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

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WELCOME THE DEPRESSION

ONE of the latest cartoons of that intelligent artist, Wortman, shows a tailor saying to his employees, "They say this depression is psychological, but I feel it right down here in my stomach!" And so do the capitalists, even those who, together with John L. Lewis, spread the news about capital's "sit-down" strike against certain governmental measures. And so do the workers, who are laid off in masses, and who find their wages reduced because of fewer working hours. By now the pitiful "psychological approach" to combat the depression is forgotten; artificial optimism spent itself in the empty, friendly gesture of Roosevelt towards the businessmen, large and small.

What bewilderment everywhere! Each article in every business journal says just one thing: We know that nothing can be known. Ridiculous statements as to the future prospects of capital made recently by many financial experts are now shamefully excused with uncomfortable deadlines; and those writers with the shortest deadlines possible restrict themselves to the copying of some facts and the mumbling of non-committal statements. No real explanation, no serious suggestion; the readers understand every word, but not a single sentence.

Facts are not lacking. The London "Economist", the "Annalist" in New York, and innumerable business journals of lesser significance, not to speak of the many governmental publications cut down 100,000 trees in the Canadian Woods to tell their readers what is what. Let us raise Stuart Chase's anger to a higher pitch by participating in this exploitation of the natural resources.

From our point of view it is almost impossible to speak of a *new* depression, for we were convinced that the old one was still

in session when the new decline set in. But figures are against us, if figures mean anything. In the summer of 1937 world production exceeded the 1929 level by about 15 per cent if we include Russia, which we certainly do. However, this situation was shortlived; within three months, world production was again below the 1928 level. World trade never regained the position of 1929, and many individual countries, including the United States, never reached the pre-depression production level. Prosperity is like Stalin's "Socialism" — greater inequalities make for new accomplishments. The totalitarian countries were the busiest; the "democratic" countries, less successful in getting work for nothing, were less able to "create shortages in raw materials." Now however, the crisis may straighten out such injustices; maybe a war will help.

How did this new prosperity, which we failed to notice and which now suffers a recession, come about? *Arthur D. Gayer* provides us with an answer in "The New Republic" of Feb. 2, 1938. He says:

"The recovery which preceded this unusual crisis was a very strange one, too, and in certain respects not in accordance with the textbook rules. Normally, recovery starts from an increase in private investment and accelerated expansion of the capital-goods industries. This time large-scale government spending took the role of initiating the upswing. The hope that after a while increased demand from private sources would replace pump-priming sustaining a self-supporting and steady recovery was not fulfilled. The moment public expenditures for the purpose were stopped, the upswing stopped too."

This answer may not be all-inclusive, but it puts the emphasis in the proper place. In some parts of the world new private investments took place in the traditional manner. Private industry was partly able, by rationalization and technical improvements, to raise the productivity of their workers high enough within the depression to enable profitability and further expansion. However, the depression was largely "overcome" by what is now called "planning" by different governments, but which involves primarily money and credit manipulations. That is, capital was made profitable, and therefore productive by shifting the burden of the depression to other nations, or by taking from the "general public" and giving to the industrial entrepreneurs. Even granting that all factors working for recovery were working also in more or less modified form in the depression years up to 1932, it still remains obvious that all of the government's interferences were necessary to create an intermission in the crisis. The stimulus that production thus obtained, expressed materially in public works and armaments, could not change the acute crisis character of capitalism even during the upswing period. Only in a progressive accumulation of capital can a real recovery be seen; only when a progressively growing number of workers are employed can a new upswing be recognized. The absence of such signs during the entire "recovery" period explains our refusal to help celebrate the "new prosperity."

Of what did this prosperity consist? Industrial production in America improved in 1937 to a level 9.4 per cent below "normal". National income recovered even less than production. National income, according to U. S. Department of Commerce figures, paid out in 1937, approximated 67.5 billion dollars. This estimated 1937 total was half again as large as the 1933 aggregates of 45 billion dollars, but remained approximately 14 per cent below the 78.2 billion dollar level for 1929.

Compensation of Employees were,

in 1929	51,340 millions
in 1933	29,349 "
in 1937	44,983 "
Dividends, Interests, Entrepreneurial withdrawals, net rents, and royalties,	
in 1929	26,886 millions
in 1933	15,606 "
in 1937	22,480 "

Accepting these insufficient figures, for there are no better ones, it becomes clear that there was no reason to speak of an end of the depression in 1937, even without considering the tremendous unemployed army which recovery was unable to reduce.

