

at their head, who in 1924 was one of those who subscribed to the Dawes Tribute Plan, have hitherto maintained their privileges without scruple.

"The 3000 millionaires have once already driven Germany into defeat.

"The 3000 millionaires are further interested in a new war because they make billions in armaments.

"The 3000 millionaires want to keep wages down, for the higher then is their profit.

"The 3000 millionaires play one section of the people off against the other, for the better then can they remain on top and make their profits.

"Must all that remain as it is, German people? We are able to change it, all of us together. What a great power is represented by the millions of the people against the thin stratum of the 3000 millionaires, if we all desire to be reconciled to each other again, so that the people's will becomes the highest law, and not the egoism of the 3000 millionaires.

"You, National Socialist - you, Social Democrat - you, Catholic - you, Communist - you, worker - you, peasant you, artisan - you, technician: do we not all, sons of the German people, have the same longing for a life in peace, joy and well-being? Do we not all today have the same distresses?

"Let us pledge true comradeship for the defense of our vital interests and of peace, for the defense of Germany against the grasping upper crust of 3000 millionaires!"

Any worker who has retained some measure of political sanity will now be able to understand what Stalin meant when he told Roy Howard that the idea that the Soviet Union had any "plans or intentions of bringing about world revolution" was tragi-comic misunderstanding.

INTERNATIONAL COUNCIL CORRESPONDENCE

For Theory and Discussion

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CORRESPONDENCE

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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!

"SOVIET" - RUSSIA TODAY.

The sixteen shots which killed the old bolsheviks in Moscow found their echo in the world. Attempts were made to solve the "puzzle" as to the reasons of this slaughter. Outside of the Moscow "communists", the opinion prevails that the Moscow Trial was a grandiose frame-up similar to that of the Reichstag fire trial. All kinds of ideas are presented in this respect, but no real analysis is given of the reasons for these murders. The question "guilty or not guilty" raised in the labor movement will find no answer. The question is stated wrong; it does not touch upon the essentials of the case. For the present official labor movement, it is simply impossible to deal with the situation in Russia objectively because all real criticism on Russia is also a criticism on the old labor movement generally. Those socialists and communists who find their ideals fully or partly realized in Russia are incapable of grasping the naked social brutality of the Russian conditions without also recognizing the shabbiness of their own ideals. To understand the Russian development from October to the day of the killings of the October heroes presupposes a realistic understanding of the structure of the country. Neither Otto Bauer nor Trotzky, whose utterings of indignation today fill the press of the neo-Moscow labor organizations, possess such an understanding.

The Bauer's and Adler's, for whom Russia is the country of growing socialism, speak with surprise of a backslide into barbaric conditions. To them the killings are a "misfortune" for socialism in general. No one can expect those people to recognize that it is precisely their own "ideal" which turned once again and openly into "barbarism". And Trotzky, against whom all the filth of the paid and unpaid Russophiles is thrown today, - what can he possibly answer. Will he prove to us that throwing dirt was also a specialty during the times of his own ruling, and that long before Stalinism, it was customary to kill communists and workers; that such actions belong to the necessities of the Russian system? No, Trotzky does exactly the reverse, and nothing else can be expected from him. The workers of Kronstadt were killed by order of Lenin and Trotzky because their aims were in opposition to the bolshevik state of 1920. In our opinion it doesn't matter whether Stalin or Trotzky issue orders to kill or deport opponents. What interests us are the reasons for these drastic acts.

Why were the insurgents of Kronstadt and the sixteen old Bolsheviks, both of which were communist groups within the Russian understanding of Communism, outlawed and killed? Because they differed with the rulers in the Kremlin. When a state, supposed to be communistic, kills and deports communists, the question comes to the fore: which one is here communistic, the state or the communists? The answer to this question is the starting point towards a clearer understanding of what is going on in Russia.

Essential Moments in the Development of Russia During the Last Years.

Lately, a series of extremely reactionary laws have been passed in Russia. For instance, the prohibition of abortions, the creation of new ranks in the army, new authoritative school regulations, etc. Most of these laws have cultural-sociological purposes and are only comprehensible if related to the underlying economic reasons. And here it is only necessary to remember Stalin's speech of June 1931 at a meeting of leading Russian economists. The press of the Communist International regarded this speech of "historic importance"; which it undoubtedly was. Stalin demanded the total abolition of the, until then, relative equality of workers' wages and favoring instead wide-spread wage differentiations. He further demanded the complete abolition of the relative collective leadership in the factories and its replacement by the personal initiative of the director who is responsible only to the state. The most important point in Stalin's speech was

the demand for the establishment of the principle of profitability in all enterprises. His speech was followed up by a series of corresponding laws. More than thirty wage-graduations, the differences ranging here from 100 to 1000 rubles per month, were put into effect. The voice of the workers in the factories was absolutely quieted. The red directors became the autocrats of the enterprises; the profitability of the factory became the most important factor; the rationalization of the labor process was illustrated by the further extension of the piece-rate system. Exploitation was increased in all possible ways.

