

its affairs and reorganized as the "Social Democracy".

Debs' entry into the Socialist movement is significant because he represented no white-collared intelligentsia, but came fresh from contact with the workers of a basic industry. He carried into that section of the Socialist movement which had broken away from De Leon and the S.T. & L.A. the idea of fighting the old craft unions. Hardly had the "safe and sane" socialists rid themselves of De Leon, than they were saddled with Debs. And the latter was much more formidable at that time than De Leon. He was illogical, sentimental and unscientific -- the direct opposite of De Leon. But he was fiery, aggressive, and had a tremendous reputation and following, The Socialist Party had to reckon with him.

It was a strange combination that later materialized in the I.W.W.-Debs, De Leon, Haywood, A.M. Simons, Mother Jones, Untermann, Hagerty, Sherman and Bohn. It probably never would have been organized but for Debs' venture with the A.R.U. and De Leon's efforts to fight the A.F. of L. with the S.T. & L.A. These two efforts represent the prelude to the I.W.W. The S.T. & L.A. represented the theoretical differences of the Socialist movement with the A.F. of L., the realization that the limitations of craft unions and the narrow viewpoint arising therefrom were inimical to Socialist interests. Debs' movement represented the revolt of workers in industry who saw themselves betrayed and forsaken by the labor aristocracy. Both elements fused for a time in the organization of the I.W.W.

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(In future issues, the I.W.W., the T. U.E.L., and the communist unions will be discussed.)

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# COUNCIL CORRESPONDENCE

ENGLISH EDITION

For Theory and Discussion

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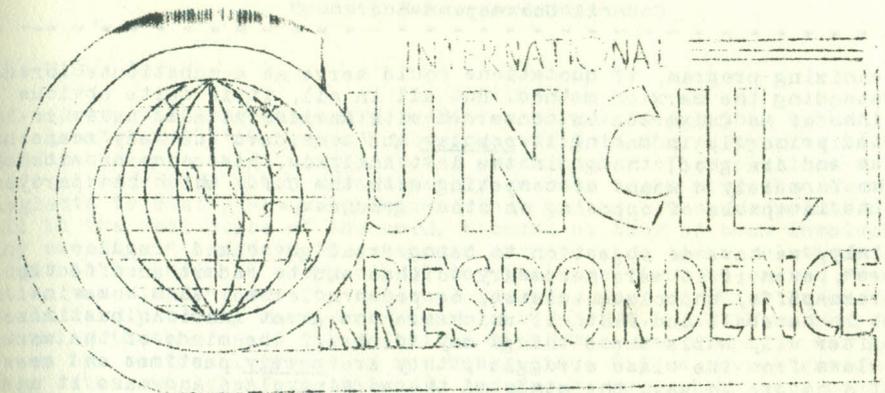
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UNITED WORKERS' PARTY



JUNE 1935

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\*\*\* THE AMERICANIZING OF MARXISM \*\*\*

- I -

It appears that the late "American Workers Party"--now allied into the Trotsky-American "Workers Party"--had only one member who had advanced far enough Towards the Understanding of Karl Marx to regard himself, with some misgivings, as a Marxist. His misgivings proved to be justified, but we have to allow him credit for the good will. His party comrades are still at that stage of development where their chief concern is with "americanizing their Marxism" (if any) as quickly as possible--though to make the quotation strictly accurate, the word "americanizing" ought to begin, of course, with a capital A, which in turn should perhaps be surmounted (subjectively) by the Stars and Stripes.

Just what was to be understood by this americanizing of Marxism was left in some obscurity until quite recently, though one might have suspected, in view of the source, that it was designed to get Marxism out of their systems as thoroughly as the circumstances might permit. The paternity of the phrase may no doubt properly be ascribed to V.F. Calverton, of The Modern Monthly, and certainly he has been one of the most vociferous in promoting the idea. Only a few months ago, in an article on Father Coughlin (Modern Monthly, March 1935), Calverton indulges in one of his usual soporifics about the ineffectualness of "American Marxians (who) have never learned to Americanize their Marxism", as contrasted with the great popularity of the priest and the vote-garnering possibilities of Huey Long and other aspiring fascists. But all that we gather from this is that Marxism has something to do (or not to do) with an affection for cream-puffs, chocolate eclairs, or popcorn, or other distinctively american folk-ways which the Marxists are foolish enough to despise. In a later issue of the same journal ("In the Name of Marxism", Modern Monthly, April 1935) we do find, to be sure, that Calverton has gone deeply enough into the subject to cull a few passages from Marx which might be of value to his americani-

- 1 -

americanizing program, if quotations could serve as a substitute for understanding the marxian method. But all in all, it is quite obvious that insofar as Calverton is concerned with Marxism at all, he is interested primarily in making it popular and considers that any means to that end are good; though in the last analysis, his concern with Marxism is merely a means of competing with the C.P., which his party is quite incapable of opposing on other grounds.

Certainly, we have no objection to being "real guys" and "regular fellows", even if it were necessary to that end to "admit an affectio for cream-puffs, chocolate eclairs, or popcorn" or to "show some interest in baseball and football which are the great American pastimes etc. After all, while these things may "distract the minds of the working class from the class struggle", they are merely pastimes and are not of a nature to warp the minds of the working class and make it unfit for struggle. To be sure, we might question Calverton's psychology and insist that a superior attitude on the part of the Marxists, whatever the degree of dislike it might arouse on the part of the non-Marxists, may be a more effective means of promoting an interest in Marxism than all his concessions to the popular taste. But let us grant for the moment that he is right, that a Marxist should do on Main Street as Main Street does and should avoid any appearance of being 'different'--which, we take it, is what Calverton means.

What follows? Nothing less than "the whole works". To be sure, Calverton mentions only such innocent things as american confections and pastimes, but why stop there? Does Calverton himself really stop there, in his off-guard moments? We happen to know that he does not. Another great american pastime--if you care to call it that--is religion. It would be impossible to be a real hundred percent American without belonging to some church (especially Protestant) or at least believing in a "Supreme Being". And without such a profession of faith, Calverton knows as well as we that it would be impossible for a "Marxist" to make himself acceptable to the "nice people" with whom he is so much concerned. We shall perhaps be excused from arguing how fatal that belief in a Supreme Being is to a really revolutionary movement. But Calverton, like his model Lenin, is willing to take his temporary allies wherever they can be found (with the proper concessions), without regard for the ultimate consequences.

## II

If there should still be any doubt as to the real meaning of this cream-puff and popcorn philosophy, it is thoroughly set aside by another article in the very same number of The Modern Monthly (March 1935). This is written by one of Calverton's party comrades--or brothers, to be strictly American--Louis Budenz by name, and is entitled "For an American Revolutionary Approach". Budenz is the Workers Party hero of the "Battle of Toledo", where he at least played a corporal's part; he comes out here in the full regalia of a general.

This Budenz article is the perfect fruit and flower of the americanization program. This simon-pure (and simon-simple) American has no need of theory, economic or other. Marxism to him is mere "hocus-pocus", or "abstruse mysterious Mumbo-Jumbo". All that he needs to know about economics is that the "Profit System" is bad--or, as the shop-keeper would say, "business is rotten"--and that we must have the "Third American Revolution" (and, strangely enough, nowhere else than here in

the U.S.A.).

Of course, "the revolutionary tradition surges in American blood", as the great A.W.P. 'theoretic' once phrased it in the party program. Budenz has gone on to calculate the exact number of revolutions we have already had, which unfortunately amounts to no more than two. He neglects to state, however, that neither of these was a revolution at all in the real sense of the word, because neither of them involved any essential change in the economic structure or class relations. It ought to be known to every school-boy that the first so-called revolution was simply a war for national independence, of which Budenz could hardly be any more proud than is the D.A.R. And the other,-- assuming that he means the so-called Civil War--was simply a war between two sectional groups of the bourgeoisie (if we may be excused this 'other-worldly' expression.) And furthermore, both were conducted in perfectly legal form, with a regularly constituted government on each side and with the workers used as cannon fodder for capitalistic ends. But more of this later on, when we shall draw some conclusions from this Americanism.

