

civil war to a quick end. This end would not diminish the sacrifices of the proletariat; the white terror of conquering fascism will far surpass all the previous bestialities. In view of this situation, the fighting workers will no doubt go all the way down the line. But even their defeat is powerless to affect the situation, which is objectively ripe for revolution. This defeat is also at the same time the beginning of a new series of workers' struggles which will stand out far in advance of everything hitherto accomplished and which even today, before the beginning of the world war and the beginning of the new world-revolutionary wave, point to its colossal impetus. The victims of the Spanish revolution are already the first victims of the approaching world revolution, nor could a present-day victory of Spanish fascism suffice to conjure the fact away. The verve and the enthusiasm of the Spanish revolutionists of today is a guarantee of the victory of the new workers' revolution tomorrow.

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INTERNATIONAL COUNCIL

CORRESPONDENCE

For Theory and Discussion

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MAX NOMAD'S "Masters of Tomorrow"

The "Popular Front" and Fascism

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INTERNATIONAL

COUNCIL

CORRESPONDENCE

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By the Groups of Council Communists of America

The period of progressive capitalist development is historically closed. The decline period of capital, a permanent condition of crisis, compels to ever greater convulsions of economy, to new imperialistic and military conflicts, to ever increasing unemployment and to general and absolute impoverishment of the workers. Thus is given the objective situation for the communist revolution in the capitalist countries. For the working class, there is only the revolutionary way out, which leads to the communist society. No one can deprive the workers of this task, which must be carried out by the class itself.

The publishers of Council Correspondence see in the acting self-initiative of the workers and in the growth of their self-consciousness the essential advance of the labor movement. We therefore combat the leadership policy of the old labor movement, and call upon the workers to take their fate in their own hands, to set aside the capitalist mode of production and themselves to administer and direct production and distribution in accordance with social rules having universal validity. As a fighting slogan and statement of goal we propose:

All power to the workers' councils! The means of production in the hands of the Workers!

WORK SHOP COMMITTEES IN ENGLAND

Although to a certain extent and within limits, British capitalism is predominant in determining the policies of European countries, and in assisting to precipitate a crisis, nevertheless British capitalism receives in return its own repercussions; although, at the moment, not of the same or similar severity, still it contains within its own national boundaries the contradiction of national and international capitalism.

The crisis now moves from one country to another with such rapidity that English gentlemen of avowed bourgeois democratic principles stand aghast and view with apprehension any economic movement by the workers. The stay-in strike of a very small section of the Civil servants, hardly noticeable and given no prominence by the press, raised the budget magician, Neville Chamberlain, to warn not only these workers, but also his Government of the striking significance of this behavior. "This kind of activity must be suppressed," says the Chancellor. "it is undemocratic; it is unconstitutional; it is a violation of Trade Unionism; it is unworthy of the British working man." And the chorus is reiterated by the Government, the Labor Party, the Trade Union leaders and the Communist Party. The latter, along with the rest of Social Democracy, have denounced all unofficial strikes, and they insist upon the workers bearing the

yoke of Trade Unionism, which binds the workers hand and foot to capitalism.

The British workers, who are now recovering from the terrific onslaughts made upon their standards of living (with the assistance of the last Labor government) are in constant battle with the old forms of organization. Out of the shell of Trade Unions, by way of spontaneous strikes, the workers are creating new weapons of revolt, in some cases successfully. The kicking-over of the traces, forming workshop committees and negotiating from the floor of the workshop, denote the changing from quantity to quality. The efforts of the Trade Union leaders, the prosecutions and mass fines imposed upon the workers, have had no effect. This year has witnessed more strikes in Britain, particularly in the midlands, than in any previous year in its history. The miners as usual are leading the way, followed by the textile and clothing workers; and in all cases, either by strike or threat of strike, concessions have been granted. It remains to be seen whether these sops will hold the workers in check.

This winter will witness many demonstrations, protests (which have already commenced), and revolts by the unemployed who, by the way, are the only section of the working class who are to receive a reduction in their already miserable allowance. The National Government's attack upon the unemployed, to commence in November, is bound to produce hostility thruout the country, owing to its policy of re-armament, subsidizing the shipowners, the farmers, and the sugar beet industry, foreign investments, including ten million in Soviet Russia, and granting concessions to all classes of employed workers who have the courage to demand increased standards of living.

The Government may or may not withdraw their intended attack upon the unemployed, who now number 3,600,000 registered, who are divided into two groups, 1,800,000 on Unemployment Benefit, and a similar number on Out-of-work relief. This does not include the thousands who are outside the scheme of relief owing to the Means Test. Marches of the unemployed are already in the process of formation, and of course these hunger marches can be of no assistance, as the marchers are still hungry after their return from London.

In case the belly crawlers, the come-soonists have any doubts as to their support of Trade Unions, we will quote from the pamphlet Communist Party and Affiliation to the Labor Party, 1936: "We have never been in opposition to the Trade Unions. We have always believed that the Trade Unions were essential for the industrial

struggles of the workers. Many of our members have extremely fine Trade Union records, and have recruited large numbers to the Unions. We do not want unofficial strikes. We are not splitters of the Trade Union movement - but builders of it. It is obligatory upon our membership that they be Trade Unionists wherever possible. We have always stood upon the principle of a strong, a democratic Trade Union movement being a key part of the workers power against capitalism."

To prove how reactionary these jumping jacks of the Comintern are, we must here state that there are 1,120 Trade Unions in Britain, and while there were in 1926 at the time of the general strike 8,000,000 trade unionists, in 1936 its membership has fallen to 4,500,000. Some sections have set up their own unions independent of the T.U.C. and general labor fakirism.

The new forms of organization contain the germs of Soviets, and a consciousness on an altogether higher plane than the orthodox Trade Unions; but then this development of consciousness by the workers themselves, due to working in more highly developed industries, conflicts with the Leninist dictum that consciousness can only be imparted from without, or by the party. Hence the Communist Party's opposition to this new progressive form of organization.

