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# LIVING MARXISM

Vol. IV

JUNE 1939

No. 7

P. O. Box 5343,

INTERNATIONAL COUNCIL CORRESPONDENCE,

Chicago, Illinois.

This magazine, published by the Groups of Council Communists, consciously opposes all forms of sectarianism. The sectarian confuses the interest of his group, whether it is a party or a union, with the interest of the class. It is our purpose to discover the actual proletarian tendencies in their backward organizational and theoretical forms; to effect a discussion of them beyond the boundaries of their organizations and the current dogmatics; to facilitate their fusion into unified action; and thus to help them achieve real significance.

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## KARL KAUTSKY

### FROM MARX TO HITLER

In the fall of 1938, Karl Kautsky died in Amsterdam at the age of 84 years. He was considered the most important theoretician of the Marxist labor movement after the death of its founders, and it may well be said that he was its most representative member. In him were very clearly incorporated both the revolutionary and the reactionary aspects of that movement. But whereas Friedrich Engels could say at Marx's grave that his friend "was first of all a revolutionist," it would be difficult to say the same at the grave of his best-known pupil. "As a theoretician and politician, he will always 'remain an object of criticism,' wrote Friedrich Adler in memory of Kautsky, "but his character lies open, his whole life he remained true to the highest majesty, his own conscience."\*

Kautsky's conscience was formed during the rise of the German Social democracy. He was born in Austria, the son of a stage painter of the Imperial Theatre in Vienna. As early as 1875, though not as yet a Marxist, he contributed to German and Austrian labor papers. He became a member of the German Social Democratic Party in 1880, and "only now," he said of himself, "began my development towards a consistent methodical Marxism."\*\* He was inspired, like so many others, by Engel's *Anti-Duehring* and was helped in his orientation by Eduard Bernstein, who was then the secretary to the "millionaire" Socialist Hoehberg. His first works were published with Hoehberg's help and he found recognition in the labor movement through his editorship of a number of socialist publications. In 1883 he founded the

\**Der Sozialistische Kampf*. Paris, November 5, 1938, p. 271.

\*\*K. Kautsky, *Aus der Fruehzeit des Marxismus*. Prague 1935, p. 20.

magazine *Neue Zeit*, which under his direction became the most important theoretical organ of the German Social democracy.

Kautsky's literary and scientific work is impressive not only because of the scope of his interests but also because of its volume. Even a selected bibliography of his writings would fill many pages. In this work comes to light all that seemed and all that was of importance to the socialist movement during the last 60 years. It reveals that Kautsky was first of all a teacher, and that, because he looked upon society from a schoolmaster's perspective, he was well suited to his role as the leading spirit of a movement which aimed at educating workers and capitalists alike. Because he was an educator concerned with the "theoretical side" of Marxism, he could appear more revolutionary than was consistent with the movement he served. He appeared an "orthodox" Marxist who tried to safeguard the Marxian inheritance as a treasurer who desires to preserve the funds of his organization. However, what was "revolutionary" in Kautsky's teaching appeared revolutionary only in contrast to the general pre-war capitalist ideology. In contrast to the revolutionary theories established by Marx and Engels, it was a reversion to more primitive forms of thinking and to a lesser apprehension of the implications of bourgeois society. Thus, though he guarded the treasure-chest of Marxism, he had not beheld all it contained.

In 1862, in a letter to Kugelmann, Marx expressed the hope that his non-popular works attempting to revolutionize economic science would in due time find adequate popularization, a feat that should be easy after the scientific basis had been laid. "My life work became clear to me in 1883," wrote Kautsky;

"it was to be designated to the propagandizing and popularization, and, as far as I am able to, the continuation of the scientific results of Marx's thinking and research."\*\*\*\*

However, not even he, the greatest popularizer of Marx, has fulfilled Marx's hope; his simplifications turned out to be new mystifications unable to comprehend the true character of capitalist society. Nevertheless, even in their watered form, Marx's theories remained superior to all the social and economic bourgeois theories and Kautsky's writings gave strength and joy to hundreds of thousands of class conscious workers. He gave expression to their own thoughts and in a language nearer to them than that of the more independent thinker Marx. Though the latter demonstrated more than once his great gift for cogency and clarity, he was not schoolmaster enough to sacrifice to propaganda the enjoyment of his intellectual caprice.

When we said that Kautsky represented also what was "reactionary" in the old labor movement, we are using that term in a highly specific sense. The reactionary elements in Kautsky and in the old labor movement were objectively conditioned, and only by a long period of exposure to an inimical reality was developed that subjective readiness to turn defenders of the capitalist society. In *Capital* Marx pointed out that

"a rise in the price of labor, as a consequence of accumulation of capital,

\*\*\*Aus der Fruehzeit des Marxismus, p. 93.

only means, in fact, that the length and weight of the golden chain the wage-worker has already forged for himself, allow of a relaxation of the tension of it."\*\*\*\*

The possibility, under conditions of a progressive capital formation, of improving labor conditions and of raising the price of labor transformed the workers' struggle into a force for capitalist expansion. Like capitalist competition, the workers' struggle served as an incentive for further capital accumulation; it accentuated capitalist "progress." All gains of the workers were compensated for by an increasing exploitation, which in turn permitted a still more rapid capital expansion.

Even the class struggle of the workers could serve the needs not of the individual capitalists but of capital. The victories of the workers turned always against the victors. The more the workers gained, the richer capital became. The gap between wages and profits became wider with each increase of the "workers' share." The apparently increasing strength of labor was in reality the continuous weakening of its position in relation to that of capital. The "successes" of the workers, hailed by Eduard Bernstein as a new era of capitalism, could, in this sphere of social action, end only in the eventual defeat of the working class, as soon as capital changed from expansion to stagnation. In the destruction of the old labor movement, the sight of which Kautsky was not spared, became manifest the thousands of defeats suffered during the upswing period of capitalism, and though these defeats were celebrated as victories of gradualism, they were in reality only the gradualism of the workers' defeat in a field of action where the advantage is always with the bourgeoisie. Nevertheless, Bernstein's revisionism, based on the acceptance of appearance for reality and suggested by bourgeois empiricism, though at first denounced by Kautsky, provided the basis for the latter's own success. For without the non-revolutionary practice of the old labor movement, whose theories were formed by Bernstein, Kautsky would not have found a movement and a material basis on which to rise as an important Marxian theoretician.

This objective situation, which, as we have seen, transformed the successes of the labor movement into just so many steps toward its destruction, created a non-revolutionary ideology which was more in harmony with the apparent reality, and which was later denounced as social-reformism, opportunism, social-chauvinism, and outright betrayal. However, this "betrayal" did not very much bother those who were betrayed. Instead, the majority of the organized workers approved of the change of attitude in the socialist movement, since it conformed to their own aspirations developed in an ascending capitalism. The masses were as little revolutionary as their leaders, and both were satisfied with their *participation* in capitalist progress. Not only were they organizing for a greater share of the social product, but also for a greater voice in the political sphere. They learned to think in terms of bourgeois democracy; they began to speak of themselves as consumers; they wanted to take part in all that was good of culture and civilization.

\*\*\*\*Capital. Vol. I, p. 677 (Kerr ed.)

Franz Mehring's *History of the German Social Democracy* typically ends in a chapter on "Art and the Proletariat." Science for the workers, literature for the workers, schools for the workers, participation in all the institutions of capitalist society — this and nothing more was the real desire of the movement. Instead of demanding the end of capitalistic science, it asked for labor scientists; instead of abolishing capitalistic law, it trained labor lawyers; in the increasing number of labor historians, poets, economists, journalists, doctors, and dentists, as well as parliamentarians and trade-union bureaucrats, it saw the socialization of society, which therewith became increasingly its own society. That which one can increasingly share in one will soon find defendable. Consciously and unconsciously the old labor movement saw in the capitalist expansion process its own road to greater welfare and recognition. The more capital flourished, the better were the working conditions. Satisfied with action within the framework of capitalism, the workers' organizations became concerned with capitalism's profitability. The competitive national capitalistic rivalries were only verbally opposed. Although the movement was at first striving only for a "better fatherland", and was later willing to defend what had already been gained, it soon reached the point where it was ready to defend the fatherland "as it is."

The tolerance that Marx's "followers" displayed towards the bourgeois society was not one-sided. The bourgeoisie itself had in its very struggle against the working class learned to "understand the social question." Its interpretation of social phenomena became increasingly more materialistic; and soon there was an overlapping of ideologies in both fields of thought, a condition increasing still further the "harmony" based on the actual disharmony of class frictions within a rising capitalism. However, the "Marxists" were more eager than the bourgeoisie to "learn from the enemy." The revisionist tendencies had developed long before the death of Engels. The latter, and Marx himself, had wavered and displayed moments in which they were carried away by the apparent success of their movement. But what with them was only a temporary modification of their essentially consistent thinking became "belief" and "science" for that movement which learned to see progress in larger trade-union treasures and greater election votes.

After 1910 the German social democracy found itself divided into three essential groups. There were the reformists, openly favoring German imperialism; there was the "left"; distinguished by such names as Luxemburg, Liebknecht, Mehring, and Pannekoek; and there was the "center," trying to follow traditional paths, that is, only in theory, as in practice the whole of the German social democracy could do only what was possible, i. e., what Bernstein wanted them to do. To oppose Bernstein could mean only to oppose the whole of the social democratic practice. The "left" began to function as such only at the moment it began to attack social democracy as a part of capitalist society. The differences between the two opposing factions could not be solved ideationally; they were solved when the Noske terror murdered the Spartacus group in 1919.

With the outbreak of the war, the "left" found itself in the capitalist prisons, and the "right" on the General Staff of the Kaiser. The "center," led by Kautsky, simply dispensed with all problems of the socialist movement by declaring that neither the Social democracy nor its International could function during periods of war, as both were essentially instruments of peace. "This position," Rosa Luxemburg wrote,

"is the position of an eunuch. After Kautsky has supplemented the Communist Manifesto it now reads: Proletarians of all countries unite during peace times, during times of war, cut your throats."\*

The war and its aftermath destroyed the legend of Kautsky's Marxist "orthodoxy." Even his most enthusiastic pupil, Lenin, had to turn away from the master. In October 1914 he had to admit that as far as Kautsky was concerned, Rosa Luxemburg had been right. In a letter to Shlyapnikow,\*\* he wrote,

"She saw long ago that Kautsky, the servile theoretician, was cringing to the majority of the Party, to Opportunism. There is nothing in the world at present more harmful and dangerous for the ideological independence of the proletariat than this filthy, smug and disgusting hypocrisy of Kautsky. He wants to hush everything up and smear everything over and by sophistry and pseudo-learned rhetoric lull the awakened consciences of the workers."