"Fascism has learned much--says Budenz--from the externals of the Soviet Revolution, and the time has come for revolutionists to learn something in turn from the externals of Fascism". Quite true. And, taking Budenz for the moment as a revolutionist, no one could presume to deny that fascism has taught him something; much in fact. He has evidently learned far more from fascism than he has from Marx and such "other-worldly theoretics". And for the very reason that he learned so little from these latter, he has learned from fascism the wrong thing. No, we shall not humor Budenz by calling him a fascist; that is not strictly true, though with such innocence he could very readily fall into (or for) fascism without knowing it. He is rather a sincere radical who has lost his head, or never had any to lose. He is actually so naive as to put the american farmers on a level with the industrial workers as a potentially revolutionary force--or, to use his own words, as "presenting the fundamental challenge to the Profit System"--and accordingly to believe that the revolutionary effort should "begin its major activities in the Middle West". So naive as to think that the "applause which greeted pictures of John Dillinger on the silver screen throughout the Middle West" is a crude expression of the revolutionary sentiments of these people, evidence of how intimate and natural they find the idea of revolution. Of course, any fairly bright schoolboy might let him into the secret that it expresses nothing more than the farmers' sympathy with anyone who gets all he can out of the present system, as they themselves are determined to do in their own way; that is, by maintaining themselves as small capitalists in defiance of the big capitalists--"Wall Street" and the banking interests.

But to return to what Budenz has learned from Fascism. In a sense, it is very 'external' indeed. In his own mind, he is merely engaged in turning fascist tactics to revolutionary purposes (while overlooking the close connection between tactics and principles--exactly the same sort of connection as exists in art between form and substance.) Budenz himself will doubtless admit that he is engaged in promoting the most rabid kind of nationalism--a chosen-people complex--just as the fascists are doing. But he would not admit, and is probably quite incapable of seeing, what the logical and inevitable result will be.

Like the average half-baked liberal who has read in the daily papers about the successes of fascism, he begins to wonder why the revolutionists could not do the thing in the same way, and concludes that they must have been very stupid not to see it.

But it is not merely that Budenz converts into revolutions (and this will always remain as his greatest revolutionary achievement) what were essentially nothing but national or sectional wars without revolutionary significance (except, of course, as a means of promoting the development of capitalism). He and his confreres have also combed the utterances of our national heroes, and a whole host of american bourgeois rebels long since dead and quite forgotten, for any utterances with a revolutionary tinge or which could possibly be made to serve as authority for the revolutionary idea.

And why should a revolutionist object to that, they may ask. The answer ought to be obvious, but for the enlightenment of our hundred per cent american radicals we shall try to be patient. It is briefly this: that instead of combatting fascism--and that involves combatting the whole capitalist ideological complex--Calverton, Budenz et al. are actually capitulating to it and in the final result helping to promote it. The very nationalistic sentiments which they are presumably endeavoring to arouse in behalf of revolution will later be exploited by the bourgeoisie for counter-revolutionary ends. That, of course, is the history of fascism everywhere. After the masses have been debauched into a nationalistic frenzy coupled with more or less radical demands, the real fascists, with capitalist financial backing, take charge of the situation and divert the movement into its legitimate channel. It should require no great perspicacity to see how the whole pattern of the Budenz demagogy fits into the fascist scheme. Take the bourgeois wars which he tries to palm off as genuine revolutions; what could be easier to Hearst and his cohorts than to show the true character of these pretended revolutions and to demonstrate that they have nothing to do with revolution, much less with communism or anything of the sort, and that they ought rather to serve as lessons in true (capitalistic) patriotism--which means, among other things, suppressing any really revolutionary movement. Or take the revolutionary utterances of Jefferson, Lincoln, et. al. What do they amount to? At most, a pious hope and a feeling of sympathy for the oppressed, not a scientific conviction of the historical necessity of communism. Or since Budenz is presumably not interested in communism, consider this: Not only are Jefferson and Lincoln not the true national heroes (Lincoln will never be very popular in the South, and Jefferson's popularity is incomparably less than that of Washington), but such men are also rather exceptional in american history. If one is going to glorify nationalism he must take the nation and the people as a whole. If one is going to use nationalism and worship of the bourgeois past as a justification of revolution, he has no right to object when the other bourgeois demagogues come along and quote, say, from George Washington or Alexander Hamilton to whom nothing was more abhorrent than revolution (in the real sense of the word) or the right of the masses to be the masters of their own fate,--though both these men, we might note in passing, were not only in favor of but actually fought in the war which Budenz proclaims as the first american revolution, while Jefferson gave it no more than lip service. Likewise with Budenz's glorification of the national character--such phrases as that about the movement he envisages being "in harmony with the American worship of achievement and success". It seems to us that those are precisely the sort of things

that capitalism has always prided itself on promoting--and will continue to do so. In short, all this patriotic flubdub simply confuses the issue and is as much an impediment to clear thinking as it is to effective action. Why not be honest and realistic; frankly admit that capitalism has had its virtues, but has necessarily created a set of conditions which make its continuance intolerable, and that whatever our ancestors may have thought (or failed to think) has nothing to do with the case.

## III

What Calverton, Budenz and their confreres are trying to do is compete in demagogy with the bourgeoisie. Their mistake is essentially a form of pure economism--a belief that a revolutionist may be distinguished from a reactionary merely by a more or less vague belief in the desirability of getting rid--not of capitalism in all its various manifestations with all that that implies in the way of subjection and misery for the workers, but simply of the "Profit System": essentially merely another "share the wealth" affair. If they had any Marxism to americanize, they would realize that their americanization program is not merely superfluous, but downright pernicious and silly. It is based on a reformist, vote-getting and parliamentary conception which, with the setting in of the world crisis and the advent of fascism, is not only antiquated but suicidal. That is precisely the lesson they might have learned from Europe but which, in view of their american mania, they will probably have to learn at home.

However much mass support such a movement might receive, it could never eventuate in anything more than a reform of capitalism, and anyone who is not economically and politically a complete innocent knows that any reform of capitalism now, at its present stage of development, can lead only in the direction of fascism. What they are actually aiming at is, of course, a form of state capitalism, something in the nature of Technocracy, in which the workers would have the privilege of selling their labor power to the State instead of to the private capitalists. But even such a limited goal could not be achieved in the manner which they propose; to be even half-way successful for only a short time, it would involve expropriating the private capitalists, who of course would have the movement suppressed before it had any chance of attaining its goal. Calverton, Budenz and their party brethren will go on, no doubt, framing their constitutional amendments, infecting the workers with reformist illusions and in general acting as if the good american capitalists were going to let them be voted into office some day, whereupon the capitalists would be expropriated and the radicals would be -- in power. They have still not outlived the reformist movement of pre-war times; their revolutionary phrases are plainly nothing but phrases, and even those will soon be dropped.

They fail to realize that the weakness of the labor movement is not in its internationalism,--that is its main strength,--but precisely in its reformism and in its party and trade-union basis, those holdovers from the upgrade period of capitalism and the very sort of thing which these would-be clever politicians are doing their best to perpetuate. Not in its Marxism,--that is its solid and indispensable basis,--but in the neglect to apply marxist principles to the ever developing situation. And in this connection the question of prime importance is not spatial but temporal, not so much a question of different

countries as of different times and circumstances throughout the world (What does it matter, by the way, if the American workers have massed behind La Follette and Roosevelt rather than Norman Thomas? Does the necessarily indicate, as Calverton seems to think, that they are less class-conscious than the German workers who were following Scheideman and Ebert, and finally followed Hitler? What's in a party name!) All countries are sooner or later affected in much the same way by the capitalist development, which will create the necessary objective conditions for world revolution. Our task is to help in constructing a labor movement which can function effectively in such a situation. All attempts magnify national differences and to hedge one country off from another can only promote the interests of the bourgeoisie and act contrary to those of the proletariat. The Russian experience has demonstrated--in any demonstration were necessary--that "socialism in one country" is no less a utopia than socialism in one state or one country. The proletariat must win internationally all along the line; and when it wins, it will not be content to follow the counsels of Calverton, Budenz & Co., but will take charge of the works in its own name, thus ceasing to be a pawn in the hands either of a capitalist class or of a bolshevist party.