The Communist Party also states that "we believe that our active methods of fighting the employing class are in the interests of the working class, and are in fact the only way of rousing the workers to such a pitch that the Labor Party can gain victory on the electoral field. Therefore, while our methods are different in some respects to the Labor Party, they are supplementary, not opposed to it." Obviously not opposed to the policy of the Lord Snowden's, the Sir Walter's, the Sir Ben's, etc. This in the name of Communism, and in the name of a working class party as though the working class had knighted these gentlemen. We have here also an admittance that the C.P. desire another Labor Party government, which government ruthlessly cut the wages of all civil servants and introduced the vilest, most despicable piece of legislation that has ever confronted the working class in Britain, the Means Test. The working class suffered its greatest suppression during the Labor Party regime. This, of course, is to be expected as long as the State apparatus exists, no matter which Party rules the roost.

- Leeds, England. -

The following open letter to Feuchtwanger is taken from the Sozialistische Werte of Aug. 15, 1936.

Dear Mr. Feuchtwanger:

Only yesterday I read your article on the new Soviet constitution in the Deutsche Zentral Zeitung (Moscow) of July 2. Simultaneously I received another paper, the "Rote Fahne" (Prague) of July 22. In the latter is confirmed what until now had been officially denied: namely, that Zenzi Muhsam, widow of Erich Muhsam, who had sought asylum in the U.S.S.R., had been arrested and faces deportation because of "Trotzkyist activities". A close connection exists between these two matters, for, in your article in the Deutsche Zentral Zeitung, you praise the new Soviet constitution as a document of real democracy, thus marking the Soviet Union as the land of that freedom which is so ardently desired by every progressive human.

I do not know whether (and how long) you were in the U.S.S.R., or from what sources your knowledge of Soviet conditions is derived. But I was painfully struck by the fact that the author of "Success", the "Brothers Oppenheim" and the "Josephus", who in all his works demonstrates such a high degree of historical exactitude, a critical faculty, an unrelenting search for truth, a conscientious search for unassailable data, here deserts these methods and allows himself to be deceived.

You write that "the constitution of the Soviet Union for the first time in the history of mankind established actual freedom and equality of the citizens as its fundamental law".

For three years I have lived in the Soviet Union, worked in responsible posts of the Soviet apparatus. Since my return to the West, my connections with the U.S.S.R. have not been discontinued. In addition, I carefully read the Soviet press and all the important Soviet literature. On the basis of my observations, as

well as from official Soviet material, I must tell you what long has ceased being a secret! Inequality in the Soviet Union surpasses by far the differentiation in many bourgeois countries. Common workers, nurses, scrub-women, streetcar conductors, small employees, in short, a group embracing millions receives a monthly income of from 80 to 150 rubles. A red marshal, a leading party official, a chief engineer, a "red director", a theatre or movie star, a successful journalist or author such as Radek, Kolzow, Scholochow or Fedlin, receive between 5,000 and 20,000 rubles monthly, sometimes even more. In the same machine shop a Stakhanovite workman will receive 1,000 to 2,000 rubles monthly, while his co-worker whose physical and technical faculties prevent him from attaining record production receives from 120 to 160 rubles per month. Here especially the conditions you describe as characteristic of bourgeois democracy prevails; "that one-tenth of the renters occupy nine-tenths of the dwelling space, while the remaining nine-tenths occupy one-tenth of the available space. This is true literally as well as figuratively.

In the Soviet cities the masses occupy an average dwelling space of 5.2 square meters per capita (!) (Izvestia, May 30, 1936). But the upper strata has large dwellings, rented for life, or villas have been provided for their use. They ride in Lincolns, play in luxurious amusement places with jazz and champagne. Their women wear Paris gowns, silver fox furs and platinum jewelry. Visit the Metropole, National Grand Hotel, or Savoy in Moscow, or the Europa or Astoria in Leningrad after midnight; - then ride out into the outskirts that even today have no water systems. Visit the barracks of the subway workers, the lumber workers, the street workers and peat cutters. Do not eat in the model restaurants of the Stakhanovites, but go into the kitchens of some unknown plant.

It would be a tragic mistake to believe in the possibility of betterment of this mass as a whole. The number of those who can climb into the upper group that is constantly consolidating itself into a tightly restricted upper caste is becoming ever smaller. This upper caste is becoming the real beneficiary of the state control of the means of production. They swallow the surplus value produced by the masses. The masses receive none of it.

So far, the "equality" in material things. Much more important is the question of civil and political equality. You hail the freedom of thought, press and assembly, announced in the new constitution, as a fundamental achievement. The deprivation of these

rights till now, according to your statement, has been the basis of sneering reflections on the citizens of Soviet Russia. This passage struck me most painfully. For it proved that you support the new constitution without knowing the old. The old constitution contained the same provisions! But the old provisions were "window-dressing", just as the new ones must be.

Article 141 of the new draft says essentially that only the Communist Party (the other "social organizations" mentioned are only subdivisions of it) has the right to run candidates. This is as it has been. There can be no change on this basis. But the party is not the membership. The "party" has been for years the Polit-bureau of ten. This controls the press, the radio, the publications, all of "public opinion". Despite all constitutional rights, it is impossible for an uncensored line, an uncensored word to appear without danger.

Now, as before, the following laws prevail in the Soviet Union:

1. The law on "treason" (1934), that not only fixes the death penalty for flight out of the country, but provides for the internment in concentration camps for the relatives of the refugee, including his underage children.

2. The "Kirov-law" of July 12, 1934. Secret trials against political offenders, in the absence of the accused, without possibility of defense, revision or pardon. ("D.Z.Z.", Aug. 12, 1934).

3. The law of July 4, 1935, extending the death penalty to children twelve years old or over. ("D.Z.Z." Aug. 4, 1935).

Now as before, concentration camps exist in the Soviet Union: in Karelia; on the Solovetski islands in the arctic circle; in Siberia; in Turkestan. There, in the lumber camps, railroad and canal building camps, in swamp reclamation projects, millions are working in a murderous climate under the most primitive hygienic conditions and with deplorable rations.