What distinguished Kautsky from the general run of intellectuals who flocked to the labor movement as soon as it became more respectable and who were only too eager to foster the trend of class collaboration, was a greater love for theory, a love which refused to compare theory with actuality, like the love of a mother who prevents her child from learning the "facts of life" too early. Only as a theoretician could Kautsky remain a revolutionist; only too willingly he left the practical affairs of the movement to others. However, he fooled himself. In the role of a mere "theoretician," he ceased to be a revolutionary theoretician, or rather he could not become a revolutionist. As soon as the scene for a real battle between capitalism and socialism after the war had been laid, his theories collapsed because they had already been divorced in practice from the movement they were supposed to represent.

Though Kautsky was opposed to the unnecessarily enthusiastic chauvinism of his party, though he hesitated to enjoy the war as Ebert, Scheidemann, and Hindenburg did, though he was not in favor of an *unconditional* granting of war credits, nevertheless, up to his very end, he was forced to destroy with his own hands the legend of his Marxian orthodoxy that he had earned for himself in 30 years of writing. He who in 1902\*\*\* had pronounced that we have entered a period of proletarian struggles for state power, declared such attempts to be sheer insanity when workers took him seriously. He who had fought so valiantly against the ministerialism of Millerand and Jaures in France, championed 20 years later the coalition policy of the German social democracy with the arguments of his former opponents. He who concerned himself as early as 1909 with "The Way to

\**Die Internationale*. Spring 1915.

\*\*The Letters of Lenin. London 1937, p. 342.

\*\*\**Die Soziale Revolution*.

Power", dreamed after the war of a capitalist "ultra-imperialism" as a way to world peace, and spent the remainder of his life re-interpreting his past to justify his class collaboration ideology. "In the course of its class struggle," he wrote in his last work,

"the proletariat becomes more and more the vanguard for the reconstruction of humanity, in which in always greater measure also non-proletarian layers of society become interested. This is no betrayal of the class struggle idea. I had this position already before there was bolshevism, as, for instance, in 1903 in my article on 'Class — Special — and Common Interests' in the *Neue Zeit*, where I came to the conclusion that the proletarian class struggle does not recognize class solidarity but only the solidarity of mankind."\*

Indeed, it is not possible to regard Kautsky as a "renegade." Only a total misunderstanding of the theory and practice of the social democratic movement and of Kautsky's activity could lead to such a view. Kautsky aspired to being a good servant of Marxism; in fact, to please Engels and Marx seemed to be his life profession. He referred to the latter always in the typical social-democratic and philistine manner as the "great master", the "Olympian," the "Thunder God," etc. He felt extremely honored because Marx "did not receive him in the same cold way in which Goethe received his young colleague Heine."\*\* He must have sworn to himself not to disappoint Engels when the latter began to regard him and Bernstein as "trustworthy representatives of Marxian theory," and during most of his life he was the most ardent defender of "the word". He is most honest when he complains to Engels\*\*\*

"that nearly all the intellectuals in the party... cry for colonies, for national thought, for a resurrection of the Teutonic antiquity, for confidence in the government, for having the power of 'justice' replace the class struggle, and express a decided aversion for the materialistic interpretation of history — Marxian dogma, as they call it."

He wanted to argue against them, to uphold against them what had been established by his idols. A good schoolmaster, he was also an excellent pupil.

Engels understood this early "degeneration" of the movement only too well. In answering Kautsky's complaints, he stated,\*\*\*\*

"that the development of capitalism proved itself to be stronger than the revolutionary counter-pressure. A new upsurge against capitalism would need a violent shock, such as the loss by England of its domination of the world market, or a sudden revolutionary opportunity in France."

But neither the one nor the other event occurred. The socialists no longer waited for revolution. Bernstein waited instead for Engel's death, to avoid disappointing the man to whom he owed most,—before proclaiming that "the goal meant nothing and the movement everything." It is true that Engels himself had strengthened the forces of reformism during the latter part of his life. However, what in his case could be taken only as the weakening of the

\*K. Kautsky, *Sozialisten und Krieg*. Prague 1937, p. 673.

\*\*Aus der *Fruehzeit des Marxismus*, p. 50.

\*\*\*Ibid., p. 112.

\*\*\*\*Ibid., p. 155.

individual in his stand against the world, was taken by his epigones as the source of their strength. Time and again Marx and Engels returned to the uncompromising attitude of the *Communist Manifesto* and *Capital* as, for instance, in the *Gotha Program Critique*, which was delayed in its publication in order not to disturb the compromisers in the movement. Its publication was possible only after a struggle with the party bureaucracy, which circumstance led Engels to remark that,

"It is in fact a brilliant thought to have German socialist science present, after its emancipation from the Bismarckian socialist Laws, its own socialist laws, formulated by the officials of the Social Democratic Party."\*

Kautsky defended an already emasculated Marxism. The radical, revolutionary, anti-capitalist Marxism had been defeated by capitalist development. At the Congress of the Workers' International in 1872 in The Hague, Marx himself had declared:

"Some day the workers must conquer political supremacy, in order to establish the new organization of labor... Of course, I must not be supposed to imply that the means to this end will be the same everywhere... and we do not deny that there are certain countries, such as the United States and England in which the workers may hope to secure their ends by peaceful means."

This statement allowed even the revisionists to declare themselves Marxists, and the only argument Kautsky could muster against them, as, for instance, during the Social Democratic Party congress in Stuttgart in 1898, was the denial that the democratization and socialization process claimed by the revisionists as in progress in England and America, also held good for Germany. He repeated Marx's position as regards the eventuality of a more peaceful transformation of society in some countries, and added to this remark only that he, too, "wishes nothing else but to obtain socialism without a catastrophe." However, he doubted such a possibility.

It is understandable that on the basis of such thinking it was only consistent for Kautsky to assume after the war that with the now possible more rapid development of democratic institutions in Germany and Russia, the more peaceful way to socialism could be realized also in these countries. The peaceful way seemed to him the surer way, as it would better serve that "solidarity of mankind" that he wished to develop. The socialist intellectuals wished to return the decency with which the bourgeoisie had learned to treat them. After all, we are all gentlemen! The orderly petty-bourgeois life of the intelligentsia, secured by a powerful socialist movement, had led them to emphasize the ethical and cultural aspects of things. Kautsky hated the methods of bolshevism with no less intensity than did the white guardists, though in contrast to the latter, he was in full agreement with the goal of Bolshevism. Behind the aspect of the proletarian revolution the leaders of the socialist movement correctly saw a chaos in which their own position would become no less jeopardized than that of the bourgeoisie proper. Their hatred of "disorder" was a defense of their own material, social, and intellectual position. Socialism was to be developed not illegally, but le-

\*Aus der *Fruehzeit des Marxismus*, p. 273.

gally, for under such conditions, existing organizations and leaders would continue to dominate the movement. And their successful interruption of the impending proletarian revolution demonstrated that not only did the "gains" of the workers in the economic sphere turn against the workers themselves, but that their "success" in the political field also turned out to be weapons against their emancipation. The strongest bulwark against a radical solution of the social question was the social democracy, in whose growth the workers had learned to measure their growing power.

Nothing shows the revolutionary character of Marx's theories more clearly than the difficulty to maintain them during non-revolutionary times. There was a grain of truth in Kautsky's statement that the socialist movement cannot function during times of war, as times of war temporarily create non-revolutionary situations. The revolutionist becomes isolated, and registers temporary defeat. He must wait till the situation changes, till the subjective readiness to participate in war is broken by the objective impossibility to serve this subjective readiness. A revolutionist cannot help standing "outside the world" from time to time. To believe that a revolutionary practice, expressed in independent actions of the workers, is always possible means to fall victim to democratic illusions. But it is more difficult to stand "outside this world," for no one can know when situations change, and no one wishes to be left out when changes do occur. Consistency exists only in theory. It cannot be said that Marx's theories were inconsistent; it can, however, be said, that Marx was not consistent, i. e., that he, too, had to pay deference to a changing reality and, in non-revolutionary times, in order to function at all, had to function in a non-revolutionary manner. His theories were limited to the essentials of the class struggle between bourgeoisie and proletariat, but his practice was continuous, dealing with problems "as they came up," problems which could not always be solved with essential principles. Unwilling to retire during the upswing period of capitalism, Marxism could not escape functioning in a manner contrary to a theory resulting from the recognition of a real and always present revolutionary class struggle. The theory of the everpresent class struggle has no more justification than the bourgeois concept of progress. There is no automatism keeping things rolling uphill; instead, there is combat with changing fortunes; there is the deathlock of the struggle and the utter defeat. Mere numbers of workers opposed to the powerful capitalist state at times when history still favors capitalism do not represent the giant on whose back the capitalist parasites rest, but rather the bull who has to move in the directions his nose-stick forces him to go. During the non-revolutionary period of the ascending capitalism, revolutionary Marxism could exist only as ideology, serving an entirely different practice. In this latter form it was again limited by actual occurrences. As a mere ideology, it had to cease existing as soon as great social upheavals demanded a change from an indirect to a direct class collaboration ideology for capitalistic purposes.

Marx developed his theories during revolutionary times. The most advanced of the bourgeois revolutionists, he was the closest to the proletariat.

The defeat of the bourgeoisie as revolutionists, their success within the counter-revolution, convinced Marx that the modern revolutionary class can be only the working class, and he developed the socio-economic theory of their revolution. Like many of his contemporaries, he underestimated the strength and flexibility of capitalism, and expected too soon the end of bourgeois society. Two alternatives opened themselves to him: He could either stand outside the actual development, restricting himself to inapplicable radical thinking, or participate under the given conditions in the actual struggles, and reserve the revolutionary theories for "better times." This latter alternative was rationalized into the "proper balance of theory and practice," and the defeat or success of proletarian activities became therewith the result of "right" or "wrong" tactics once more; the question of the proper organization and of correct leadership. It was not so much Marx's earlier connection with the bourgeois revolution that led to the further development of the Jacobinic aspect of the labor movement called by his name, but the non-revolutionary practice of this movement, because of the non-revolutionary times.

