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INTERNATIONAL  
**COUNCIL**  
CORRESPONDENCE

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*For Theory and Discussion*

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INTERNATIONAL

# COUNCIL

## CORRESPONDENCE

Published at 1237 North California Avenue, Chicago, Illinois . . .  
By the Groups of Council Communists of America

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

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

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

### THE ERA OF GOOD FEELING

#### Roosevelt's Second Term

According to statements made by the Communist Party, the Roosevelt landslide was "a hard blow to reactionary forces moving toward fascism, and also a mandate to the toiling masses responsible for the landslide to press forward aggressively for their immediate economic and political demands." This conception is shared by the entire official labor movement and by liberalism. There is expected in the next few years a continuation of the class-conciliating policy, and the labor organizations are basing their own programs of action upon the restoration of the "New Deal". The Administration is ostensibly planning to revive the essential features of the N.R.A. by voluntary cooperation, and the continuance of its liberal policies. The coming prosperity is to include all the people, the purchasing power of the masses is to be further raised. The power of the Supreme Court, hitherto antagonistic to the plans of Roosevelt, is to be curbed, if necessary, either by an amendment to the Constitution, or thru an act of Congress appointing additional judges who are in favor of an "Era of Good Feeling."

The reform of capitalism will be effected by the government itself thru continuation of its program of social legislation. Nothing is left for the labor movement to do but follow the great leader and whisper an occasional suggestion. Unable and unwilling to operate against Capital, the entire legal labor movement renounces any program of its own and willingly reduces itself to a well-wishing and loyal capitalist opposition. The only question at issue any more is the maintenance of democracy at any price. The labor movement subscribes to a capitalism without reserve, not because it has grown more reactionary than it already was, but because nothing else is possible under capitalism if one wants to keep on living.

It is truly amusing to cast a glance into the immediate plans of the labor organizations: the "Realpolitiker" show themselves up as ridiculous illusionists. There is the C.P., for example, dreaming of a Farmer-Labor Party for 1940, in which it can quietly disappear. And this same dream occupies the brains of the other "labor" politicians within the Social Democracy and the trade unions. Fantasy goes so far as to suggest that John L. Lewis may still become President and in this quality bring the entire working population into line on an industrial basis. Already a beginning is being made at orientation and preparation for the new election battles. Everything is adjusted to the eternality of capitalist society, regardless of the fact that the world is unmistakably headed for a new imperialist slaughter by which all these political plans will be brought to a dismal end. People actually imagine that while in Europe fascism, i.e. the dictatorship of capital, is spreading in all directions, in America democracy can become still more lovely, just as they once imagined that America was immune to the crisis conditions of Europe. In spite of the enormous amount of unemployment that still exists, there is hope of a new upswing in the trade-union movement. And all these expectations are based on nothing more than the rooseveltian phrases, for no one bothers even to make the attempt to point out the economic possibilities of this putatively harmonious capitalism.

Stensibly, the masses have showed that they are for democracy and against fascism. In reality the fascist tendencies of America have received expression in the election just as they are already anchored in the previous and present program of the Roosevelt administration. In the first place, the election showed that the American population is still completely under the sway of the capitalist ideology. The vigor with which the campaign was conducted, and the large proportion of those who went to the polls, as well as the magnitude

of the Democratic victory, was a manifestation of the politicizing of the masses as a result of the long period of depression, and in this sense the election is also without doubt a manifestation of general social advance. The masses are more interested in politics than they were before. This is a capitalistic expression of the fact that the general development is heading for socialism, to an order of society in which the masses will be determining. But this final meaning of the advancing politicization of the masses is not a part of the consciousness of those who think in terms of capitalism. However much the mass enthusiasm for the liberal Roosevelt and the awakened political interest may in the long run be an expression of the general advance, it is also at the same time an expression of reactionary tendencies for the immediate present. The more the present situation presses toward the dissolution of capitalist society, the more bitterly is the struggle for capitalism conducted and the more reactionary do the masses become so long as a revolutionary setting aside of capitalism is not yet possible. And so in this campaign it was not a question of "democracy", but of the strong man who creates order. And order is envisioned as the avoidances of excesses: one is opposed to immoderate profits as well as to an immoderate degree of impoverishment by which society is endangered. There is a demand for the overcoming of class struggles thru state intervention, that is, the strengthening of the state power; and with this is bound up the dismantling, and not the strengthening, of "democracy." In the election of Roosevelt was revealed not so much the will of the masses to activity, but rather the instinctive recognition of their present impotence, which seeks after the strong man, who is to do for them what they feel incapable of doing themselves and who is to organize a capitalism by which they also are favored. The electoral campaign for democracy was therefore very little distinguished from those staged by the fascists in Europe, both on the part of Roosevelt as well as of his voters. He promised to all the social groups what each may find useful. The contradictions arising in this connection are to be eliminated by way of "good will" or, if absolutely necessary, also by way of state authority. Roosevelt was "the President of all the (American) people," as Hitler is the leader of all the Germans. And in the words of one of his confidants, Dr. High, he was "cheered not as a candidate or even as a president, but rather ~~as a~~ savor". The liberal New York Post wrote in an editorial after the election: "God has granted us a valiant captain for our rendezvous with destiny. Roosevelt stands forth as a world leader. Civilization must be saved from another Dark Age by the great leadership of Roosevelt." That ought surely to make Hitler turn pale with envy. And so the further