Now as before, besides exiled kulaks, priests and criminals, these camps include thousands of Social Democrats, Social-Revolutionaries and opposition Communists, - men who support the principles of socialism, whose sole "crime" consists of disagreement with the Stalin line; men who took the phrase "freedom of speech", guaranteed in the constitution, seriously. Numberless witnesses testify to these conditions: the

Yugoslav Communist Ciliga and his comrades, who for years were dragged from one concentration camp to another; the conscience-stricken G.P.U. commander of the Solovetski islands; Kisselev who wrote the "Camps of Death" after fleeing from Russia; the Czech Communist Josef Pirkou who gives irrefutable testimony of his internment in the Baikal-Amur camp in Siberia; Rudolph Phillip who in his "Max Hoelz, the last German Revolutionary" (Reso-Publishing House, Zurich) paints a picture of the terrible corruption of the upper strata; the former American Communist A. Smith who wrote the book "I was a Soviet Worker" (E. P. Dutton, N.Y.); The French-Russian author Victor Serge who in "Our Word" (Paris) appealed to Andre Gide; the five Austrian Schutzbund members who, in behalf of 200 disillusioned comrades, returned from Soviet Russia, wrote "Twice in Flight" (Labor Press, Vienna); Erich Wollenberg, red army commander in Bavaria, 1919, and many, many others I could name.

Many overlook the shortcomings of the U.S.S.R. because they sincerely believe that the Soviet Union, despite all this, is still a force for freedom and progress. But anyone who does not wish to deceive himself, and realizes that the recognition of truth is the first condition of real progress must reject for himself and all others any policy of illusion, - hard as this may be.

A country as powerfully fortified as the U.S.S.R. of today has no need of this terror for its maintenance. Terror here has become an end in itself - reasons of state that are a cruel mockery to the paper ideals of the constitution.

There remains the last fiction: the U.S.S.R. as an anti-fascist power. Here the statistics of the League of Nations remark: "During the sanctions period, the U.S.S.R. was the only participating state that, instead of decreasing, increased its exports to Italy by 10 percent." Further: official German and Soviet sources report that in 1935 the U.S.S.R. delivered to Germany 226,000 tons of manganese, the most important raw material for the armament industry - 52 percent of the total German manganese import.

Soviet exports to Italy mean oil. Soviet Oil propelled Italian battleships to the Suez Canal. Soviet benzine was in the tanks of the airships that bombed Abyssinian hospitals. That was yesterday! Tomorrow, murder instruments produced by Krupp with Soviet manganese can submerge the world in death and destruction.

A terrible guilt rests upon all who know of these

things -- and keep quiet. When this man is Feucht-
wanger, the guilt is even greater.

- A. Rudolf -

(Former Soviet official. Author of "Goodbye
to Russia".)

W H A T M U S T B E D O N E ?

Introducing our new pamphlet "What Communism
Really Is".

(The Social Average Labor Time as the Basis
of Communist Production and Distribution)

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The collapse of the old labor movement, ideologically as well as organizationally, cannot be checked anymore; it is an established fact, As a result, we see everywhere despair and disillusionment among the many political groups and a desire for a united front of the proletariat. Some groups hope to win the confidence of the masses by making promising appeals, while others anticipate the rejuvenation of the labor movement by amalgamation and other artificial combinations. All of these experiments are destined to end in failure, mainly because these organizations are incapable of analyzing the present socio-economic development objectively, and are therefore unable to solve the problems they are confronted with. During many years of hard organizational activity, they erected and worshipped an edifice which caved in at the first severe blow of the class enemy. But instead of investigating the cause of the sudden disaster, the big architects of the labor movement continue to rebuild the collapsed structure with the same material and along the old lines.

The present international situation demands a new beginning based upon an ideology which is closely connected with concrete reality. The German situation furnishes a striking example for the international

development. The trend towards fascistic methods -- politically and economically -- proves that in order to reorganize society it is insufficient to merely change the government; that is, to replace the old government with a better one: Instead of bourgeois-liberal, fascistic, socialistic or bolshevist government. Though such a reorganization changes the outer face of society, it does not alter the essence of capitalist society. The Soviet-Russian example, for instance, shows that the socialist-bolshevist form of government keeps the wage system intact. Soviet Russia advocates a more justified distribution of the wealth of the nation by paying so-called higher socialist wages. The fact remains, however, that as long as wages exist, the capitalist relationship exists. Wages and capital are two sides of one and the same thing: one is unthinkable without the other.

The result of the old labor-movement policy was, and still is, - if successful - a revolution from above. From the government buildings wave socialist flags, but the masses are not permitted to form the character of the new society. As the wage system continues as the economic basis, all premises for capitalist exploitation remain. The abolishing of private property in the means of production alone has nothing to do with communism.

In order to initiate classless society, it is necessary that the masses themselves influence the development of the Communist revolution. The emancipation of the proletariat depends upon its self-initiative to carry out all arising problems; they will have to do everything themselves and nobody can or must be permitted to relieve them of that task. We must realize that it is no longer possible for small conscientious minorities to lead an indifferent mass toward the revolution. The revolution which the proletariat now faces aims to change completely the fundamentals of society, and this act can be accomplished only by direct participation of the masses. The proletariat must learn during its struggles to execute power in the interest of its class. There is no other means but the actual struggle which will teach the masses that self-initiative is the requisite for a successful social revolution. It must learn to disregard all party and union leadership and to place all responsibility upon their own workers' councils. All other ways lead back to bourgeois revolution and to capitalism.

In order that the struggle of the workers may lead to a complete reorganization of society, clarity of the new economic form is of utmost importance. The first

act of the new society must be the abolishing of wage labor and the finding of the correct relation between producer and the means of production. Upon the solution of these tasks depends the content and development of the social revolution. With the abolishing of money and wage-labor, exploitation ceases to exist. Success in this direction can be assured only if the workers control all means of production and distribution, and by not permitting the development of a new bureaucracy which might want to rule the workers "in the interest of a fair distribution of the products."

The fundamental basis of capitalism is wage labor. Wage labor presupposes a division of society into producers and means of production. On account of this relationship, the workers are condemned to life-long wage slavery which makes possible the production of surplus value (profit) and accelerates periodical crises. The wage system is the main contradiction of capitalist society out of which all economic difficulties arise.