The Marxism of Kautsky, then, was a Marxism in the form of a mere ideology, and it was therewith fated to return in the course of time into idealistic channels. Kautsky's "orthodoxy" was in truth the artificial preservation of ideas opposed to an actual practice, and was therewith forced into retreat, as reality is always stronger than ideology. A real Marxian "orthodoxy" could be possible only with a return of real revolutionary situations, and then such "orthodoxy" would concern itself not with "the word", but with the principle of the class struggle between bourgeoisie and proletariat applied to new and changed situation. The retreat of theory before practice can be followed with utmost clarity in Kautsky's writings.

The many books and articles written by Kautsky deal with almost all social problems, in addition to specific questions concerning the labor movement. However, his writings can be classified into Economy, History, and Philosophy. In the field of political economy, not much can be said about his contribution. He was the popularizer of the first volume of Marx's *Capital* and the editor of Marx's "Theories of Surplus Value," published during the years from 1904 to 1910. His popularizations of Marx's economic theories do not distinguish themselves from the generally accepted interpretation of economic phenomena in the socialist movement, — the revisionists included. As a matter of fact, parts of his famous book "The Economic Doctrines of Karl Marx" were written by Eduard Bernstein. In the heated discussion waged at the turn of the century concerning the meaning of Marx's theories in the second and third volume of *Capital*, Kautsky took very small part. For him the first volume of *Capital* contained all that was of importance to the workers and their movement. It dealt with the process of production, the factory, and exploitation, and contained all that was needed to support a workers' movement against capitalism. The other two volumes dealing in greater detail with capitalist tendencies towards crises and collapse did not correspond to immediate reality and found little interest not only by Kautsky

but by all Marxian theoreticians of the upswing period of capitalism. In a review of the second volume of *Capital*, written in 1886, Kautsky expressed the opinion that this volume is of less interest to the workers, as it deals largely with the problem of the realization of surplus value, which after all should be rather the concern of the capitalists. When Bernstein, in the course of his attack upon Marx's economic theories, rejected the latter's theory of collapse, Kautsky defended Marxism by simply denying that Marx ever had developed a special theory pointing to an objective end of capitalism, and that such a concept was merely an invention of Bernstein. The difficulties and contradictions of capitalism he searched for in the sphere of circulation. Consumption could not grow so rapidly as production and a permanent overproduction would lead to the political necessity of introducing socialism. Against Tugan-Baranowsky's theory of an unhampered capitalist development proceeding from the fact that capital creates its own markets and can overcome developing disproportionalities, a theory which influenced the whole reformist movement, Kautsky\* set his underconsumption theory to explain the unavailability of capitalist crises, crises which helped to create the subjective conditions for a transformation from capitalism to socialism. However, 25 years later, he openly admitted that he had been wrong in his evaluation of the economic possibilities of capitalism, as "from an economic viewpoint, capital is much livelier today than it was 50 years ago.\*\*"

The theoretical unclarity and inconsistency that Kautsky\*\*\* displayed on economic questions, were only climaxed by his acceptance of the once denounced views of Tugan-Baranowsky. They were only a reflection of his changing general attitude towards bourgeois thought and capitalist society. In his book "The Materialistic Conception of History," which he himself declares to be the best and final product of his whole life's work, dealing as it does in nearly 2000 pages with the development of nature, society, and the state, he demonstrates not only his pedantic method of exposition and his far-reaching knowledge of theories and facts, but also his many misconceptions as regards Marxism and his final break with Marxian science. Here he openly declares "that at times revisions of Marxism are unavoidable.\*\*\*\*" Here he now accepts all that during his whole life he had apparently struggled against. He is no longer solely interested in the interpretation of Marxism, but is ready to accept responsibility for his own thoughts, presenting his main work as his own conception of history, not totally removed but independent from Marx and Engels. His masters, he now contends, have restricted the materialistic conception of history by neglecting too much the natural factors in history.

\**Neue Zeit*, 1902, No. 5.

\*\*K. Kautsky, *Die Materialistische Geschichtsauffassung*. Berlin 1927. Vol. II, p. 623.

\*\*\*The limitations of Kautsky's economic theories and their transformations in the course of his activities are excellently described and criticized by Henryk Grossmann in his book "Das Akkumulations—und Zusammenbruchsgesetz des kapitalistischen Systems" (Leipzig 1929), to which the interested reader is referred.

\*\*\*\*K. Kautsky, *Die Materialistische Geschichtsauffassung*. Vol. II, p. 630.

He, however, starting not from Hegel but from Darwin. "will now extend the scope of historical materialism till it merges with biology."\* But his furthering of historical materialism turns out to be no more than a reversion to the crude naturalistic materialism of Marx's forerunners, a return to the position of the revolutionary bourgeoisie, which Marx had overcome with his rejection of Feuerbach. On the basis of this naturalistic materialism, Kautsky, like the bourgeois philosophers before him, cannot help adopting an idealistic concept of social development, which, then, when it deals with the state, turns openly and completely into the old bourgeois conceptions of the history of mankind as the history of states. Ending in the bourgeois democratic state, Kautsky holds that

"there is no room any longer for violent class conflict. Peacefully, by way of propaganda and the voting system can conflicts be ended, decisions be made."\*\*

Though we cannot possibly review in detail at this place this tremendous book of Kautsky,\*\*\* we must say that it demonstrates throughout the doubtful character of Kautsky's "Marxism." His connection with the labor movement, seen retrospectively, was never more than his participation in some form of bourgeois social work. There can be no doubt that he never understood the real position of Marx and Engels, or at least never dreamed that theories could have an immediate connection with reality. This apparently serious Marxist student had actually never taken Marx seriously. Like many pious priests engaging in a practice contrary to their teaching, he might not even have been aware of the duality of his own thought and action. Undoubtedly he would have sincerely liked being in reality the bourgeois of whom Marx once said, he is "a capitalist solely in the interest of the proletariat." But even such a change of affairs he would reject, unless it were attainable in the "peaceful" bourgeois, democratic manner. Kautsky, "repudiates the Bolshevik melody that is unpleasant to his ear," wrote Trotsky, "but does not seek another. The solution is simple: the old musician refuses altogether to play on the instrument of the revolution."\*\*\*\*

Recognizing at the close of his life that the reforms of capitalism that he wished to achieve could not be realized by democratic, peaceful means, Kautsky turned against his own practical policy, and just as he was in former times the proponent of a Marxian ideology which, altogether divorced from reality, could serve only its opponents, he now became the proponent of bourgeois laissez-faire ideology, just as much removed from the actual conditions of the developing fascistic capitalist society, and just as much serving this society as his Marxian ideology had served the democratic stage of capitalism. "People love today to speak disdainfully about the liberalistic economy," he wrote in his last work;

\*K. Kautsky, *Die Materialistische Geschichtsauffassung*. Vol. II, p. 629.

\*\**Ibid.*, p. 431.

\*\*\*The reader is referred to Karl Korsch's extensive criticism of Kautsky's work, "Die Materialistische Geschichtsauffassung. Eine Auseinandersetzung mit Karl Kautsky." Leipzig 1929.

\*\*\*\*L. Trotsky, *Dictatorship vs. Democracy*. New York 1922, p. 187.

"however, the theories founded by Quesnay, Adam Smith, and Ricardo are not at all obsolete. In their essentials Marx had accepted their theories and developed them further, and he has never denied that the liberal freedom of commodity production constituted the best basis for its development. Marx distinguishes himself from the Classicists therein, that when the latter saw in commodity production of private producers the only possible form of production, Marx saw the highest form of commodity production leading through its own development to conditions allowing for a still better form of production, social production, where society, identical with the whole of the working population, controls the means of production, producing no longer for profit but to satisfy needs. The socialist mode of production has its own rules, in many respects different from the laws of commodity production. However, as long as commodity production prevails, it will best function if those laws of motion discovered in the era of liberalism are respected."\*

These ideas are quite surprising in a man who had edited Marx's "Theories of Surplus Value," a work which proved exhaustively

"that Marx at no time in his life countenanced the opinion that the new contents of his socialist and communist theory could be derived, as a mere logical consequence, from the utterly bourgeois theories of Quesnay, Smith, and Ricardo."\*\*

However, this position of Kautsky's gives the necessary qualifications to our previous statement that he was an excellent pupil of Marx and Engels. He was such only to the extent that Marxism could be fitted into his own limited concepts of social development and of capitalist society. For Kautsky, the "socialist society", or the logical consequence of capitalist development of commodity production, is in truth only a state-capitalist system. When once he mistook Marx's value concept as a law of socialist economics if only applied consciously instead of being left to the "blind" operations of the Market, Engels pointed out to him\*\*\* that for Marx, value is a strictly historical category; that neither before nor after capitalism did there exist or could there exist a value production which differed only in form from that of capitalism. And Kautsky accepted Engel's statement, as is manifested in his work "The Economic Doctrines of Karl Marx," (1887) where he also saw value as a historical category. Later, however, in reaction to bourgeois criticism of socialist economic theory, he re-introduced in his book "The Proletarian Revolution and its Program" (1922) the value concept, the market and money economy, commodity production, into his scheme of a socialist society. What was once historical became eternal; Engels had talked in vain. Kautsky had returned from where he had sprung, from the *petite-bourgeoisie*, who hate with equal force both monopoly control and socialism, and hope for a purely quantitative change of society, an enlarged reproduction of the status quo, a better and bigger capitalism, a better and more comprehensive democracy — as against a capitalism climaxing in fascism or changing into communism.

The maintenance of liberal commodity production and its political expression were preferred by Kautsky to the "economics" of fascism because the

\*Sozialisten und Krieg. p. 665.

\*\*K. Korsch, Karl Marx. New York 1938, p. 92. See also: Engels Preface to the German edition of *La Misere de le Philosophie*, 1884; and to the second vol. of *Capital*, 1895.

\*\*\*Aus der Fruehzeit des Marxismus, p. 145.

former system determined his long grandeur and his short misery. Just as he had shielded bourgeois democracy with Marxian phraseology, so he now obscured the fascist reality with democratic phraseology. For now, by turning their thoughts backward instead of forward, he made his followers mentally incapacitated for revolutionary action. The man who shortly before his death was driven from Berlin to Vienna by marching fascism, and from Vienna to Prague, and from Prague to Amsterdam, published in 1937 a book\* which shows explicitly that once a "Marxist" makes the step from a materialistic to an idealistic concept of social development, he is sure to arrive sooner or later at that borderline of thought where idealism turns into insanity. There is a report current in Germany that when Hindenburg was watching a Nazi demonstration of storm troops he turned to a General standing besides him saying, "I did not know we had taken so many Russian prisoners." Kautsky, too, in this his last book, is mentally still at "Tannenberg." His work is a faithful description of the different attitudes taken by socialists and their forerunners to the question of war since the beginning of the 15th century up to the present time. It shows, although not to Kautsky, how ridiculous Marxism can become when it associates the proletariat with the bourgeois needs and necessities.

