action the creation of a condition in which "the shape 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 monarchy now \[...\]. This objectively revolutionary goal of the basic industry workers can today, in the exigencies of the crisis, be realized only 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 effects of the A.W.P.) that the A.W.P. at its present stage of development is not yet a definite revolutionary party, but that it represents 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 directly to the "final goal" and it may be in a measure, even as my starting point is the conviction that the Communist Manifesto of 1847-48 had once proclaimed for the Communists: namely, that if they "represent in the present-day movement 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 -- 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 a certain degree, and its position within the present-day American labor movement is clearly proved, in my opinion -- 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 and the present demands of the program offhand, as so many "contradictions" and "imperfections", or even 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 show how the disconnection between the practical character of such a program and 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 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 an ideology, to the ideological cloak for an actually opportunist practice, he can observe that in certain cases as a result of the punctually "revolutionary" position of the party, 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 the present activity the way for a really revolutionary further development is much better kept open.

The given starting points for such a criticism, 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 unionism. 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 encyclopaedic completeness in the program's attitude to participation in elections. It is not a question of criticizing the decision adopted by the party, but rather the practical consequences of this decision in practical action. A sober exposition of the present situation in the party, which makes participation in elections a transitorily unavoidable necessity in present-day America, even for a proletarian and left position, the tendency of the revolutionary workers in this field would suffice to reveal 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, a position on this question which is thoroughly contradictory -- and this is by no means a dialectical contradiction, 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 added on to this opportunist decision an ideological and apologetic, illusory and "revolutionary" justification by which itself and in addition to other or others is deemed. In doing so, it has decided not simply for parliamentary activity of the party, but has rather taken up with that thoroughly unreal monster of a so-called "revolutionary parliamentarism" the nothingness of which has been disproved 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 bourgeois revolution itself is a means of struggle and not yet a mere means for coordinating the different components of class interests within the bourgeoisie, hence in the entire epoch of the beginning proletarian revolution has actually never existed and which likewise would by no means exist for the present situation of the workers' movement, now entering upon 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 the present issue, but only with the "goal" of the party) we get some remarkable phraseology concerning a party's "goal" in a political party" -- as if (particularly from the viewpoint of the revolutionary final goal) there could be such a common character of the proletarian and capitalist parties even for a moment. The program itself describes in detail, in two 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 which is titled "The Specific Aims of a Revolutionary Party", where in addition to other or others, the right to vote in elections is denoted as "merely as an essential (1) step to fundamentally changing the whole order of society". It wants to bring this about "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 character of the capitalist order, it would be utopian 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 constitution of a genuine united front and revolutionary workers' councils, which carry through the struggle for power "with all means".

But all the theoretical clarity with which these formulations seem to be drawn, 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 last section, devoted to the "united front", the remarkable inversion of the real relationship 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 so much a "united front" as the "so-called (why only so-called?) workers' councils" -- and 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 forth 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 (1) not (2) the (1) most important (1) form (1) of the political mass-movement. This reservation now serves merely as a transition to the pompous observation: "This does not mean that the A.W.P. 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, the right-wing ideological pseudo-reasons which in Germany and elsewhere have over and over again been thoroughly deprived of force, beginning with the "revolutionary" possibilities of the election struggle as a tribune for propagating the aims and program of the "higher" aims of the "politics" carried on by 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 tactics. In its theoretical position on the trade-union question, however, it takes a "mechanical" but actually 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 1870's (Lenin) is Jacobinist-revolutionary and in the worse case (the German Social Democracy and other Marxist parties of pre-war time) is simply bourgoisie, 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, it also on its own account fails 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 in the concrete positions taken in the program on the questions of the present-day American trade-union organization and tactics. In its theoretical position on the trade-union question, however, it takes its stand on that theory which in the 1870's (Lenin) is Jacobinist-revolutionary and in the worse case (the German Social Democracy and other Marxist parties of pre-war time) is simply bourgoisie, 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, it also on its own account fails to faithfully carry on the "traditional methods of American politics".

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 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 all the 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 by the "strategy of its theoretical viewpoint", 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 connect to 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 "idealisiation", the actual working of precisely those most important workers is practically made 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 "holy second and careful thought," to win their membership, their confidence and influential positions in the 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 "idealist" turn of speech is not only suspiciously reminiscent of the manner of a merely parliamentary and electoral party, which also evokes only 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 primary 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 "Economism". It is clear that the 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 working movement under the leadership of the revolutionary party. Such a general economic action and political struggle end of all other forms of activity of the working class in the single whole of a directly revolutionary struggle is the necessary goal of all pre-revolutionary revolutionaries, regardless of whether they perceive this alliance of the "syndicalist" 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 struggle. On this point there 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 "concerted 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 revolutionary struggle of the proletariat. It begins about in advance through a merely formal "subordination" of the "trade union mass organizations" to the viewpoint of a revolutionary party more than in the economic activity 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 revolutionary struggle of the proletariat. It begins about in advance through a merely formal "subordination" of the "trade union mass organizations" to the viewpoint of a revolutionary party.