Soon thereafter the trade unions were subordinated to the labor commissariat and ceased to function as instruments for the betterment of working conditions. The unions were reduced to organizations for social insurance and became propaganda instruments of the state in its endeavor to develop the productivity of labor. The consumers-cooperatives were "reorganized"; the directors of the productive enterprises could use them now "to give the better workers better means of consumption". Until then there existed among the working class, as already stated, a relative equality in the living conditions even though this was rather an equality of misery. Now, with the differentiations in the living conditions, there also arise differences in interests and with it, differences in the position of the workers towards the state and its social arrangements. A period which had been favorable for the creation of a rather unified social ideology had found its end. Stalin said in his speech: "To restrict ourselves to the old sources of accumulation is impossible. The further development of industry and agriculture necessitates the adaptation of the principle of profitability and accelerated accumulation". In capitalist countries when, due to the scarcity of profits, accumulation is slowed down, the capitalists increase the exploitation of the workers to overcome this situation. The "first and only workers state" has no other methods. The all powerful state in place of the former capitalists continues the capitalistic method to secure profitability by increasing exploitation. As production itself, so also the accumulation of capital, shows that there is no difference in the relation between workers and capitalists in general and those of the Russian workers towards the state especially.

Those people who believe in the socialistic character of the Russian Society must ask themselves the question: why is it that the workers, the "collective owners" of the means of production, show so little interest in increasing their "social property" that Stalin has to use the whip to remind them of their duties?

Yes, the state had to make laws "for the protection of the social property" because it was afraid the workers would take their property home with them. Are the Russian workers really so stupid and short-sighted not to realize their real interests?

The Russian worker cannot fail to recognize that he stands in no direct relation to the means of production or to the products of his labor. He cannot develop a direct interest towards social problems within the Russian state of affairs, for he is a wage slave just as his brothers outside the borders of the USSR. It is not even important whether the Russian workers clearly realize their position in society, or if illusions still becloud it. The fact is that the workers act in the only way an exploited class can act. And, correspondingly, irregardless of whether Stalin is fully conscious or not of his position as the central pivot of an exploiting society, what he has done and what he can do express the necessities of such a society.

Russia is not capitalistic since yesterday; it became capitalistic with the abolition of the last free-elected workers' councils. By 1931 the Russian economy had removed all elements foreign to its capitalistic structure. Those old Bolsheviks who were not able to help Stalin's course to success became bitter opponents to his regime and had to be eliminated. The dissolution of the Organization of the Old Bolsheviks in 1935, the deportation of many of the members, clearly shows that the present regime will, and has to, eliminate those out-dated traditions which are personified in the Old Bolsheviks. The latter, and also the class conscious workers, the communists, become more and more incapable to defend and support the policies of the government. They become valueless for the state machinery and this the more so as they recognize ever clearer their functions as slave drivers of the exploiting hierarchy. Others with less scruples aim to get their positions and push them aside. Their competitive power is based upon the fact that they are unhampered by traditions and also in their lack of sympathy with the working class.

An increase of exploitation presupposes the enlargement of the exploiting apparatus. The working class cannot exploit itself. An apparatus is needed whose human members do not belong to the working class. Bureaucrats, professionals, "commanders of industry", as Stalin calls them, based on a broad layer of the labor aristocracy are necessary. These bureaucrats are aiding the ruling clique, from which they receive privileges that raise them above the level of the

average worker. Despite the empty talk about the "transition into a classless society", there has developed a new ruling class in Russia. The workers sell their labor power to this new class of functionaries leaders of cooperatives and enterprises, and to the bureaucracy ruling production and distribution. This colossal apparatus is the buyer of the labor power. It rules collectively and autocratically at the same time. It does not produce value, it lives on the surplus value, on the labor of millions of wage slaves. The ideology of this privileged strata is not the workers consciousness. Interested in exploitation, this exploitation forms their ideology. In bitter enmity, the bureaucracy fights all tendencies in society turning into the direction of the abolishment of exploitation. In order to maintain its own privileges, the bureaucracy will use any and all means to destroy the forces that threaten to do away with privileges. To make itself secure, it will liquidate all the material relations brought about by the October revolution which opposes or might oppose the needs of the new exploiting class. Therefore it has to kill off the remnants of the revolution to which the old Bolsheviks belong.

In order to get the gigantic mass of surplus value for the building and transforming of the entire economic system in Russia, it was necessary to develop a vast class of slave drivers, parasites and exploiters. This new class develops in contradiction to communism. The open gap in the structure of the exploiting society, expressed in the absence of a clear recognizable exploiting class, was closed. In this must be seen the essential development in the last few years in Russia. It is today a complete capitalistic state in all its forms of life. The workers, too weak to be able to organize production in the name of the class, left the field to the party. The latter, only able to recognize partial interests, accomplished in Russia exactly what the private capitalists did in other countries. The Bolshevik Party, taking over the historic role of the bourgeoisie, became itself the bourgeoisie and developed the productive forces to the point which the bourgeoisie in other countries had reached long ago. It has already become a hindrance for the further development of the productive forces and for human progress in general just as the bourgeoisie everywhere else. There is no need for the disqualifications of persons who functioned as the rulers in this period of development in Russia. It is necessary to realize that any other person or party in place of the present would have been forced to function precisely in the same way.