\* ..... \*

MARXISM AND ANARCHISM

I

Federalism and Centralism.

The anarchist theorists contend that the future society must be built upon federalism which shall guarantee liberty and equality to all. In emphasizing this point they reproach the Marxists, insisting that these are striving to replace the present capitalist system by another strictly centralized socialist government. We will attempt to contradict them by furnishing proof, firstly, that all those so-called "Marxists" promulgating such theories are non-Marxian; secondly, that the anarchist conception is purely utopian; and, thirdly, that the structure of the future society will be neither strictly federalistic nor strictly centralistic in structure, but that it shall contain elements of both.

Let us briefly analyze the general conception of federalism and centralism. The working class is confronted by a powerful centralized government whose functions are determined by an intricately built state mechanism based on economic division of classes. All efforts of the toiling masses threatening the existence of the ruling class are brutally suppressed. Strict and rigidly enforced centralism is the political form of all class societies. That it cannot be different does not require any further explanation here. Convinced that every form of centralism leads to oppression and despotism, the anarchists repudiate centralism altogether and support federalism instead.

By federalism the anarchists conceive a society based on collectivism, e.g. they visualize economic independence and personal liberty as existing only in the loose connection of autonomous communities. No government or council shall have the right to intervene in or question the management of any community or the methods of production and distribution. Every community shall have the right to decide on the length and intensity of the socially necessary labor time. This labor time varies according to the needs of the members in one community and is dependent, of course, on the development of technique and raw materials available. All commodities in demand as well as surplus commodities are to be exchanged among the different communities.

This plan - we restrict ourselves to the economic side only - is merely a revival of the historically outlived capitalist "laissez faire" principle. The collectivized anarchist communities will of necessity develop and increase competitive tendencies. Just as individual capitalists of today have to compete with each other, so will these communities be forced to follow the same trend. We shall corroborate our argument with a short example.

Instead of a single private capitalist, we have now to deal with the commune. Formerly the private capitalist took interest in his own welfare only, now the federation is interested in the welfare of the commune. If the capitalist wished to extend his markets, he had to produce commodities cheaper; the autonomous commune naturally interested in exchanging its surplus produce advantageously will have to make an attractive offer. The same motives which guided private capitalism will thus prevail in these autonomous communes.

Suppose we take a hundred communes in a given district. As none of these hundred communes is capable of satisfying the needs of its members completely from its own resources, and as furthermore, the rate of productivity is influenced by the natural products in possession of the commune, quantitative and qualitative differences in output will necessarily arise. A commune in need of a certain commodity will have to utilize surplus products in exchange.

In order to show the competitive tendencies of the autonomous communes, let us divide our district into ten industrial groups.

- |     |  |
|-----|--|
| 1.  | Ten communes chiefly manufacturing furniture |
| 2.  | " " " " shoes                                |
| 3.  | " " " " clothing                             |
| 4.  | " " " " iron                                 |
| 5.  | " " " " machinery                            |
| 6.  | " " " " building material                    |
| 7.  | " " " " coal                                 |
| 8.  | " " " " oil                                  |
| 9.  | " " " " food                                 |
| 10. | " " " " luxuries                             |

Every commune in each group employs 100 workers, but as the raw material and machinery at its disposal is not of equal quality, the labor time necessary to produce a certain article differs. We find, for instance, that to produce a pair of shoes different conditions give the following results:

- a) three communes require 3 hours each per worker
- b) " " "  $2\frac{1}{2}$  " " " "
- c) four " " " 2 " " " "

Assuming the working time to be 20 hours per week, the output of each group comprising 100 men would amount to:

- a) 633-1/3 pairs
- b) 800 "
- c) 1000 "

If every commune consumes 500 pairs, then there remains in each group the following surplus:

- a) 133-1/3 pairs
- b) 300 "
- c) 500 "

Suppose this surplus would be used to obtain a shoe manufacturing machine whose value amounts to 10,000 pair of shoes. This would imply that the workers in group a) will have to work 70 weeks and 3 days; in group b) 33 weeks and 2 days; and in group c) 20 weeks, in order to be able to obtain the machine. Group c), therefore, enjoys an advantage over groups a) and b). The communes of group c) could either reduce their weekly labor time, or - and that probably would be the case - they would try to obtain in exchange for their extra surplus other commodities. Such conditions must lead not only to material differences, but also to keener and ever increasing competition. Thus the anarchist communes return--although in a different form and without money--to the system of private capitalism and all its complications.

For this reason we marxists reject the anarchist conception and adopt the following theory instead:

Every factory unit (regardless of size and productivity) ascertains, through its workers' councils the labor time necessary and the raw material used in the finished product. The result will be reported to the "industry council". After each factory has thus submitted the figures, the industry council will then compute the average working time for the respective product. For instance, (to use the figures suggested in the above mentioned shoe industry) three factories report that three hours are required to manufacture a pair of shoes, three need 2-1/2, and four need but 2 hours, then the average working time to produce one pair of shoes would be 2 hours and 43 minutes, which means that the exchange value would not be 2, 2-1/2 or 3 hours, but 2 hours and 43 minutes. In this manner the industry councils of all industries compute the average working time of a given product. All industry councils amalgamated form the "central economic council". The c.e.c. has administrative functions only. Bookkeepers, technicians and statisticians are its only personnel whose task it is to compile the reports of the various industry councils and to ascertain the exchange value for all commodities.

This brief outline illustrates the organization of the communist society which, as we have seen, puts the means of production into the hand of the workers, and who, through their councils, determine also the manner of distribution and consumption. This form of organization

is federalistic. The central economic council consisting of all industry councils, however, assumes a centralistic character.

Approaching the subject from this viewpoint, the "problem of federalism or centralism" ceases to be a problem. The revolutionary marxist recognizes not only the close connection between both concepts, but he also perceives in it the only guarantee for the smooth functioning of the classless society.

LL

Attitude Towards State.

The evolution of human society which is paralleled by the development of productive forces (agriculture, guilds, crafts, machine production, division of labor, etc.) was accompanied by a change in the relation of the worker to the means of production. He finally had nothing else to sell but his labor power and thereby became a mere wage slave. This process in turn brought with it an increasing growth of state power. This development was by no means peaceful and harmonious. It formed, rather, a series of sharp conflicts and an intensification of the class struggle. Marx described this process in the "Communist Manifesto" as follows:--The historical development of the state is the history of evolution in general which is the history of the class struggle.-- The anarchists repudiate this viewpoint. Their arguments are based not only on the writing of Proudhon and Kropotkin but also on those of the bourgeois ideologist Franz Oppenheimer. They hold that Oppenheimer, author of "System of Sociology" (second volume "The State"), has proven positively and scientifically beyond a doubt that the Marxian viewpoint of the development of the capitalist state is nothing but a fairy tale. It may be of interest to confront Oppenheimer's views with the Marxian interpretation. He introduces the state to the reader in the book cited as follows: "The state is a historical object in the universe and can be interpreted only by far reaching universal-historical aspects", and continuing, "What, then, is the state as a sociological concept? The state, completely in its genesis, essentially and almost completely during the first stage of its existence, is a social institution, forced by a victorious group of men on a defeated group, with the sole purpose of regulating the dominion of the victorious group over the vanquished, and securing itself against revolt from within and attack from abroad. Teleologically, this dominion had no other purpose than the economic exploitation of the vanquished by the victorious".

Later in the same chapter examples are given by Oppenheimer in support of his argument that the state has arisen through outside pressure, (i.e. foreign tribes) and not through social development in general, and he concludes: "...the state grew from the subjugation of one group of men by another. Its basic justification, its *raison d'etre*, was and is the economic exploitation of those subjugated."