The enormous development of the productive forces, the boundless expansion of production have increased the capitalist contradictions immensely. The international crisis of the profit system on the one hand throws the proletariat into a stage of starvation; but on the other hand, it is the motor towards a state capitalist reorganization of bourgeois society. With the aid of state subventions, the objective of capital -- the production of surplus value -- shall be obtained. The intervention of the state in the productive process (planned economy) may limit the economic freedom of the bourgeoisie, yet it does not alter the basic principles of the system as a whole. Even the acquisition by the state, as we find it for instance in Soviet Russia, does not abolish the capitalist relationship between the means of production and human labor power realized in wages. Also under state capitalism accumulation of commodities, and with it the wielding of power of the product over the producers, continues to exist. The only difference lies in this: in place of the superfluous bourgeois class, the state has become the exploiter. The economic programs of the social democratic and bolshevist parties are all based upon state-capitalistic conceptions. They therefore are based upon the capitalistic mode of production and are merely a continuation of wage slavery.

The main object of the proletarian revolution is the overthrow of capitalism; that is, the abolition of the wage system. This can be accomplished only through a political struggle which, however, must not lead to a new form of 'state-socialistic' oppression of

the working class. During the revolution, the main task is to bring about a relationship between the workers and the social product which makes impossible the formation of a new ruling class. In his socio-economic studies, especially on the experiences of the Paris Commune, Karl Marx came to the conclusion that the organization of the communistic society must be based upon the association of free and equal producers. This association has nothing in common with idealistic plans of the socialistic world reformers. On the contrary, it has a very sober materialistic basis. Its foundation is the social average labor time; that is, the computation of the time necessary to make a product. Marx and Engels very clearly showed the possibility to use the working hour as a unit of reckoning for the productive process.

Only the co-operative ownership of the means of production upon this revolutionary basis leads to the abolition of the capitalist commodity production and of wage slavery. Wherever this relationship is not applied, a new form of exploitation must of necessity develop. The conditions in the Soviet Union furnish a classical example in this respect. The Russian proletariat seems to be the owner of the means of production; actually, however, the executive power over them rests in the hands of the Supreme Economic Council. Not the producers, in accordance with their labor time spent, determine their part of the product, but the Central Executive and its industry directors. The result of such a policy leads to a continuation of the old struggle for influential positions, as centralized economic power is equal to political power, and whoever rules the state rules also over the national product and assigns its distribution. There remains the capitalist contradiction between society and state, between producer and government. The producer is depending upon the government official who -- based upon 'statistics' -- assigns his part. The worker remains a wage laborer. The difference between state socialism and association is in reality the difference between capitalism and communism.

Precisely for this reason there is no room left in the communist association for a ruling power over the producers. Not the state manages the administration of production and distribution, but these functions will be performed jointly by the consumers and producers. While the reformist theory of the socialization or nationalization of industries only means a continuation of capitalist concentration, to the Marxian conception the socialization of the economic system as a whole is already ripe for communism. It

should be evident that the revolutionary initiative in all factories and shops should be developed so that the proletarians themselves will erect the communist system of production. This is a process which can only be performed from the bottom up by the producers themselves. This revolutionizing economic development cannot be accomplished by any legitimate steps from above. By introducing the factor of working hours as general basis for the process of production, the economic power does actually get into the hands of the working class. The relation of the producer to the products of society is based in itself, and the individual's share of the product is determined by the actual production itself. The complete process of production is thus based on a sound foundation and the masses themselves manage and plan their own economic problems. A bureaucratic system to control prices and distribution is therefore irrevocably obsolescent. That means the conditions are given for the state to vanish as the interference by the state as a powerful factor in the economic conditions has become superfluous. The monetary system will be replaced by a form which uses the socially necessary labor-time as a unit of reckoning.

The distribution of consumer's goods presupposes, of course, the impossibility of giving to the producers the full equivalent of their labor time. The production process uses, or consumes, not only labor power but also machines, raw materials, etc. Beside these fundamental requirements for the smooth continuation of the process, society must provide means which make possible the development of "unproductive enterprises" which merely serve scientific and cultural interests. The producers, therefore, will not receive the full equivalent of their labor time, but these deductions are an economic necessity. The intensity of accumulation, however, must be determined by the producers themselves in order to avoid the development of too great a difference between social accumulation and social consumption, as such a difference would lead to disturbances and crises. Reproduction and accumulation on a communist basis are functions which can be controlled by the producers by simple bookkeeping and by direct executive power over the funds accumulated. The bookkeeping is so simple that any worker who is able to read and write could do it. No trained specialists are needed.

These are in general the principles of the communist mode of production. They are applicable to industry and to agriculture. The economic dictatorship of the communist association dismisses all rights of exploitation and expels every one who does not accept this

law. But since the producers themselves run industry, they build the fundamentals for a development which eventually will make the dictatorship superfluous. Upon the basis of association, the proletarian dictatorship is merely a transformation to classless society. As communist society initiates a planned system of production in accordance with the collective wants of society as a whole, the capitalist mode of expropriation will be replaced by a system in which production is carried on in the interest of all members of society, thereby ending the struggle for individual supremacy -- society ceases to be divided into exploited and exploiting classes.

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TO THE READER

It is much cheaper to mimeograph a magazine than to print it. But even this might still be too expensive for a small group of workers, mostly unemployed. Ink, paper, stencils, cover-stock, all this costs money; only the labor is free, as our fellow-workers use their spare time to do the Council Correspondence.

We want to have a better C.C., more pages, better material and one which appears regularly. Also we want to put out pamphlets from time to time. For this we need money and more help from the readers of the C.C. Please renew your subscription promptly and try to get new subscribers for us. Or send, if you can, some money for the press fund. We plan the publication of a series of important works, but to carry this through, we must have money.

You must have already recognized, that our group tries to uphold the Marxian theory, in spite of the continuous and increasing emasculation of this theory by the old parties. To help the C.C. means to help to carry over the Marxian theory to a new and more fruitful period of proletarian class struggle.

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Soon to be published:

OUTLINE of MARX'S Capital
THE PERMANENT CRISIS

MAX NOMAD'S "MASTERS OF TOMORROW"

Max Nomad's answer (#) to our article "Dictatorship of the Intellectuals?" (C.C., No. 7) gives us occasion to take up the theme once more. All considered, however, there is not much additional that needs to be said; now as before, the two conceptions stand fundamentally opposed. The space still available to us in this debate is to be used merely for refuting a few objections which seem to us unjustified and for clearing up various points which appear to have been left obscure.

