

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.

COUNCIL CORRESPONDENCE

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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, beside and because of its validity as a law of crises and collapse, at the same time the accumulation 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 magnitude 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 "cheapered" 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:
 $(MP/R)/L = \text{mass of products, or } (100/600)/600 = \text{million working hours.}$
Mp 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 MPs, the raw materials as Rs and the labor power as Ls, we get the following total budget for GSL: $(MPs/Rs)/Ls$ 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 MPs and Rs 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 542/600 or 83%. We call this proportion the "factor of individual consumption" (FIC). The formula for FIC is: $L - (MPs/Rs) \text{ over } L / Ls$. Or employing the figures assumed in our example: $\frac{600 \text{ million} - 58 \text{ million}}{600 \text{ million}} = \frac{542 \text{ million}}{650 \text{ million}} = 0.83$

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 mp, 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, MPs, Rs and Ls, 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 extension, 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: $FIC = L - (MPs/Rs) - D \text{ over } L/Ls$.

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 $mp/r/l$.

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: $MP/R/L$. 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: $1.1 (MP/R)/L$. We have already shown that the social product is completely taken up by society when the individual consumption proceeds according to the formula $FIC = L - (MPs/Rs)$.

This individual consumption must now be further diminished by 0.1 (MP/R) . In the case of a 10% expansion of production, we then get the formula: $FIC = \frac{L - 0.1 (MP/R) - (MPs/Rs)}{L/Ls}$. This general formula does

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 communistic, 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 $mp/r/l$ 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 MP, Rs, and Ls. "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 FIG, 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

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.

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 "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.

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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 fanatical 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 "thesis constructors", who of course had asserted that the rule of Hitler could only be of brief duration. The real relations of power contradicted this criminal 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 long-term change of policy. Anything that escaped the hands of the Nazis fell foul of this resignation. What remains is a very small circle of hounded revolutionists who, in view of the true situation, rightly continue for the present to keep their own company. The Party, to them, apart from a few exceptions, means nothing any more. 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 politically or of bringing 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 forming strong 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 great 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 critique 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 YOU ANNOUNCE: -

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

"LIVING MARXISM"

A monthly magazine to be published beginning Jan. I, 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 struggle 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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- Upton Sinclair on the road to Fascism?
- The Uprising of the Dutch Unemployed in Amsterdam.
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- The Spanish Class Struggle.

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