

INTERNATIONAL COUNCIL

CORRESPONDENCE

For Theory and Discussion

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CORRESPONDENCE

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

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

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

THE WAR IN THE FAR EAST

Foreword

The center of gravity of world politics has moved from Europe to the Pacific Ocean. All workers should acquaint themselves with the problems of the Pacific, with the development of China and Japan in relation to the policies and needs of the imperialist nations. Imperialism today is different from what it was 20 years ago, just as capitalism today has features unknown to it 20 years back. The problems of Asia are determining for the whole future of world capitalism. The following series of articles, to be continued in the next issue of the Council Correspondence, can not pretend to do more than present an outline of the more important phases of the question of Asia. And here we shall proceed from the simple to the complex. Beginning with an account of the history and development first of China and then of Japan, we shall proceed to touch upon many problems facing each of these countries and the problems which they have in common, again in connection with the imperialist policies of the western capitalist powers, especially England and the United States.

Under the general heading "The War in the Far East" the following chapters will appear: Outline of Chinese History / Chinese Economy / Foreign Capital in China / The Chinese Revolution / "Soviet-China" / History of Japan / Japanese Economy / Sino-Japanese Relations / Russia in Asia / The Asiatic policy of

England and the U.S.A. / The new Role of Imperialism / Limits of Capitalization / Possibilities / The Final Necessity.

Sources used in connection with this series comprise so many different books, papers and documents of unquestionable veracity that, wherever possible, we abstain from quoting. But we wish to mention the following to which we are greatly indebted.-

Periodicals : Asia, Foreign Affairs, Current History, Living Age.
Books: Shuhsi Hsu, "China and her Political Entity", Shao Chang Lee, "China: Ancient and Modern", J.L. Buck, "Chinese Farm Economy", MacNair, "China in Revolution", Tanin and Yohan, "When Japan goes to War", "Eastern Menace", D. Murray, "Japan". And foremost of all the papers of many western and Chinese authors as the appeared in the "Proceedings of the Conferences of the Institute of Pacific Relations", published by the University of Chicago.

Outline of Chinese History

China had its origin in the basin of the Yellow River. Through colonization it expanded southward and into Manchuria and Korea. Chinese colonization dates back as far as 1100 B.C., when the present Chinese territory was still divided into many hundred feudal states. But at the time of Confucius (551-479 B.C.) centralization of political power had reduced the number of independent states in China to 160, and 50 years later there were only 8. In 300 B.C. China's rule over Manchuria had been consolidated. The construction of the Great Wall began as a protection against the desert tribes and Nomads.

In 1277, Kublai Khan, grandson of the conquerer Genghis Khan, declared himself emperor of China, establishing his capital at Peking. In 1368 this Mongolian Yuan Dynasty was overthrown and the Chinese Ming Dynasty established, which in turn was overthrown by the Manchus, who in 1644 founded the dynasty which was to last until 1911.

Under the Manchus the Chinese empire was extended from Manchuria to Tibet and from Outer Mongolia to the island of Hainan. More than 4,000,000 square miles with several hundred million people. (Chinese, Manchus, Mongols, Kalmuks, Tibetans, Miaotzus, and Lolos.) Chinese influence and authority extended to Korea, the Liu Chiu islands, Annam, Siam, Burmah, Nepal, Bhutan, and Sikkim.

With the beginning of the 19th century the rule of the

Manchus began to weaken. Political and economic stagnation within the country maintained misery and led to friction. Contact with European countries changed in a rather short time the entire social and economic life of vast areas of the country and ushered in a period of permanent unrest and revolutionary movements.

Chinese customs and thought were brought to the attention of Europe through the traders and Jesuits. Chinese arts and crafts aroused the admiration of European aesthetes. Chinese silk manufactures, porcelain, needle work, wall papers and architecture were adopted in European cities, while its philosophy influenced many important European thinkers.

But if China enriched European culture, she received in return nothing but disturbances with their negative as well as positive aspects. International trade and its tool, the Christian missionary, came to challenge China's political supremacy in Asia. The "Opium War" with England in 1840-1842 showed the weakness of China as well as that of its dynasty and led to a series of attacks by European powers.

Previously, at the time of the coming to power of the Manchus, an attempt to acquire Chinese territory had been made by Russia. 200 years later, half of Manchuria had been lost in this way, but Russia was able to hold this territory for only 10 years. The "Opium War" gave Hongkong to England and opened Canton, Amoy, Foochow, Ningpo and Shanghai to international trade. Between the years 1856 and 1860 China was once more engaged in wars with England and France, which meant more concessions and privileges to these powers, and also more treaty ports. After 1860 the western Powers dictated China's foreign relations.

At the same time that France and England entered China's territory, Japan was setting out on the path of modernization, not only in order to safeguard her own territory but also her interests in China. The determination that Asia should belong to the Asiatics characterized Japan's imperialist policy from the beginning, but this eastern "Monroe Doctrine" could mean in practice nothing but China's subordination to Japan.

Sino-Japanese enmity dates back to the war of 1237, in which China failed to subdue the then much weaker adversary. Friction between these countries has more or less always existed. Before the Sino-Japanese War of 1894-5, Russia took parts of Chinese Turkestan, and France began to control Annam. Other dependencies were lost to England and Japan. The War of 1894 was

fought over the control of Korea; it ended with a Chinese defeat and led to the declaration of Korea's independence, which practically meant its subordination to Japan. Soon, Italy entered the Chinese scene, and so did Germany, and again Russia.