Nomad objects to our borrowing the phrase about the "dictatorship of the traveling salesman" (16) from a certain Jerome, a salaried employee of the C.P. We are not interested in Jerome or his connections; and while this particular statement of his appeared to us to hit the mark, we by no means identify ourselves with its author, any more than we identify ourselves with Nomad when we quote him with approval. The excitement about Jerome we leave confidently to Nomad himself, who no doubt characterizes this fellow correctly. To us, all the present functionaries and "leaders" of the old labor movement are in the last analysis "Jeromes", with whom we have nothing to do but with whom we are often obliged, nevertheless, to concern ourselves. Since these fellows do a lot of talking, they also frequently say something that strikes us as accurate; and in such a case it appears that Nomad also is not averse to turning the thing to account. For example, in his argument against us (27), he appeals to K.A. Wittfogel, who likewise is of the camp of the Third International, and to Heinz Neumann, a salaried subject of the C.P. and one of the lowest scoundrels with which the labor movement has ever been burdened. Nomad may still explain to us why he himself is to be permitted to "borrow from a source from which ordinary prudence should have told us to keep away". (16)

Nomad wishes (16) to "protest specifically against one particular instance of our polemic methods, dealing not with matters of opinion or interpretation but with actual facts." "P.M.", he says, "declares as 'groundless' the 'whole story' that Bismarck in pursuance of his state socialist (or state capitalist) plans, had solicited

(#) "The Masters of Tomorrow", Council Correspondence, Sept. 1936, to which, unless otherwise states, all page numbers (in parentheses) refer.

the support of Marx and of his closest associates. In the first place, I did not claim, as P.M. seems to insinuate, that this was 'a proof of the compatibility of Marxism with state capitalism'. In an article dealing with State Socialism and State Capitalism, this was adduced as evidence of Bismarck's state socialist tendencies. In the second place, my 'groundless' assertion is based upon a full-length story by Wilhelm Liebknecht, one of Marx's closest associates, told in his Kein Kompromiss, kein Wahlbündnis (page 8) which, in condensed form, I had presented in my Marx biography published in Scribner's, March 1933, page 190."

In Scribner's, for June 1934, page 409, Nomad wrote: "At the close of the sixties, Bismarck played with the idea of nationalizing all branches of Germany's economic life. To carry out that plan, he even solicited the collaboration of Marx and his closest associates." On page 410, Nomad continues: "The reason for the German Socialist's opposition to the State Socialism (i.e. State Capitalism) of the Prussian Junkers was obvious. Under the political overlordship of the Hugenbergs and Von Papens of those years, all the power, all the more privileged positions in the government, in the administration of the Nation's economic and political life, would go to the educated scions of the Junkers and the upper middle classes, while the educated lower middle classes, from which most of the Socialist leadership issued, would be reduced to the role of mere subalterns with salaries of low-paid white-collar slaves. That is why in his time, Karl Marx, as a revolutionary democrat, disregarded Bismarck's offer, and why the Socialists, as a general rule, have not been enthusiastic about the nationalization of individual branches of industry in those countries which lacked democratic institutions." (Emphasis ours.)

To which we replied in C.C. #7, page 21: "Nomad mentions the state-capitalist plans of Bismarck and states that Bismarck sought to assure himself of Marx's aid in the matter. But this can hardly be alleged as proof of the compatibility of Marxism with state capitalism, even supposing that Bismarck had actually entered into such relations with Marx. As a matter of fact, the whole story is groundless; Bismarck never turned to Marx in this connection, but conducted an inconsequential correspondence with Lasalle, whose opportunism, as is well known, always met with Marx's severest condemnation."

Any unprejudiced reader on comparing these two quotations can see for himself that Nomad's protestation is in vain. His entire article in Scribner's is concerned with pointing out that the marxist as well as the fascist movement is driving to state capitalism; every

example of which he there makes use serves to support this thesis, hence also the alleged intermezzo between Marx and Bismarck. Since he furthermore presents the reason by which Marx was led to reject Bismarck's offer namely, because these was not enough in it for the socialist intellectuals, nothing further is needed to demonstrate that Nomad sees here also the compatibility of Marxism with state capitalism. For Marx rejected the offer, according to Nomad, solely and exclusively because the reward was too slight; from which the only natural inference is that there would possibly have been no refusal if Bismarck had offered more than . . . "salaries of low-paid white-collar slaves."

Nomad appeals to the authority of W. Liebknecht in order to show that his story in Scribner's was not 'groundless'. He appeals, that is, to the authority of a man of whom he himself has said: "For though he had been in personal touch with Marx . . . what is usually called 'scientific socialism' had always remained the deepest secret to him. A master of ultra-revolutionary oratory today, and of ultra-moderate and opportunist journalism tomorrow, and at bottom nothing but a radical democrat. For the father of the immortal German rebel of 1918 lacked both tact and consistency, and his only redeeming feature was his dog-like devotion to Marx, even tho the latter treated him like a dog". ("Johann Most", Modern Monthly, July 1936, page 15.) It is upon a propaganda pamphlet of this man, who, like Nomad, had a special predilection for trumpeting the state capitalist plans of Bismarck, for making mysterious plots out of the capitalistic "labor policy" of the time and for "showing up" the "duplicity" of the government in an equally "duplicitous" and mysterious manner,--it is upon the chatter of this man that Nomad tries to support his assertions in Scribner's. It is true that Liebknecht has frequently related (e.g., apart from the passages drawn upon by Nomad, also in the Leipzig trial for high treason in 1872, that the prussian government and the prussian junkers had made the most persistent attempts to induce him to exploit the labor movement in their own interest, and that after he had become certain of the matter, he had "broken off all connections with the agents and hired writers of Herr Bismarck"; but these unproved, exaggerated and frequently also well-founded turns of speech on the part of Liebknecht (for no doubt at that time, just as today, attempts were made to secure the labor leaders for political purposes) can by no means be used to construe the possibility of a connection between Bismarck and Marx.