economic and political concentration of power was promptly followed by the fascization of ideologies. The democratic phrase does not affect the fascist content of all present-day capitalist policy. Even a democracy can work with fascist methods.

All this is not to say that Roosevelt is the American Hitler, or that fascism in the well-known European form will in the near future break thru also in the United States. The high degree of monopolization of economy which has long existed in America and, connected therewith, the weakness of the labor movement, enables American capitalism still to continue for some time to make use of the democratic swindle. The economic dictatorship over all the weaker social groups is still sufficient; the mastery on the part of the monopolies, with which the further existence of capital is bound up, is not yet in need of the direct political dictatorship. Roosevelt is, in truth, exactly what he describes himself to be: the liberal democrat who wants a harmonious capitalism, but who is also resolved to renounce the harmony in case capitalism should thereby become endangered. He is the representative of that far-sighted capitalist element which is convinced that it is cheaper to restrain the masses by ideological means than with the aid of machine guns, these latter being of course always available as a last resort. Hence the double-facedness of the Roosevelt policy: he is a man of peace, but he hates pacifism as much as he hates war. He wants to take a more active part in foreign affairs; that is, he wants to assure peace thru the strengthening of the American position in international matters, which naturally involves the weakening of the positions of other imperialist nations, and the peace policy is transformed into preparation for war.

As in foreign policy, so also at home: he wants high profits and high wages; he is opposed to increasing the taxes, and yet he wants a further expansion of the social program. However, all this squaring of the circle is possible only in words, not in reality. And these words have only one purpose, as was expressed quite clearly by Dr. High again when he said: "Mr. Roosevelt realized the significance of his reception. He knew that in some respects the American people had got out of hand and were doing their own thinking. And he believed--all during the campaign--that if business men had had vision to match their shrewdness, they would have supported his candidacy for that very reason." By means of capitalist demagoguery to stupefy these masses who were beginning to think: it was in this that Roosevelt conceived his function to reside. Roosevelt's liberal attitude itself is the surest indication of his capitalist mentality and the guarantee that as

hitherto, so also in the future, the administration will govern only in the interest of Capital.

Since the new Roosevelt policy is to be essentially a continuation of the old, there is really no need of any speculation regarding the immediate future. As before, so also hereafter, what is done will be exactly the reverse of what is promised. Even though the whole political world, from Roosevelt to Earl Browder,--and Roosevelt's opponents here form no exception,--imagines that a free and happy and prosperous America is possible, the thing is nevertheless nonsensical. Capitalism is happy when it is free to exploit the workers in the interest of its prosperity. The workers might try to be happy by having the relative freedom to sell their labor power as dear as possible in order to participate in capitalist prosperity in spite of an increased amount of actual exploitation from the viewpoint of social production. But even such a "harmonious" situation presupposes a different phase of capitalist development than the one in which we are now living. As in the past, so also in the coming years, any spurt in economic activity will be identical with the further impoverishment of the workers. The greater the capitalist prosperity, the smaller the share of the workers in the social product. There is no getting away from this capitalist tendency except with the complete disappearance of capitalism.

But, it will be objected, there has, after all, been a great improvement during the last four years. It can surely not be denied that the unemployment figure has been reduced, that the Social Security Law was enacted, that wages have often been raised even voluntarily, that taking the nation as a whole an improvement is unmistakable. After all, it was possible to improve the situation of the working population, even if not much, still a bit. And if the beginning was possible, then this policy must surely be capable of being continued.