Growing opposition against the foreigners and their demands in China brought about the Boxer rebellion of 1900. The opposition was directed also against the rule of the Manchus, which were largely blamed for China's weakness. The Boxer rebellion was suppressed by the imperialist Powers, and more concessions were wrested from China. However, early hopes of a partition of China by the invading capitalist nations were only to a small extent fulfilled; not only because of the strength of Chinese resistance and the expensiveness of such an enterprise, but also thanks to the rivalries existing among the different imperialist powers, to which the United States had to be added at the beginning of the 19th century. Russia's occupation of Manchuria, for instance, met with strongest opposition on the part of Japan and led to the Russo-Japanese War of 1905, which ended Russia's rule in Manchuria. The war also freed Japan's hands in Korea and added the southern half of the island of Sakhalin to her empire. The Germans were driven out of China territory in the course of the World War. Despite the fact that China had declared war on Germany, she was not allowed to participate in the spoils. What Germany lost was gained by Japan.

After the Boxer uprising the Chinese national revolutionary movement grew to ever greater proportions. Chinese capitalists, merchants and intellectuals studied the ways of western capitalism. Reform movements developed. Revolutionary activity under Sun Yat Sen led to a revolutionary war in Central China in 1911, to the overthrow of the Manchu dynasty, and the establishment of the Chinese Republic.

The revolution failed to bring national liberation. The concessions to the imperialist nations continued to eat from the incomes of the Chinese. In Manchuria, Japan strengthened her influence. The South Manchurian Railway was constructed. After 1913, England cooperated closely with Japan in relation to her China policy and against Russian interests. In 1911 Mongolia was set up as an independent nation under Russia's protectorate. Since 1917 Japan has supported and financed Manchurian forces struggling for independence and coordination with Japan. Armies were built up, the seaport of Dalny was developed. The Chinese Eastern Railway was controlled by Russian imperialism. In 1919 the

Bolsheviks declared null and void all Tsarist agreements with China, returned Manchurian territory and surrendered the Chinese Eastern Railway. But a year later this altruistic policy, based on opportunistic needs of the moment, was again abandoned.

In China there arose a demand for reforms after the Japanese example. The capitalization of the country slowly continued. Forces of reaction attempted the restoration of the Empire. The South and the North split. Civil War initiated the period of the war lords. The generals allied their own interest, of a sectional character, with one or the other of the rival capitalist nations. Some Chinese demanded cooperation with Japan against the white powers under the accepted slogan, Asia to the Asiatics. Others wanted cooperation with Russia against Japan and for national liberation, for the forming of a strong nation in accordance with the Russian example. Still other war lords fought for outright British interests, and some for no other interests but their own. China in turmoil meant that her territorial and administrative integrity was less and less respected. Outer Mongolia became a puppet state of Russia, just as "independent" Manchuria played the same role to Japan. Manchuria and the province of Jehol were transformed by Japan into Manchukuo. The rest of the country was almost continuously engaged in warfare.

Provincialism was still stronger than nationalism. The Northern (Peking) government was looked upon by the Southern (Canton) government as the puppet of foreign bankers. Joffe, and later Borodin, of Russia, attempted to help the Chinese national liberation movement, that is, to coordinate Chinese with Russian interests. Since Russian cooperation lasted till 1927, when the Kuomintang, or Nationalist Party, broke with Russia and established the National Government at Nanking.

The first party congress of the Kuomintang was held in 1924. Its program was designed to raise China to a position of freedom and equality among the nations. The leader of the Kuomintang, Chiang Kai-shek, became the dictator of a movement which recognized that "equality" among the nations presupposes equal strength. The capitalization and unification of China was the first necessity. But the Russian (Bolshevik) course appeared less applicable to China. Six years after the World War, international capital had had time to reorganize and recuperate, so that the situation was quite different from the one in which it had found itself in 1917. The forces in China opposed to efforts directed toward state capitalism in the Russian sense were powerful, the elements in favor of it too weak. Support of capitalism,

national and international, was essential in order to develop the prerequisites for a Chinese national capitalism. Chiang Kai-Shek turned his back to Russia as soon as such a move was found opportune. But he could not persuade or force the whole country into line with this move, a situation which led to many years of civil war between the so-called "Communists" and the National Government. Chiang Kai-Shek consistently pursued a policy of cooperation with world capitalism, simultaneously taking advantage of the rifts among the nations on questions of the Pacific.

The National Government, established by the Kuomintang at Nanking in 1927, set out to transform the country into a strong centralized nation. Some of the concessions which China had previously been forced to grant to western Powers were cancelled in return for the promise to maintain private property economy in China and for the turn of face in relation to Russia. The League of Nations declared itself willing to assist in the work of national reconstruction. America saw in this turn of events a guarantee for the maintenance of the Open Door and developed a friendly attitude towards China. China gained time to recover her strength and coordinate the discordant interests within the country.

In 1931-33 Japan occupied Manchuria. Since then she has penetrated economically deeper and deeper into northern China. Chinese protests increased in volume correspondingly. Friction between Chinese and Japanese forces became more serious with time, till the exchange of shots at the Marco Polo Bridge, near Peiping, in the summer of 1937 led to the beginning of a new war with Japan which threatens at this moment to become a real world war.