Thus Oppenheimer cannot deny that control and exploitation (even if effected by outside forces), in other words, politico-economic factors, lead to the formation of the state. While the Marxists claim that the state grew through the class contradictions arising in every class society, Oppenheimer and the anarchists see the responsible factors for this growth in the arbitrary subjugation of a group of men by

another group, and ignore the fact that behind this "arbitrary" act there lie deep-rooted economic motives. In accepting Oppenheimer's viewpoint, the anarchists prove again that not only are their theories of economics another copy of the laissez-faire principle, but that also their ideology is related to the bourgeois concept of history. This results finally in the anarchists' illusions on the abolition of the state and capitalist society.

The abolition of the State is thus the chief demand of the anarchists. The materialization slogan, however, is dependent on the education and the free will of broad masses. Only when they recognize the necessity of the abolition of the state is victory assured, and to reach that stage it is necessary to propagandize the masses and educate them in the teachings of the anarchists.

The anarchists are opposed to parliamentary action. As the most efficient weapon they recommend the general strike which should, if victorious, be followed by the reorganization of the society on a communistic-federalistic basis. The concept of transition periods in the Marxian sense is rejected; the Marxian slogan "dictatorship of the proletariat" is attacked. They point to Russia where, it is charged, a party clique rules over the people and creates a new state, as an example of oppressive Marxian rule. They see in the Marxian slogan mentioned above, as well as in the demand "all power to the councils", the seeds of new suppressive measures. The anarchists oppose the Marxists with the reproach that these do not want to abolish the state, but to conquer it. We shall concern ourselves with this charge shortly.

However, before going into the point at length, we have to pass a few critical remarks on the opportunistic deviations of so-called Marxist followers. Karl Kautsky, the best known exponent of reformism with a Marxist label as a matter of fact represents the conception that it is not the aim of the socialists to strive for the abolition of the capitalistic state, but to take it over. He seems to believe that the state apparatus may be compared with a well lubricated and efficient machine whose levers just have to be put in charge of socialists to bring about a socialist state. In his polemics against the Dutch Marxist Pannekoek, who attacked these theories, in the former organ of the German Socialist Party "Neue Zeit" (1912), as a dangerous opportunistic deviation of Marxism, he evaded the question by twisting his answer in the following way:

"Does he (Pannekoek) intend to dissolve the functions of the state officials? But our own party and trade unions cannot get along without officials and employees, and much less the state administration. Our programme, therefore, demands not abolition of state officials, but the election of the officials through the people."

This quotation is characteristic of Kautsky's opportunism; first, he refuses to see differences in the administrative functions between state officials and labor leaders, and, second, he denies categorically the class character of the capitalist state. Theoretical juggling of this sort served to accelerate the reformist tendencies within the then still revolutionary Socialist Party, and finally the Marxian demand "abolish the capitalist state" was gradually replaced with the meaningless phrase of decaying social democracy "conquer the state".

Kautsky's viewpoint was most severely attacked by Lenin in his pamphlet "State and Revolution". Basing his response on statements from the writings of Marx and Engels, he successfully challenged the non-Marxist character of Kautsky's deviations. Although succeeding in this direction, Lenin, on the other hand, also committed several serious errors, particularly in his interpretation concerning the role the party is to play before and after the revolution. Greatly influenced by the conditions in Czarist Russia, he could not perceive a proletariat capable of conducting and leading its own struggles. According to him, revolutionary ideas cannot develop within the working class itself; hence, they must be carried to the masses from the outside by bourgeois intellectuals and professional revolutionists. These latter, together with class conscious workers, will form the party that will lead the masses through the revolution and to the future society. Proceeding from this viewpoint, Lenin writes on the necessity for the dictatorship of the party whose functions during the first stage of communism would closely resemble those of the conquered capitalist state. The only difference, according to Lenin, would be that the new form of state could not maintain economic class divisions for the simple reason that with the victory of the revolutionary party all classes would be abolished. Gradually, Lenin believed, "as soon as all have learned to manage social production independently" then, "it will become a habit to observe the fundamental principles for an harmonious living, and the transition from the first phase of communism to the higher phase and consequently to the complete abolition of the state would only be a short step".

How profoundly Lenin erred is illustrated by the development of Russia herself. Although the bolsheviks have destroyed the old state, they have built up a new state whose executive power and methods of oppression surpass at times even those of outspoken fascist countries.

Both Lenin and Kautsky were too closely connected with the reformism of the pre-war period and, unable to understand their errors, they arrived at those false conclusions which the anarchists could rightfully term dangerous and destructive and which proved so fatal for the proletariat. In the present period of decaying capitalism their theories have lost all significance and with the decline of the reformist labor movement they will gradually lose influence over the proletariat.

For revolutionary Marxism the abolition of the state as also the question of the transitional period is just as little a problem as that of federalism and centralism.

Capitalism struggling hard to postpone its evident collapse is forced to pauperize not only the working class but also the middle class with ever increasing intensity because at this stage profits can only be realized by increased exploitation. But there is a limit to exploitation also, and when this point has been reached, i.e. when the pauperized masses have become a majority, then this condition must, of necessity, lead to revolution. The workers, fighting for their bare existence, will then be forced to reorganize production and distribution.

The destruction of the capitalist class and its state through the revolution is immediately to be followed by the building up of the classless communist society. The state will be abolished, the dic-

tatorship of the proletariat, i.e. the armed workers in the factories --no special red army--will take charge to carry through production and distribution on the basis of communism.

-- W. R. B. --

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The Franco-Russian Pact.

The groupings of the different capitalist powers for the next world war has, for the present, put Russia in the position of being an ally of France, and the French bloc of nations. "France and the Soviet Union stand together, with guns at their feet," writes the official organ Izvestia, "stretching out their hands to welcome co-operation with other countries and to fight off the war menace."

Just as the Russians entered the League of Nations in the interest of peace, so now they exchange their generals and military experts in the furtherance of peace. The arms expenditures of Russia have tripled in the last two years and the Red army has been increased from 562,000 in 1932 to 940,000 in 1934. This pleases France who, like Russia, also signed this pact "for the sake of peace" in the words of Laval. But any agreement in the interest of peace by the capitalist nations is at the same time a preparation for war; and France, like all other countries, is arming and increasing its military forces as fast as it can. The French workers will be led by France and Russia to their next slaughter in the interest of this new Capitalist alliance.

The C.P. of France writes in their organ "Humanite": "...we are of the opinion that it is the duty of the French workers to force its government to sign this pact of mutual help between the two governments. Any one who is opposed to this pact helps the war plans of fascist Germany. The Communist International endorses this pact "in line with the defense of the Soviet Union", while for Germany on the other hand the Leninist slogan "turn the imperialist war into the civil war" will be applied. This slogan does not fit in relation to France, however, as this would be treachery to Russia and the peace pact.

In Germany the C.P. distributes leaflets in the Berlin mail-boxes reading: "Enter the army; do not hesitate to become a soldier so that you may turn the weapons against the class enemy. Down with the fascist dictatorship! "

In France the socialist faker, Leon Blum, under the protection of this Russian-French pact says now, as the socialist said everywhere in 1914 "I am convinced that in replying to aggression by Hitlerite Germany, all the workers of this country will rise to a man, together with all other Frenchmen". Before the slaughter starts, however, business is always welcome; and business for Russia is, like everything else, in the interest of peace. The financial credit given Russia by Germany in April of this year is according to "Pravda", "in absolute collaboration with the policy of defending the peace of the world". Pravda states further "that Russia is willing to enter in trade agreement with any country regardless of its political system and philosophy".

The financial credits from Germany, and the war pact with France, have both the same basis: the interweaving of the Russian state capitalism with other capitalist interests. A different world situation might have seen financial credits from France and a military pact with Germany, and possibly new shiftings in world policy, determined by economic necessity, does not exclude such a changed situation.