Kautsky wrote his last book, as he said, "to determine which position should be taken by socialists and democrats in case a new war breaks out despite all our opposition to it."\*\* However, he continued,

"There is no direct answer to this question before the war is actually here and we are all able to see who caused the war and for what purpose it is fought." He advocates that "if war breaks out, socialist should try to maintain their unity, to bring their organization safely through the war, so that they may reap the fruit wherever unpopular political regimes collapse. In 1914 this unity was lost and we still suffer from this calamity. But today things are much clearer than they were then; the opposition between democratic and anti-democratic states is much sharper; and it can be expected that if it comes to the new world war, all socialists will stand on the side of democracy."

After the experiences of the last war and the history since then, there is no need to search for the black sheep that causes wars, nor is it a secret any longer why wars are fought. However, to pose such questions is not stupidity as one may believe. Behind this apparent naivete lies the determination to serve capitalism in one form by fighting capitalism in another. It serves to prepare the workers for the coming war, in exchange for the right to organize in labor organizations, vote in elections, and assemble in formations which serve both capital and capitalistic labor organizations. It is the old policy of Kautsky, which demands concessions from the bourgeoisie in exchange for millions of dead workers in the coming capitalistic battles. In reality, just as the wars of capitalism, regardless of the political differences of the participating states and the various slogans used, can only be wars for capitalist profits and wars against the working class, so, too, the war excludes the possibility of choosing between conditional or unconditional participation

\*Sozialisten und Krieg.

\*\*Sozialisten und Krieg, p. VIII.



in the war by the workers. Rather, the war, and even the period preceding the war, will be marked by a general and complete military dictatorship in fascist and anti-fascist countries alike. The war will wipe out the last distinction between the democratic and the anti-democratic nations. And workers will serve Hitler as they served the Kaiser; they will serve Roosevelt as they served Wilson; they will die for Stalin as they died for the Tsar.

Kautsky was not disturbed by the reality of fascism, since for him, democracy was the natural form of capitalism. The new situation was only a sickness, a temporary insanity, a thing actually foreign to capitalism. He really believed in a war for democracy, to allow capitalism to proceed in its logical course towards a real commonwealth. And his 1937 predictions incorporated sentences like the following:

"The time has arrived where it is finally possible to do away with wars as a means of solving political conflicts between the states."\* Or, "The policy of conquest of the Japanese in China, the Italians in Ethiopia, is a last echo of a passing time, the period of imperialism. More wars of such a character can hardly be expected."\*\*

There are hundreds of similar sentences in Kautsky's book, and it seems at times that his whole world must have consisted of no more than the four walls of his library, to which he neglected to add the newest volumes on recent history. Kautsky is convinced that even without a war fascism will be defeated, the rise of democracy recur, and the period return for a peaceful development towards socialism, like the period in the days before fascism. The essential weakness of fascism he illustrated with the remark that

"the personal character of the dictatorships indicates already that it limits its own existence to the length of a human life."\*\*\*

He believed that after fascism there would be the return to the "normal" life on an increasingly socialistic abstract democracy to continue the reforms begun in the glorious time of the social democratic coalition policy. However, it is obvious now that the only capitalistic reform objectively possible today is the fascist reform. And as matter of fact, the larger part of the "socialization program" of the social democracy, which it never dared to put into practice, has meanwhile been realized by fascism. Just as the demands of the German bourgeoisie were met not in 1848 but in the ensuing period of counter-revolution, so, too, the reform program of the social democracy, which it could not inaugurate during the time of its own reign, was put into practice by Hitler. Thus, to mention just a few facts, not the social democracy but Hitler fulfilled the long desire of the socialists, the *Anschluss* of Austria; not social democracy but fascism established the wished-for state control of industry and banking; not social democracy but Hitler declared the first of May a legal holiday. A careful analysis of what the socialists actually wanted to do and never did, compared with actual policies since 1933, will reveal to any objective observer that Hitler realized no more

\*Sozialisten und Krieg, p. 265.

\*\*Ibid., p. 656.

\*\*\*Ibid., p. 646.

than the program of social democracy, but without the socialists. Like Hitler, the social democracy and Kautsky were opposed to both bolshevism and communism. Even a complete state-capitalist system as the Russian was rejected by both in favor of mere state control. And what is necessary in order to realize such a program was not dared by the socialists but undertaken by the fascists. The anti-fascism of Kautsky illustrated no more than the fact that just as he once could not imagine that Marxist theory could be supplemented by a Marxist practice, he later could not see that a capitalist reform policy demanded a capitalist reform practice, which turned out to be the fascist practice. The life of Kautsky can teach the workers that in the struggle against fascistic capitalism is necessarily incorporated the struggle against bourgeois democracy, the struggle against Kautskynism. The life of Kautsky can, in all truth and without malicious intent, be summed up in the words: From Marx to Hitler.

## THE STRUGGLE FOR DEMOCRACY

As chaotic as the time, are the ideas of men. Bewilderment in economic and political matters is apparently still increasing. Certain unmistakable trends in thought and action, however, indicate that this confusion may be also regarded as a process of clarification. Slowly, and in a roundabout way, people begin to recognize the general direction in which society moves. Attempts at adaptation to its course involve many inconsistencies, resulting from the attempt to move in traditional paths. According to many of his critics, inconsistency characterizes the writings of Herbert Agar.\* At times, they contend, he writes like a fascist, and on other occasions, like a man inspired by the "People's Front." In recognition of the two-fold meaning of confused thinking, we may regard his bewilderment as his specific quality, for here he reflects only an actual situation and voices a general desire to harmonize the needs of the individual with those of society without disturbing the latter too much. Almost everybody feels for him in

this respect; it is really touching to see, in economics for instance, how capitalists become "progressive socialists," and how socialists turn "progressive capitalists"; how everybody is willing to sacrifice here and modify there, to bring about a fusion of ideas that can "serve society." Indecision is the mark of all political groups; fear rules the world, the fear of fundamental social changes instead of the present makeshifts, which solve nothing and, in postponing the real issues, enable them to grow more complex. Fear leads to despair. The "anti-fascist struggle", it is often pointed out, transforms this struggle itself into a semi-fascist movement, not to mention the fact that the methods employed by both are quite often identical. In the bourgeois camp proper the situation is no different. During the last election campaign, many a Republican spoke like the best of the New Dealers, and the New Dealers turn their welfare economics into war economics in the good old Republican tangle. No one likes capitalism as it appears today, and no one wants to do without it. (If we did not get so hungry watching this procedure, it would be funny).

\*The Pursuit of Happiness: The Story of American Democracy. By Herbert Agar. Houghton Mifflin. \$ 3.00.

Agar concerns himself with the history of the Democratic Party, a very bad history, in his opinion. "Much of the time since the Civil War," he writes, this party "has either been sound asleep or it has been a cheap imitation of the Republican Party. But when it has amounted to anything at all — as under Bryan, Wilson, Roosevelt — the party has been fumbling with the old problem: how to run a would-be democracy the size of an empire without exploiting some regions for the benefit of others;... how to run a would-be democracy which is also a rich capitalism without exploiting the proletarian class (p. 246)." Agar has an idea as to what a democracy should be, and measures capitalist democracy by his own abstraction. Reality is found wanting, for it did not and does not correspond to his ideal. However, more than a hundred years of attempts at "real democracy" are not, even in its present impasse, able to convince Agar that the case is lost. He has the unanswerable argument that "real democracy," i. e., his "ideal democracy", may not be considered impossible, for it has never been tried in earnest.

Agar bewails the fact that the history of the Democratic Party has too often justified Bryce's saying that the American parties resemble two identical bottles with different labels. He doesn't realize that no party derives its functions from its ideology, but from the entire social situation. Just as far removed as is the Democratic Party from Jefferson, so the Republican Party is removed from Hamilton. Agar's idealistic attitude makes him a good writer and a bad historian. He is not able to understand the history of American democracy nor the motives of the party heroes; he can point only to contradictions between theory and practice, and to decide against the latter. The disparity between reality and ideology based on class relations he sees as a conflict between means and ends, conditioned by time and place. To him, "the ends are absolute. They will remain as true and as desirable as they ever were, no matter what changes come over the world (p. 43)." However, in the

process of comparing reality with his ideal, he cannot help but attack most bitterly the whole of the experienced democracy, and he salvages from it no more than Jefferson's slogan, "equal rights for all, special privileges for none." Agar's indignation inspires him to an excellent description of party practices, and here he says more than he knows.

The history of democracy from Jefferson to Roosevelt continuously demonstrates to Agar that "the political success of the Jeffersonian party did not bring with it an equivalent triumph for the Jeffersonian ideas (p. 40)." The means employed unfortunately turned against the end aspired to. But the end aspired to never conformed to Agar's absolute idea; it consisted of specific, concrete goals, which in turn determined the means employed to reach them. The contradiction Agar construes between means and ends is artificial. The limited meaning of Jefferson's phrase was clear at the time it was coined. Long before the American Revolution the people had experienced class conflicts. The recognition of class differences underlies all ideas incorporated in the Constitution, which was regarded as an instrument to help the industrial and mercantilistic interests arisen in the East to counteract the pressure of the agricultural majority. The defense of the new property forms was the basis of the Constitution, and was created by men intending to capitalize the country according to the English example. Jefferson's democracy also was based on the defense of private property. "It is not necessary to demand economic equalitarianism in order to make Jefferson's phrase come true," Agar writes, "but it is clearly necessary to demand economic justice (p. 42)." Jefferson wanted justice for the farmers, the majority of the population, who even from the days of Shay's Rebellion knew that they would have to pay for the development of American capitalism.

However, Jefferson's *Realpolitik*, not to speak of its idealization, was, for external as well as internal reasons, defeated at its start. An exclusive agricultural economy as desired by Jefferson would sooner or

later have to be industrialized to escape colonization and foreign exploitation. The War of Independence could not be undone; its success had already established the fact that the trend was toward industrialization, which would eventually subordinate to itself both forms of farming, the plantation system in the South, as well as the independent farming in the Northwest. Only while capitalism was still weak was it possible to harmonize the plantation system with independent farming, and as long as it was possible it was done, not as an inconsistency in Jefferson and his followers, as Agar assumes, but as a political expediency to oppose the growing capitalistic forces. If wasn't a democracy of the Agar type that Jefferson was fighting for, but simply agricultural advantages and property. Both parties from the outset were interested only in group problems and not in social philosophies. The kernel of Jefferson's ideal is a class issue, and each class necessarily claims to fight for the happiness of the whole of society. Jefferson's demand for decentralized powers was not a mere principle derived from ethical considerations, but a practical policy for fighting the "Federalists", who emphasized the need for centralization in opposing successful majorities otherwise difficult to control.