Class Relations in Russia In Agriculture

The differentiations in the living conditions between the workers and the bureaucracy during the first five year plan could not be fully developed. The bureaucracy still needed the workers in order to conquer the agricultural part of the Russian economy. And - opposite - in order to consolidate its position in industry, it had to win a decisive influence over agriculture. The anarchic character in agricultural relations was dangerous to the general economic development and therefore dangerous to the ruling clique itself. The introduction of modern productive methods was a historical necessity for Russia's peasant economy. Any government would have had to contend with it. First, in order to cheapen the production costs of the wage workers; and second, to develop the home market. The bureaucracy collectivized the farms in the name of socialism; the slogan was needed in order to mobilize the workers for this policy. The opposition on the part of the peasants necessitated close cooperation between the workers and the bureaucracy. How difficult it was at first to introduce the collectivization was illustrated by the emigration of tens of thousands of peasants and the deportation of other thousands to the polar regions and Siberia. Until the success of the collectivization drive, there existed individual small farms which were in a large sense independent from industry and therefore also independent from the leaders of industry. The peasants had no needs which would force them to unite with the industries. To bring about such needs, it was necessary to do away with the isolation of the peasants.

In order to develop agricultural productivity, it was necessary to introduce the products of industry, such as tractors, combines, etc. Today 87% of the cultivated land is collectivized; 300,000 tractors are in use. The whole of agriculture is fundamentally changed and with this its relation to the other parts of Russian economy. The peasants are greatly indebted to the state; their isolation has been broken and they become more and more conscious of their dependence upon the state. They are under the influence of the governmental price policy, exploited by indirect taxation and pressed by the government credit institutions. Last year an interesting policy occurred. The state ceased to sell the large means of production to the collectives but, instead, rented them out. The state set up a few thousand motor-and-machine stations for this

purpose which increased the influence of the bureaucracy over the peasants still further.

The collectivization brought about a new form of productive method, the so-called "artel" which means a relative loose combination of owners of agricultural means of production. Machines and buildings are used collectively. The artel is a new form of property relation. It produces with necessity not only economic inequalities but also ideological differences. Furthermore, wage labor is continued in the artel. Wages are paid according to the quantity and quality of the work delivered. The artel can also employ workers who receive nothing but their wages, in which case the artel functions as the exploiter. To become a member of the artel is possible only if a peasant brings with him property sufficient to satisfy the majority of the artel members. With the use of modern machinery, and the rationalization of the labor process, the artel allows an enormous increase in production. The recognition of this fact on the part of the peasants made the artel popular and drowned out the previously existing opposition. With this, the whole of agricultural development tends towards the slow transformation of the peasants into wage slaves. As yet the peasants have not realized their possible future. They only see the surface of the new relations with its peasantness of an increased income. At present the government can, corresponding to this situation, rely more on the peasants. It can play one class against the other, and as a matter of fact, the whole policy of the bureaucracy since the successful collectivization is a balance of power policy: the workers are played against the peasants; the peasants against the workers.

Today, with the beginning of the "classless society", we have in Russia three main classes: the workers are propertyless; the peasants, under the control of the state, own their property collectively; the bureaucracy owns and rules the industries and tries to get the whole of agriculture also under its absolute control. These class relations produce ever new differentiations in the life of the diverse classes. The poor and exploited workers have to strive towards the abolition of exploitation; the peasants demand the cheapening of industrial products which means the increase of the exploitation of the workers; the bureaucracy presses profits out of both classes.

The Situation of the Workers

With the development of the Russian capitalist economy, the commodity character of labor power becomes clearer. The tremendous wage differentiations became

extremely brutal when the differentiated buying power of the ruble disappeared. Until 1935 the subsistence minimum of the low paid workers was somehow guaranteed. Since then the money-wage became the only measurement for the individual consumption of the workers. The action of the law of supply and demand raised the prices. The bureaucracy advertised the price increase as a price reduction, and for the better paid strata and the bureaucracy which before was largely forced to buy on the "free market", it was actually a lowering of the prices, but for the workers it was a tremendous price increase which reduced their consumption to a large extent.

The total sum of all wages and salaries paid in 1936 was 63.4 billion rubles. The total number of wage-and salary employees, according to the Moscow statistical bureau, amounted to 24,100,000. This means an average income of 220 rubles per month. This is, in relation to the price level existing, a lower average wage rate than exists in any of the western European countries. Consumption goods are three to four times more expensive than in other countries. Compare for instance the price of a pair of shoes, that is 50 to 70 rubles, with those wages. The average price for black bread is 0.70 rubles per kg.; for better white bread 1.20 to 1.50 rubles. Milk per quart 1.50 rubles. Beef 9 rubles per kg. Butter according to quality 18 to 26 rubles per kg. An ordinary shirt costs about 20 rubles. The great mass of the Russian population lives today, nineteen years after the revolution, only a little better than during the times of the Czar. Consumption goods of a better quality are not, for a time to come, within the reach of the masses of the country. The statistics of the second five year plan explain this clearly. The total production of shoes will not even, in 1937, be more than 180 million pair which means that at the end of the year there will be at the disposal of each Russian, one pair of shoes. According to the plan, the total consumption of butter will, in 1937, be brought up to 180,000 tons. When we assume that one-half of the population buys butter, then only five pounds per head per year can be distributed. But so far, even this is only realized on paper. The housing problem is still worse. According to official Russian statistics, the average room allotted to one person is about three and one-half sq. ft. There is no hope that this situation will be relieved soon as the building industry constantly remains behind the increase of the urban population.