CHINESE ECONOMY

Agriculture

Chinese society is mainly agricultural. The relative stagnation of that society is a matter of comparatively recent times, for history of China, like that of other countries, is one of change and development. From tribal ownership in the pastoral stage, over a period of ownership of all land by the emperor, to the present mixture of private and public land holding: thru all runs a history of exploitation in different forms.

At a later stage of Chinese society land was distributed to the nobles and feudal lords, but simultaneously out of society itself private property laws

developed with the growth of social complexity. Surplus labor was - and still is - appropriated in the forms of labor rent, rent in kind and in money. The feudal lords and, later on, the State, secured control over necessities such as iron, salt and the irrigation system as a means of taxation, but in doing so they also promoted production and helped to establish its social character.

Chinese culture, admired by the aesthetes the world over, was the monopoly of the ruling classes. The common people, the farmers, gardeners, woodmen, herdsmen, weavers, servants and laborers, have always led a wretched life, thus justifying the saying of the philosopher Mencius that "Man lives in difficulties and dies in comfort."

40 % of all usable land is classed as public, either clan land, village land or government land. About half of all other land is worked by "free" peasants, who are exploited by way of taxation. A struggle for the shares of the farmers' surplus labor has long been raging between the State and the landowners, which in part also accounts for China's disunity. In some of the provinces 75 % of the peasants are tenants of absentee landlords, which explains the success of the bolshevik peasant policy in those areas. Small farms are predominant, though not to the absolute exclusion of larger ones. The low degree of industrial development forces the peasants to remain on the land. Only a small minority can migrate, the cities being as yet unable to absorb the agricultural surplus population. After farms have grown to a considerable size they are again split up into small homesteads and divided among the farmers' children. This situation serves in part also to explain the relative stagnation: the low profitability of small farms precludes technological improvements, imposes a barbarous self-sufficiency and hampers the development of farming for the market, a situation which in turn helps to explain the absence of a national consciousness among the farming masses.

Natural difficulties, hard to cope with, such as the frequently recurring droughts and floods, may also serve as an explanation of the backwardness of Chinese agriculture. More so, however, the social complications and obstacles to a progressive development. The agricultural implements used in China are primitive, the means of transportation extremely bad. The horizon of millions of Chinese is bounded by life in the village. Handicrafts are based on a few village necessities. So far, emigration has been the only way out of a situation which became unbearable. This way out, however, is more and more precluded through

lack of colonizing possibilities, and new miseries are added to those already experienced. The productivity is lower than in other countries. American cotton, for example, sells cheaper than Chinese cotton, and is of better quality. The long years of civil war have brought the agricultural population near exhaustion. Exactions of officials have been heavy. Not only are heavy taxes imposed on the people, but their provisions and even their carts, horses and coolies are requisitioned, leaving them without all means of subsistence. As a result of civil war, all state income is wasted on military expenditures, and nothing can be spared for the development of industry. Every time a war breaks out, not only is transportation by land and sea impeded, but damage is done by bandits and by people forced into this position by sheer economic necessity.

After 1927 the National Government attempted a series of rural reforms to relieve the farmers' distress. Several farm banks were established, several thousand credit cooperative societies founded. Attempts are being made to teach the farmers the use of better seeds, improved farm implements and pest-fighting methods. Certain crops, as for instance cotton and tea, are especially fostered. But the existing misery proved too great for the inadequate reform measures. The agrarian problem could not be solved. Irrigation works are falling into ruin. Famine has become a constant phenomenon. Agriculture is no longer able to feed the population. Food for the cities has to be imported. Under the great burden of ground rent, of usury, of taxation, there is no possibility of a change for the better. The North China Herald of January 24, 1934 states: "The figures given by the International Famine Relief Commission indicate that the annual income of 76.6 % of the farm families is below \$ 201 but that their average expenditures amount to \$ 228.32. That means that only 23.4 % of them is able to live without going into debt, and this only in a normal year. High rent, low wage, exorbitant taxes, usurious interest on credit, and unfair exploitation of cereal merchants are responsible for reducing the peasant income to such a deep-sunken level. Rural China is now bankrupt. Millions of farmers have perished. Millions are deprived of their homes, land and all means of subsistence." The only remedy for this situation is capitalization. The old mode of agricultural production, that is, the production for direct use, can no longer feed the population and create the necessary surplus product and set free the necessary labor to industrialize the country. The new mode of production, that is, for the market, must overcome all obstacles still in the way and establish the basis for extensive capitalization of the whole country.

The prevailing industrial system in China today is essentially that which predominated in most parts of the West till the 19th century. The transition from handicraft methods and small productive units to factory production set in with the opening of Chinese ports to foreign commerce. The first rice cleaning mill was established in Shanghai in 1863, the first silk filature, in 1873, the first coal mine in Kaifeng in 1878; the first match factory in Shanghai in 1881, the first cotton spinning and weaving mill in the same city in 1890; the first iron and steel works in Wuchang in 1890; the first oil pressing mill in Newchang in 1895; the first flour mill in Shanghai in 1896.