All these arguments are determined by the capitalist desires of those who use them; they are not susceptible of proof. It is true that with reference to the deepest point of the crisis in 1932-33 the position of capital as well as that of the workers has somewhat improved. But the deepest point of the crisis does not and cannot form the criterion for the character of the present state of the economy and its prospects for the near future. Within the depression there are times of upswing as well as of further worsening; but any new prosperity which is real from the standpoint of capitalism must pass beyond the highest limit of what was hitherto attained. Each period of upswing in the previous progression of capitalism after a time of crisis passed beyond the level of production attained in the previous

phase of prosperity. In order to speak of a new prosperity, the volume of production must not only attain but greatly exceed the level of 1928-29, since of course it was at this level that the present crisis and depression set in, and at the same time the volume of unemployment must be reduced to "normal." Hitherto all increases of production have been measured by the standard of 1923-25; hence the results are far below the level of 1929. But even if the 1929 level were attained, the return of prosperity would still not be demonstrated. What has so far happened is a partial restoration of profitability on a diminished volume of production, which enabled a limited spurt in total production and presents the appearance of an emergence from the depression. Whether the appearance can become reality will not be investigated at this place, though we hold it to be impossible. Here we wish merely to assert that we are still in the depression period and that the alleged prosperity is nothing more than an illusion.

Insofar as there has been success in drawing out of the lowest level of the depression, it was effected at the expense of the workers. It was only for this reason that profits could be raised and industrial activity revived. To be sure, the dividends and the wages have mounted in the last four years, but the wages far less than the profits. It is only this difference that explains the momentary business recovery. The workers have produced more and received relatively less. All the statistics regarding the increase in the productivity of labor are quite illuminative of this fact. The slightness of the wage increase is readily grasped from the statistics regarding the ratio of wages to prices. Because more profits were made, more workers could be employed; the hours were likewise lengthened and mass consumption rose correspondingly, but more slowly than the total production. The contrast between rich and poor, between Capital and Labor was intensified, not blurred. There is no real ground for asserting that the recovery attained to date is attributable to a rise in mass consumption. Measured by the total production, mass consumption has still further declined.

Even though the apologists of capital, from Roosevelt to Browder, may assert that their theory of the rise in mass purchasing power has proved its correctness in practice, the assertion is nevertheless false and can fool only those who get no farther than the surface of things. This swindle is a necessity, however, for those who are interested in the perpetuation of capitalism. How could they exercise influence over the masses if these latter were not convinced that their capitalist-labor politicians are in a position to improve the lot of the mass under the present system? This optimism,

which is without any real economic basis, is not only necessary to the well fed, but a full stomach also naturally gives rise to such fantasies.

All the available statistics show that the share of the workers in social production has not increased nor is increasing. Each of the following figures represents the percentage of normal as of September 1936, the normal (100) being computed on the basis of the averages for 1923-25:

Industrial production	106
Factory employment	88.9
Pay rolls	83

The difference between the three figures reveals exactly the opposite of the usual twaddle about the crisis having been overcome or being overcome through the raising of mass purchasing power. With fewer workers at lower wages it has been possible to produce more than in 1923-25. That is the secret of the upswing to date, which in itself proves nothing at all as to its further possibilities. The Cleveland Trust Company writes in its bulletin for August 1936: "It now seems not improbable that within the next few months we may have in this country the curious anomaly of a statistical recovery almost to normal levels which will at the same time fall far short of being satisfactory economic or social recovery; We are achieving normal levels of industrial production which are accompanied by growing numbers of local labor shortages while at the same time there is a huge continuing amount of unemployment. There is greatly reduced agricultural production, but only restricted advances in agricultural prices. Banks are overflowing with excess deposits, but there is a most meager demand for loans to finance the expansion of enterprise."

In other words, the exploitation has not been sufficiently intensified to meet the demands of accumulation and to lead to a real prosperity. And so it will be necessary to continue to try to raise the rate of exploitation and make the discrepancy between production and workers' purchasing power still greater. And even though the A.F. of L., for example, has set as its goal "large, general and recurring wage increases throughout all industry" for the reason that "only by such wage increases can we create a market great enough for capacity production and full employment", still capitalism will take the directly opposite path, for any wage increase is directed against capitalist prosperity. For this reason there can be no question of an Era of Good Feeling, but only of an era of intensified class struggles, which naturally cannot be led by the

organizations interested in capitalism. The workers will find themselves thrown upon their own resources in the struggle against their further impoverishment. In these conflicts the present-day phrase of peace between the classes by way of Roosevelt will very rapidly die away, and it will become clear that even a democracy is capable of proceeding against the workers in exactly the same way as do the fascists.