"There is no difference", said Bucharin with the consent of the fourth congress of the C.I., "of principle between a loan and a military alliance. We are already big enough to conclude a military alliance with a bourgeois state in order to crush another bourgeoisie. This form of defense of the fatherland, a military alliance with a bourgeois state, makes it the duty of the comrades of a country to help the bloc to victory". Russia and the Communist International have always lived up to the principle expressed by Bucharin but no bourgeoisie has ever been crushed by the aid of another bourgeoisie. What has been crushed, however, has been the revolutionary movements in many countries. The labor movement flocking around the C.I. has been converted to a football for capitalist policies in the furtherance of this principle. The arms furnished to Turkey by Russia were used to crush the Turkish labor movement; and with the support of Russia, the nationalist movement of China slaughtered the Chinese masses who wished to go beyond "capitalist liberation" from other capitalists.

It is both difficult and confusing for the professional revolutionists to keep pace with the counter-revolutionary development of Russia. They become very agitated about the "status quo" policy of Stalin, forgetting that this is but an extension of the status quo policy of Trotsky and Lenin. In 1923, Trotsky declared to the correspondent of the Manchester Guardian, with the approval of Lenin and the C.I., "we are, of course, interested in the victory of the working classes, but it is not at all to our interest to have the revolution break out in a Europe which is bled and exhausted, and to have the proletariat receive from the hands of the bourgeoisie nothing but ruins. We are interested in the maintenance of peace".

There is no status quo in reality; it is but an empty phrase to conceal certain measurements and alignments for the coming war in which Russia, as a participant, must be regarded as an imperialistic power together with other imperialistic powers. There can be no policy based on something which does not exist; the so-called 'status quo' policy' is but an indication of the relative unpreparedness of some nations in comparison to the preparedness of others for the coming new world war. The talk of peace and status quo is but a policy of hesitation coupled with a hastening of preparation for the violent changing of the world situation.

Russia will enter the next world war as it now prepares for it, as an imperialistic force lined up with other imperialistic forces and it is not possible for the working-class to have any other position towards Russia than towards any other country. The answer of the revolutionary movement to war is revolution; so, too, must be the answer of the Russian workers to a war in which Russia participates, - a revolution to overthrow the state capitalism now existing. The working-class cannot defend the 'workers' fatherland' since the workers never had a fatherland and never will have one. The revolution of the workers must be international. They must work for the overthrow of state capitalism as they do for the overthrow of capitalistic exploitation in the rest of the world. The answer to a world war must be world revolution.

INFLATION.

Workers in the United States have displayed a regrettable lack of solidarity hitherto. Section after section fought alone against capitalistic attacks only to be crushed while the rest of the working class watched apathetically.

Thus the struggle of the unemployed calls forth but a careless shrug of the shoulders by the employed, while the strike battles of the employed, with a few minor exceptions, so far have failed to arouse any nationwide movement of employed and unemployed in the common cause. But events are moving toward a welding together of the working class in spite of apathy, selfish particularism, and reactionary craft unionism. The unemployed have been the main sufferers so far; now the standards of the employed are being attacked and irresistibly all sections of the workers are being driven to the same level of misery that will wipe out distinctions between the labor aristocracy and the mass of unskilled and unemployed. One of the levelling instruments invoked by the masters is called "inflation". Confusing as it appears, it is nevertheless capable of being understood by the worker who desires an understanding of the problems that beset him.

WHAT IS MONEY?

Money is the exchange medium. It figures in all sales and purchases. It assumes a multiplicity of forms that is largely responsible for the confusion prevailing. Paper money; silver, nickel and copper coins; checks; bills of acceptance; banknotes; federal reserve notes; silver and gold certificates, all these contribute to make the subject the happy hunting grounds of cranks, half-baked theoreticians, reformers, and what not. However, all these forms are nothing but representatives of tokens, promises to pay in what is real money - gold. Gold is the base and substance of money.

The development of trade and industry required a medium of exchange universally acceptable, that facilitated reckoning, that was easily handled and stored, and did not fluctuate greatly in value. Because gold met these requirements, it became the basic currency. Long after it had established itself in trade was it officially recognized by law. The interests of trade required the establishment of government mints and laws to prevent debasing of currency by trimming or cutting

Thus modern money is based on gold. But gold is not commonly circulated. Many workers have never had or seen gold coin. Their money is in tokens, paper, checks, etc. Gold transactions are usually between international banks, and in domestic trade, between national banks.

These tokens represent gold. To take a simplifying example: if a country has a gold stock of one million dollars and issues against that one million paper dollars, the paper will pay one million gold dollars worth of commodities. But if two million dollars of paper are issued against one million gold, the paper will buy only one million gold dollars worth of commodities as it has only that amount of backing. The individual paper dollar will have a purchasing strength of only 50%. Increase the paper issue to four million and the paper will purchase only 25%.

Economic forces are so manifold and interlocked that they never respond instantly to interference and regulation. It is not necessary and not the case that the paper money of a country is equal, dollar for dollar, to the gold in store. Despite this, the purchasing power of the paper may remain on a par with the gold. As long as paper is exchangeable for the equivalent gold quantity its purchasing power remains high, even though the gold backing may be low. But the moment distrust and fear cause a large demand for gold exchange which cannot be met, the paper declines until it reaches the level of the gold stock.

It must always be remembered that in economics so many forces are operating in constant interaction that the fundamental tendencies are always partially neutralized and modified. Thus in analyzing money we must remember that the relation between paper and gold is the norm around which large fluctuations occur, but the norm limits and determines the magnitude of the fluctuations. Paper may be three or four times the normal amount of gold in reserve, yet have a long time higher purchasing power than seems warranted. But the tendency asserts itself eventually and the paper will finally find its true level

As long as the currency was left undisturbed, price fluctuations upward were frequent and annoying enough to the workers, but they were of a minor nature. Now the federal government has decided to suspend gold payments. It is issuing paper in large quantities and large scale inflation is imminent. The extent of the inflation and the reasons for it should be understood by all class conscious workers.

How Inflation Is Being Forced.

The first step taken toward inflation was that of going off the gold standard. This was merely the preliminary step toward debasement of the currency. In effect, it meant no more than that the United States cancelled all its obligations and those of its citizens payable in a given quantity of gold, and forced creditors and sellers to accept paper of equivalent dollar denominations regardless of the actual value of this paper in relation to gold.

Fundamentally gold was, and still is, the base of all U. S. money, for, by buying and selling gold in Europe with American dollars, with the so-called stabilization fund, the relation of the dollar to gold is established and verified in repeated transactions.

The second step in inflation was the actual debasing of the dollar. The ratio of \$20.67 per ounce of gold was changed to \$35.00 per ounce. Each dollar now is worth about 59% of its former value. While not immediately noticeable, the effect is now being felt in increasing commodity prices. When prices have adjusted themselves to this phase of inflation, the dollar will buy only 59% of its former value.

Further monetary debasement is in sight as a result of the silver policy. The government is pledged to buy silver until it constitutes one-fourth of the monetary reserve or fetches a price of \$1.29 per ounce. Since the value of silver, like that of all commodities, is in the last instance determined by the amount of socially necessary labor required to produce it and by that standard is worth between 23¢ and 40¢ per ounce, this policy in effect throws silver into the monetary reserves at the expense of the gold reserve. The difference

between the value of silver and the price increased by this policy eventually has to come out of gold. However, the minting of silver is a minor phase of inflation, for paper could be printed as readily. The silver policy is a sop thrown to politicians of the silver mining states.

But the matter does not stop there. Under the powers given the president under the agricultural act of 1933, the floodgates of further inflation have been opened wide. Greenback issue may be increased from 343 millions to three billion dollars. Reserve requirements of the banks have been radically reduced. Federal reserve banknotes can be issued up to 100% of government obligations held as collateral, and up to 90% of other collateral. The more the government borrows the more money can be issued.

The credit inflation, still in the preparatory stages, operates with terrific force once it starts. The banks' reserves have increased as a result of the government's policies, having risen from 3 billion dollars in 1933 to 19 billion at the present. The amount is increasing at a rate of about 3 billion annually. Considering the credit pyramid that is built up on the basic reserve, through lending and re-lending, and the enforced circulation of loans through the government's recovery agencies, a further inflationary force has been created.