The industrialization process was slow. But its tempo was hastened during the World War, which shut off the supply of European goods and led to the development of native capitalist enterprises. The pace of industrialization since that time is illustrated by the following figures: Coal output rose from about 13 million tons in 1913 to about 21 million tons in 1920, an increase of 59 %; the iron-ore output from about 959,000 tons in 1913 to 1,865,000 tons in 1920, an increase of 94 %; the iron output from 256,000 tons in 1913 to 428,000 tons in 1920, an increase of 67 %. Taking 1913 as 100, the quantity of filature silk export attained 168 in 1919; that for bean-oil export, 480 in 1919; that for cotton spindles in operation 372 in 1920; and that for tobacco import, 140 in 1920. In the trade and transport field, however, the increase during the World War period was not so great as that in mining and manufacture. In foreign trade the quantity of Chinese imports showed an increase of 19%. In transport the length of railways increased from 1913 to 1920 by about 8%. The tonnage of the steamers entered and cleared in the treaty ports during the same period increased by 12%.

After 1920, in mining, the coal output increased from 159 in 1920 to 188 in 1929; iron-ore output increased from 194 in 1920 to 209 in 1928. The iron output, however, decreased from 167 to 122 during this period. For silk filature output, the increase was from 168 in 1919 to 217 in 1929. In foreign trade the quantity index of Chinese exports increased from 119 in 1920 to 166 in 1928, while that of imports increased from 106 to 188. In transportation the greatest increase occurred in shipping: from 114 in 1920 to 171 in 1929. The increase in railways was from 107 to 136.

Among all the Chinese provinces, industrialization in

the modern sense is confined chiefly to six: Kiangsu, Liaoning, Hopei, Kwangtung, Shantung and Hupeh. These six provinces, embracing about one-tenth of the national territory, contain 35% of the total population. Kiangsu is the most industrialized, leading in cotton spinning, silk reeling, electric power capacity, whole sale trade, passenger trade, and foreign trade. In it is located Shanghai, the largest city of China (3,100,000 population). Wushih is the Chinese city with the highest degree of industrialization. Tientsin is the largest industrial and commercial city in northern China. Other important industrial and commercial centers are Canton, in Kwangtung; Tsingtoo, in Shantung; and Hankow, in Hupeh. These examples must here suffice to illustrate the relative insignificance of Chinese industry. Such industrialization as exists in these six provinces is very limited in scope and still plays an insignificant role in the total economy, as well as on an international scale. As regards mining, for instance, China produced in 1927 only 0.5 % of the world's iron-ore; 0.02% of the world's copper; 1.6% of the world's coal. The cotton industry in 1930 had only 2.6% of the world's total of spindles, 0.9% of the world's total of power-looms. Of the total silk production that entered world trade in 1925, China supplied 20.4%, while Japan supplied 64.8%. For the year 1929 the per capita foreign trade expressed in gold dollars was only 3.15% for China. At the end of 1924, China had only 0.95% of the world's railway mileage.

China's industrialization faces tremendous difficulties. The basic minerals needed for industry are very scarce. Capital is insufficient, and the whole Chinese situation makes it difficult to obtain large credits. For industrial credits, interest rates are as high as 10%. The capital invested in industry - in the individual enterprises - is relatively small, impeding increase in productivity and hampering the competitive power of Chinese capital. This small capital basis also explains the backwardness of industrial management, which can not be compensated by cheap labor. The productivity of the Chinese worker is low in spite of the extensive exploitation. The hours are long, usually 12 a day, and woman and child labor is general. Entire families have to work, as the family head alone is unable to gain enough for his household. Wages in cotton mills average 15 dollar a month. In Tientsin, 21% of the total labor force are children, and 3% women. In Shanghai, children under 12 years of age account for 8% of the total and women for 60%. Measures for the safeguarding of health and for accident prevention are almost generally lacking. The Manchester Guardian Weekly recently published the results of

some investigations made by Dr. Stamper, of the League of Nations Health Department, regarding the conditions of the Chinese workers in the tin mines of the province of Yunnan. The rich Kochin mines are the property of 700 mineowners. The shares of one company earn an average profit of 38% per annum. (Explained partly by artificial price control). Half of the 50,000 workers in the Yunnan tin mines are under 15 years of age. In wet years (particularly favorable for extraction) the number of workers goes as high as 100,000. In mines considered to be well equipped, children carry loads of tin weighing as much as 60 lbs. through underground tunnels and up a 700 ft. shaft to the surface. Facilities for washing or changing clothes do not exist, though at the pit bottom the temperature frequently mounts to 130 degrees. There are no means of sanitation. The recruitment of the workers is for periods of 10 months. Their parents receive from 10 to 30 dollars in advance, and this virtual serfdom is remunerated at an average wage of 10 cents a day, in some cases as little as 1 cent. A few skilled workers manage to get 40 cents. Estimated mortality is 30 % of the roll annually, and survivors are not expected to live long. The tin-ore at Kochin contains 8 to 10% arsenic oxide.

In a futile attempt to eliminate some of the miseries of the working population the government passed a Factory Law, but its enforcement is hampered by the burning need for profits. The term factory in the Factory Act was furthermore so defined that it affects a comparatively small number of establishments and leaves untouched the thousands of small workshops where the conditions of employment are worst. It is impossible under the prevailing conditions to be humane and at the same time in favor of capitalist industrialization. Capital is created by blood, sweat and tears, not by legislation and good will.

