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THE FIGHT FOR BRITAIN, THE FIGHT FOR DEMOCRACY, AND THE WAR AIMS OF THE WORKING CLASS.

(Prolegomena to a political discussion)

There is no better means of finding out how far we have traveled since the 19th century workers' movement collapsed in the cataclysm of the first world war than to raise the question of the war aims of the international working class today. There is nothing left in 1941 of that misleading simplicity in which for the class conscious minority of the social democratic parties of 1914 the problem of a true or false war policy resolved itself into a choice between outright betrayal and an unswerving allegiance to the revolutionary duty of an unconditional resistance to the capitalist war. The glorious example set by Liebknecht in Germany, by the Bolsheviks in Russia, and by certain other Marxist groups in Europe was admired everywhere. The adverse policies followed by the right wing and by the so-called Marxist centre were never wholeheartedly accepted by the masses of the proletarian membership, although much suffering and a full military defeat were needed to exhaust the endurance of the social democratic workers in Germany. Even when that point had been reached, the great majority of the workers were not prepared to do more than admire the new example of revolutionary consistency set by the Bolsheviks in Russia. They did not join the small groups of class conscious workers in Germany who at that time rallied round the Spartacus-Bund and the Workers Councils in an attempt to proceed from revolutionary resistance to the capitalist war to a veritable overthrow of the capitalist state and the capitalist system of production. In their actual practice, the great majority of the German workers did nothing to prevent that gigantic fraud by which the right wing leadership of the social democratic party and of the trade unions transformed its belligerent patriotism of the war period into the mock democracy of the Weimar

Republic and the mock pacifism of the League of Nations. For the next fifteen years this provided a propitious atmosphere for the lusty growth of the new anti-democratic and anti-pacifistic power of fascism. Thus the social nationalism of the social democrats of 1914 came to rest in the national socialism of 1933.

The first lesson to be learned from this short recapitulation of working class war policies is a more realistic appreciation of the intrinsic difficulties of a truly proletarian attitude toward the war. In view of the tremendous discouragement that followed the comparative optimism of the last generation of revolutionaries with respect to this task, it is worthwhile to point out that the greater part of these difficulties already existed in 1914-18. They found their expression then in the contrast between powerful working class organizations without a proletarian policy and the revolutionary slogans of an extremely powerless class conscious minority. Neither side of this contrast can be said to have embodied in itself the war policy of the German working class. We cannot even say in retrospect which of the two was in more clear agreement with the tactics recommended by Marx and Engels in the event of a European war. The further development, both in Soviet Russia where the left wing had had its way and in Germany where it had been crushed, shows clearly that the European working class as a whole had not developed a policy that enabled it to transform the capitalist war into a proletarian revolution or even to prevent the re-establishment of bourgeois class rule in a re-enforced form by the victory of the fascist counter-revolution.

II

None of the revolutionary slogans of the last war can be immediately applied to the much more intricate problems that arise from the immensely more entangled state of affairs today. There is no longer a need for the revolutionary workers of 1914 to bring about by their own consistent effort that "transformation of the capitalist war into a civil war" that was described as the ultimate aim of the working class by the most daring revolutionary slogan of 1914. The present war from its very outset (or even from its preparatory phases, the phase of the protests against Japanese aggression in Manchuria, the sanctions against the Italian conquest of Ethiopia, the "non-intervention" in Spain) has been a veritable civil war on both a European and a world-wide scale.

We do not know enough about the currents below the surface of present-day Nazi Germany, Fascist Italy, Russia, Japan and other totalitarian states that might come to the top under conditions of strain and defeat. But we had ample opportunities both before and after the fact to study the conditions preceding the rape of Denmark, Norway, Holland, Belgium, and the collapse of France. We have no reason to believe that, with the outbreak of war or, for that matter, with the "miracle of Dunkirk", all the "appeasement" and outright pro-Nazi tendencies that up to then had been represented by the Cliveden and Chamberlain groups in England have been

wiped out in favor of a grand unanimity of purpose. (We admit suffering an invincible distrust of all forms of "sacred unions" ever since the days of the first world war.) Last and not least, we are aware of the powerful undercurrents of present-day American politics. Thus we can safely say that in every "democratic" country today the ruling class is divided within itself. So far all Hitlerian victories have been victories in a civil war. There are two Norways, two Hollands, two Frances today, and the first day of restored "peace" (with or without a previous German invasion) will show that there are also two Great Britains.

