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For Theory and Discussion

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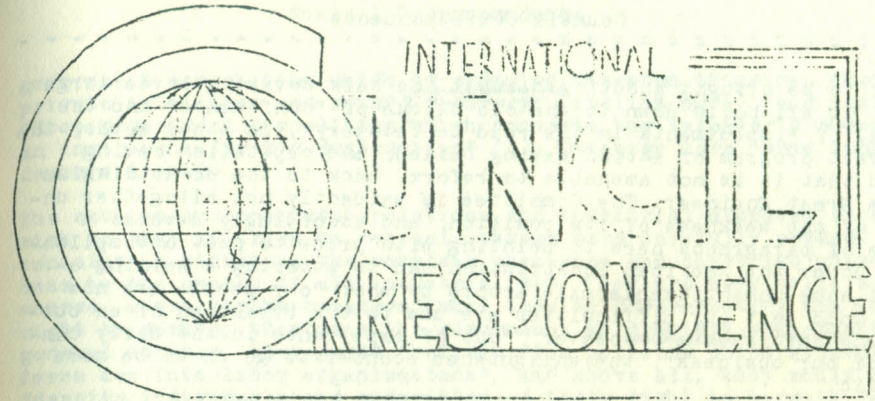
CAPITALISM AND PLANNING.

THE NEW PROGRAM OF THE "AMERICAN
WORKERS PARTY".

By KARL KORSCH

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THE BABBITTS HAVE A PROGRAM

On The Program of the National Association of Manufacturers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

 * THE INEVITABILITY OF COMMUNISM.-by PAUL MATTICK *

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 * that we will feature a review of it in the February*
 * issue of this magazine. *

*** CAPITALISM AND PLANNING. ***

I.

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

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

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

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

II

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

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

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

III

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

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

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

IV

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

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

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

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

V

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

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

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

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

VI

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

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

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

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

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

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

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

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

VII

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

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

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

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

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

VIII

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

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

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

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

By - Karl Korsch.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN GERMAN:--

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