Estimates of the number of factory workers in China range from 500,000 to 1,460,000. About 2,300,000 workers are engaged in mining. Under the Kuomintang rule, since 1927, the trade unions, which once claimed more than 2,000,000 members, have declined to about 576,000 in 1930. In 1928 the minister of Industry, Commerce and Labor completed a survey of the trade union movement, recording the existence at that time of 1,117 unions with a membership of 1,774,000, more than a million of whom were asserted to belong to "provincial labor unions" in Kwangtung. The city of Shanghai, in 1928, had 129 unions with 18,133 members; Tientsin had 76 unions with 21,580 members; Wushih, 29 unions with 20,883 members; Hangchow, 49 unions with 33,906 members, etc. In 27 principal

cities, 741 unions existed with a membership of 576,250. The Kuomintang has stripped the unions of practically all power. Anti-strikes laws are rigorously applied, whereas before the establishment of Chiang Kai-Shek's dictatorship strikes were of frequent occurrence. The unions are based on the principle of the American company unions, their expenses are paid by the employers, and politically they function as an instrument by which the government exercises control over the workers. So that under the rule of the Kuomintang the unions have ceased to be instruments of the workers.

The situation in China has not decisively changed since 1929, either in relation to industrialization or to the position of labor. The world crisis brought stagnation and decline to China as to other countries, and China has also been affected favorably by the revival. But it is impossible to speak of further progress since the world depression of 1929-32. China's further development faces so many difficulties, natural, economic and political, that a decisive change for the better in the near future can not be expected; and therefore social unrest, inflamed by increasing misery, is bound to continue. The situation of the laboring population and the policy of the employing class has been very well expressed in a Memorandum on Agriculture and Industry in China (International Research Report) where R.H. Tawney says: "Whether urban poverty may not be preferable to the life of many villages in China is a matter of opinion. To that of some of them - since one cannot easily do worse than die of hunger - it certainly is; to that of others, it may be suspected that it is not. But the fact that peasants are starving in Shansi or Kansu is not a reason why factory operatives should be sweated in Shanghai or Tientsin. It is difficult to be patient with the casuists who plead in one breath for the industrialization of China on the ground that it will raise the standards of life in agriculture and, in the next, defend low standards in industry on the ground that those prevalent in agriculture are still lower."

(To be continued in the next issue of C.C.)

"CLASS-WARFARE is a disease which may occur during the process of social progress.... China must seek to solve her economic problems realistically and not be moved by mythical ideals and empty theories. The so-called disparity between rich and poor is really nonexistent in China, the only difference being between those who are extremely poor and those who are a little better off." -- Says the Manifesto of the 3rd Plenary Session of the Kuomintang, February, 1937.

ONE YEAR " PEOPLE'S FRONT " IN FRANCE

On June 30, 1937, the Blum cabinet resigned. It was succeeded by a new "People's Front" government with Camille Chautemps, an exponent of a petit-bourgeois party (the Radical Socialists) as premier, with Blum as vice-premier and with the socialist unions and the Communists supporting it. Since then, " the bankruptcy of the French Peoples Front " has been regarded as a definite fact by all left worker groups. There is criticism of the treachery of the Blum, Jouhaux and Thorez, of tactical faults of the three organizations and of the tactic leading to a People's Front as such. However, in question is not the faulty "tactics" of the old mass organizations but the fact that these organizations with all their historically possible tactics are no instruments fit for any radical action toward socialism.

This is the lesson of the one year of Popular Frontism in France. The function of the so-called socialist-reformist mass organizations is in a state of transformation with the transformation of world capitalism. And the "People's Front" (P.F.) policy is one ~~form~~ of achieving this transformation through the medium of the old leadership which adapts itself to the new objective situation. Who still believed in the socialist goal of the reformist organizations will now once more be disillusioned. But the concrete part of the reformist program was reformism and through the latest events in France, it once more becomes evident that the main reforms of the Socialist Party and union programs become a substantial part of the social and economic conditions of the new form of organized capitalism which we see developing all over the world.

It is therefore not the task of revolutionary theory to "unmask" the bureaucracies and actions of the old workers' organizations but to show how the policy they pursue is the logical synthesis of their program and their adaptability, for which they have always been famous.

Let us make a brief account of the achievements of the P.F. government "in the direction of socialism", which took place since June 1936, together with reference to their actual class content.

The policy resolved upon in the P.F. agreement of the Socialist Party (S.P.) and the Communist Party (C.P.) in the summer of 1935 - and in the extraordinary convention at Toulouse which in February 1936 brought about the merger of the CGT (S.P. Unions) and the CGTU (C.P. Unions) resulted in a tremendous increase

in membership and power for all three organizations.

The S.P., before the P.F. policy, was a small opposition party with some 10,000 members. Today, it has swollen to a giant party of over 200,000. It was augmented by large peasant and petit-bourgeois layers which consent to the social policy of this government party - as the results of the cantonal elections (elections outside of Paris) of 10/11/37 again prove. They also obtained a large number of workers especially of those who were disgusted with the chauvinistic and dubious methods of the C.P. and who therefore preferred the S.P. as the lesser evil.

The CGT numbered before the merger about 600,000, the CGTU -on paper- 300,000. One year later, after 9 months of P.F. government, the united unions claimed 5,000,000 members. (Compare this with the relatively miserable result of the C.I.O. drive in the U.S.)

And the C.P.? When the united front policy was decided upon -in July 1935 - they admitted to a membership of less than 30,000. One year later, after 6 weeks of P.F. government, they claimed more than 180,000. And even though their upswing was halted in the last half year, (because of their too obviously nationalistic and opportunistic attitude, particularly in the Spanish question) the above mentioned cantonal elections show that they managed to hold their own.