Under such conditions no slogan that could be devised for an independent war policy of the working class today can escape being tinged with the same ambiguity that is so strikingly apparent in the policy of the ruling classes. "Down with the imperialist war!" — was a plausible war aim of the proletarian class so long as the war represented the supreme form of the united will of the bourgeoisie of one country to survive and to conquer in the struggle that was waged both against the hostile competition of the other national units of the bourgeois class and against the threatening proletarian revolt. The slogan has lost all of its former revolutionary force at the present time when it fits in so perfectly with the tendencies of the bourgeois appeasers and isolationists. "Defeat of one's own country!" — was regarded as the most insidious of all the weapons of the class war when it was used as a slogan by the revolutionary defeatists in Russia and Germany in 1914. Latterly it became a practical policy of that substantial part of the ruling class in various European countries that preferred the victory of fascism to the loss of its economic and political supremacy.

Despite this apparent ambiguity of every description of the war aims of the working class that can be devised under present conditions, there is no point in turning from a strictly independent war policy of the proletarian class to one or another "classless" substitute. It is the most distressing experience of our time to see those inveterate labor leaders, who have, for almost thirty years, incessantly advised the workers to sacrifice their independent class action for the sake of their "fatherland" or for the defense of an assumedly "progressive" fraction of the bourgeoisie against an assumedly less progressive fraction of that same bourgeois class, resuming their old game with slightly modified phraseology. It is even more distressing to see those well-known people being joined today by so many formerly class-conscious socialists. Both the old professionals and the disenchanted newcomers ask the workers to subscribe to one or another kind of interventionist, anti-fascist, or "Save Democracy First" program by pointing to the defeats and frustrations that have been suffered in the past by all attempts at an independent revolutionary policy of the working class. The utter futility of this "historical proof" has been shown above. The defeat of the workers in the war and post-war period did not result from the failure of the revolutionary attempts of the minority any more than from the policies of the majority leadership. Both the genuine attempts at a revolutionary war policy and the classless substitutes for that policy have led to the same

result. No fatherland was saved from defeat through the sacrifices of the German workers in 1914-18. No democracy was preserved by the sacrifices made by the workers during the episode of the Weimar Republic. No peace was secured by the workers' acceptance of the international bourgeois policies of the League of Nations.

III

The urgent advice given to the workers from all sides today — that in order to defend themselves they have first of all to join in the common task of defending "democracy" against the murderous assaults of fascism — bears a striking resemblance to a number of other much embattled slogans of the day. It seems to have become quite fashionable to think, in this age of substitutes, that to achieve something one has first to endeavor to do something else.

There is, first, the slogan of the interventionist fraction of the American bourgeoisie: "Defend America through aiding Britain!". This seems to convey the idea that even if we take it for granted that the supreme goal for Americans is to defend America, this goal is not adequately served under present conditions, by such simple and direct methods as those advocated by the "America First" program, but can be served only by active intervention in the present war on the side of Great Britain. We are not in a position to judge the relative merits of either of these plans from a strictly strategical point of view. But we strongly suspect that the real division between the adherents of the two slogans is not based on any strategical reasons at all. They do not express two different ways of furthering the common interests of the American bourgeoisie as a whole (and even less the interests of the American people). They rather express the different material interests and ensuing political philosophies of two definite fractions of the American bourgeoisie, or two different concepts of a desirable future development of the internal and external policies of the growing American empire. It is in this internal conflict of the ruling class that one side — the interventionist side as against the isolationist side — tries further to fortify its position through another appeal, which for the purpose of this discussion is most conveniently summed up in the slogan: "Defend *democracy* through defending Britain!" (Here by the way, appears the ultimate purpose of that other slogan which asked the workers to defend their own rights by defending democracy. The credo of present-day interventionist "socialism" boils down to the same miserable substitute as that of present-day Stalinist "communism": the defense of the power politics of a particular state.)

There is one flaw in the clever device of making the present British empire the international champion of the fight for democracy (thus at the same time of the fight for socialism). It showed itself in the recent discussion of the advisability of an official announcement of the British war aims.

True friendship should be mutual. If the fight for Britain is assumed to be a fight for democracy, the British government should openly accept,

in unmistakable words, the obligations connected with this world championship. It should openly announce its democratic war aims.

This seems simple enough. (It should be noticed that nobody up to now has asked from the Churchill government anything more than a solemn declaration in words. Nobody made the help of the friends of democracy, the help of the workers for the British victory, dependent on an immediate practical step — say the long overdue "democratization" of the British rule in India.)