Credit replaces and augments currency. It functions in lieu of currency. Every loan eventually must be repaid, even as international balances must be met in gold. Credit expansion operates like currency expansion. Credit is a lieu of values to be created, that eventually must be met by real values rather than promises. Until the time of reckoning credit expansion results in rising prices - inflation. The 59 cent dollar will shrink still farther as these inflationary forces begin to operate.

Why all this inflation? The depression enforces the intensification and greater exploitation of labor. Inflation is supposed to be a means in helping to overcome the crisis. It will reduce wages at one fell swoop without the immediate dire effect of a strike in every plant affected. It will stimulate foreign trade, temporarily at least; it will wipe out a large portion of the terrific debt load. The governmental expenditures, though nominally higher, are really reduced to a minimum and capitalist production is thus expected to start anew.

That inflation is invoked is proof of the desperation of the capitalist class, for it involves great discomfort and uncertainty for large sections of the master class. On the other hand, the reduced living standards of the working class and their precipitation into misery with the advance of inflation will have in the end its political repercussions in strikes and riots.

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MARXISM AS A RELIGION

Critical remarks on "Marxism", a symposium by John Macmurray, John Middleton Murry, N.A.Holdaway and G.D.H.Cole. John Wiley & Sons, Inc., New York, 1935.---English Edition: Chapman & Hall, Ltd. London.

All contributors to this book are agreed in emphasizing that Marxism is a "revolutionary theory", a "revolutionary gospel". But they don't mean by that the real Marxism, nor do they mean a real change of the capitalist social order through the action of the proletarian class. Their "Marxism" is a religion, a vision, a revolutionary ideology, by means of which the sober and (as Cole says, p.237) 'dull' socialist labor movement is to be made more attractive and tasteful to the english workers, and especially to the petty-bourgeois. And it is assumed that those workers will still for a long while not be ready for and capable of revolutionary action.

- I -

This tendency of the book comes to light just as clearly in the philosophical contributions of J.M.Murry and J. Macmurray, and in the economic analysis of capitalism by N.A.Holdaway as in the position of G.D.H.Cole and again J.M.Murry to the practical political questions of the present-day english and international labor movement. The 'theoretical' transformation of the marxist doctrine from a theory of the revolutionary proletarian class-struggle into a mere "revolutionary ideology" serves the practical purpose of using Marxism for throwing a halo over a political effort whose direction is by no means revolutionary. In spite of all the mystical phraseology about the essential "identity of theory and practice" in the revolutionary "philosophy" of Marxism, the question for J.M.Murry and J.Macmurray is not one of better adapting the marxist doctrine to the needs of the workers' practical class struggle. Their real concern lies in dissociating the marxist "philosophy" from its definite relation to the proletarian class-struggle and "supplementing" it with all sorts of other elements mostly borrowed from the christian religion. And what do we have as the goal of this "Marxism" which has been transformed into a religious philosophy? Instead of a real change of the social surroundings, its task consists in taking a state of society which in fact already exists and bringing it into the consciousness of the people living in this society. The actual overthrow of the existing social order is to be replaced by a religious, philosophic and moral renovation of the inner human consciousness.

- II -

In dealing with such "marxist" politicians as G.D.H.Cole and J.M.Murry there is no need of a critical analysis to prove that for them the "revolutionary marxist" ideology means only an instrument of vote-catching for the Labor Party. To Murry there is no doubt that the practical labor movement in England will still remain limited for at least thirty to forty years (206) to a struggle for democratic aims together with idealistic propoganda of ideals of freedom and religious-moral self-education of the individuals concerned. Cole, too, comes out flatly

with the statement that a revolution on the part of the english workers is out of the range of vision, that the economic development of recent times has not strengthened but weakened the working class, which must, therefore, (because of its weakness!) be built up in future more on a political and less on a trade-union, industrial basis (236-7). The middle class, on the other hand, appears, according to Cole, in its natural development, predestined for fascism (221-22, 225), while according to Murry, it is not "as yet" in England definitely anti-democratic and may still find satisfaction for its planned-economy tendency in a parliamentary-democratic state capitalism built up by the Labor Party after the model of the Morrison Passenger Transport Board, or after the models furnished by the present "National Government" of Mr. MacDonald (190-192). The real sense of taking up with the Marxist theory consists for both in diverting this "new class" of the petite bourgeoisie discovered by Cole (how many times in the last four decades?) from its fascist tendency and making it more receptive to socialism. J.M. Murry goes so far as to represent the socialist movement of the future as an "essentially classless political organization", whose "total Marxism" will be a "faith" and a "vision", "as new and inspiring for the bourgeois as for the working man" (19-21). In reality, however, this fellow, who is never tired of describing himself as an "idealistic" and "impatient socialist" (203-3) and conceives the main virtue of Marxism to be that the "true Marxist" by means of Marxism kills off his egoistical "self" (207), accomplishes on this very occasion, through the denial of a few incautious phrases from his earlier writings, through a pious obeisance to the coming strong man of the Labor Party (Herbert Morrison) and through a strict renunciation of all "sectarianism" (192, 207), his adhesion to that ultra-reformist present leadership of the Trade Unions and Labor Party which he has just denoted as the "last bulwark of the bourgeoisie" against the true and christian "revolutionary Marxism" preached by him (20).

The special need which drives this kind of labor politicians to bring about their transformation of the present english working-class socialism, in England of the year 1935, in the form of a turn to "Marxism" and, if such were possible, to "revolutionary Marxism", is not further defined by Murry. On this point we have a more open and clear expression on the part of Cole. He is in a better position to afford opinions here because, in spite of his skeptical attitude regarding any possible revolutionary intensification of the present working-class struggle, he is after all still striving for a certain degree of real change, in the form of sharpening and activating of the present course of the official Labor Party and under certain circumstances does not regard it as wholly precluded. The Labor Party can and shall, in his opinion, win the power, though of course along parliamentary paths, and will then make use of this power for the purpose, among others, of building up certain extra-parliamentary agencies "for the administration of the country on a socialist basis", and it shall furthermore have the "full consciousness" (!) that its mission (!) does not consist merely in passing new laws but in "altering the entire social structure of the country" with a view to a "classless and equalitarian Society" (235-36). Supported on this concession to his revolutionary socialist conscience, he now declares quite plainly the real reasons for the usefulness of Marxism to the present-day english Labor Party. As soon as the Labor Party passes beyond the social reforms which are quite without danger to capital and turns--not to a "serious attempt to establish a socialist system", but even to "demands for social reforms that the capitalists cannot easily concede", it "can no longer afford

to be or to look moderate" (226). In order to avoid this "moderate appearance" and thus not to lose all credit, especially with the middle class, which is already going in for fascism "after a manner, --to this end the Labor Party needs in its present fateful hour this "gospel for revolutionary enthusiasts who want to change the world" (238). And for the attainment of this noble purpose, Mr. Cole has no fear of bringing in still another revolutionist of note, the same one from whom, in his own revolutionary-syndicalist youthful period, he derived his romantic ardor. He quotes a splendid passage from the old american syndicalist of the I.W.W., Big Bill Haywood, in praise of revolutionary, sharp and persistent "thinking" (239). But he substitutes for the syndicalist, activist and terroristic thinking meant by Haywood his own "constructive and reasonable" thinking, which at the same time shall not, at any price, be or at least look like a "moderate" thinking (226).