Jefferson's lost cause was taken up with fresh vigor by Jackson in a new and last attempt to push back advancing capitalism. He founded the "type of party machine, the type of national convention, the type of spoils system," which, to the despair of Agar, still exist. In Jackson's case, too, Agar admits that he "did not live up to his own theory of government... His contribution to the Democratic Party is not a set of doctrines, but a way of feeling about life (p. 152)." This way of "feeling about life", meaning the "defense of the plain people against the financiers and the men of big property," always remained mere feeling. "When the party came to power it did not pass a single measure which was directly in the interest of the small farmer or of the city poor... An efficient and disciplined party was created to serve the democratic

ideal. But the party did not serve that ideal (p. 179)." After Jackson, the Democratic Party became the party of the Southern slave economy, nourished by the industrial revolution in England, which had created a seemingly inexhaustible market for cotton. Little remained even of the democratic phraseology. From the Civil War "until the election of Roosevelt the Democratic Party was never again the dominant party." Till Roosevelt, "the Wilson Administration was the only proof that it is still possible to use the Federal government to promote progressive and Democratic aims (p. 323)." However, Wilson's policy led to the "war for democracy", the real democracy of the battle field. And to judge from the results so far of Roosevelt's progressive liberalism, it seems clear that it too serves tendencies quite opposed to democratic ideals.

All this does not destroy Agar's optimism. It is wrong, he says, to think that all this "was inevitable", that an economy of private property 'must' develop into an economy ruled by vast monopolies, that the free citizen of the Jefferson dream, 'must' become the helpless pensioner of finance or of the State... These things were done deliberately; if we deplore the results they can be deliberately undone (p. 354)." Certainly those things were done "deliberately", for the property-relations permitted it, and the elements suffering thereby were not able to hinder this development. Certainly this can be changed "deliberately", if the "victims" of previous events create the power to do so. The fact is, however, that they did not arrest this development, that they are now faced with its results, and cannot help but operate on the basis of this new condition. Agar, however, is not inclined to change an old order into a new one, he wants merely to "undo" what was done; he wants to put history in reverse. Influenced by southern *Agrarianism*, which preaches a utopian self-sufficiency of pauperized farmers, he wants a moral revolution to win back a past, which, as he has just discovered, existed only in his fantasy.

It is true that Agar does not give his own answers to the problems

posed, that he only wishes to dramatize the great need for facing them. However, his editorship of *Free America*, the magazine to "promote independence", as well as his present book, gives one a clue as to what he would consider a solution of the social question. "Is there a law of nature requiring rich nations to keep some of their people unprivileged as swine?" he asks. By pointing to the poorer yet capitalistic Scandinavian countries he answers in the negative. Forgetting his own researches, he now contends that "our own past history shows that a system of widely distributed property can serve the American ideal. The story of a modern industrial nation such as Sweden shows the same thing (p. 362)." Thus, uncritically, he accepts the many fairy tales recently told about the Scandinavian democracies, which, because of their enormous profits from the preceding and the impending war, their highly agricultural character and their wonderfully trained labor movement, are still able to hide the class struggle and the existing misery from clever journalists and the "public" in general. Even apart from these misconceptions, it is not possible to compare Sweden with America. Sweden's peculiarities are understandable only in connection with the whole European situation. If a comparison must be made, then continents should be compared with continents; any other comparison is meaningless. Besides looking to Sweden, Agar wants to interest his readers in "adult education" and in "co-operative enterprises" of the type created by the citizens of Nova Scotia, who have "lifted themselves out of poverty, ignorance, and despair." But so have many other people outside of Nova Scotia who have been favored by particular circumstances not given to all of society. His solutions are group solutions, possible only on a small scale, and unable to attain social significance.

Traditional, individualistic thinking, when disturbed, usually moves along grooves outlined by Agar. It is understandable why the petty-bourgeois mind, confronting developing forces that threaten its security,

should look with nostalgic longing to the past, and go back to the old ideas of the radical petty-bourgeoisie. Like Proudhon and his followers of a hundred years ago, Agar regards free competition of small enterprises as the ideal state of economic development, capable of eliminating all privileges arising through money and land monopolies. In this way, control from above is deemed unnecessary, profits are expected to disappear, and each one will receive the fruits of his labor. "I do not intend," Proudhon pointed out, "to do away with private property, but to socialize it; that is, to reduce it to small enterprises and deprive it of its power." However, despite his democratic dream, Agar, in distinction to Proudhon and in recognition of "time and place", realizes that "the inequalities between regions and classes have become unbearable;... that they cannot be diminished except through the use of the federal power, and that it seems that Americans who still cherish Jeffersonian principles must support the use of that power (p. 367)." But there arises then a real calamity, as "all history shows that it is easier to confer power upon governments than to withdraw it." "To solve this last problem, he appeals to the "wisdom" of the people, however, the "wisdom" of the people unfortunately falls also under governmental control, as a supplement to the acquired economic and political powers. Indeed, the pursuit of happiness is difficult; democracy now has to be realized by dictatorial means, which, in order to be successful, needs "unselfish" and "ungreedy" people, so that in the end, "whether we make America a good or a bad country will depend upon what we make, individually, of ourselves (p. 368)." With this nobody would disagree, not even Herbert Hoover. But try to tell it to the unemployed.

The ideas which Agar offers to the public are safe ideas. In the artificial struggle of democracy versus dictatorship he chooses both sides, as almost everybody else does. The "people" of Vienna recently demonstrated that this attitude is not the exclusive right of lone thinkers, but a real mass phenom-

enon: Schuschnigg in the forenoon, Hitler in the afternoon — what is the difference? One has to swim with the stream whatever deviations it describes. The absolute idea is always with us; the rest doesn't count, and has never meant anything, as Agar's book shows. The democracy for which he is pleading, even if its attainment were possible, wouldn't be much different from the democracy he dislikes; for in an atomized private property society, which is unequal from the beginning, and thereby able only to reproduce

continually its inequalities on an always larger scale, and which, so far as it has equalizing powers, only equalizes misery for more and still more people, — this democracy, offered today as the way out of the present unbearable situation, can serve only as an ideological weapon towards a completely different end. As an idea, Jeffersonian democracy might very well be a big help not in the quest for a real collectivism, but in the only democratic struggle possible under capitalism, the struggle of all against all.

## CURBING BIG BUSINESS ?

In June, 1938, the Roosevelt Administration created the *Temporary National Economic Committee* for the purpose of making a complete study with respect to concentration of economic power in American industry, the effect of such concentration upon decline of competition and tax policies, apparently to give affirmative encouragement to competitive enterprises.

Monopoly capital has pushed the smaller capitalists against the wall. The weaker competitor who for decades advocated that "competition is the life of trade," is now demanding legislative action to stem the one-sided distribution of high profits into the pockets of monopoly capitalism. However, their demand is quite illusionary, as were all previous attempts to "curb" big business.

Looking backward, we note that the struggle of the opposing fractions within the capitalist class has been noticeable for the last 75 years. It always has been the aim of the smaller capitalist and industrialist to prevent the growing concentration of capital through legislative efforts. The struggle, however, usually ended in scraps of paper. The Interstate Commerce Law, 1887, the Anti Trust Law, 1890, and many others, were enacted only to be interpreted and perforated until they had no teeth left. Part after part was declared inoperative by the courts, all efforts to enforce the law broke on the powerful opposition of the monopolistic concerns.

The economic necessity of cooperation of government and industry during the World War, and the encouragement of industry for consolidation by the decisions of the Supreme Court during this period gave the consolidation movement renewed impetus. Consolidation for war profits without so-called unfair practices became the demand of the hour. As in previous times the government in its public campaigns made a distinction between good and bad trusts, purposely overlooking the fact that the mere existence of trusts constituted a violation of the "laws of the nation."

The post-war period created a new phase of trustified industry: concentration of control by means of holding companies and investment trusts in order to eliminate competition and create greater profits. These organizations,

through the practical means of interlocking stock holdings and directorites, were soon to play a decisive role in the development of the economic structure. For the first time we observe in the 1920's the increasing number of holding companies as a modern form of monopolization. At the end of the decade we find monopolies dominating by such methods production in the United States as follows: 75% of steel production capacity was owned by 6 companies; 70% of the rubber tire production was in the hands of 4 companies; electrical equipment industry was dominated by 3 big corporations; and the automobile industry was ruled by 2 giant integrations. The following compilation illustrates this concentration movement:

Number of firms merged or acquired		
	1918-1928	During 1928
Iron and Steel	1364	172
Oil	765	56
Lumber and Paper	510	85
Textiles	505	148
Chemicals	355	96
Coal	296	18
Foodstuff	963	267

  

Number of concerns disappearing from the economic field		
	1924	1925
	368	554
	856	870
	1058	1245

The successful operation of the holding companies as an instrument of concentration warrants a closer study of its working possibilities, as only through its use is it possible today to have such multi-billion dollars enterprises as the American Telephone and Telegraph Company, the United Steel Corporation, and many others.

The holding company is today the most effective means or device for combining under single control the properties of one or more companies or independent corporations. It grows to be the propelling force which sped up the expansion and centralization of a large part of American industry, the upward trend of American modern monopoly capitalism which was checked only partly by the depression of the last ten years. Its power lies in the buying of control of competing enterprises, centralizing production, combining vast industrial units into one big unit, and at the same time acting as financing agency for the capital requirements of its subsidiaries.