Yet to make their argument acceptable to a government that up to now has never betrayed any particular attachment to further progress towards democracy, the friends of democracy approached the question from another angle. (Who would have expected them to approach any question in a straight line anyhow?) They agreed that for the British the victory of Britain must be the supreme goal. But this goal, they went on, cannot be reached, under present conditions, by a mere military fight. It can be reached only by that powerful mobilization of all progressive forces of humanity that would result from the solemn announcement of a truly democratic British war program.

Even so, the plea for an early announcement of the British war aims did not prevail over the opposite reasoning which points to the possible weakening of the apparent unity of the British (and the American) public if such highly controversial question were to be openly discussed. Again it is easy to see that the real point of dispute lies deeper. The whole debate on the advisability of an open announcement of the British war aims is only an ideological expression of an altogether different division within the British (and American) bourgeoisie. The conservative British government knows full well that an important fraction of the ruling class of America is much less concerned with the lack of democracy in the present British set-up than it is interested in the assurance that the actual war aims of Great Britain will at no time assume a too "democratic" character that could endanger the security of the existing capitalistic regime. The ruling class of the fully developed capitalist countries no longer splits on such general political issues as that between "democratic progress" and "conservative power politics". If it splits at all, it will be split on the much more realistic question of conflicting material interests.

In spite of the contrary illusions of a small and comparatively powerless group of political idealists, the ultimate fate of the British empire in its present desperate struggle against the Nazi aggressors does not depend on the outcome of the present world-wide ideological fight between the "democratic" and the "fascist" principles. It will not even be decided by the comparative strength of the fighting armies or by the superior technical equipment that may result from American all-out help to Britain. The outcome of the present war depends in the first place on the degree of internal division within the ruling capitalist class in England itself that, after a temporary truce between the pre-war appeasers and the Churchillites, reasserts itself

in the beginning struggle for or against the announcement of the British war aims. It will be decided in the last instance by the repercussions that the bitter fight of conflicting capitalist groups, at present fought out both by the war and by internal struggles within each country, will produce in the hitherto immobilized third camp, the camp of the proletarian class. We do not hesitate to say that if the assumed supreme goal of humanity in our time, the defeat of Hitler and the wiping out of fascism, can be reached at all, it will be reached in no other manner than by the independent fight of the working class for its most elementary, most narrowly defined, most concrete class aims. Not Great Britain, not "democracy", but the proletarian class is the world champion in the revolutionary fight of humanity against the scourge of fascism.

Beta.

FROM LIBERALISM TO FASCISM

Rapid social changes affected the various layers of society in different ways, manifold opportunities opened up with the formation of capital. A belief in progress dominated the ideology of the prospering capitalist class so that even the most ruthless of the capitalist entrepreneurs were somehow convinced that the never-ending accumulation of capital would finally benefit the whole of humanity. The undeniable miseries that paralleled the increasing wealth were seen as regrettable imperfections, partly inherited from the past, which would be smoothed out to the satisfaction of all in the course of further development. Ever since Auguste Comte, bourgeois thinkers interested in social questions have been thoroughly convinced that with the ascendancy of the capitalist system of production and its liberal political structure a society has finally been established in which all existing and possible problems can be peaceably solved through the "moralization of capital".

The development of capitalism has been accompanied by the growth and decline of a number of anti-capitalistic ideas and movements. But as the ideologies dominating a historical period are those of the ruling classes, so the optimism prevalent in the early labor movement was a reflection of the "positivism" of the liberal bourgeoisie. The opponents of capitalism, too, took it for granted that the capitalistic expansion process would industrialize great parts of the world, develop international trade, and simplify class relationships through the increase of the proletariat. The moderate as well as the radical wings of the labor movement, adhering to various philosophical and organizational principles, were deeply convinced that with the success of capitalism the success of the laboring class was also assured. Class-consciousness and labor organizations were bound to grow with the increasing importance of large-scale industry, with the accompanying capital

concentration, and with all the related structural changes in the direction of the two-class society.

The idea that progress would serve both the capitalists and their opponents, and the latter even better than the first, was a reflection of the practical unity between labor and capital, of the continuous interplay of class forces that excluded the development of a "pure" class-consciousness and a truly consistent revolutionary practice, and was, in addition, deeply rooted in the past. Because history cannot be turned backwards, there has been no alternative for the proletarian layers of society to their support of the bourgeois revolution. Though the workers simply had to fight on the side of the rising bourgeoisie, they were made to think and were fond of believing that in fighting for the cause of capitalism they were also preparing their own emancipation.