Under such conditions, it would be a mystery if the workers should not realize their position as an exploited class. Especially so in face of the fact that

the "commanders of industry", the bureaucracy in general, lives under far better conditions. Here salaries are drawn which start with 1,000 rubles per month. Once there existed a so-called party minimum which meant that party members could not draw more than 7,200 rubles per year. Today the sky is the limit.

Stakhanovism

An increase in mass consumption is absolutely necessary for Russia. The ruling class knows this, but ruling classes do not share their part with the poor. Under the Russian capitalist economic relations an increase in the living standard of the masses is only possible if capital increases relatively faster than mass consumption. Each increase of mass purchasing power means a still faster increase in the rate of exploitation. Marxism calls this process the relative pauperization of the workers. This is precisely what is taking place in Russia and which is falsely designated as Socialism. "Stakhanovism", the increase of productivity by better productive methods, is now largely adopted in Russian industry and agriculture. The wages of the Stakhanovist workers are raised by 100%, but their productivity is often raised tenfold. Whatever statistics may be considered, they all show that the wage increases are only a small fraction of the increases in productivity. The higher wages indicate an increase of exploitation. The part which goes to the workers becomes relatively smaller in proportion to the value created by the workers.

Slowly the workers realize this situation. With the decrease of the piece-work rates which follow each increase in productivity, the more class conscious workers come into opposition to Stakhanovism. Often Stakhanovists are beaten up by their colleagues. Many were killed. The attitude to the Stakhanovists taken by some of the workers is the same as towards ordinary strike breakers. But "Stakhanovism" will advance in spite of all this opposition. It allows a part of the working class the possibility to advance its standard of living. A strata of workers develops which supports wholeheartedly the bureaucracy as many better paid workers support their bourgeoisie in other capitalist countries. Thus the power of the working class is weakened. The general misery resulted in a general desire to fight against it. The chances which are now given to individuals to escape their misery will divorce those individuals from the class conscious workers.

The ideology of the Stakhanovist worker can be best described as a petty-bourgeois ideology. His home is

his world. He feels himself elevated in relation to the bulk of the workers. He talks of the non-Stakhanovists as of human beings of a low order who should be thrown out of the factories. He is conservative and sticks to the government whatever it might do. He bends before his superiors and steps on his subordinates. He has a saving account and invests money in government bonds. He is very much concerned in receiving interests, an income without working. He hates the real communists and applauds Stalins' attacks on the left oppositionists. Those people demanded the killing of those 16 old Bolsheviks. They will demand anything that their masters want them to demand.

The New Constitution.

The bureaucracy brought into power by grace of the workers needs, safeguards itself against the workers today. For this it needs allies and finds them in the peasants and the labor aristocracy. Class consciousness on the part of the workers is the greatest danger for all these privileged groups which have to destroy all beginnings of such insight. They began with the emasculation of Marxism. "Marxistically" they tried to prove the necessity and desirability of their privileges and the maintenance of the wage labor - capital relations, the party dictatorship, etc., posing all this as socialism. Every Marxist opposed to this counterfeiting became the deadly enemy of the bureaucracy. The political rights of the workers dating from the days of the revolution are radically done away with. The new Constitution of the USSR illustrates this clearly. It is designed to give a greater political weight to the non-proletarian layers of the country. A peasant vote amounted previously to one-third of a workers vote; now it has the same value. The fake democracy has to safeguard the privileges of the ruling clique. Not that Russia will copy early bourgeois democracy. On the contrary, its democracy is an instrument to safeguard the dictatorship over the workers. There is only one party; only candidates of the bureaucracy can be elected. The essence of 19 years of Bolshevism are best characterized by this new Constitution. All the real power belongs to the highest organs of the state. The "soviets" in the villages and cities have lost all independence. They can only function as organs of the state, as another police force. Every 300,000 voters will elect one representative which the party offers to the Soviet of the Union and one in the Soviet of the National Republics. The representatives of the former, together with the Soviet of the National Republics, then elect the High Soviet of the USSR. This one in turn elects a presidium in which all power is vested, including the

power to recall the High Soviet. This presidium together with the people's commissars elected by the Soviet of the Union functions as the government. The mechanics of this parliamentary system guarantee practically unlimited power to the government; then after all it is the government itself which proposes the candidates at the elections. The old dictatorship covers itself with a fake democracy. Otto Bauer of the Second International is very enthusiastic about the new Constitution, the new Democracy. He only regrets that in it his own party is still not represented. But for the workers, this fake democracy adds only insult to their exploitation.