- III -

While J.M. Murry and J. Macmurray have furnished for the practical political tendency of the book what may be called the philosophical theory, the fourth contributor, N.A. Holdaway, contributes the economic theory, (123-178). It is only from the peculiar, self-selected task of this faculty of skeptically sober petty-bourgeois intellectuals, namely, that of imparting to the working class by means of the revolutionary marxist ideology the lacking ardor, that it is possible to understand the otherwise quite incomprehensible manner in which the economic theory of Marx is here unceremoniously treated. No reasonable, no modern Marxist would object if Mr. Holdaway had subjected the economic doctrines of Marx to "continual criticism in the light of developing processes in the material world" (178). One might also accept it gracefully if (as his friend Cole has occasionally expressed it) he had perceived in such a continual critical alteration of Marxism even the genuine task of the "non-orthodox Marxist", that is, had limited his activity as a Marxist to breaking down Marxism in a marxist manner. But even from such a standpoint, a marxist "Analysis of Capitalism" and of its present final phase would have to convey to the reader a few marxist terms, concepts and statements in appropriate manner. When one criticises or makes a critical contribution to a theory in any other field of knowledge, it is after all usual to present a pertinent exposition of at least the basic doctrines of this criticized theory and not, in the name of this theory, in the place of its real content and the further development of this content, merely to bring onto the market one's own improvised thoughts and formulations. In this book we are presented with something as marxist doctrine which philosophically, historically and in particular economically is connected with Marx's thoughts only in loose manner or not at all. No reader, however much illuminated by the new "marxist philosophy" of Messrs. Murry, Macmurray & Co., could obtain from this 'critical' exposition a half-way clear idea of the marxian economics. And one must already be rather thoroughly versed in the marxist theory in order to recognize even a few fragments of the marxist doctrine behind the numerous misinterpretations, the false sequences, the disturbing additions and the witticisms which frequently go off into stupidity.

To show the confusion wrought by the critical Marxist Holdaway in the economic theory of Marx, and what comes of it, we take a few examples:

As early as page 129 we learn that in feudal society even the exploiting classes (the feudal lords, spiritual and temporal, and their retainers, who by reason of their larger shares of the social product "exploited" the serfs) and likewise also in the early capitalist society the industrial "exploiters", produced "values" in the marxian sense.

On page 132, the author fulfills the utopian dream of old Aristotle. He discovers in present-day capitalist reality, more accurately in the "boot and shoe industry", the existence of machines that "work up raw material into a finished product without any human intervention at all". What wonder if the traditional marxist doctrine of value is shaken in its foundations and stands in need of the guiding and helping hand of Mr. Holdaway. "Every previous economic system," he explains, "created consumers who were not creators; the capitalist system by its inherent necessity (which is the mother of inventions) creates creators who are not consumers, viz. machines" (134).

In the next place, the author discovers (apparently on the basis of a previous discovery of Cole's) that "the Marxian Theory of Value is not an economic theory in the limited sense at all" (133). As a matter of fact, Marx has given in Das Kapital a profound and thorough economic analysis of the value relations of commodities in capitalist production. He has, besides (in the section on the "Fetishist Character of Commodities and its Mystery" also historically and sociologically comprehended those relations as a material concealment of the social relations arising and developing between human beings in the process of production. Of this total achievement of the critical economist Marx, Holdaway completely omits (in accordance with the "philosophical" and "religious" tendency of his contribution, as of the whole book, directed to the arousing of enthusiasm!) the first half, the genuine economic analysis, and holds only to the critical points, denoted by him as "philosophic". The economic category of "value" thus becomes transformed into a metaphysical thing, of which one merely learns that it is somehow a "measure of exploitation" (132). In this application, the sense of the expression is quite unintelligible. It first becomes clear when one recalls that in Marx it is not "value" which serves as the "measure of exploitation", but the rate of surplus value.

Holdaway's next revelation consists in the discovery of a radical difference in the marxist theory between "value" and "price" (138). According to Marx, of course, the "price" of commodities is nothing other than their "value" expressed in money (exchange value). For various reasons, of which the most important does not appear until the third volume, it happens that between the magnitude of price and of value of the different commodities and commodity groups there is no direct agreement, nor can there be any in developed capitalist production. Many critics of Marx have therefore thought that Marx was not wholly successful in Das Kapital in the economic derivation of prices from value. Our author falls upon a brilliant, truly absurd, idea. Price, according to him, is something absolutely different from value and in its "modern form" its direct opposite (138-141). It is "essentially an individual relation" (140); more accurately, a form of competition between different individuals and human groups, a measure of the "individual and group antagonisms within the capitalist class" (140). While in "value" we have the "unity" (sic!) between the exploiting and the exploited class, so in "price" we have

"quite a different unity", namely, the "unity of buyer and seller" on the commodity market (138). The struggle about prices expresses always as a struggle between capitalists and small producers in the early capitalist period!) a mere individual antagonism and conflict and never a "mass-struggle" (139). It has nothing to do with the "relations between the capitalist class and the proletariat" (140). If, under the conditions of pre-capitalist production, value and price still tended to be more or less equivalent (140), in the capitalist epoch price tends more and more to be "absolutely divorced from Marxian value" (141). The transition from the pre-capitalist mode of production to capitalist commodity production and the further development of this mode of production is not, as in Marx, brought about through the medium of value, but through the variation of price from value (138-40).

This divorce of the price theory from the marxian "value" is made with a view to representing the economic development of capitalism undisturbed by value and surplus value and the related struggle of the classes in material production itself, that is, as an intracapitalist affair, or as a struggle between the different competing capitalists and groups of capitalists over prices, a struggle taking place no longer within the sphere of production, but only in the sphere of exchange, on the commodity market. It is only occasionally, at certain critical points of time, namely, in the partial "revolutions" of the economic crises and finally "when all is fulfilled", in the "revolutionary overturn which brings the capitalist epoch to its end" (142)--it is only then, from extra-economic, economically incomprehensible depths of an inner "organic growth" (135) that value breaks ecstatically into this intra-capitalist, economic development: "the forcible overthrow of price by value".

Holdaway does not, however, accomplish his purpose. Through the radical divorce of price from value he has obscured the clear meaning of "value", as given by Marx, for the operation and development of the capitalist mode of production. He has not succeeded, however, in finding for "price", thus elevated to an independent economic category, economic determinations of its own. He has declared "value" to be an "extra-economic" category and robbed it of the economic qualities developed by Marx, transferring these qualities in mutilated form onto his "price". Through this "critical" further development of the marxian "critique of political economy" he has destroyed not only the economic content of the marxian doctrine, but even its critical-revolutionary significance. In order to make this clear, we set the marxian original and Holdaway's copy facing each other. The confrontation shows that the marxian formula is the unveiling of a real mystery, discovery of a new economic insight and clarification of a practically momentous matter for the class struggle of the proletariat. Through Holdaway's formula, on the contrary, a matter which is perfectly clear becomes mystified, with the result that we have neither the winning of a new theoretical insight, nor the expression of a practical class truth.

MARX treats as basic the relations springing directly from the material process of production in its capitalistic form (capitalist commodity production). These relations appear economically in the "value" of commodities.

HOLDAWAY treats as basic the relations arising on the market from the exchange (purchase and sale) of commodities. These relations appear economically in the "price" of commodities.

MARX - By the side of these basic relations (the "relations of production") there are derivative relations which first come up in the sphere of exchange. These relations include the one between the owners of commodities who confront each other as sellers and buyers and who "by means of an act of will common to both, appropriate the other's commodity in that they alienate their own". This relation (the "contract") is no longer an economic relation but a "legal or voluntary relation whose character is determined through the economic (value) relation itself".

HOLDAWAY - The economic (price) relation is derived from the legal or voluntary relation (the "contract").

MARX - In "value" appears a relation of persons which is peculiar to the capitalist process of production, namely, the reduction of private labors which are interdependent but carried on independently of each other to their socially proportional measure of labor time (the regulation of the social division of labor) as a relation between the value of one commodity and the value of other commodities.

HOLDAWAY - In "price" appears a relation of persons which belongs to the process of exchange, namely the "unity of buyers and sellers" which is brought about in the sale of the commodity on the market, as a relation between "a commodity and its money form".

MARX - The value relation of commodities is a "crazy" expression for the real relation which it signifies, an expression which has need of a scientific correction. It is at the same time a "socially valid, hence objective conception" for the productive relations of a certain social mode of production (commodity production). The (social) validity of this conception is limited to an historical epoch (the epoch of bourgeois society).

HOLDAWAY - The price relation of commodities is the "inverted form" in which a relation appears to "us" which is something different in objective reality. This inversion occurs in connection with every purchase and sale of commodities, and has no connection with a determinate form of production or with a determinate historical epoch.