To find capitalistic and even pre-capitalistic elements in all anti-capitalistic theories, utopias, and movements is nothing to be wondered at. Not only can they be found at the initial stages of these movements, but they have been destined to gain importance in the course of time. Modern socialism, not wishing to arrest a development considered historically necessary, tried to help it forward by remaining progressive when the bourgeoisie itself had already become conservative. Recognizing the continuity of the historical processes, which it interpreted as a series of class struggles, the proletariat was to carry on where the capitalists left off. While the bourgeoisie was satisfied with a dialectical movement that retired with the creation of the bourgeois state, Marx continued to look at the society dialectically, that is, he worked in the direction and in expectation of a proletarian revolution.

The reaction fostered by the successful bourgeoisie could not be fought for long, however, with reminiscences of a revolutionary past. The farther the labor movement was removed from capitalism's *Sturm und Drang* period the less it felt inclined to re-enact the historic drama of the bourgeois revolution in proletarian make-up. Marx himself became noticeably more scientific the older he grew, and "General" Engels was forced to reject as outmoded the once beloved strategy of the barricade. The growing possibility of apparently increasing profits and wages integrated the labor movement more securely into the capitalist structure. Politically, too, the laboring class became a seemingly important factor within bourgeois democracy, at least in Western Europe. "Onward and Upward" was the slogan of all classes, and neither revolutionary science nor propaganda could counteract the new spirit. The labor movement as a whole adopted the ideologies of those very bourgeois reformers whom Marx had thought unworthy of a serious critical appraisal. Finally, the Fabian Society and Bernstein's "Revisionism" added dreary statistics to the already stale class collaboration ideology of John Stuart Mill — and called it a day.

Though it is true that the "original" Marxism contained bourgeois elements in its theory and practice, it more importantly embodied ideas and social forces quite incompatible with capitalist society. In the economic

sphere capitalistic "progress", that is, the accumulation of capital, Marxism saw as the accumulation of misery. The competitive, private-property economy was bound to meet ever-growing difficulties which it would finally not be able to overcome. The capitalist system was mortal. Its inner contradictions and outer limitations assured a rising labor movement that its hour of triumph was the nearer the more capitalism progressed. The revolutionary elements in Marxism were soon, however, either ignored or interpreted in a way that fitted them into the increasingly non-revolutionary practice of a labor movement thoroughly satisfied with capitalistic progress but in need of an ideology that camouflaged this fact. The revolutionary content of Marxism became a sort of spiritual exercise for holidays. It was brought out as compensation for the meagerness of the concessions wrested or bargained from the bourgeoisie. It served as a reminder to the ruling class not to relax in its duty towards its slaves.

The fact that attitudes, principles and activities, considered progressive at the stage of bourgeois enlightenment, entered the proletarian theory and practice is revealed also in the various concepts of what would constitute a new society. The new social structure advocated by revolutionary organizations, or the transformation of the existing order into the new one hoped for by the reformists, were very vague mental constructions. But even in their ambiguity these blue-prints of the future were as old as they were new. They often came very near to those early utopias which searched rather for the lost paradise than for a new society, as for instance when Friedrich Engels, on the strength of a questionable theory of anthropology, conceived of the new society as regaining—albeit on a higher level—a long lost primitive communism. Marx himself asked the question whether or not the precapitalistic Russian village-communes could be of use and could play a part in a socialistic reconstruction of society. Ideologies bound up with early and even pre-capitalistic conditions also found a belated revival in the theories of anarchism. The slightly altered ideas of the petty bourgeoisie reappeared in programs designed to end all monopolistic rule by ending that of the state. Decentralization, social credits, labor exchanges, syndicates and other proposals were—so to speak—not only results of an intuitive recognition that the trend of capitalist development pointed toward the totalitarian state, but were connected also with the theories and practice of the remote past. After all, Hobbes wrote his *Leviathan* in the middle of the seventeenth century and the Jacobin terror had demonstrated quite early the possible absolutistic powers of a democratic-capitalistic regime.

The vague concepts of socialism were as misleading as they were useful. As Professor Pigou once remarked, if "we are setting a nude figure, with all its blemishes patent to the eye, against a figure that is veiled, we are tilting the balance against the nude", that is, against capitalism. However, it is understandable that what the nude reveals will strongly influence any guess as to what the veil might conceal.