State Capitalism and Communism

Russia must be considered as a capitalistic country and as a deadly enemy to communism. This will become clearer as time goes on. Communists will be hunted and killed in Russia as anywhere else. If some people still nourish the illusion that socialism will be "built up" in Russia sooner or later, they will find out that privileged classes never give up their privileges by their own free will. Whoever hopes that a propertied class will give up its property without a struggle nourishes a religion. Socialism cannot be "built up". It is either the direct product of the proletarian revolution or it does not exist. The revolution of 1917 remained a bourgeois revolution. Its proletarian elements were defeated. It did not do away with the basis of all rule but only removed Czarist rule. It did not do away with all property relations but only with the private capitalist property relations. Only if the workers take the power in their own hands and organize society for themselves is the basis for communism given. What exists in Russia is State capitalism. Whoever wants communism must also attack state capitalism. And in the coming revolution the Russian Workers have to overthrow this state capitalism. The Russian exploitation society, like any other exploiting society, produces daily its own grave diggers. The relative pauperization will be followed by the absolute pauperization of the workers. The day will come when in Russia once more, like in heroic October, but more powerful, the battlecry will be heard - "All Power to the Soviets".

- Raetekorrespondenz -

RUSSIA'S LATEST EXECUTIONS - WHY?

A year ago the newly born Stakhanovism was already in full development. It made its first appearance in a mine where it promised, thru its unbelievable records, to revolutionize the rate of extraction of coal.

Months passed. The programs of the mines, as well as the rate of cutting down the mineral were augmented. The "heroes" were decorated while a dumb hatred against them grew among the workers. Here and there accidents were noted; the recordmen, in order to gain time, did not always take the necessary precautions, and on the 23rd of September 1936 a catastrophe came to crown the decade of overproductivity and to commemorate the first anniversary of Stakhanovism. In the bottom of the Tsentralnaia pit of the Kemerovo mines (in the Kouzbas, the second important coal basin of the U.S.S.R.) ten miners were torn to pieces and fourteen others were badly wounded in a gas explosion. The bitterness of the miners must have been considerable. The hated Stakhanovism was topping poverty with death.

Moreover, in spite of an intense propaganda carried on by the party and the trade unions, the extraction of coal remained the weak point of the economy, (only 85%, as 82% of the new program was said to have been reached in October and November.) Too much was being asked from these badly nourished men, groping in the oppressive atmosphere of norms that are never attained because they are constantly increased. The "all-powerful", who never concedes any responsibility for the failure of his own policy and the catastrophes it brings, had to find a scapegoat. It was time to resuscitate the classic saboteur.

This is our explanation of the most recent shooting that has just closed the trial at Novosibirsk. The other things were mixed in merely from habit, in order to make the most of the occasion. Indeed, there is German espionage and Trotskyism in the U.S.S.R., but hardly more than elsewhere. The shrewd folk who place them in every affair really exaggerate for themselves their conception of human credulity.

After the public trial held at Novosibirsk (the administrative center of Western Siberia) the military college of the Supreme Court of the Union has just condemned to death nine persons, most of whom are technicians in the mining district of Kemerovo; eight

Russians: Noskov, Shubin, Kurov, Liashchenko, Andreiev, Kovalenko, Leonenko, Pieskhonov; and the German engineer: Stikling. For the latter, Kovalenko and Leonenko the sentence was commuted to ten years in prison; the other six were executed. They were accused of having sabotaged the extraction of coal, of provoking catastrophes in the mine and of organizing terrorist attempts against the directors of the country with the aim of decreasing the military power of the country, of overthrowing the Soviet power and restoring capitalism. Those poor provincials, living three thousand kilometres from Moscow, in the heart of Asia, were at least crazy if they nourished ambitions of such a large scale. This consideration suffices to prove how artificial is the affair.

No, there was not one defense witness -- who would dare? The facts that come closest to the case are the following: the mentioned catastrophe, the bad ventilation and lack of safety in the mine, and an unimportant automobile accident suffered by Molotov, the president of the Council of the Commissars of the People.

Once more the "saboteurs" seem to be only poor victims sacrificed in order to turn away the legitimate discontent of the workers from those who are the real guilty ones. The workers are especially miserable in a recently cleared brush as the Kouzbas.

The accused confessed to everything that was wanted. They were powerless, puny, in face of the conformism, cruelty and the power of the new social order. They would have owned up to having had relations with the devil himself, if that had been asked of them. Not so long ago, the Inquisition used to receive confessions, -- but that was another Church.

The OUTLINE STUDY COURSE IN MARXIAN ECONOMICS is offered as a help to instructors of study classes on the first volume of Marx's CAPITAL. It may also prove to be of value to students of such classes. The Outline attempts nothing more than to suggest procedure, to eliminate a certain amount of preparation and to allow for elaborations by the instructor in each session as well as in the study course as a whole. The Outline has already proved to be of some value in classes on Marx's CAPITAL arranged by the Groups of Council Communists in the United States, and it is hoped that others may also benefit from it. (Over 100 pages-50cents)

F A S C I S T C O R P O R A T I S M

Before the Seizure of Power

Fascism has put - or put back again - into the order of the day, the words: corporation, corporatism, the corporate State. Never have these words been used so much as in the last few years. But at the same time, there exists the greatest confusion as to their true significance. It is this confusion which we will try to dispel.