In reality, the "state-capitalist" plans of Bismarck consisted in nothing more than various political manoeuvres for securing the interests of the government, which

never had any intention of serving more than Germany's upswing along the path of private economy. We have already, in our article in C. C. #7, mentioned the reasons for the appearance of "state-capitalist" tendencies in otherwise "normal" capitalist countries. In Germany, the death of capital and the struggle between aspiring capital and large landed property--a struggle which was later bridged over by way of compromises and Germany's development into an imperialist power--had brought forth, by the side of many other political shufflings and manoeuvres, also the peculiar "labor policy" of Bismarck and the combination with Lassalle in the winter of 1863-64, and thereby a political atmosphere in which the entire working population frequently felt that it was the government's darling. Lassalle was ready to support the Bismarck government in exchange for direct and universal suffrage. The "apostle of class harmony", as he was called by J. Knief, hoped then to secure for himself a position in Parliament by means of which the situation of the workers was ostensibly to be improved. Hence his readiness to operate with the feudal reaction against Capital, his striving for the "social kingship" and a sort of Hitler-role for himself. Bismarck, however, turned down the proposition of introducing direct and universal suffrage and other concessions, such as workers' cooperatives with financial aid of the State. All that had nothing to do with Marx and Marxism, a fact which even Nomad recognizes at another place.

Thus he writes in his biography of Most (Modern Monthly, June 1936, page 19): "With all his deadly criticism of capitalist profit-making, the author of Capital would have never considered the idea of allying himself with the feudal past as against the bourgeois present. But Lassalle, in order to further his own political ambitions, was flirting with Bismarck, and was ready to lend the Junkers the support of the working masses as against the Progressive Party, which represented the interest of the upper middle class". (#)

(#) It is interesting to note that in Nomad's article in Scribner's, the socialist leadership was not to be had for Bismarck's plans ostensibly because in the state capitalism conceived by Bismarck all the good positions "would go to the educated scions of the Junkers, and the upper middle classes"; while in Nomad's biography of John Most, Lassalle wants to proceed with Bismarck against the "upper middle class." Now if Bismarck's state capitalism was directed against the "upper middle class", how can Marx and associates then occupy an unfavorable position toward Bismarck's plans on the ground that their carrying out would have brought all the good positions to the elements of the "upper middle classes"?

Marx "would have never considered" because, as we learned from Nomad previously, he was not content "with salaries of low-paid white-collar slaves." Lassalle, on the contrary, seemed to be more modest?

We have been compelled to take up Nomad's "protest" in order to show that we are by no means interested, merely in order to win an argument, in twisting ideas or contesting facts. But after all, like the protest itself, so also our answer to it is so much wasted exertion; for regardless of whether Marx and Bismarck negotiated, wished to negotiate or were on the point of negotiating, or whether Bismarck asked or did not ask, whether Marx answered or failed to answer,--regardless of all that, we are sure that to Nomad state capitalism, or state socialism, remains identical with Marxism. Or doesn't it?

We are glad to take note that Nomad has used the term intellectual to apply exclusively to "the vast crowd of educated or semi-educated people that may or may not have a college degree, but can make a livelihood without resorting to manual or lower clerical labor." (17). And since at the same time it is essentially only the "outs", not the "ins", whom Nomad regards as having the state-capitalist ambitions, his preliminary material for the "Masters of Tomorrow" is limited to those intellectuals who are out of work or poorly paid. This infinitesimal minority of intellectuals, notwithstanding the fact that all the social instruments of power are in the hands of Capital and of the contented "ins", succeeds in certain favorable situations in getting the masses behind it, in throwing out the capitalists and changing places with the "ins". Whereupon the "ins" temporarily (as in Russia) become "outs", and it is not until after the social wealth begins to increase and the possibility arises of conferring advantages upon all the intellectuals that the "outs" again become linked to the exploiting state apparatus. Thus Nomad summarizes his theory. Such, it appears, is the gist of Nomad's theory. And so it is not the practicing, but the jobless or poorly paid intellectuals who are the champions of state socialism; they are such, then, not by reason of the fact that they are intellectuals, but because of their economic condition. Hence it is not essentially their intellectual function, which is either not exercised or poorly rewarded, but their political attitude and their gift of persuasion by which the masses are deluded, which forms the secret of their coming power. This is the conception which Nomad opposes to the marxist doctrine of class struggle. And while, moreover, in view of the great amount of unemployment among the workers, he casts doubt upon their capacity for self-rule based on control of the

enterprises, the rule of the intellectuals depends precisely upon the unemployment and poverty existing among them. We shall come back to this point in the further course of these remarks. For the present, we might merely state that after this clarification of his intellectualist concept, Nomad's theory strikes us as still more fantastic than before.

Nomad tries to demonstrate the existence of a contradiction in our position on the russian bureaucracy and the problem of the intellectuals. "On page 27", he writes (19), "the bureaucrats are (to P.M.) the 'capitalists', and on page 17 they are the 'intellectuals'." To us, the russian state bureaucracy rates as a total capitalist. As a state bureaucracy, not as a group of intellectuals, it rules society and thus lives off society. We have not contested, but emphasized, that a large part of the intellectuals and of the intellectualized workers belongs to this bureaucracy. On page 17 we said: "The struggle of the workers against the intellectuals could practically be only a struggle against the labor bureaucracy or, as today in Russia, a struggle against a state bureaucracy. The struggle against the intellectuals in private-capitalist countries has meaning only so long as there is reformist activity and reformist organization... It is not until and unless a state-capitalist revolution has been successful, it is only then that the struggle against the bureaucracy and hence against the intellectuals is taken up again..." And on page 27: "The special group of people which has the sole right of disposal over production is not the intellectuals but the state bureaucracy, which of course also embraces intellectuals "

Since the labor bureaucracy, and later the state bureaucracy, consists in large part, or exclusively if preferred, of intellectuals, if the working class turns against the bureaucracy, its struggle is necessarily directed also against the intellectuals. But it does not combat the intellectuals just because they are intellectuals, any more than it combats stamp-collecting or art-loving capitalists as stamp collectors or art fanciers, but in both cases because they are exploiters. Intellectuals, however, cannot be exploiters unless they have control of the means of production. The working class cannot take a hostile position to the socially necessary intellectual professions brought into existence thru the social division of labor, but only to a deceitful labor bureaucracy or to an exploiting state apparatus, regardless of the social stratum there dominant. Of course it is possible to throw rotten eggs at a bad tenor belonging to Nomad's intellectuals, but to mobilize the working class against him is surely something too much of a good thing. It would likewise be

possible to attack the intellectual Nomad on the ground that he consumes bread which he himself has not baked and thus contributes to consuming the surplus value created by the workers; but that too would surely be carrying matters too far. Intellectuals are not capable of exploiting the workers merely because they are intellectuals. But: once they are in control of organizations, they can deceive the workers; and if they have at their disposal the means of production, they can exploit the workers. We repeat: insofar as the workers combat intellectuals, it can only be a struggle against the labor or state bureaucracy.