Capitalism developed from *laissez faire* to monopoly. *Laissez faire* itself presupposes the monopoly of the means of production in the hands of the

capitalistic class. But there was competition between individual entrepreneurs. This competition, however, was from the very beginning an imperfect one because it involved different aggregates of capital, shifts of production, variations in locality, in short, a whole series of economic, social, historical and geographical facts which had different meanings for different capitalists, and which turned all competitive "laws" into "laws" of monopolization. Capital formation was thus capital concentration, which, in turn, meant centralization of political control. Logically this whole development would end in a division of society into two groups: the owners of the means of production — which by virtue of their position ruled over all spheres of social life — and the rest of mankind. It was acknowledged, however, that this development did not need to reach its "logical conclusion"; that long before, due to the pressure of the contradictory processes involved, stagnation, social upheavals and revolutionary changes might occur. Nevertheless, the trend was towards the "General Cartel" — towards state capitalism, that is, a situation in which the state is completely taken over by capital. Accepting this whole process as inevitable, it was only consistent that the socialists should center their attention first of all on the state apparatus; the reformists by trying to gain control legally, the revolutionists by wanting to destroy the old in favor of a new state. But both were to realize fully what would have to take place anyway: the final merger of all economic and political power in the hands of a single authority. The reformists, should they control the state, would purchase the means of production from their capitalist owners; the revolutionists would expropriate them. In the *Anti-Duehring* Engels proclaimed that "the first act in which the state really comes forward as the representative of society as a whole — the seizure of the means of production in the name of society — is at the same time its last independent act as a state". After that the state will "wither away" to make room for an "administration of things". State power is thus sought to eliminate the power of the state and thereby that of capital. The concept of the workers state was not derived from a hypothesis of social control that reached into the future, but was the recognition of an inescapable necessity which was determined by the previous development of capitalism.

Necessity was turned into a virtue. Shortly before the "first workers' state" came into being, its main proponent, Lenin, began to describe socialism as "nothing but the next step forward from state capitalist monopoly, as nothing but state capitalist monopoly made to benefit the whole people". State monopoly, especially in its most obvious form obtaining during war conditions, became for Lenin "the fullest material preparation for socialism", provided the ruling personnel was changed. The whole content of the proletarian revolution was now seen as the replacement of a selfish ruling class by a beneficent state apparatus. "If Russia was ruled by 130,000 landowners", Lenin once said, there is no sense in telling us that Russia will not be able to be governed by 240,000 members of the Bolshevik Party." And long before this opportunity arose, he had insisted that "the social democrat's ideal should not be a trade-union secretary, but a tribune of the people."

To square his political "realism" with his Marxian "orthodoxy", indispensable in the struggle against the capitalist and reformist opponents of bolshevism, Lenin transformed Marx's casual statement that the socialist society as it emerges out of capitalism would look different from one with a long history of its own into the useful formula "from socialism to communism". "Socialism" was the basis for communism, just as capitalist state monopoly had been the basis for "socialism". Thus every communist must support "socialism" and favor state monopoly; he can raise no objection to the demand that until communism arrives the strictest state control over production and distribution is required.

When Engels proclaimed that the proletariat seizes the power of the state and changes the ownership of the means of production into state ownership, it is clear that he assumed that there had not been a change of ownership into state-ownership before. Otherwise he could only have said that the capitalist state monopoly must be replaced by a socialist state monopoly. Thus Lenin proceeded quite "marxistically" to capture the state, nationalize all productive property, and regulate the economy according to a plan. To fulfill the Marxian program completely there remained only for the state to "wither away". What must be noticed, however, is that where Marx and Engels dealt with the socialistic reconstruction of society in an extremely vague manner, mainly outlining a few general principles such as can be found in the *Critique of the Gotha Programme*, Lenin had a specific and concrete concept of the structure and character of the socialism that the bolsheviks were to institute. His model — so to speak — was to be found in the German postal service, his "socialism" was almost identical with the "socialism" of the German war-economy. To take over capitalism when it reached its highest concentration and centralization meant to Lenin to complete the socialization process that capitalism itself initiated and fostered through its own peculiar laws of development. In advanced monopolistic nations the political overthrow of the state would today suffice to turn into socialism what only yesterday operated under the false name of capitalism. In Russia it was more complicated, because there the proletariat had to both make and unmake the bourgeois revolution, since the bourgeoisie proper was no longer capable of fulfilling its historical mission, that is, preparing the ground for the socialist society.