Corporatism is one of the baits which fascism holds out to the petty-bourgeois and to workers with the mentality of small bourgeois. First, in order to conquer them; then, once it is installed in power, to conceal from them its true face.

If one studies this a little more closely, one finds three things in the "corporative" demagogy of the fascists:

1. - The promise made to workers with petty-bourgeois mentality to "deproletarianize" them, certainly not by effacing the great difference of opinion between capital and labor, between employer and employee, but in bringing together, in reconciling those two factors of production. The promise is made to these workers that among these mixed "corporations" they will be able to live as small bourgeois; that the right to work will be guaranteed to them; that they will receive a "fair" salary; that they will be insured against their old age; and especially that their employers will treat them on an equal footing as real "collaborators" in production.

2. - The promise made to independent petty-bourgeois (artisans, small business men, etc.) who are victims of the competition between the great capitalist monopolies and on the way to becoming proletarians, is that fascism will revive for them a regime which is inspired by that of the middle ages, by the pre-capitalism era. This regime will no longer be that of competition and the most rigid laws, but a regime in which the little producers will be protected, organized, and will re-discover security and stability under the care of the autonomous "corporation".

3. - Finally, the promise is made that the political parliamentary State, parasitic and incompetent, will be replaced by a corporate State in the midst of which all producers grouped according to their trades will be entitled to vote, under whose care all interests will be conciliated and harmonized under the sign of the general interest.

This triple utopia of the small bourgeois does not properly belong to fascism. It is found thruout the entire 19th century. Nevertheless, it assumes quite different forms in the thoughts of the reactionary petty-bourgeois and in the thoughts of the reformist petty-bourgeois.

Reactionary Corporatism

At the beginning of the 19th century, there were many small bourgeois who regretted the recent abolition of corporations. Economic liberalism had thrown them defenseless into the capitalist jungle. Pitiless competition ruined them and made proletarians of them. And so they stood solidly across the path of progress and tried to stop it in its march. They wished to return to a period which ante-dated capitalism.

The reactionary parties (in France, the monarchist party) and the Church exploited these retrograde aspirations for their own ends and inscribed upon their programs the reestablishment of corporations. For the needs of the cause, the myth of medieval corporations was created, which was nothing but an enormous falsification of history. The "corporations" of the middle ages, as a matter of fact, resembled in no respects this myth which it is now maintained that they were. They existed only for a moment in the Middle Ages, and capitalism very speedily eliminated them, or entirely altered their character. They only appeared late and were only developed within a limited sphere, that of the artisan and the small business man. And even within this domain, there were free metiers. As against this, big business which was already flourishing in the middle ages, escaped the corporative regime. The bourgeois who created it were grouped in real employers' syndicates, quite different from "corporations."⁽¹⁾

In proportion to the rate with which the mode of capitalist production expanded, the corporations masked a decreasing part of the economic domain. Thus it was that in France, the royal factories, forerunners of modern industry, were created outside of the old servitude of the corporative regime. When Turgot (1776)

(1). Tardy & Bonafous: Le Corporatisme, 1935.

and then the Revolution (1791) abolished corporations in France, they were already dead of themselves. Capitalism had "broken the chains" (2) which shackled its development.

Moreover, even within the "corporation", the division of opinion between Capital and Labor, the class struggle, appeared at a very early date. The aristocracy of masters rapidly took all power unto itself and it became more and more difficult for a worker to come into possession of the rights and privileges of a free man. After the 17th century, the worker became a proletarian. The corporation was nothing more than a monopoly of caste, a "Bastille where a jealous and avaricious oligarchy was entrenched." (3)

However, in the middle of the 19th century, the reactionary parties and the Church pretended to resuscitate these medieval corporations long since surpassed in the evolution of economics. They saw a triple advantage in propagating this utopia:

1. - To draw into their ranks the retrograde small bourgeois.
2. - To turn workers away from socialism and syndicalism by offering them these "corporative" organizations as a substitute.
3. - To make a breach in universal democratic suffrage by opposing to it professional suffrage.

Thus it was that in France, since the first half of the century, a Pleiad of catholic writers (Sismondi, Buchez, Villeneuve-Bargemont, Buret, etc.,) denounced the misdeeds of competition and demanded the reestablishment of organized trades. The Count de Chambord, in his Letter on Workers, (1865) recalled that "royalty has always been the patron of the working class", and called for the "constitution of free corporations." From 1870 on, the Church officially incorporated "corporatism" in its doctrine. "The only means," declared the Catholic congress of Lille (1871) "to return to that peaceable state which society enjoyed before the Revolution is to reestablish, by catholic association, the reign of solidarity in the world of work." In 1894 Pope Leon XIII sent forth his encyclical Rerum Novarum in which, after having stated that "capitalism has divided the social body into two classes and has ex-

(2) Marx: Communist Manifesto, 1848.