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## STATE CAPITALISM AND DICTATORSHIP

### I

The term "State Capitalism" is frequently used in two different ways: first, as an economic form in which the state performs the role of the capitalist employer, exploiting the workers in the interest of the state. The federal mail system or a state-owned railway are examples of this kind of state capitalism. In Russia, this form of state capitalism predominates in industry: the work is planned, financed and managed by the state; the directors of industry are appointed by the state and profits are considered the income of the state. Second, we find that a condition is defined as state capitalism (or state socialism) under which capitalist enterprises are controlled by the state. This definition is misleading, however, as there still exists under these conditions capitalism in the form of private ownership, although the owner of an enterprise is no longer the sole master, his power being restricted so long as some sort of social insurance system for the workers is accepted.

It depends now on the degree of state interference in private enterprises. If the state passes certain laws affecting employment conditions, such as the hiring and firing of workers, if enterprises are being financed by a federal banking system, or subventions are being granted to support the export trade, or if by law the limit of dividends for the large corporations is fixed--then a condition will be reached under which state control will regulate the entire economic life. This will vary from the strict state capitalism in certain degrees. Considering the present economic situation in Germany we could consider a sort of state capitalism prevailing there. The rulers of big industry

in Germany are not subordinated subjects of the state but are the ruling power in Germany thru the fascist officials in the governing offices. The National Socialist Party developed as a tool of these rulers. In Russia, on the other hand, the bourgeoisie was destroyed by the October Revolution and has disappeared completely as a ruling power. The bureaucracy of the Russian government took control of the growing industry. Russian state capitalism could be developed as there was no powerful bourgeoisie in existence. In Germany, as in western Europe and in America, the bourgeoisie is in complete power, the owner of capital and the means of production. This is essential for the character of capitalism. The decisive factor is the character of that class which are the owners in full control of capital and not the inner form of administration nor the degree of state interference in the economic life of the population. Should this class consider it a necessity to bind itself by stricter regulation--a step that would also make the smaller private capitalists more dependent upon the will of the big capitalists--the character of private capitalism would still remain. We must therefore distinguish the difference between state capitalism and such private capitalism that may be regulated to the highest degree by the state.

Strict regulations are not simply to be looked upon as an attempt to find a way out of the crisis. Political considerations also play a part. Examples of state regulation point to one general aim: preparation for war. The war industry is regulated, as well as the farmers' production of food--in order to be prepared for war. Impoverished by the results of the last war--robbed of provinces, raw materials, colonies, capital, the German bourgeoisie must try to rehabilitate its remaining forces by rigorous concentration. Forseeing war as a last resort, it puts as much of its resources as is necessary into the hands of state control. When faced with the common aim for new world power, the private interests of the various sections of the bourgeoisie are put into the background. All the capitalist powers are confronted with this question: to what extent the state, as the representative of the common interests of the national bourgeoisie, should be entrusted with powers over persons, finances and industry in the international struggle for power? This explains why in those nations of a poor but rapidly increasing population, without any or with but few colonies (such as Italy, Germany, Japan) the state has assumed the greatest power.

One can raise the question: is not state capitalism the only "way out" for the bourgeoisie? Obviously

state capitalism would be feasible, if only the whole productive process could be managed and planned centrally from above in order to meet the needs of the population and eliminate crises. If such conditions were brought about, the bourgeoisie would then cease being a real bourgeoisie. In bourgeois society, not only exploitation of the working class exists but there must also exist the constant struggle of the various sections of the capitalist class for markets and for sources of capital investment. This struggle among the capitalists is quite different from the old free competition on the market. Under cover of cooperation of capital within the nation there exists a continuous struggle between huge monopolies. Capitalists cannot act as mere dividend collectors, leaving initiative to state officials to attend to the exploitation of the working class. Capitalists struggle among themselves for profits and for the control of the state in order to protect their sectional interests and their field of action extends beyond the limits of the state. Although during the present crisis a strong concentration took place within each capitalist nation, there still remains powerful international interlacements, (of big capital). In the form of the struggle between nations, the struggle of capitalists continues, whereby a severe political crisis in war and defeat has the effect of an economic crisis.