Marx and Engels were scientists not prophets. They analyzed the capitalist system as they knew it and drew some conclusions as to its developmental tendencies, but they did not predict the future in all its details. They did not foresee the present totalitarian regimes. For them the state was essentially an instrument to secure the rule of the capitalist class. If, with the concentration of capital, the ruling body became smaller, the state would serve fewer interests and oppose larger masses. But Marx and Engels never followed their own lines of thought to the end, for they were convinced that capitalism would not be able to reach a point of development that allowed for the complete merger of state and capital, and for some kind of planned economy. Both knew that trustification and protectionism were

attempts to bring some sort of regulation into the national and international markets, but they felt sure, as Engels pointed out in a footnote to the third volume of *Capital*, that such "experiments are practicable only so long as the economic weather is relatively favorable... although production assuredly needs regulation, it is certainly not the capitalist class which is fitted for that task; the trusts have no other mission but to see to it that the little fish are swallowed by the big fish still more rapidly than before." For Marx the process of capitalist expropriation would not end in a gigantic super-trust merged with the state. Trusting in the growing powers of the working class, his concept of the capitalist accumulation ended, as he once wrote to Engels, "in the class struggle as a finale in which is found the solution of the whole smear."

For a long time to come, however, the actual class struggles merely served as incentives for a more rapid capital accumulation. Capitalism proved itself very adaptable to changing circumstances. The periodically recurring crises strengthened rather than weakened it. The class struggle became quite unimportant. The dominant issue was the changing character of capitalism itself. Trustification, cartellization, monopolization, often over-reaching national boundaries, pointed in the direction of market regulations, planned production and crisis control. A new era had seemingly begun. Capitalism, at least that capitalism of which Marx had written, neared its end. The socialist theoretician Hilferding pointed out that each capitalist must not only make profit, but must accumulate in order to remain a capitalist. But accumulation is the concentration of capital in fewer hands. Thus in pursuing his capitalistic end, each capitalist progressively destroyed the opportunities for pursuing capitalistic ends. With the concentration of all capital in "one hand", capitalism would have reached its "goal". There would then no longer be a capitalist end that could be pursued. Capital accumulation in the previous sense of the term would no longer be possible, because where all is concentrated concentration stops. Kautsky a little more timidly applied the same reasoning to problems of international relations in his theory of "Ultra-Imperialism".

At first glance all this seems quite in step with Marxism, for Marx himself was convinced that, nationally as well as internationally, "everything the bourgeoisie centralizes favors the working class". Yet this would not spare the working class the trouble of the revolution. For Marx the development from *laissez faire* to trustification was not a straight line. This development was a contradictory process of prosperity and depression, creation and destruction, centralization and decentralization, progress and reaction. The contradiction inherent in the relations of production could never be overcome by way of centralization, that is, by a mere organizing principle. It would be reproduced on an enlarged scale as production itself was enlarged and the scope of capitalist activity widened. The end of *laissez faire* was not the end of competition; it only led to the more forceful competition of monopolies. National centralization indicated a trend not towards pacification but towards imperialistic wars. There were no doubt

quantitative changes; a qualitative change, however, involves class action. As long as there were owners or controllers of the means of production on the one hand and an empty-handed laboring class on the other, all reproduction involved the reproduction of the exploitative relationship. Only that class which owned nothing could be interested in ending this relationship, and could thus stop a continuous reproduction process that involved the reproduction of all conditions connected with and determined by the existing class relations. Short of the abolition of the class relations all transformation would only be new expressions of the same old capitalist society.

The socialist reformists did not deny that the competitive struggle reproduced the inner contradictions of capitalism on a larger scale, but they thought that this process was coming to an end because of a lack of competitors. Assuming that this end would be reached, Hilferding wrote in his *Finanzkapital*, "the whole of capitalist production would be consciously regulated by one authority... it would still be a society in antagonistic form. But this antagonism would be one of distribution. The distribution itself would be consciously regulated." At this stage of development all previous capitalistic categories would lose their meaning. The single authority would arrange what should be produced and under what conditions; it would control the products, and would distribute them as it saw fit. Under such conditions, the only reason for displacing with socialists a capitalist authority, that is, the personnel brought into controlling position by the previous development, would be the conviction that the socialists knew how to serve society better. From then on the historical process would be determined by the actions of the persons comprising the single authority. It would make no difference whether these persons stemmed from the capitalist class, the middle class, or the working class; the quality of leadership would be all that mattered.