(3) Martin Saint-Leon: History of the Corporations of Trades, 3rd edition, 1922.

cavated between them an immense abyss" he pretends to repair the ill by a return to the past: "For a long time our ancestors experienced the benevolent influence of corporations. And so, it is with pleasure that we see societies of this kind being formed everywhere." In his turn, La Tour du Pin, who was at one and the same time a Catholic and a monarchist, hoped that the corporation would bring together the worker and the employer, and "would replace, by a natural soldering, the artificial chains of its first hours." (4)

To these corporations, the reactionaries accorded but a consultative role. They did not intend to substitute them for the political State, but on the contrary they wanted to subordinate them closely to the State. Politics first! For the Count de Chambord corporations were to become the "bases of the electorate and of suffrage." For La Tour du Pin, they were to be the "natural and historic electoral colleges of the body politic." But aside from them, there would be either the "patron" monarchy, or the authoritative State, of which the corporations would be but the "simple collaborators in their economic functions." (5)

Reformist Corporatism

While the reactionaries wished to return to the past, other ideologists, without demanding the reestablishment of the abolished medieval corporations, dreamed of transplanting their principles into modern society; dreamed of "organizing" work. But their aspiration was still confused. Saint-Simon wanted to divide the producers into industrial corporations. (6). His disciples maintained that the "regenerator principle" of the future society was not "different from the principles which reigned during the organization of the middle ages."

"Some legislative resolutions had as their aim the establishment of order within industrial acts. There was also an institution which made a particular impression on souls in its last days, and which responded to the need for union, for association as much as the state of society then permitted it; we mean to say, corporations. Without doubt, these organizations were defective in many ways. However, a bad organization was abolished, but nothing was built in its place. Although there have been institutions called corporations whose forms have been repugnant to us, it is not necessary to conclude that industrials ought not to combine into corporations, to produce from themselves those instinc-

(4) Saint-Simon: Du Systeme Industrial, 1821

(5) Doctrine de Saint-Simon, Expose Premiere Annee, 1829

(6) De la Capacite Politique des Classes Ouvrieres, 1864

tive efforts whose manifest tendency is to bring order by leading towards a new organization of work." (7)

Proudhon, in his turn, wished to "construct upon new relations those natural groups of work, working-men's corporations." (8) He affirmed that "the 20th century will open an era of federations. The industries are sisters; they are the dismembered parts, the one of the other. They should therefore become federated." (9)

But the social reformers of the first half of the 19th century had not yet a clear idea of the great difference created by capitalism between Capital and Labor, between employer and employee. Or, if they were conscious of them, they dreamed of putting an end to these differences, of keeping alive or causing to be artificially reborn, the small independent producer. For the saint-simonians, the term "industrial" indistinctly signified all producers without clearly stating whether they were concerned with the producer-employer, or the producer-worker. When Proudhon speaks of corporations of working men, he means corporations not of employers and workers, or of workers alone against their employers; but of small independent producers saved by 'mutuality,' 'free credit' or some such medication. In the place of having understood or wished to admit the difference existing between Capital and Labor, the social reformers of the first half of the 19th century remained within the domain of utopia.

But they marked out a line along which some of their heirs are hardly engaged: the revolutionary syndicalists. These revolutionary syndicalists take up again the ideas of Saint-Simon and Proudhon, "the organization of work", and "federalism", and they extricate them from all idea of utopia. They reject at the same time the idea of the corporations or small independent producers, the idea of mixed corporations (employers and workers united); the first, because it would be vain to oppose capitalist evolution, to try to keep alive or to resuscitate the small independent producer; and the second, because in the capitalist regime the interest of the employers and the workers are antagonistic, and to attempt to conciliate them, to practice the "collaboration of classes" would be trickery. The corporation of the syndicalists is a corporation of class. They struggle for the installation of a corporative proletarian society, after the abolition of the wage system.

(7) Du Principe Federatif, 1863.

(8) Vers un Ordre Social Carrelien, 1907.

(9) Rocco: "Criso Dello Stato e Sindacati" "Politico", December, 1920.

But Saint-Simon and Broudhon have two very different posterities, the one of a revolutionary spirit and the other of a small bourgeois spirit. The reformists still keep one foot in utopia. Without doubt they have renounced the idea of corporations of independent producers. They are resigned to the gulf between Capital and Labor. But they hope to narrow this gulf by corporations marked by the "collaboration of classes". They would like, by the parallel development of patronal syndicalism and workingmen's syndicalism, by the obligatory competition of professional organizations and the practice of collective bargaining, to reconcile these two "indispensable" factors of production. They flatter themselves with the idea that they could share equally with the employer the economic administration at first within each trade and then within the framework of the entire nation, by the institution of an "economic parliament."