Our "very ingenuous argument", as Nomad writes (18), by which the russian "intellectuals" are divided into intellectuals as such and into the state bureaucracy, so that the bureaucracy exploits that part of the intellectuals not belonging to it just as it does the workers--hence the fact that in this case we too, like Nomad himself, speak of "ins" and "outs",--we are surprised to find that Nomad, whose whole theory is based on this twofold division of the intellectuals, now rejects it as improper. Insofar as concerns Russia, Nomad regards all the intellectuals as taking part in the exploitation of the workers, even though the shares of the booty turn out to be different in the different cases and the struggle for altering this relation still goes on. Nomad insists on the permanent revolution, that is, on the continuous struggle between the "ins" and "outs". Well, then, he will have to admit that the success of the struggle between the "ins" and "outs" depends on a further factor. Why is it that the one group can draw more than the other? What are they fighting about? There is no doubt that they are fighting for positions of power, which are decisive in the distribution of the loot. Hence one group must have positions of power which the other does not. Hence the positions of power are not controlled by all the intellectuals, semi-intellectuals and ex-workers, but only by a part of them. With the denial of this fact, Nomad's whole theory of the permanent struggle between the "ins" and "outs" collapses. With the acceptance of this fact, there likewise collapses the theory that all intellectuals are at the same time the exploiters. Nomad has thought himself into a blind alley. The plain fact is that the "ins" as a state bureaucracy control production and distribution; that is the source of their predominance with respect to the "outs". These latter are confronted by the "ins" as master of the means of production, as capitalists, altho both the "ins" and the "outs" are here intellectuals.

With the aid of the dictionary and taking his stand on a russian phrase, Nomad regards all the intellectuals

in Russia as state employees forming a part of the bureaucracy. We are not concerned either with the dictionary or with the russian phrase, but only with reality, and we are still waiting for Nomad to demonstrate that "the intellectuals as a whole, forming the state bureaucracy, are the masters of the country". (20) If anyone were to say, with the russian bureaucrats themselves, that the state capitalism in Russia has put an end to the exploitation of the russian workers, Nomad would certainly give vent to all his scorn of such naivete. When the Bolsheviks assert, however, just as Hitler does of his National Socialism, that every laboring person in Russia is a part of the State and participates in the government, then Nomad accepts of this swindle exactly so much as he needs for his private theory and restricts his scorn to the part left over. He writes (19): "In Russia, where every branch of the country's economic and cultural life is managed by the Government, every man who is not a peasant or manual worker is a government office-holder, a member of the bureaucracy." As a matter of fact, the manual workers and peasants belong just as much (or just as little) to the state bureaucracy as does the great majority of the intellectuals, which works for the ruling bureaucracy just as the workers do. By reason of the class character of russian society and by reason of the different reproduction costs of labor power, the wages and salaries differ in the various occupations. The intellectuals are not better paid because they belong among the rulers, but because, in view of the fact that the market law continues to operate with reference to labor power, because wage labor still exists, the reproduction of labor power is not socially regulated but is left to the individuals. By the way, it ought to be known to Nomad that down until little over a year ago the russian state bureaucracy supported itself not so much upon the intellectuals as upon the skilled manual workers and was for this reason frequently dubbed a government of the "labor aristocracy". It is not until quite recently that the picture seems to be changing and the bureaucracy seems to be adapting itself more to the interests of the intelligentsia and peasants, at the expense of the labor aristocracy as well as of the workers in general. This change of front is not a voluntary one; it corresponds to the inevitably increasing internal and external difficulties as well as to the general tendency to the strengthening of private interests in Russia. It is at the same time the old capitalist policy, which by means of economic-political maneuvers weighs more or less heavily upon the different social groups at different times, so long as this is objectively possible, in order that actual control may remain in the hands of the government.

To support his idea that all intellectuals are to be rated as an exploiting bureaucracy, in spite of the contradictions among themselves, Nomad refers to the fact that in capitalist countries, in spite of the opposition between the small and large capitals, all capitalists are united by a common interest against the workers. In this connection, however, he neglects to note that the at present privileged russian intellectuals are not in a position to exercise direct exploitation, but have to be content with what is allowed them by the ruling bureaucracy. They have no power of disposal over the productive apparatus, whereas the small capitalists in the private-economy countries, however much they may be controlled by the large concerns, still, as immediate owners of means of production, are direct participants in the exploitation of the workers. It is right here, of course, that we have the difference between state- and private-ownership capitalism, a difference which Nomad carelessly overlooks when that is necessary for the defense of his theory.

Just as only a part of the intellectuals rises into the state bureaucracy, so it is only a still smaller part which sees matters in the way that Nomad conceives of them. What is Nomad's proof that "ever growing sections of the more enlightened part of the intelligentsia in non-fascist Europe and America are flocking now to the various marxist parties", that the "influence of the Communist Parties is now growing in France, Belgium, Spain, U.S.A., etc." (21) Wherever the "marxist" (?) parties are growing today, they are growing not as independent movements on the march to power, to state socialism, but by reason of the fact that they no longer possess such ambitions, that they are restricting themselves to obtaining flunkey jobs to perform for private capital. That is quite well known to Nomad himself, as shown by the following passage (26): "If a large part of the intellectuals in various countries, instead of turning socialist or communist, joins the fascist ranks, . . . it is their desire for a short cut to power that is responsible for the success of the new gospel. Many of the fascist intellectuals would join the communist movement if they saw that it had any chances, or at least intentions, of winning immediately. For by now it has become obvious to most observers that the leading Communists of the non-fascist countries have ceased to be revolutionaries at all; that ever since 1923 they have become ordinary Russian patriots abroad. Like the socialists of pre-War times, the Communists - meaning of course the official leadership - have become a party of anti-capitalist protest and not of anti-capitalist revolt."