Though Lenin was a great admirer of the Marxian "orthodoxy" of Kautsky and Hilferding, he soon disagreed with them on practical issues. Independent of the question as to whether or not their theories would work in Western Europe, it was certain that they did not fit the Russian conditions. To wait for capital-concentration among the Russian peasantry simply meant asking too much. A revolution was in the making; one had to participate and adapt oneself to its specific conditions. Though Lenin did not possess the patience of the reformist who waited for the "ripening" of socialism, he enthusiastically accepted their notion that history could be made by a directorate as soon as capital was concentrated in "one hand". "State capitalism," he said at a Congress of the Bolshevik Party, "is that form of capitalism which we shall be in a position to restrict. This capitalism is bound up with the state, and the state — that is, the workers, the most advanced part of the workers, the vanguard, is ourselves, and it is we on whom the nature of this state capitalism will depend". In view of the hierarchical arrangements within the party, all that was left to say was what Louis XIV said shortly before the bourgeois revolution, "*L'etat, c'est*

moi", and what is now, at the "end" of capitalism, on the lips of a hundred million Germans, "*Hitler ist Deutschland!*"

The application of these principles in Russia was intended to do and do better what the capitalist had not succeeded in doing. It was an enormous job. There can be no doubt that Lenin and Trotsky applied the terms "traitor" and "hypocrite" to the Hilferdings and Kautsky not for competitive purposes only, but because they were really convinced that these people betrayed their own principles. After all, the essential differences between reformists and revolutionists were to be found in their struggle-for-power policies, not in their methods for building socialism. True, Russia was not "ripe", but could it not be helped along by doing consciously what in the capitalistic nations went on behind the backs of the people? The socialists had no answer. To find anti-bolshevik arguments at all they had to borrow from the white counter-revolution.

In his book "Terrorism and Communism" Trotsky wrote that "without the militarization of labor and state compulsion... socialism will remain an empty sound... There is no way to socialism except by the authoritative regulation of the economic forces and resources... ..and the centralized distribution of labor in harmony with the general state plan." This was in full accord with the ideas nourished by all socialists of the time, yet the majority of the social-democrats refused to accept the bolshevik regime as a socialistic one. Under this regime socialists and their followers went to Siberia just as they went under the Czar. But the socialists could not claim that they were opposing a capitalist regime, nor could they admit that they were out to crush socialism. What then did they oppose?

Actually the problem solves itself very easily; "theoretically" it is a little more difficult. The socialists had constructed a beautiful theory of social development; capital itself was the great "socializer". One had only to wait. Waiting was quite bearable since it schooled the masses, developed discipline, created group-solidarity, a worker's culture. In short, instead of money, as Marx had said, capitalism was sweating socialism out of all its pores. To be sure, money did not disappear altogether. Trade-union and secretarial salaries increased with the growth of the cultural requirements of the emancipated proletarians. Naturally, the emancipation could be achieved only gradually — one secretariat after another. The dimes and nickels of the millions created fortunes as well as the hundreds of thousands of any baker's dozen of capitalists. The socialists did not need to wait for Woolworth to demonstrate this fact. Every Balkan peasant knows that small animals also give manure. Lucrative jobs were waiting in governmental and labor institutions; money was made and cleverly invested. The emancipated proletarians learned to appreciate what Disraeli described as "the sweet simplicity of the three per cent." No, there was no need to search deep into the soul of man to understand why the socialists could not accept bolshevism.

Theoretically the socialist opponents could not admit the capitalistic character of the Russian social system because it applied their own theory

of socialization. Unable as socialists to fight a socialist state, they were forced to invent new definitions which fitted neither capitalistic nor socialist ideals. At first Russia was denounced as a new variety of an eternal Asiatic barbarism. The fascization of Western Europe led to a refinement in description. Only recently Hilferding wrote in the *Sotsialisticheskyy Vestnik* that the Russian economy is neither capitalistic nor socialist, but a "totalitarian state economy", a "personal dictatorship", Stalin's state, in which "economy no longer has its own laws, but is directed from above." In short, the centralization of all capital in "one hand" has been literally accomplished. For the present-day Hilferding this goes too far. Earlier he was quite willing to accept an economy consciously regulated by a civilized, well-meaning and, if possible, social-democratic central authority. But a personal dictatorship, especially of a Stalin, he rejects. Thus he is now convinced that the dreamed of "managing of things" may become an "unlimited domination over man", and he says that "we must change our over-simplified and schematic ideas about the inter-relationships between economy and the state."