The significance of this development consists in the strangulation of the possibility of independent mass action. By taking the politically most active workers, peasants and petit-bourgeois in these mass organizations, by making them functionaries, they either become bribed by social and economic advantages or they have to submit to the organizational "discipline". It is extremely interesting to watch that development especially in the S.P. in which (recently changed) the democratic method reigned.

As the usual demagogic means, as, for instance, the playing out of the less conscious members of the country against the vanguard elements in the Paris district, no longer sufficed, a real Blum myth began to ebbulate through the party - a myth of the infallible party-leader - the savior of the European peace - criticism of whom, of either the person or his policy, would be sacrilegious. The "authority of the party" becomes an increasingly dominating conception of the ideology of the average S.P. member and of his behavior.

Let us take, for instance, Mr. Pivert, the leader of the so-called "left revolutionary opposition", as an ex-

ponent of the more critical membership of the S.P.: In the spring of this year he yet resigned from his governmental post in the State Radio Board with the words: "No, I will not capitulate before the banks and militarism. No, I don't recognize either the 'Social Peace' or the 'Sacred Union'." And after the June 20, after this "capitulation" - if there was any - became obvious for every member of the party, Mr. Pivert failed to say one earnest word at the Marseille convention against the social contents of the party policy. Besides his oft-repeated expressions of solidarization with his "great Chief" Blum, he only reproached the latter for having given up the power, or rather, that he (Blum) had relinquished it too easily, that he did not appeal to the masses for the continuation of the government. So what? One should have spent a year's effort to disarm and lull the workers and now one should throw away these achievements obtained at such great expense and with the help of the Piverts, Zyromski's and the other Thorez'?

Parallel with the disciplining of the rank and file also the convention of the "leaders" have become increasingly mere plebiscite votings for the government's or the party leader's policy. It is worth mentioning how satisfied the C.P. is with this course of stalinist "democratic centralism". They applauded the abolition of the "Discussion Tribune" in the Populaire and they help the S.P. bosses wherever possible in calumniating independence of thought and action of the S.P. rank and file.

The logical end of this development is the "organic unity" of the two parties about which there is today much talking and writing and significantly enough especially in the bourgeois press. The socialist bureaucrats as it appeared at the Marseille Convention fear the higher organizational ability of their future colleagues and they are not very enthusiastic. The Communist are more inclined because their advance as an independent organization seems to be stopped and they promise themselves to profit by the existing discontent of the S.P. membership. Besides the Unity Party is totally a question which the party bureaucracies handle themselves, the party members being faced with accomplished facts.

One of the fundamental conditions of the C.P. is stated to be the recognition of the Soviet Union as the first "Socialist Fatherland" by the S.P. One already sees France as the second socialist Fatherland under the leadership of Blum and Thorez, and - more seriously - the close connection of the Unity Party with the organization of french capitalism for war

(continued on page 43)

THE OLD HEGELIAN DIALECTIC AND
THE NEW MATERIALISTIC SCIENCE.

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On the meaning and import of the explanations furnished by Marx and Engels concerning the relation between their new materialistic science and the traditional hegelian dialectic, even among the Marxists themselves there still, today, prevails a large degree of unclarity. Not infrequently we find one and the same Marxist at different times and on different occasions taking a quite different position. "Marx and Engels themselves understood by the dialectical method--in contrast to the metaphysical--nothing other than the scientific method in sociology; a method consisting in this, that society is regarded as a living organism in constant process of development and the study of which requires an objective analysis of the productive relations in which a determinate social formation is embodied and investigation of the laws of its functioning and development."

Such are the definite words in which, for example, the youthful Lenin--who, in his later period, on the question of the hegelian dialectic and its materialistic application at the hands of Marx and Engels, had a much more affirmative attitude--expressed himself on the relation of Marx and Engels to the philosophical dialectic of Hegel, in a recently unearthed pamphlet dating from the year 1894. He has expressly added that the occasionally noticeable adherence in Marx and Engels to the dialectic "represents nothing more than a vestige of that Hegelianism from which scientific socialism has sprung; a vestige of its manner of expression", that the examples occurring in Marx and Engels of "dialectical" processes represent merely a reference to the origin of the doctrine, nothing more, and that it is "senseless to accuse Marxism of employing the hegelian dialectic."

In reality--as I have set forth more fully in the introduction to my new edition of "Capital"--the method employed by Marx in "Capital" stands in a much closer relation, if not to the philosophically mystified hull, certainly to the rational kernel of the dialectical method of the philosopher Hegel. In however strictly empirical fashion the scientific investigator Marx has taken up the full concrete reality of the economic-social and historical circumstances, no less schematically abstract and unreal appear at first glance, to the reader who has not yet passed thru the stringent school of marxian science, those extremely simple concepts: commodity, value, value form, in which the full concrete reality of the whole being and becoming--rise, development and decline--of the whole present-day mode of

production and social order is supposed to be contained in germinal form from the very beginning and actually is so contained, tho for ordinary eyes hardly or not at all recognizable.