But, "if death is not too high a payment for one night spent in Paradise," there seemed to be reason enough to celebrate in 1937. In the "American Economic Review", June 1936, *Carl Snyder* declared:

"Perhaps the most striking feature of this depression has been a full six years arrest of that prodigious industrial growth which for well over a century was one of the outstanding characteristics of the country. This abrupt stoppage in industrial development has no parallel."

And then in 1937 new factories were built in the U. S. to the tune of \$500,000,000, and raised new hopes as to the future, although the same activity in 1929 to the amount of \$547,000,000 was not able to halt the depression, for it was not enough and at the same time too much — not enough for accumulation and too much for the stagnant situation. Then, according to the Federal Reserve Index, the volume of industrial production dropped once more from 117 in August 1937 to 84 in December, or 33 points in four months. The depression of 1929 needed 13 months to accomplish such a drop. Since January, the index dropped further but with less rapidity. At the moment of writing, it can be said that the downward pace of the decline has been temporarily halted, and that business is trying to stabilize itself on the new low level. But what a level! With more than 13 million out of work, with farm prices declining, with profits disappearing. And there are no prospects for an increase in new investment in the industries, and resulting capital goods expenditures have shown no material improvement since the end of the year.

Already the new decline has gripped other countries, especially Canada and England. British unemployment, according to figures just released by the Ministry of Labor, increased by

162,200 between mid-December and January 17. On the latter date it stood at 1,827,607 — the highest figure in 21 months. And worse than that, *Business Week* of Dec. 11, 1937 reports:

"Smart restaurants in London's lively West End are also beginning to feel the effects of the slump. Hot spots which were formerly busy every night are now getting not more than three good nights a week."

And this may be only a beginning. What the end might be was recently shown by Professor Woytinsky of the International Labor Office, who estimated that the depression between 1930 and 1934 represented a loss of about 176,000,000,000 old gold dollars, an amount equal to the total cost of the great war.

The present decline within the general crisis started like the depression itself. Bond prices declined at the end of 1936. Stock prices followed in March 1937. Short-time interest rates increased, wholesale commodity prices decreased. All the phenomena indicating insufficient profitability reappeared. There is no mystery here. Only an increased priming of the pump could have mitigated this process, but this policy also has its limits. Only by a further strengthening of "state capitalist tendencies" and greater misery for the "private economic sector" could the present dilemma have been postponed — but only postponed.

The new decline, having all the symptoms of the beginning of a long drawn-out period of depression has once more brought forward all the old suggestions and proposals which were previously found futile. There are again the demands for a further increase of mass purchasing power, raised mainly by the liberal and labor press. And this despite the fact, as was pointed out in the "Annalist" of Jan. 21, 1938, by *D. W. Ellsworth* that,

"The present depression has demonstrated once more, but in highly impressive fashion, the fallacy of the purchasing power theory of the business cycle. The country's mass purchasing power was never so high in the country's history as it was at the beginning of the present depression."

The "mass purchasing power" was created partly by the greater exploitation of workers and partly by the aforementioned governmental measures. Because they were restricted to a reshifting and crediting of the existing purchasing power, they served only to extend the prevailing misery. Born largely of such measures, the "mass purchasing power" was merely another factor hampering the reestablishment of a profit base for a real capitalist expansion. The *necessity* of such measures does not alter the fact that this necessity excluded that other necessity — the rentability of the exploitative enterprises. Against such measures, therefore, private capital fought under such slogans as, Balance the Budget, Abolish Regimentation, Oppose Labor Legislation.

Capital is not a unit operating according to a single necessity. The single necessity, that is the maintenance of the capitalist exploitative relations, is realized only by continuous strife among the capitalists themselves, nationally and interna-

tionally, and between capital and labor and the other classes. Within this general strife, the demand for mass purchasing power is only one element working towards the final necessity of securing capitalist relations. When applied, it has served always purposes entirely different from what its apostles intended. Temporary "losses" culminated in final "gains", and thus the phrase "mass purchasing power", used by liberals, was actually an ideological instrument of capital to ease the process of decreasing purchasing power.