When, therefore, the question arises whether or not state capitalism--in the sense in which it has been used above--is a necessary intermediate stage before the proletariat seizes power, whether it would be the highest and last form of capitalism established by the bourgeoisie, the answer is No. On the other hand, if by state capitalism one means the strict control and regulation of private capital by the state, the answer is Yes, the degree of state control varying within a country according to time and conditions, the preservation and increase of profits brought about in different ways, depending upon the historical and political conditions and the relationship of the classes.

## II

Nevertheless it is possible and quite probable that state capitalism will be an intermediary stage, until the proletariat succeeds in establishing communism. This, however, could not happen for economic but for political reasons. State capitalism would not be the result of economic crises but of the class struggle. In the final stage of capitalism, the class struggle is the most significant force that determines the actions of the bourgeoisie and shapes state economy.

It is to be expected that, as a result of great economic tension and conflict, the class struggle of the future proletariat will flare up into mass action; whether this mass action be the cause of wage conflicts wars or economic crises, whether the shape it takes be that of mass strikes, street riots or armed struggle; the proletariat will establish council organizations--organs of self-determination and uniform execution of action. This will particularly be the case in Germany. There the old political organs of the class struggle have been destroyed; workers stand side by side as individuals with no other allegiance but to that of their class. Should far-reaching political movements develop in Germany, the workers could function only as a class, fight only as a class when they oppose the capitalist principle of one-man dictatorship with the proletarian principle of self-determination of the masses. In other parliamentary countries, on the other hand, the workers are severely handicapped in their development of independent class action by the activities of the political parties. These parties promise the working class safer fighting methods, force upon the workers their leadership and make the majority of the population their unthinking followers, with the aid of their propaganda machinery. In Germany these handicaps are a dying tradition.

Such primary mass struggles are only the beginning of a period of revolutionary development. Let us assume a situation favorable to the proletariat; that proletarian action is so powerful as to paralyze and overthrow the bourgeois state. In spite of unanimous action in this respect, the degree of maturity of the masses may vary. A clear conception of aims, ways and means will be acquired only during the process of revolution and after the first victory differences as to further tactics will assert themselves. Socialist or communist party spokesmen appear; they are not dead, at least their ideas are alive among the "moderate" section of the workers. Now their time has come to put into practice their program of "state socialism."

The most progressive workers whose aim must be to put the leadership of the struggle into the control of the working class by means of the council organization, (thereby weakening the enemy power of the state force) will be encountered by "socialist" propaganda in which will be stressed the necessity of speedily building the socialist order by means of a "socialistic" government. There will be warnings against extreme demands, appeals to the timidity of those individuals to whom the thought of proletarian communism is yet inconceivable, compromises with bourgeois reformists will be advised, as well as the buying-out of the bourgeoisie

rather than forcing it thru expropriation to embittered resistance. Attempts will be made to hold back the workers from revolutionary aims--from the determined class struggle. Around this type of propaganda will rally those who feel called upon to be at the head of the party or to assume leadership among the workers. Among these leaders will be a great portion of the intelligentsia who easily adapt themselves to "state socialism" but not to council communism and other sections of the bourgeoisie who see in the workers' struggles a new class position from which they can successfully combat communism. "Socialism against anarchy", such will be the battle cry of those who will want to save of capitalism what there can be saved.

The outcome of this struggle depends on the maturity of the revolutionary working class. Those who now believe that all one has to do is to wait for revolutionary action, because then economic necessity will teach the workers how to act correctly, are victims of an illusion. Certainly workers will learn quickly and act forcefully in revolutionary times. Meanwhile heavy defeats are likely to be experienced, resulting in the loss of countless victims. The more thorough the work of enlightenment of the proletariat, the more firm will be the attack of the masses against the attempt of "leaders" to direct their actions into the channels of state socialism. Considering the difficulties with which the task of enlightenment now encounters, it seems improbable that there lies open for the workers a road to freedom without setbacks. In this situation are to be found the possibilities for state capitalism as an intermediary stage before the coming of communism.