This is particularly true of the concept of "value". As is well known, this concept and expression were not invented by Marx; he found them ready to hand in the classical bourgeois economics, especially in Smith and Ricardo. Marx has criticized the concept and applied it in incomparably more realistic manner than did the classical economists to the actually given and developing reality. To a far greater degree even than in Ricardo, precisely in Marx is the actual historico-social reality of those relations which he expresses with this concept an indubitable, palpable fact. "The poor fellow fails to see," writes Marx in a letter dating from 1868 with regard to a critic of his concept of value, "that even if my book contained not a single chapter on value, the analysis I give of the actual relations would contain the proof and the demonstration of the real value relation. The twaddle about the necessity of proving the value concept rests only upon the most complete ignorance both of the matter in question and of the method of science. That any nation which ceases to work, I will not say for a year, but for a few weeks, would die of hunger, is known to every child. He also knows that the masses of products corresponding to the different needs demand different and quantitatively determinate masses of the total social labor. That this necessity for the division of social labor in determinate proportions can absolutely not be done away with by reason of the determinate form of social production, but can only change its manner of appearance is obvious. Natural laws cannot be done away with at all. What can be changed in historically different conditions is only the form in which these laws operate. And the form in which this proportional division of labor operates, in a state of society in which the coherence of social labor asserts itself as private exchange of the individual labor products, is nothing other than the exchange value of those products."

But now compare with that the first three chapters of "Capital" as they present themselves to one who still knows nothing of all these realistic "backgrounds" of the author. Here we have at first, to be sure, a few concepts actually taken up out of the "phenomenal world"; that is, out of the experiential facts of the capitalist mode of production; among others, the quantitative relation appearing in the exchange of various kinds of "use values", or the "exchange value". This accidental exchange relation between use values, which

here still bears a trace of empiricism, is then, however, forthwith replaced by a new something, won thru abstraction from the use values of the commodities and which only appears in this "exchange relation" of the commodities or in their exchange value. It is this "imminent" or inner "value", won thru disregard of the phenomenal world, that then forms the conceptual starting-point for all the succeeding deductions of "Capital".

The very first basic clarification of the connection between "value" and "labor" takes place only upon this concept of "imminent value". It is not until we follow the further course of the investigation that we are led back to "exchange value", now defined as "value form"; and it is not until the reader has worked his way thru Marx's masterly development of the value form of the commodity to the money form that he is permitted, in that resplendent discourse on the "retrogressive character of the commodity", to get a glimpse of the unveiled secret and to learn what in reality is concealed behind "exchange value" and the accompanying "value". He learns that this "value" of the commodity does not, like the body of the commodity and the bodies of the commodity owners, express something physically real, nor, like use value, a mere relation between a present or produced object and a human need, but rather reveals itself as a "relation between persons which is concealed beneath a material casing", a relation which belongs to a determinate historical mode of production and social formation, but to all earlier historical periods, modes of production and social formations was completely unknown in this "materially disguised" form, and for future modes of production and social organizations, no longer resting upon commodity production, will once more become quite superfluous. Like Robinson Crusoe on his island, so also the future free socialist society "will not need to express the simple fact that 100 square yards of cloth have required, say, 1000 hours of labor for their production in the squint-eyed and senseless manner to the effect that they are worth 1000 hours of labor. To be sure, then also society will have to know how much labor each useful object required for its production. It will have to establish the production plan in accordance with the means of production, to which belong in particular also the labor powers. The useful effects of the different use objects, balanced among each other and with respect to the quantities of labor required for this manufacture, will finally be determining for the plan. The producers will manage everything very simply, without the intervention of the much celebrated "value". These statements of Friedrich Engels, formulated later in popular and illuminating manner on the scientific basis of Marx's "Capital", contain the whole secret of value form, of exchange value

and of "value".

Nevertheless it would be over-hasty, merely because of these at first glance superfluous circumstantialities of the dialectical manner of presentation, completely to throw away the whole marxist dialectical method as a mere artifice and, say, as was once done a number of years ago by Trotsky, to bring up the ticklish question as to whether in the end it would not have been better if "the creator of the theory of surplus value had not been the universally educated doctor of philosophy Marx, but the turner Bebel who, ascetically economical in living and in thinking, with his understanding as sharp as a knife, would have clothed it in a simpler, more popular and more one-sided form?"

The real difference between the dialectical method of "Capital" and the other methods prevailing in economic science down to the present time does not by any means lie, as that question seems to presuppose, exclusively or mainly in the field of the scientific (or artistic) form of the thought development and presentation. The dialectical method employed by Marx is rather also in its contentual outcome most highly in keeping with a science directed not to the maintenance and further development, but to the militant undermining and revolutionary overthrow of the present capitalistic economic and social order. It does not permit the reader of "Capital" to relax for a single moment in contemplation of the directly manifest realities and connections between them, but points everywhere to the inner unrest in everything existing. In short, it reveals itself with respect to all other methods of historical and social investigation extremely superior in the fact that "while supplying a positive understanding of the existing state of things, it furnishes at the same time an understanding of its negation, of its necessary decline; regards every historically developed social form as in fluid movement, as transient; and let nothing overawe it, but is in its very nature critical and revolutionary".