Hence, according to Nomad, the communist parties are growing because "ever growing sections of the more enlightened part of the intelligentsia . . . see in the Russian example the possibility of putting an end to their economic insecurity, the hope of throwing off the financial magnates, and the prospect of becoming masters of the country themselves," (21) although it should, after all, be clear to this "more enlightened part of the intelligentsia" that "the leading communists have ceased to be revolutionaries at all". According to Nomad, then, the C.P. is growing because it is state-capitalist and because it is not so, because it is striving for intellectualist rule and also because it is not; according to Nomad it constantly does what it ought to do in conformity with Nomad's theories, even though in reality it does something quite different.

In countries which rate as backward from the point of view of objective ripeness for the proletarian revolution, the influence of the communist parties has recently increased as a result of the deepening of the crisis, while in those countries which have attained this objective ripeness, their influence has already sunk to something approaching zero, just because they did not seize the power, because they did not even strive for power; or because they simply did not pursue the plans which Nomad tries to ascribe to them. They simply refused to become the "Masters of Tomorrow". That these elements, in the course of a proletarian revolution directed against them as well as against the bourgeoisie, will attempt to divert it into state capitalism does not affect the fact that they themselves are no longer doing anything for the success of a state-capitalist revolution. The intellectuals have now acquired a greater degree of interest in the C.P., just as they once did in the S.P., because it has ceased to pursue any state socialist plans and thereby improved its chances of becoming even today a legal mass-party with a lot of jobs to dispense. Even though individual intellectuals are taking up with state-capitalist dreams, still the growth of the communist parties is not determined by these illusionists, but by the petty vermin that wants to arrange itself somehow in the present-day world and wants to be something even today.

Fascism attracts the intellectuals because it takes an outspokenly small-capitalist position, because it wants to defend "creative" capital against the "financiers", altho it is after all compelled to do the very opposite, simply because there is nothing else to be done. The circumstance that the fascist as well as the communist movement embraces people who dream of state capitalism

does not affect the fact that the whole fascist movement has a pronouncedly private-capitalist orientation, even though it can nevertheless only subscribe to monopoly capital. Nomad's calling up of the interesting bedtime story of the concealed designs of Mussolini to become the Italian Lenin can hardly serve as proof of the "bolshevist" designs of the Fascists. Even before the founding of the fascist organizations, Mussolini had already sold himself to the Italian capitalists. (Cf. A. Balabanoff's "Als der Duce noch nicht Duce War", Sozialistische Warte, March-April-May 1936; or, for that matter, Nomad's biography of Mussolini in "Rebels and Renegades".) Nomad may let himself be deluded by the capitalist tendencies to concentration and centralization, and wherever these tendencies operate, he may smell forthwith the state capitalism of the intellectuals; still this confusion of appearance with reality cannot affect the fact that these tendencies operate quite independently of the fascist or bolshevist parties and come forth quite as vigorously in countries without such parties as in those countries where they represent great mass movements.

In order to swell his material, Nomad is fond of throwing times and concepts together pell mell. Thus he writes on page 22 with reference to the capitalist war economy and the Russian collectivization, conceiving both as conscious attempts at planning: "In both cases the economic interests of the acting classes involved was the driving force, which is what you call the human factor, and not the 'objective' or 'extra-human' element of the growth of the social forces of production." In reality, however, these measures were imposed upon their "initiators" by the force of circumstances. Neither the war nor its economy, any more than the collectivization, was in conformity with the economic interests of the capitalists, or with those of the Russian bureaucracy, as the case may be. War diminishes surplus value, the collectivization strengthens the forces directed against the bureaucracy; and yet the "initiators" of this economic policy are forced to take it up without regard to their own economic interests. Every exploiting society is subject to the contradiction that in safeguarding its immediate interests its further interests are extensively damaged; which is simply a manifestation of the power of the objective elements over the subjective.

In exploitation relations, the more "planning" is done, the greater the chaos. And to denote the magnification of the oppositions and difficulties as an "element of conscious planning" can only occur to a person who has remained stuck in the bourgeois ideology. And it is also only on the basis of this bourgeois ideology that

attempts can be made to answer the question of the intellectualist rule of tomorrow with examples from the past. What was possible in feudal China and in the Paraguay of the 18th century does not and cannot demonstrate the future possibility for the intellectuals of setting up their neo-feudal rule notwithstanding the existence of the industrial proletariat.

Even though it may be "simply amazing" for Nomad to hear that in our conception the intellectuals have no economic functions, his amazement originates from his incapacity to distinguish between economic factors and those of a technico-organizational character. The capitalistic functions which his intellectuals have taken over or will take over from the capitalists are not appraised as economic. Of course, the bourgeoisie frequently employs the concept of economy even with reference to the culinary skill of their housewives; however, when we speak of economic functions, we use the word 'economic' in the sense of social, and do not mean the capacity to operate a factory or to manage a business establishment. Neither the capitalists nor the intellectuals fulfill economic functions; the thing is simply impossible, for under capitalism, the economy is regulated by way of the market, and otherwise it would not be capitalism. The natural necessity of bringing human consumption into such harmony with production that the society can continue to exist--and this constitutes the economy--is not consciously directed under capitalism, but takes the round-about course of the market, in which the process operates blindly.

Nomad's argument that the fascists are to be regarded as "major partners" of Capital for the very reason that they "are swallowing up an ever growing share of the Nation's wealth" is perhaps sufficiently disposed of with a mere reference to the fact that all countries, inclusive of the non-fascist ones, need an ever growing share of the surplus value for governmental purposes. And this is explained by the fact that, with the concentration of capital, the functions of the governments become more and more extensive and the imperialist character of capital makes necessary an ever more imposing array of instruments of power, as well as the fact that the general chaos, which is constantly growing greater by reason of the crisis, places ever greater demands upon the governing machinery, - and all this quite apart from the problems of the fascist movement.

Nor can Nomad's reference to the "anti-capitalist gestures" of the Italian fascists be accepted as proof of the correctness of his ideas, for these "social-political" factors are not at all "anti-capitalist", but are capitalist necessities. That is to say, that these wage-