Thus the capitalist class will not adopt state capitalism because of its own economic difficulties. Monopoly capitalism, particularly when using the state as a fascist dictatorship, can secure for itself most of the advantages of a single organization without giving up its own rule over production. There will be a different situation, however, when it feels itself so harassed by the working class that the old form of private capitalism can no longer be saved. Then state capitalism will be the way out: the preservation of exploitation in the form of a "socialistic" society, where the "most capable leaders", the "best brains", and the "great men of action" will direct production and the masses will work obediently under their command. Whether or not this condition is called state capitalism or state socialism makes no difference in principle. Whether one refers to the first term "State capitalism" as being a ruling and exploiting state bureaucracy or to the second term "State socialism" as a necessary staff of officials who as dutiful and

obedient servants of the community share the work with the laborers, the difference in the final analysis lies in the amount of the salaries and the qualitative measure of influence in the party connections.

Such a form of society cannot be stable, it is a form of retrogression, against which the working class will again rise. Under it a certain amount of order can be brought about but production remains restricted. Social development remains hindered. Russia was able, through this form of organization, to change from semi-barbarism to a developed capitalism, to surpass even the achievements of the Western countries' private capitalism. In this process figures the enthusiasm apparent among the "upstart" bourgeois classes, wherever capitalism begins its course. But such state capitalism cannot progress. In Western Europe and in America the same form of economic organization would not be progressive, since it would hinder the coming of communism. It would obstruct the necessary revolution in production; that is, it would be reactionary in character and assume the political form of a dictatorship.

### III

Some Marxists maintain that Marx and Engels foresaw this development of society to state capitalism. But we know of no statement by Marx concerning state capitalism from which we could deduce that he looked upon the state when it assumes the role of sole capitalist, as being the last phase of capitalist society. He saw in the state the organ of suppression, which bourgeois society uses against the working class. For Engels "The Proletariat seizes the power of the state and then changes the ownership of the means of production to state ownership".

This means that the change of ownership to state ownership did not occur previously. Any attempt to make this sentence of Engels' responsible for the theory of state capitalism, brings Engels into contradiction with himself. Also, there is no confirmation of it to be found in actual occurrences. The railroads in highly developed capitalist countries, like England and America, are still in the private possession of capitalistic corporations. Only the postal and telegraphic services are owned by the states in most countries, but for other reasons than their high state of development. The German railroads were owned by the state mostly for military reasons. The only state capitalism which was enabled to transfer the means of production to state ownership is the Russian, but not on account of their state of high development, rather on account of their low degree of development. There is nothing, however,

to be found in Engels which could be applied to conditions as they exist in Germany and Italy today, these are strong supervision, regulation, and limitation of liberty of private capitalism by an all-powerful state.

This is quite natural, as Engels was no prophet; he was only a scientist who was well aware of the process of social development. What he expounds are the fundamental tendencies in this development and their significance. Theories of development are best expressed when spoken of in connection with the future; it is therefore not harmful to use caution in expressing them. Less cautious expression, as is often the case with Engels, does not diminish the value of the prognostications in the least, although occurrences do not exactly correspond to predictions. A man of his calibre has a right to expect that even his suppositions be treated with care, although they were arrived at under certain definite conditions. The work of deducing the tendencies of capitalism and their development, and shaping them into consistent and comprehensive theories assures to Marx and Engels a prominent position among the most outstanding thinkers and scientists of the nineteenth century, but the exact description of the social structure of half a century in advance in all its details was an impossibility even for them.

Dictatorships, as those in Italy and Germany, became necessary as means of coercion to force upon the unwilling mass of small capitalists the new order and the regulating limitations. For this reason such dictatorship is often looked upon as the future political form of society of a developed capitalism the world over.

During forty years the socialist press pointed out that military monarchy was the political form of society belonging to a concentrated capitalistic society. For the bourgeois is in need of a Kaiser, the Junkers and the army in defense against a revolutionary working class on one side and the neighboring countries on the other side. For ten years the belief prevailed that the republic was the true form of government for a developed capitalism, because under this form of state the bourgeoisie were the masters. Now the dictatorship is considered to be the needed form of government. Whatever the form may be, the most fitting reasons for it are always found. While at the same time countries like England, France, America and Belgium with a highly concentrated and developed capitalism, retain the same form of parliamentary government, be it under a republic or kingdom. This proves that capitalism chooses many roads leading to the same destination, and it also proves that there should be no

haste in drawing conclusions from the experiences in one country to apply to the world at large.