It is precisely upon this stringent method, never deviating from the once chosen basis, and assuming nothing untested in advance from the superficial and prejudice-laden universal "experience", that the whole formal superiority of the marxian science rests. Once this feature is quite struck out of "Capital", one arrives in actuality at the standpoint, quite divested of scientificity, of that "vulgar economics" so bitterly ridiculed by Marx and which, in matters of theory, continually "relies upon appearances as against the law of their manifestation", and practically in the end merely defends the interests of that class which in the momen-

All this is not to assert, however, that such real, comprehensive and profound scientific recognition as has resulted for Marx from his genial application of the dialectic taken over from Hegel is possible still today and for all future time only thru an unmodified preservation of this "dialectical" method. By the side of the great advantages which it presents and which have just been indicated, the dialectic reveals, not only in its hegelian "mystified" form (as so-called "idealist dialectic!"), but also equally in its marxistically "rational" transformation (as so-called "materialistically turned-right-side-up dialectic!"), certain other features which are not wholly in harmony with revolutionarily progressive, anti-metaphysical and strictly experimental-scientific main tendencies of marxian investigation. Consider, especially, the peculiar manner in which Marx throuth "Capital", as also in his other works, makes use of the "dialectical" concept of "contradiction"; hence, say, the rather frequently occurring remark that any "contradiction" which turns up in connection with an expounded concept or law or formula--for example, the concept of "variable capital"--in reality is no argument against the use of this concept, but rather is merely an expression of "a contradiction inherent in capitalist production". In very many cases, however, a closer analysis shows--and it has been stated also by Marx himself in connection with this very example of "variable capital"--that the alleged contradiction is in fact non-existent, but is merely made to appear as such by way of a symbolically abbreviated, or for other reasons, unintelligible manner of expression. In those cases, however, where such a simple setting aside of the contradiction is not possible, anyone who objects to this talk of contradiction in a conceptual deductive sequence presenting itself as strictly scientific will have to comfort himself for the moment, with respect to such features of the marxian dialectical method, with Goethe's sentiment regarding similes (already brought to mind by Mehring in his interesting study of Marx's style), which the poet justifies on the ground that he could not otherwise explain himself:

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- Korsch -

[illegible]

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THE NON-INTERVENTION COMEDY COMES TO AN END IN SPAIN.

At the beginning of August 1937 the "Daily Herald" reported that the Secretary of the London Non-Intervention Committee had sent an appeal to the delegates of the Committee. This appeal did not, as one might assume, refer to the obvious sabotage of the work of the committee by certain countries but to the omission of fulfilling their financial obligations toward the committee. Of the 27 countries that had pledged cooperation and adherence to the Non-Intervention pact no less than 26 failed to pay their financial share. Only Great Britain herself paid the dues.

This is a reflection of the real conditions backstage. England, from the beginning, was the party most interested and concerned in the Non-Intervention Pact and profited mostly by it. If there was serious concern over settling the international conflicts, then there would have been plenty of occasion for the League of Nations to interfere, in accordance with the principles laid down in the Spanish conflict as soon as it was known that Italy and Germany sent regular troops to Spain. However, England had no reason to object too violently against this action because she was more concerned with France in this instance. England, "faithful" ally of France, had already indicated by a separate naval treaty with Germany that she was unwilling to tolerate a military hegemony of France over Europe. A France that is menaced from the Pyrenees and threatened in her African possessions will be much more willing to entertain English demands than a France that, protected by the Maginot-Line, would continuously find support in a peaceful republican Spain.

These are contradictions of capitalist economy. The imperialist thieves agree only in one respect: in the common action against "Bolshevism". The situation is cleverly taken advantage of by the fascists who, under hypocritical threats of sanctions, undertake little wars independently.

The reputation of fascism in the capitalistic world can be improved only by these independent actions. On the other hand, the conflicting interests of international capitalism play their role, in relation to the distribution of profits in the capitalistic world. Even the League of Nations cannot be expected to do more than any other cartel; the struggle of competition can be eliminated only on the surface, the economically stronger enterprises still grabbing the largest portions of the total profits.

Where crude force does not attain the goal, intrigue begins. Even the British Empire has sensitive spots where it may be hurt. In the first respect, there is the seaway to India which, passing Gibraltar, leads to the Mediterranean. Today there are mounted, on Spanish territory, opposite the Fort of Gibraltar, German guns of heaviest caliber, the shells from which easily reach not only the port but also the strait of Gibraltar. This "unfriendly" act of Germany is supplemented by the successful attempt of Mussolini to incite the Islamic world to rebellion against England. (Italy also can be blamed partly for the riots in Palestine.)

But, all these circumstances were only secondary in giving the Non-Intervention Comedy the decisive turn which is immediately before us. A development, a so-called "innerpolitical" affair, in a country that was once known as "backbone of the world revolution" had a catastrophic result: the Moscow trials decreased considerably the value of an allied Russia for the world powers. And here in particular the trial against Tuchatschewski effected far-reaching militaristic activities: Japan believes that the moment has arrived when she may continue her attacks on China. England certainly would not mind if Russia is threatened from the East, but unfortunately this implies the possibility of damaging her own interests in India and Australia. And England's rather strong position in Singapore was assured only at a tremendous financial cost. The struggle for the key position in the Pacific has begun and even America, whether she wants it or not, will be drawn into the conflict. The real "world war" is just approaching.

The inner dynamic of capitalism, collapsing under its own burden of necessity, influences the political situation. The treaty of the "democratic" powers of the West with Russia was only of temporary importance: a new Locarno four-power-pact (England, France, Italy and Germany) is in formation. The Non-Intervention Comedy has fulfilled its purpose. It was a tragedy that the "socialist" Government in France was forced by circumstances to participate in this comedy. Capitalists know where to attack: if once the currency of a country starts to become unstable then the downfall of a "people's front" is not far away. The stock exchange assumes the function of Government ruling, elects suitable secretaries and disposes of unwanted ones. It would not matter if the People's Front in France sympathizes ideologically with the Valencia Government; the capitalists of the world know what is in the game if fascism in Spain is defeated.

There remains, of course, plenty of rivalry between