The holding company constitutes generally a form of financial superstructure, a system of parent holding companies, holding companies, and operating companies, thereby merging the credit of all companies with the credit of the top organization for speculation and financial manipulations. The pyramiding of the voting control gives the holding company control over

the subsidiaries with a minimum amount of investment. The following is a practical example of the working possibilities:

If a group of bankers want to get hold of a certain profitable industry, or a concern financial control of some competitors' assets, with, say, a capitalization of 75 million dollars, listed as 25 million dollars in bonds, 25 million dollars par value of non-voting stock (pref.) and 25 million dollars par value common stock, all they have to do to gain complete legal control is to purchase on the market 50% of the common stock at market value-par value. The stockholders of the common stock, as the only voting stock, influence and determine the policies of the enterprise, and are therefore the controlling power of the management policies. The investment of the group interested in the above outlined concern would have been 12 1/2 million dollars. This group would now form a legal holding company by setting up an organization to take over the 12 1/2 million dollar investment. The new "holding company" would issue its own securities based on the credit of the invested money. The issue would consist of 5 million dollars of bonds, 2 1/2 million dollars of pref. stock, and 5 million dollars common stock of the "Holding Company." It then throws the bonds, including the pref. non-voting stock, on the market, with almost half of the common voting stock. The remaining 2 1/2 million dollars of common stock is now the only factor requisite to keep control over the 75 million dollars operating company. The proceeds of the issues sold are paid in turn to the original investors, who now form the controlling group as "holding company" of the operating company. A second holding company may be set up to buy the remaining stocks of the original holding company. This procedure can be duplicated again and again, so that at the end — or top — organization, a 1% investment controls an entire industry and its subsidiaries. It minimizes the investment and increases the power over the whole structure of production.

In the case of the Commonwealth Power investigation, to cite an example, it was found that control over the vast enterprise was accomplished by an actual investment of 9 1/2 million dollars controlling a total of over 239 million dollar assets.

The directors of the holding company are voted into the offices of most of its subsidiaries and operating companies as chairman and trustees. These interlocking directorates are the main control over all matters of policy and finance of the subsidiary companies. For instance, in 1920, 202 officials and directors of the Morgan and Insull Utilities held 1984 interlocking directorates, out of which the following economical groups were represented:

Positions held by the 202 officials	
Power Industry	586 directorates
Financial Corporations	527 "
Railroads	158 "
Industry and Commerce	479 "

The holding company establishes a sphere of influence by private paternalism; it not only receives fees from the operating companies based on gross income but in addition, it makes enormous profits on merchandise required by

and sold to the subsidiary companies. It receives, furthermore, fat profits on all contracts let out, finally gets commission on securities, for their issuance, sale and exchange.

The World War had driven production capacity beyond the limits set up on production by capitalist social relations. Suddenly this expansion came to a stop. The demand for investment capital in the production field dropped, it entered the financial channels of trusts and investment fund organizations, "created new profits" by raising the actual value of the existing productive plant value to dizzy heights. Artificial booms and rains of profit attracted money. The financial capital of the holding companies and investment trust organizations mounted enormously. This growth was not due to production operations but to financial manipulations, which increased the number of issues on the markets and thereby decreased the value of the securities. This inflation of the security prices out of proportion to the underlying values was an important factor in the making of the coming collapse of the market. The following figures show the increase of profits made on the market:

Monetary Income from Capital invested in Financial Institutions	
1925	27,072,000 Million Dollars
1929	89,668,000 " "
Rise in Profits from 1923 to 1929	
Financial corporations	177%
Speculative profits	300%
Non-financial corporations	14%

Industrial capitalism, more or less concerned with the making of profit through production of goods was faced by a finance-capitalist development deriving its profits through the promotion of stocks. This condition led to an increasing exploitation of the American production industry by finance capital. The finance-capitalist group was well represented in the control of non-banking corporations. On January 1, 1932, the Morgan group, typical of many others, sat on the boards of 60 non-financial corporations with a total asset of 30 billion dollars.

The depression beginning 1929 and the years thereafter again accelerated the development of new mergers and consolidations to effect higher efficiency and greater exploitation. We find at the end of the year 1932 the following prosperous billion dollar giants weathering the depression:

Gross Assets as of January 1, 1932	
American Telephone and Telegraph Co.	\$4,235,749,000
Pennsylvania Railroad Co.	2,781,800,000
United Steel Corporation	2,279,802,000
Standard Oil Co. of New York	1,827,010,000
General Motors Corporation	1,313,920,000
Electric Bond and Share Co.	1,231,641,000
Cities Service Co.	1,194,450,000

Monopoly capitalism today, in spite of all governmental legislation, restriction, the NRA, the Public Utility Holding Act, etc. of the Roosevelt Administration, is well protected under the democratic form of the United States government. Trustification and monopolization, although opposed and protested vigorously by the weaker competitors, are constantly growing. By instigating the creation of the *National Economic Committee*, the government makes only a democratic gesture which in the end will assure a more fit organization of industry and a profitable functioning at the sacrifice of the smaller capitalist. This is done with the help and aid of the biggest corporation heads and financial giants who have been asked to cooperate with the Committee — the same leaders who have been accused of exerting the sinister influence in destroying the little fellows.

However, while monopolies grow at the expense of free business initiative, with increasing concentration of economic power through financial control over production and distribution of goods, the future of this development points to its own defeat. At one time monopolization meant extra profits and unlimited expansion, but today in the decline period of capitalism, modern concentration and centralization are forced upon the economic structure with growing competition among the monopolistic enterprises themselves. The restriction and regulation of production and distribution becomes more and more difficult. Losing out to the monopolistic competitor means the loss of millions of dollars capital investment. The fight to eliminate the monopolistic competitor in turn affects the stability of the system, sharpens the struggle of capitalism for existence. The government is forced to protect the interests of the big corporations by regulating production, stabilizing prices and giving financial aid to unsound institutions in order to prevent a nation-wide repercussion. In this and other ways, monopoly capitalism has the tendency to prolong the period of stagnation of the production process, but the attempts to restore the disturbed "equilibrium" will preserve and carry over into the next artificial boom period surplus productive capacity which, in turn, tends to increase the impact of the coming new depression.

The trends of concentration cannot be curbed by governmental agencies; yet, in order to disperse for a while the fears of the smaller capitalists and appease them, the *National Economic Committee* will in its studies and findings try to prove in the end that today "freedom of enterprise and competition" is a healthy factor in American industry. However, a point will be approached where the growing difficulties may require a more rigorous solution. As an economic adviser of the Federal Trade Commission commented while a witness before the *National Economic Committee*:

"...There appear to be symptoms indicating that monopoly has so far weakened the body of capitalism that both are in danger of dissolution... the abandonment of free capitalism, here as in other nations, will require the abandonment of democracy... to be followed by some kind of authoritarian social order..."

P. W.

## DISCUSSION

### On The Impotence of Revolutionary Groups\*

The difference between the radical organizations and the broad masses appears as a difference of objectives. The former apparently seek to overthrow capitalism; the masses seek only to maintain their living standards within capitalism. The revolutionary groups agitate for the abolition of private property; the people, called the masses, either own bits of private property, or hope some day to own them. The communist-minded struggle for the eradication of the profit-system; the masses, capitalist-minded, speak of the bosses' right to a "fair profit." As long as a relatively large majority of the American working class maintain the living conditions to which they are accustomed, and have the leisure to follow their pursuits, such as baseball and the movies, they are generally well content, and are grateful to the system that makes these things possible. The radical, who opposes this system and thereby jeopardizes their position within it, is far more dangerous to them than the bosses, who pay them, and they do not hesitate to make a martyr of him. As long as the system satisfies their basic needs in the accustomed manner, they are well satisfied with it, and whatever evils they behold in society, they attribute to "unfair bosses," "bad administrators," or other individuals.

The small radical groups — "intellectuals" who have "raised themselves to the level of comprehending historical movements as a whole," and who trace the social ills to the

system rather than to individuals — see beyond the objectives of the workers, and realize that the basic needs of the working class can not be satisfied for more than a temporary period under capitalism, and that every concession that Capital grants Labor serves only to postpone the death struggle between these adversaries. They therefore — at least in theory — strive continually to turn the struggle for immediate demands into a struggle against the system. But beside the realities of bread and butter which capitalism can still offer a majority of the workers, the radicals can submit only hopes and ideas, and the workers abandon their struggles the moment their demands are met.

The reason for the apparent difference of objectives between the revolutionary groups and the working class is easy to understand. The working class, concerned only with the needs of the moment and in general content with its social status, reflects the level of capitalist culture — a culture that is "for the enormous majority a mere training to act as a machine." The revolutionists, however, are so to speak deviations from the working class; they are by-products of capitalism; they represent isolated cases of workers who, because of unique circumstances in their individual lives, have diverged from the usual course of development in that, though born of wage slaves, they have acquired an intellectual interest, that has availed itself of existing educational possibilities. Though of these, many have succeeded in rising into the petty-bourgeoisie, others, whose careers in this direction were blocked by circumstances, have remained within the working class as intellectual workers. Dissatisfied with their social status as appendages to

machines, they, unable to rise within the system, rise against it. Quite frequently cut off from association with their fellow workers on the job, who do not share their radical views, they unite, with other rebellious intellectual workers and with unsuccessful careerists of other strata of society, into organizations for changing society. If, in their struggle to liberate the masses from wage slavery, they seem to be acting from the noblest of motives, certainly it doesn't take much to see that one suffers for another only when he has identified that other's sorrow with his own. But whenever they have the chance to rise within the existing society they, with rare exceptions, do not hesitate to abandon their revolutionary objectives. And when they do so, they offer sincere and sound logic for their apostasy, for, "Does it require deep intuition to comprehend that man's ideas change with every change in his material existence?" Sports in the development of capitalism, the revolutionary organizations, small, ineffectual, buzzing along the flanks of the broad masses, have done nothing to affect the course of history either for good or ill. Their occasional periods of activity can be explained only by their temporary or permanent forsaking of their revolutionary aims in order to unite with the workers on immediate demands, and then it was not their own revolutionary role that they played, but the conservative role of the working class. When the workers achieved their objectives, the radical groups lapsed again into impotence. Their role was always a supplementary, and never a deciding one.

#### II.

It is the writer's conviction that the day of the revolutionary party is over; that revolutionary groups under present conditions are tolerated, or rather ignored, only as long as they are impotent; that nothing is so symptomatic of their powerlessness as the fact that they are permitted to exist. We have often stated that the working class, which will endure while capitalism lasts, and which cannot be obliterated under this system, can alone wage

a successful struggle against capitalism, and that the initiative can not be taken out of its hands. We may add here that after all the conservatism of the working class today only reflects the still massive strength of capitalism, and that this material power cannot be cast out of existence by propaganda but by a material power greater than that of capital.

Yet from time to time members of our own group take to task the group's inactivity. They declare that, isolated as we are from the class struggle as it is waged today, we are essentially mere study groups that will be completely out of touch with events when social upheavals do occur. They state that since the class struggle is omnipresent in capitalism, it behoves us as a revolutionary organization to deepen the class war. But they do not suggest any specific courses of action. The fact that all the other radical organizations in the field, though striving desperately to overcome their isolation, are nevertheless insignificant Marxist sects like ourselves, does not convince our critics of the futility of any action that small groups can take.