In every country great capital accomplishes its rule by means of the existing political institutions, developed thru history and traditions, whose functions are then being changed expressly. England offers an instance. There the parliamentary system in conjunction with a high measure of personal liberty and autonomy are so successful that there is no trace whatever of socialism, communism or revolutionary thought among the working classes. There also monopolistic capitalism grew and developed. There, too, capitalism dominates the government. There, too, the government takes measures to overcome the results of the depression, but they manage to succeed without the aid of a dictatorship. This does not make England a democracy, because already a half a century ago two aristocratic cliques of politicians held the government alternately, and the same conditions prevail today. But they are ruling by different means; in the long run these means may be more effective than the brutal dictatorship. Compared with Germany, the even and forceful rule of English capitalism looks to be the more normal one. In Germany the pressure of a police-government forced the workers into radical movements, subsequently the workers obtained external political power, not thru the efforts of a great inner force within themselves, but thru the military debacle of their rulers, and eventually they saw that power destroyed by a sharp dictatorship, the result of a petty bourgeois revolution which was financed by monopolistic capital. This should not be interpreted to mean that the English form of government is really the normal one, and the German the abnormal one; just as it would be wrong to assume the reverse. Each case must be judged separately, each country has the kind of government which grew out of its own course of political development.

Observing America, we find in this land of greatest concentration of monopolistic capital as little desire to change to a dictatorship as we find in England. Under the Roosevelt administration certain regulations and actions were effected in order to relieve the results of the depression, some were complete innovations. Among these there was also the beginning of a social policy, which was hitherto entirely absent from American politics. But private capital is already rebelling and is already feeling strong enough to pursue its own course in the political struggle for power. Seem from America, the dictatorships in several European countries appear like a heavy armour, destructive of liberty, which the closely pressed-in nations of Europe must bear, because inherited feuds whip them on to mutual

destruction, but not as what they really are, purposeful forms of organization of a most highly developed capitalism.

The arguments for a new labor movement, which we designate with the name of Council-Communism, do not find their basis in state capitalism and fascist dictatorship. This movement represents a vital need of the working classes and is bound to develop everywhere. It becomes a necessity because of the colossal rise of the power of capital, because against a power of this magnitude the old forms of labor movement become powerless, therefore labor must find new means of combat. For this reason any program principles for the new labor movement can be based on neither state capitalism, fascism, nor dictatorship as their causes, but only the constantly growing power of capital and the impotence of the old labor movement to cope with this power.

For the working classes in fascist countries both conditions prevail, for there the risen power of capital is the power holding the political as well as the economic dictatorship of the country. When there the propaganda for new forms of action connects with the existence of the dictatorship, it is as it should be. But it would be folly to base an international program on such principles, forgetting that conditions in other countries differ widely from those in fascist countries.

(From Raete Korrespondenz)

## THE MARITIME STRIKE.

The maritime strike, involving 65,000 workers of both coasts, is the largest and most inclusive struggle in American maritime history. All categories of workers are engaged: workers of deep-sea ships, of coast-wise vessels, as well as port workers. Coming at a period when many more conflicts are brewing, directly because of the rise of living costs, the strike puts to an acid test the newly reelected Roosevelt Administration, and at once reveals the character of the fight between Lewis and Green. Considering, too, that this is the only industry of importance where the Communist Party has influence, its old line (very old, two years to be exact) is necessarily undergoing the full stress of action and reality.

The government's policy in this strike is determined not only, not even primarily, by the usual considerations of regulating labor to insure a higher profit rate for the owners and investors, but is dictated rather by the economic and principally the naval and military importance of the industry.

Hitherto the Roosevelt Administration did not have to worry much about maritime labor, simply because there was not enough organization amongst the men. Such organization as existed reduced the workers to impotence, tying them up thru numerous craft unions of the usual incorrigible variety. It was only when maritime labor, having recovered from its last major defeat of fourteen years ago, began to grow to challenging proportions and temper, that the government sat up and took notice.

The present Administration has, it is important to note, conveyed its fight with Old Deal Capitalism into the caldron of the fighting workers. Thus this strike, which came to a head as the immediate effect of the rising cost of living; a fact which to workers who benefitted not at all from the early days of the N.R.A. became unbearable, this inter-class struggle has also incorporated features of intra-class strife. This applying both to the capitalists and the workers.

### The Government a "Benevolent Neutral"

Thus far the government has maintained a non-intervention attitude toward the strike. Cunningly it relied upon the craft union leaders to consort with the interests of the shipowners. The well-known tactical