MARX - To that extent the value relation of commodities is not a mere appearance which would be dissipated by the discovery of the actual state of affairs concealed beneath it, but would still remain valid for those who are entangled in the relations of commodity production. It first disappears contemporaneously with the abolition of capitalist commodity production through the proletarian revolution and the further development to the classless communist society.

HOLDAWAY - To that extent the price relation of commodities appears as a mere subjective deception; through the discovery of the objective state of affairs lying at bottom, it can be done away with also by purely theoretical means.

MARX - The value relation of commodities (the commodity form of products in the capitalist mode of production) contains a real mystery.

"The mysteriousness of the commodity form consists in the fact that it reflects to people the social characters of their own labor as concrete characters of the labor products themselves, as social, natural qualities of these things, hence also the social relation of the producers to the total labor as a social relation of objects which exists outside of them."

HOLDAWAY - That "the commodities do not themselves go to market and cannot exchange themselves", hence must be exchanged on the market by actual human beings, is an obvious circumstance known to everyone.

MARX - The unveiling of this mystery (the doing away with "commodity fetishism") is a scientific discovery. The reality concealed behind "value" is thus made visible and palpable. By means of a statement regarding a relation existing between real things (the relation of the value of different commodities) a certain matter of fact (the labor time expended on different products of human labor) is properly made clear.

HOLDAWAY - No new theoretical insight is won by stating once more this fact which is well known anyhow. By the assertion that in the "price" of commodities the "unity of buyer and seller" is manifested also in "inverted form", a connection which is clear in itself is only obscured artificially. One fails to see what rational meaning can be bound up with the definition of price as a relation between "a commodity and its monetary form" (i.e. between a thing and its form). It is equally incomprehensible how the "unity of buyer and seller" established on the market must come to expression precisely by means of a statement regarding the price of a commodity.

MARX - This discovery has practical importance for the class struggle; the wage workers, hitherto rating as mere sellers of a special commodity (their labor power) by the side of other sellers of commodities, recognize themselves as the class of the real producers, (suppressed and exploited by the non-producers) of all the social products exchanged on the capitalist market. Through their conscious action as a class they break down the barriers set to the capitalist mode of production by the condition of commodity production and they set in the place of the (unconscious) regulation of the social process through the law of value the conscious and planned direct control of production thru the freely associated human beings.

HOLDAWAY - Nor is any practical class truth thereby proclaimed. The relation established between the buyers and sellers of the commodity labor-power on the capitalist "labor market" remains, like all other relations of the sellers and buyers of commodities, as "essentially individual" relation of the human beings or "human groups" competing for the sale of their commodities. It has no class character.

MARX - The rational character of the value formula continues to exist in the further development of the value formula to the price formula; that is, in the expression of the value of all commodities in a special commodity, money. Money is a commodity. It makes its appearance as such even in pre-capitalist epochs. It develops for the first time, however, into the general commodity (within the circulation of each country and on the world market) in the period of capitalist commodity production. The abolition of the commodity character of money takes place simultaneously with the abolition of

capitalist commodity production and of money through the proletarian revolution and the further development to the classless communist society.

HOLDWAY - The irrational character of the definition of price as a relation between "a commodity and its money form" becomes especially glaring through the denial of the commodity nature of money. Money was originally a commodity. It developed as such even in pre-capitalist epochs into the general commodity. It loses in the capitalist epoch (in a "dialectical negation" of that previous development) the character of a commodity and attains its capitalist final form as inconvertible paper money. The "break-through of the productive forces" through the barriers set for them in capitalist commodity production by the (among other things) commodity nature of money takes place without proletarian revolution, through an increase of money by way of inflation (164).

Like the development of the commodity and of money, so also the general development of capitalism closes, in Holdaway's exposition, not with the abolition of the capitalist mode of production through the proletarian revolution, but with the transition to state capitalism, to capitalist "planned economy" and to fascist enslavement of the workers. He declares that "the final phase of the centralization of capital shows the appearance of new qualities" (171), and then treats of state capitalism, "planned" national economy, war and nationalism. He thinks that the workers will cease to sell their labor-power to the capitalists and will sink into a new form of slavery, "not in the wage-slavery which has always been their lot, but in a bondage which assumes their disposability, not by individual owners, but by the state" (172). Thus this 'marxist' analysis, which set out to portray the "end of capitalism", ends with the prospect for the new beginning of a more virulent capitalism. In this way this 'economic' contribution, as well, fits harmoniously into the general tendency of the book. Its authors, who were selected for the purpose of imparting to the socialist movement, hard pressed by fascism, a higher ardor through the confession of faith in a so-called "revolutionary Marxism", end with this: that today still theoretically and unconsciously, tomorrow perhaps consciously and practically, they capitulate before the might of fascism or yield to what has already in secret long been felt as its irresistible seduction.

- KARL KORSCH -

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THE INEVITABILITY OF COMMUNISM  
by Paul Mattick

"It was not the demagogue Hitler who destroyed the German Communist Party and the Social Democracy, but the masses themselves, in part actively and in part through inactivity. For these parties had got into an untenable position; they did not represent the interest of the workers, and they did not conform with the interests of the bourgeoisie." (page 46).

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1604 N. California Ave.,  
Chicago, Ill.

Guy Aldred's "Mission" (\*)

By Aldred's own assertion, this pamphlet owes its origin mainly to a personal correspondence. It is intended to be the answer to many questions addressed to him regarding the anti-parliamentary movement. The high-flown title of the work is not justified by the contents; what we have here is much rather the self-caricature of a man who is filled with a "mission". The task which Aldred set for himself--that of revealing in the anti-parliamentary movement the kernel of the new labor movement--remains unfulfilled. Nor, as a matter of fact, is he sufficiently interested in the matter; his principle object is rather merely to make his personal light shine as far as possible. And since his knowledge is very limited, the work turns out to be a tiresome affair which belongs in the realm of political curiosities.

We regret that our previous attitude toward Aldred's doings must remain unaltered. He complains in his pamphlet about the slight enthusiasm displayed by the U.W.P. for his linking-up plans and his philosophy, but it is impossible for the U.W.P. to come to an understanding with people who go about hawking their "missions" in the same way that others do cheese or shoe-strings. What do we care about Aldred, Vera Buch, Weisbord or Mattick! We want to promote the consciousness of the class and not glorify individuals. This tiresome emphasis on persons, and of his own person particularly, stands in flat contradiction to his alleged design of serving the class. In order to do this latter, he ought first of all to forget his own name, and then his messiah-complex which makes this pamphlet, so far as it relates to Aldred, a joke which is not even laughable.

The pamphlet is written mainly with a view to pleasing the Little Napoleon of Second Avenue, New York. It accordingly repeats all the nonsense that Trotsky has given out about himself since he lost his uniform, and tries desperately to make a class fighter out of the Leninist Weisbord. The result is a stew of such quality as to be simply indescribable. It is only when Aldred cites a few facts from history of the Third International and produces fragments from the publications of the Communist Labor Party of Germany (K.A.P.D.) that the pamphlet can be read with some interest. In his exposition of the anti-parliamentary movements of Europe, numerous errors creep in with which we need not concern ourselves here. He has neither sufficient factual knowledge for such a work as he has undertaken, nor the theoretical equipment for seriously dealing with the complex of questions involved. Even where he is directly concerned, as in his relation to the Weisbord group and to the U.W.P., he is incapable of seeing the real differences between these groups or of grasping the real character of either of them. The Weisbord group is a hundred-percent Leninist affair with which the U.W.P. has not the least thing in common. The fact that Aldred is ready, because of a "friendly correspondence", to pardon Weisbord the whole of Leninism is enough to convince us that we also have nothing to do with people of Aldred's stamp, nor do we want to have.

(\*) For Communism. A Communist Manifesto. Defining the Workers' Struggle and the Need of a New Communist International. With a History of the Anti-parliamentary Movement, 1906-1935. By Guy A. Aldred. 120 pp. 20g. Published in Glasgow, C.I., 145 Queen St., Scotland.