The very general statement that the class war is ever-present and that we should deepen it, is made first of all in the assumption that the class struggle is a revolutionary struggle, but the fact is that the workers as a mass are today conservative. It is assumed that the class war aims directly at the weakening of capitalism, but the fact is that, though it serves this ultimate purpose, it is directly aimed at securing the position of the workers within the society. Furthermore, the actual class struggle is not waged through revolutionary organizations. It is waged in the factories and through the unions.

In America today it is being waged by such organizations as the A. F. of L. and the C. I. O., and though here and there across the continent arise sporadic strikes that are outlawed by all the existing conservative organizations and that indicate the form the class war may take when all these organizations are completely

\*Beginning with this article, we are devoting space in LIVING MARXISM to a general discussion of problems concerning workers and workers' organizations. The views expressed in this space are those of individual workers and are not necessarily shared by the Groups of Council Communists. We invite our readers to participate in these discussions.

emasculated by the State, these workers' movements are infrequent and isolated today. True, the leadership of both the C. I. O. and the A. F. of L. is conservative, but then so is the membership of both unions. In order to retain their membership and attract more workers to it, the unions must wrest concessions from the capitalist class for them; the workers remain in the unions only because they obtain such concessions through them; and to the extent that they do obtain such concessions for the workers, the unions are waging the class struggle. If, therefore, we are to plunge into the class struggle, we must go where the struggle is being waged. We must concentrate on either the factories or the unions, or both. If we do so, we must abandon, at least overtly, our revolutionary principles, for if we give them expression, we shall swiftly be discharged from the job and expelled from the union, and, in a word, cut off again from the class struggle and returned precipitantly to our former impotent state. To become active in the class struggle means, then, to become as conservative as the large body of workers. In other words, as soon as we enter the class struggle, we can contribute nothing special to it. The only alternative to this course is to continue as we are, clinging impotently to our principles. Regardless of which course we pursue, it is obvious that we cannot affect the current of events. Our impotence illustrates what should be obvious to all: That history is made by the broad masses alone.

The Groups of Council Communists distinguish themselves from all other revolutionary groups in that they do not consider themselves vanguards of the workers, nor leaders of the workers, but as being one with the workers' movement. But this difference between our organization and others is only an ideologic difference, and reflects no corresponding material difference. In practice we are actually like all the other groups. Like them, we function outside the spheres of production, where the class struggle is fought; like them, we are isolated from the large mass of workers. We differ only in ideology from all the

other groups, but then it is only in ideology on which all the other groups differ. Practically there is no difference between all groups. And if we were to follow the suggestion of our critics and "deepen the class struggle," our "Leninistic" character would become quite evident. Let us assume, for example, that it is possible for us as an independent group to organize the workers of some industrial area. The fact that they have not moved of their own accord without our aid means that they are dependent upon us for their initiative. By supplying the initiative, we are taking it out of their hands. If they discover that we are capable of giving them the initial impulse, they will depend upon us for the subsequent impulses, and we shall soon find ourselves leading them step by step. Thus, they who advocate that we "intensify" the class war are not merely ignoring the objective conditions that make such an act questionable, but are advocating also our leadership over the masses. Of course, they may argue that, realizing the evils of such a course, we can guard against them. But this argument is again on an ideologic level. Practically, we shall be compelled to adjust ourselves to circumstance. Thus it becomes obvious that by such a practice we would function like a Leninist group, and could at best produce only the results of Leninism. However, the impotence of the existing Leninist groups shows the improbability of the success of even such a course, and points once more to the obsolescence of small revolutionary groups in regards to real proletarian needs, a condition perhaps forecasting the approaching day when it shall be objectively impossible for any small group to assume leadership of the masses only to be forced in the end to exploit them to its own needs. The working class alone can wage the revolutionary struggle, even as it is today waging alone the non-revolutionary class struggle, and the reason that the rebellious class-conscious workers band into groups outside the spheres of the real class struggle is only that there is as yet no revolutionary movement within them. Their existence as small

groups, therefore, reflects, not a situation for revolution, but rather a non-revolutionary situation. When the revolution does come, their numbers will be submerged within it, not as functioning organizations, but as individual workers.

But though no practical difference between us and other revolutionary organizations is permitted by the objective conditions, we can at least maintain our ideologic difference. Therefore, where all groups see revolution in the most impossible situations and believe that all that is lacking for revolution is a group with the "correct Marxist line"; where, in a word, they exaggerate the importance of ideas, and incidentally of themselves as carriers of those ideas — an attitude that reflects their careerist proclivities — we wish to see the truth of each situation. We see that the class struggle is today still conservative; that society is characterized not simply by this single struggle but by a multiplicity of struggles, which varies with the multiplicity of strata within the system, and which so far has affected the struggle between Capital and Labor in the interest of the former.

But because we see not merely the immediate situation but also the trends therein, we realize that the difficulties of capitalism are progressively increasing and that the means of satisfying even the immediate wants of the working class are continuously diminishing. We recognize that as a concomitant of the increasing non-profitability of capitalism, is the progressive levelling out of the divisions within the two classes, as capitalists appropriate capitalists in the upper class, and, in the lower class, as the means of subsistence, the better to extend them, is apportioned more and more uniformly among the masses, for the sake of averting the social catastrophes attendant upon the inability to satisfy them. As these developments are taking place, the divided objectives of the upper class are converging towards one objective: the preservation of the capitalist exploitative system; and the divided objectives of the workers are, despite the increasing

ideologic confusion, converging towards one objective: a fundamental change of present socio-economic forms of life. Then will we, only another strata of the working class now, or, more correctly, an offshoot, really merge with the entire working mass, as our objectives merge with theirs, and we shall then lose ourselves in the revolutionary struggle.

But the question may be raised, why, then, realizing the futility of the act, do you band together into groups? The answer is simply that the act serves a personal need. It is inevitable that men sharing a common feeling of rebellion against a society that lives by exploitation and war should seek out their own kind in society, and in their opposition employ whatever weapons fall to their command. Unable to rebel against the system with the rest of the population, they will oppose it alone. The fact that they engage in such action however futile it may appear establishes the basis for the prediction that when the large masses, reacting to the compulsives of the objectively revolutionary situation, feel similarly affected, they too will band together out of the same urgency and they too will use whatever weapons fall to their disposal. When they do so, they will not rise from ideological factors, but from necessity, and their ideologies will only reflect the necessity then, as do their current bourgeois ideologies reflect the necessity today.

This view of the revolutionary ineffectiveness of small groups is accounted a pessimistic one by all the radical organizations. What if this view does indicate the inevitability of revolution? What if it does point to the objective end of a pre-established leadership of the masses, and to the eventual end of all exploitation? The radical groups are not happy with this picture. They derive no pleasure from the prospect of a future where they have no more significance than their fellow human beings, and they condemn a view of such a future as a philosophy of defeatism. But actually we have spoken only of the futility of small radical groups; we have been quite

optimistic as to the future of the workers. But to all radical organizations, if their groups are defeated, then all is defeated, and if their groups are dying, then all is dying. In such pronouncements therefore do they reveal the true motivations for their rebellion and the true character of their organizations. We, however, should find no cause for despair in the impotence of these groups. Rather we should behold

in it reason for optimism regarding the future of the workers. For in this very atrophy of all groups that would lead the masses out of capitalism into another society we are perhaps seeing for the first time in the history of society the objective end to all political leadership and to the division of society into economic and political categories.

Sam Moss

## BOOK REVIEWS

*The State and the Socialist Revolution.* By Martov. International Review, New York, (64 pp. 25c.)

Socialists prefer bourgeois democracy to bolshevist dictatorship. They are opposed to proletarian dictatorship even if it were genuine, and not merely a screen for party rule. However, as Socialists they can hardly declare themselves against socialism, and so they wait patiently for the time when capitalism will get tired of itself and change into socialism. This restful attitude induces them to oppose any "premature" attempt to overthrow capitalism. Conditions have to be "ripe" — better still, over-ripe. In the Russian development they found support for their "Marxist position." Here was revealed that it is not possible to jump into socialism until capitalism has played its role to the end. However, according to their views, what could not be done in backward Russia was no longer necessary in advanced Germany, where the Socialists were busy actualizing socialism. For the workers of both countries, the results were the same. The Bolsheviks never hesitated to butcher workers who did not wish to build socialism in the jumping manner; the Socialists in Germany had their Noskes to take care of workers who could not see that socialism was marching gradually. Martov's pamphlet discusses these "opposites," though he doesn't care to consider the Socialists as "realistically" as he does the Bolsheviks. There can be little doubt that if the

force of circumstance in Russia would have allowed the Mensheviks to remain in control of the government, then sooner or later, under the existing general conditions, they would have been forced to introduce that dictatorship which Martov denounces as inconsistent with Marxism. It was the bad luck of the Socialists to read the wrong pages in Marx and to look with longing eyes to the "successes" of Western Socialism which gave the Bolsheviks the opportunity to do what could be done, and what eventually would have been done, — if not by a workers' party, then by a recuperated bourgeoisie, — that is, the seizure of power in the Jacobin manner. It was the popular idea that the Bolsheviks were out to make socialism. Martov refused to believe that the Bolsheviks could do what couldn't be done, and he wrote these convincing articles. Martov, arguing against Lenin, points out, with Lenin's arguments that Lenin did not deny, that the use of the slogan "All Power to the Soviets" served merely as an instrument to get his party into power. He then proceeds to prove that soviet power means party dictatorship, which, as a method copied from the bourgeois revolution, can never serve to institute socialism. It is not easy to make arguments out of agreements, and Martov's pamphlet proves this. For instance, Martov thought it wrong to destroy the state, and

Lenin was busy reconstructing the state, but still they disagreed as to the value of the state. Martov, however, thought that it was wrong to destroy the capitalist state, for he proved that Bolshevism could not lead to socialism and implied that it must lead to capitalism. Consequently he admitted that the Bolsheviks were building a capitalist state, — but still they disagreed. Martov was against the soviets, but so was Lenin, and Martov proved it with Lenin's words, so that it becomes quite difficult to see the sense of it all. The Socialists in Germany made use of the soviets to save capitalism; the Bolsheviks to gain power and install state capitalism. Martov is right in pointing out that the soviets have only enabled shrewd politicians to come to power. However, this truth becomes for him an absolute one for all eternity. What are "soviets" anyhow? In our opinion they mean that workers assemble for action and try to run their own affairs. That it was possible to use these soviets for ends opposed to the needs of the workers does not do away with the need for self-action, self-initiative, self-organization of the workers, not only against capital, but also against parties and groups trying to make use of these soviets for their particular interests. Call these organiza-

tions any name you want; only their functions matter, and the formation of soviets in Russia, of workers councils in Germany, of shop-stewards in England, etc., despite all their limitations and the fact that they could be used by parties, must still be considered the first inadequate attempts of the workers to act for themselves and to find the form of organization in which they can assert themselves. To be for soviets means to reject both the Bolsheviks and the Socialists, including Martov, who after all has no alternative to offer than the education of the masses under bourgeois democracy. The proletarian dictatorship he says, "can only be conceived in a situation where the proletariat has effectively united about itself 'all the healthy elements' of the nation... It can only be established when historic development will have brought all the healthy elements to recognize the advantage to them of this transformation." In other words he accepts a dictatorship when such is no longer necessary, and looks at things from the school-master perspective, that men must change first before they can change society. But how this is possible he doesn't say. His whole argument is based on social conditions no longer existing.