Only lately, in his Economic Federalism, (1901), Paul Boncour made of himself the brilliant interpreter of this utopia. Immediately after the war, this utopia was turning the heads of the reformists of a great number of countries, in Germany especially, but also in Italy, France, etc. Nearly everywhere the reformists believed that the hour had come for "democratic economics", for the corporatism of the "collaboration of classes". And in spite of all the deceptions experienced, it is still upon this utopia that the international reformists are building. Thus it is that in Switzerland, the trade unions decided to accept the principle of "professional communities", uniting employer and worker. In Austria, a little before the debacle, the Wiener Arbeiter Zeitung wrote that the social-democracy "could well admit the idea of corporations". In Belgium, De Man calls for "a mixed organization of production placed under the sign of corporatism", and in the plan of the P.O.B. that mixed organization "is going from syndical recognition and the generalization of collective bargaining to the establishment of an Economic Council in place of the Senate". (10). In France, the most important part of the plan of the C.G.T. (Federation of Labor) is the national Economic Council "composed of qualified representatives designated by the most representative organizations of patrons and workers". (11). And the International Syndical Federation itself dreams of "a true corporate State which should be effectively interpreted by the collaboration of employers and employees in the same organization or a common institution." (12)

(10) Corporatisme et Socialisme, Bruxelles, 1935

(11) Official Text of the plan of the Federation of Labor.

(12) "Le Mensonge de l'Etat Corporatif" Le Movement Syndical International, Jan.-Apr. 1934.

But should this "Corporate State", in the spirit of the reformists, absorb the Political State? No. They do not see as far ahead as did Saint-Simon and Proudhon. Saint-Simon hoped that the industrial corporations would be substituted for the political power, that the council of industrials would replace the government. Proudhon wrote: "That which we would put in the place of the government is industrial organization. More laws voted for by the majority. Each citizen, each community or corporation to make its own". (13)

And so Saint-Simon and Proudhon marked out a way which, transposed from an utopian plan into the realm of class, leads to syndicalism and revolutionary socialism. In the proletarian society, "the workshop will replace the government", the parasitic State will be replaced by the free association of producers. But the reformists, who want to install their corporatism within the framework of the capitalist regime cannot substitute the "economic" for the "political". Syndical liberty, the condition sine qua non of the "collaboration of classes", such as they dream of, demands in itself democratic politics, and democratic politics implies universal suffrage and parliamentarianism. Also, they demand only the creation of a consultative role for the corporate organizations. For the authors of the Federation of Labor plan (C.G.T.), for example, the economic parliament "inspires the political power in its decisions."

Fascist Corporatism

We shall see how Fascism borrowed its corporative demagogy from the reactionaries and reformists at one and the same time. From the reactionaries it took the idea of the resurrection of medieval corporations of artisans and small business men; and it is especially to the reformists that it owes the idea of the "collaboration of classes", the idea of a consultative economic parliament. But upon two essential points it separates from the reformists and attaches itself to the reactionaries.

1. The reformists wish to institute their corporatism within the frame of a democratic political State; the fascists within an authoritative political State.

2. The reformists want their "collaboration of classes" within each corporation under a regime of syndical liberty. The fascists, on the contrary, do not hide their intention of taking as a basis of their corporate State,

(13) The general idea of the Revolution in the 19th Century.

not the free syndicates of workingmen, but syndicates put under guardianship.

In Italy, Mussolini had a model before his eyes: the "corporate" constitution promulgated by D'Annunzio at Fiume (September 8, 1920), which, however, was never put into application. This constitution was, from certain angles, sharply reactionary in inspiration. It created in the small town of Fiume, which was very little industrialized, ten obligatory corporations in full possession of autonomy, "such as were established and carried on in the course of four glorious centuries of our communal period." But its author, the former militant syndicalist of Ambris, introduced equally the reformist idea of an economic parliament composed of sixty members and elected by the corporations. (14)

In another way, Mussolini borrowed directly from the ideology of Italian reformatism. During the occupation of the factories in 1920, a delegation of militant syndicalists close to the Ministry of Labor offered the cooperation of the workers to the administration of enterprises "as being more likely to assure Italian industries a better yield." And in its motion of September 11, the Federation of Labor invoked the "superior interest of national production". From this language to that of the fascists of the following years, the connection is direct. On October 31, 1921, the central committee of the Fasci "affirmed that in the superior interests of the nation, the industrialists and the workers must search for all possibilities of accord." And it proposed the principle that "the two factors should condition each other and become integrated within the realm of production." On March 15, 1923, the fascist Grand Council demanded that all the syndical organizations (employers' and workers') assure "the effective collaboration of all the elements of production, in the supreme interest of the country." The fascist historian, Volpe, maintained that "the germ of the corporate regime is founded upon that resolution." (15)

At the same time, Mussolini borrowed from the reformists the idea of a consultative economic parliament. About the time when the Italian Federation of Labor proposed that the laws be elaborated by a "consultative body of syndicates," he wrote to a friend: "In the future, we shall see multiple parliaments of competents substituted for an unique parliament of incompetents." (16)

(14) Ambrosini: D'Annunzio et la constitution syndicale de Fiume, "Revue de Droit public", 1926, p. 741.

(15) Histoire du mouvement fasciste, Rome (in French)

(16) Letter of April 23, 1918, quoted in "Temps", Dec. 19, 1934.