Not only Hilferding, but most politically-minded people are now re-considering their former conceptions of capitalism, socialism, the state, and their interrelationships. It was not the Russian Revolution that stirred them up, however, but the rise of fascism, and especially the successes of the German Nazi-state. The Russian Revolution had rather reestablished the belief in "progress" somewhat dimmed by three years of warfare. All went according to schedule: accumulation, crisis, war, revolution, socialism. But in Western Europe the new hope led to no more than the applauding of the heroic deeds of the Russian workers. A few million dead soldiers had not been able to destroy the theory of "gradualism" that dominated the pre-war ideologies. Only the so-called fascist revolutions ended the reformists' dreams by killing off the dreamers. But instead of the situation becoming clearer, now that the "dream was lost", it only became more bewildering. Less than ever do people understand the meaning of their own activities and the happenings in their world.

II.

The fascist state, and even more so the bolshevik state, are both old and new, just as all anti-capitalistic ideas have been both old and new. Thus some observers are able to see in the rise of bolshevism and fascism the beginning of a world-wide social revolution, and others can speak gloomily of a return of the Dark Ages. Indeed, it seems that ideas of the mercantilistic stage of early capitalism re-appear in national-socialistic concepts, that money-economy returns to earlier barter-schemes, that the internationality of capitalist trade yields to autarchy, that wage-workers find themselves once more in servitude. And yet, the *Blitzkrieg* changes the map of the world even faster than the imperialism of liberalism; production for whatever purpose exceeds all previous records; capital is spread to all corners of the world; populations are shifted on a scale that makes the mass emigrations

of the past appear like jaunty week-end excursions. Munitions plants in the jungles of the Dutch Indies, airplane assemblies in the woods of deepest China, death-bearing "Liberators" crossing the Atlantic in 7½ hours, engineering feats of bomb-proof dogouts for 46 divisions awaiting *Der Tag* of the invasion, enthusiastic shock-troops in field, factory and enemy territory — certainly this cannot mean that the clock has been turned back.

Can this be capitalism? Has not capitalism long been decaying? Has it not suffered under the permanent crisis, unused resources, stoppage of capital export, millions of unemployed and, worst of all, the decline of profits? And then what was the meaning of the bolshevik coup d'état, the March on Rome, the Reichstag fire? What explains the variety of procedures of Mussolini's syndicated corporate state, in the Russia which abolished all individual property rights, in the state-controlled German economy? What do these differences mean in regard to the interests of capitalists, workers, farmers, and the middle class? What should be accepted, what rejected? An so on — endlessly.

Let us recall for a moment Hilferding's remark that in Stalin's Russia "economy no longer has its own laws." We already know that, according to Hilferding, economic laws concentrate capital into fewer hands—finally, into "one hand." Connected with these laws were other "laws" referring to the capitalist mechanism as it operates at any time during the general developmental process. With the social capital united in "one hand", these capitalistic categories would lose their force and meaning. Until then the development of capital would be determined by the "law of value", the automatic regulator of capitalist production and distribution.

The "law of value" was discovered by Marx's forerunners, the exponents of political economy. It served to show that the capitalistic market mechanism benefitted the whole of society; an "invisible hand" guided all dispersed individual activity towards the common goal — an economic equilibrium in which each one receives his proper share either in the form of profits, interests, or wages. For Marx the definition of value in terms of labor meant something other than what it meant for classical economy. "In the haphazard and continually fluctuating relations of exchange between the various products of labor," he said, "the labor time socially necessary for their production forcibly asserts itself as a regulating natural law just as the law of gravity does when the house collapses over our heads." It is only in its conceptional form that Marx's "law of value" is connected with that of the classicists. It is distinguished from the latter through its close connection with the social conditions underlying the capitalist economy. In 1868 in a letter to Dr. Kugelmann, Marx wrote, "Even if there were no chapter on 'value' in my book, the analysis of the real relationships which I give would contain the proof and demonstration of the *real value relations*.... Every child knows that a country which ceases to work, I will not say for a year, but for a few weeks, would die. Every child knows, too, that the mass of products corresponding to the different needs require