*Mussolini's Roman Empire.* By Geoffrey T. Garratt. The Bobbs-Merrill Company. (310 pp. \$2.50.)

The reasons for Italy's imperialism are no different from the reasons for the imperialism of any other nation. Entering tardily upon the imperialistic stage, Italy met great difficulties in carrying out its imperialistic designs. This book, written by an English liberal, describes the rivalries between Italy, France, and England over the possessions in Africa and the control of the Mediterranean. The prelude to the conquest in Ethiopia, the war itself, and its aftermath, as well as the reactions of other nations to this enterprise, are impressively illustrated and interpreted. According to the author, England's policy was one of complicity with Italy in her ventures

in Ethiopia as well as in Spain, for the purpose of keeping Italy at least neutral in the event of trouble with Germany.

Spain's strategic position has become immensely important since the development of the submarine and the bombing airplane. She is now the best country from which to "squeeze" both France and England. These are, in Garratt's opinion, the reasons for the German-Italian invasion in Spain. "To Italy," he writes, "intervention opened possibilities of the Mediterranean at last becoming a Roman Sea. To Germany, it meant the chance in any future war of making an effective blockade of England, as well as of forcing



France to keep large armies on her southern frontier." However, if England's acceptance of Italy's Ethiopian conquest was regarded as a means of isolating Germany, this policy, as well as the other policy of supporting Germany's imperialistic drive to isolate Italy, has so far not been successful. The Rome-Berlin axis, still intact, forces England to make further concessions. To break this combination by force, if not by any other way, remains essential to England. However, in Asia also, England faces a showdown with Japan, and her reluctance to enter a European war is not at last determined by the Asiatic situation. It is not possible

*Apostles of Revolution.* By Max Nomad. Little, Brown & Company. (467 pp.; \$ 3.50).

This book continues the series of short biographies that Max Nomad began with his previous book, *Rebels and Renegades*. This time he deals with Blanqui, Marx, Bakunin, Nechayew, Most, Makhno, and Stalin. All of these biographies are interesting reading.

Nomad describes as "the chief object of his work" the explanation of the ever-recurring tragic failures of all revolutionary mass movements," which he finds "in the inherent contradiction between the interest of the leading group which is striving for power, and those of the uneducated rank and file yearning for a better share of the good things in life; and in the inexorable logic of every revolutionary struggle, which necessarily results in the establishment of a new aristocracy, regardless of the democratic, socialist, communist, or anarchist ideas professed by its champions... The essence of all revolutionary struggle is the enthronement of a new privileged minority."

As the individuals and movements that Nomad deals with were and are acting in capitalist society, he can easily demonstrate that they were neither able nor willing to free themselves from capitalistic methods and aspirations. Their participation in bourgeois affairs, changes, move-

to assume with Garratt that conservative and pro-fascist elements in England, out of their hatred for democracy and "leftism," betray their own national interests by playing into the hands of Italy and Germany. So far England simply continues its old policy of divide and rule, and waits for a better opportunity to break up the new European combination that is able to challenge its supremacy. The possibility of war exists at any moment. The change from retreat to attack might after all be forced upon England. However, this change will indicate anything but a return to democracy and the end of "betrayals."

ments and revolutions, necessarily imbued them with capitalistic characteristics. It is not difficult to show that those individuals and movements were not consistent as regards their proletarian aspirations. However, history is a wide field, and though Nomad deals with many of its phases, he does not deal with the most important and therefore does not understand the reasons for the admixture of bourgeois and proletarian elements in the heroes he selects. For example, the limitations of Nomad's historical writing may be seen at once if only compared with books like Arthur Rosenberg's "Democracy and Socialism," wherein the author deals also with figures like Blanqui, Marx and Bakunin but where he explains them more out of the whole social development instead of out of their personal desire for power. Words and actions of these men which are almost incomprehensible in Nomad's text become understandable in Rosenberg's descriptions. What appeared in Nomad's text as the chauvinism of the German Marx comes to light as an attempted realistic policy of coordination of many national and revolutionary upheavals for specific political goals expected to further world revolutionary interests. The emphasis that Nomad lays upon the

personal aspirations of his Apostles distorts history and is intended to serve only Nomad's special interpretation of history.

Individuals are, in the course of their lives, bound to make proposals and suggest policies not always in keeping with their general philosophy. If such "careless" statements are cited in an organized fashion, they can be made to serve all purposes. However, such "revelations" explain rather the psychology of the collectors of these statements than the characters of the men who made them. History is something more than evil character or the will to power. Consequently, Nomad's program for the workers to "mistrust both his masters and his emancipators," may be correct, but it is not enough to solve their problems.

*The Origin of the Inequality of the Social Classes.* By Gunnar Landtman. The University of Chicago Press. (44 pp.; \$ 5.00).

Landtman endeavors to examine the various circumstances which have contributed to the rise and development of social differentiation. First, he deals with the incidence of inequalities through biological factors, — sex, age, and personality. Then he follows the emergence of privileged classes, — the nobility, the priesthood, and the traders. The origin of slavery, intra-tribal as well as extra-tribal, is also discussed in great detail. Finally the origin of government is investigated.

On the cover of the book it is stated that the author denies that

*American Labor.* By Herbert Harris. Yale University Press. (459 pp.; \$3.75)

*Unions of Their Own Choosing.* By Robert R. R. Brooks. Yale University Press. (296 pp.; \$3.00).

As regards readability, Harris' "America Labor" is one of the finest volumes yet published on this subject. He begins with a general review of the origins of the American labor movement. A number of misconceptions regarding ideology and practice of this movement are cleared up. Things already known appear in a new light by being con-

To explain fascism or bolshevism as the result of the aspirations of power-hungry intellectuals, to see history as the transformation of rebels into renegades and no more, corresponds to the bourgeois conception of history as a mere succession of states and leaders. The masses are here only the tools with which individuals and groups work to satisfy their own interests. This absolute idea of Nomad's is only a reflection of the absolute idea ruling bourgeois society that all human activity, is determined by the desire for profit. Like other bourgeois ideologists, Nomad, in looking backward and forward, is able only to rediscover the essential characteristics of present-day society in all past and future societal forms.

economic factors are to be blamed for the forging of class distinctions. However, we could not discover any material in the book justifying such a statement, or the statement itself. It is true only that Landtman is not able to distinguish between anthropological and economic categories and is also for that reason not clear as to the relative importance of the different factors involved in the formation of classes. The book is, nevertheless, by virtue of its rich empirical material of great interest. It contains an exhaustive bibliography.

sidered in their relations to present-day problems. The peculiarities of the American labor movement are explained out of the peculiarities of American capitalism, as for instance, the identification of proletarian with agricultural problems during the frontier period, and the rapidity of the capitalist development since the Civil War. The second stage in the

history of labor begins after the Civil War and achieved expression in organizations such as the Knights of Labor, superseded later by the A. F. of L. The struggle between labor and capital centered around wages and hours. The greatest part of the book deals with the history of selected unions such as the United Mine Workers', the Carpenters', the Newspaper Guild, the Ladies Garment Workers Unions, Railroad Unions, United Automobile Workers' Union, and the Textile Workers' Organizing Committee.

Harris makes clear that the main problem of today is the labor problem. However, his work does not do full justice to all the various forms in which the labor movement appears. His selections are not entirely representative of all streams within the labor movement. He fails to realize fully the capitalistic characteristics of the A. F. of L. and C. I. O. Unions, nor does he pay sufficient attention to the attempts made by the workers to fight the bureaucratization and capitalization of "their" organizations.

His history includes the present—the sit-down strikes, the C. I. O., and the modern "changes" in labor relations. The relationship of spontaneous activity to organizational exigencies is demonstrated by actual occurrences. Harris, in judging the results of the struggles between capital and labor, is inclined to suspect that the latter has gained the upper hand, at least as regards the "right to organize." The desire for

security replaces the traditional capitalist ideology; this Harris maintains is a new ideology reflecting recent changes in the social structure of society. Though his reformistic hope will undoubtedly be shattered in the coming class struggles, we wish to emphasize however, that as a whole his book is so instructive that no worker should fail to read it.

Brooks' book deals with questions of collective bargaining and the National Labor Relations Board. The latter institution Brooks welcomes as an important instrument for the further democratization of industrial relations. He demonstrates the "impartiality" of the decisions and the character of this organization which is designed to minimize capital-labor friction. Brooks also deals with the quarrels which have arisen between the A. F. of L. and the C. I. O. in regard to the N. L. R. B. The need for the N. L. R. B. he deduces from the development of industry which destroyed the direct relation between employer and employee. To safeguard economic peace this new arbitration institution is needed to solve the problems arising between capital and labor. The N. L. R. B. is at the same time an expression of the growing governmental influence on socio-economic matters, and Brooks thinks that this would serve democracy quite well though many see therein trends towards fascism. The book is worthwhile reading since it shows very clearly the functions of such institutions in securing capitalist society.

*The New Deal in Action.* By A. M. Schlesinger. The Macmillan Company. (47 pp.; \$ 0.60).

This pamphlet is a continuation of the authors **Political and Social Growth of the United States** to the special session of Congress, November, 1937. It gives an useful

outline of the relief, recovery and reform measures of the New Deal, as well as of the labor movement and American foreign policy under the Roosevelt administration.

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