We will not suggest that the workers' struggle for higher wages and more relief is senseless in present-day capitalism. However, it is necessary to say that the higher the purchasing power of the masses is in relation to total production, the greater are capital's difficulties in overcoming its depression and in maintaining its society. Precisely for this reason we suggest the continuous struggle for better living conditions. The "reformists" expecting a prosperity from an increase of mass purchasing power alone show thereby that they are merely out to reform capitalism. However, the only capitalist reform objectively possible today is the fascist reform. A recent pamphlet by *Dr. H. Schneider* on "Socialist Strategy on the Economic Front", published in London, said:

"The working class movement must take as its starting point in the struggle the recognition of the fundamental importance of mass-purchasing power as a means of overcoming the crisis."

This is simply nonsense; mass purchasing power is of fundamental importance in overcoming capitalism, not its crisis, but then questions of purchasing power lose all their meaning. For the truth of the matter is that there are only two ways of overcoming crisis and depressions. One is by overcoming the capitalist system as such; the other (with only temporary results) by overcoming the resistance of the workers to lower and still lower standards of living. Whoever wants to operate exclusively within the boundaries of capitalism will at last be forced to recognize this truth and will help to overcome the resistance of the workers. For this reason John L. Lewis, for instance, drew back before the steel industry and celebrates, although with a sour face, a contract which has lost all right to such a name. For the renewal of the steel workers' contract was secured only because its signers don't know yet which way the depression will go and what measures the government will use to combat it. If deflationary tendencies assert themselves, the "contract" may be cancelled within 10 days notice. If inflationary measures are applied, it will be a seal under a verdict of lower living conditions for the workers. And Lewis had to sign, unless he wanted to oppose the system as such, and call for strikes for the sake of striking. As a matter of fact, all theoreticians of the mass purchasing idea, are always ready to grant, at least in some cases, as for example in the building industry, that prices and wages are too high. From the discovery that *some* wages are too high to the recognition that *all* wages need cutting is only

one step. And in reality all practical measures undertaken according to the mass purchasing theories have led always to a further reduction of that buying power. In the course of time however, the economic theory of mass purchasing power is no longer open to a discovery of its real content, for it ceases to be an economic theory and becomes the political necessity to demand guns instead of butter. All underconsumption theories will be sacrificed for the honor of the Nation.

Till then, however, the arguments will continue, but all will agree, as the Business Letter of the National City Bank of New York pointed out in Dec., 1937:

"One of the first needs in the current situation is to encourage the formation of capital."

The question is only how to do this. And the answer, if found, bears still another question, as capital formation has led always to crisis and depressions. The "solution" looks for a solution. For this reason those who are afraid of the future lament:*

'Free competitive enterprise cannot endure in an atmosphere of national economic planning — once the government embarks upon partial control it must, inevitably proceed to full control."

And those still more fearful of the future either accept this "full control" or long for the return of the past. The "New Republic" of Feb. 16, 1938, carries an article pointing out that progress by way of free competition will have to count in the steel industry alone — by the introduction of continuous strip mills — with 85,000 displaced victims. What shall be done with these additional unemployed? And the Council for Industrial Progress paradoxically reported in the *New York Times* (8/8/37):

"Are not the very efficiencies of our ever-increasing productive ability of such a nature that it is questionable whether we can come out of future depressions by placing our dependence solely on the operation of "natural economic forces"?"

Yes, replies the Machinery Industry in the aforementioned pamphlet: "What America wants is stiffer competition and lower prices". And General Motor's *Mr. Knudsen* agrees:**

"Somebody has to reduce prices if business is to be encouraged,... at the present time it is actually being done in a kind of bootleg fashion... shopping in New York today is like shopping in an Oriental bazaar."

True, reflects Roosevelt in his recent message dedicated to the problems of the "recession", some prices are too high, others are too low; but "further expansion, more abundance, depends on balanced prices". The price of labor has to come down if prices shall be lowered; the price of labor will be lowered if prices rise. Which ever way you put it, price policies can only reflect what underlies all prices and their movements: The question of how much of social production, in its miserable

*) "The Case for Freedom from Federal Control of Wages and Hours. Machinery and Allied Products Institute, 1938, p. 13.

***) The Christian Science Monitor (1/11/38)

capitalist forms and results, shall go to the workers and how much to the non-workers. The latter have here the advantage, for they do the regulating. A balancing of prices can have no other object than to balance the exploitation of the workers with the needs of capital. If the 'rugged individualists' still believe they can do this themselves and profit by their own effort, other capitalist groups and the government hold necessary a central regulation of the distribution of the wealth created by the workers and a further control over investments. A free-for-all exploitation is challenged by a carefully planned exploitation; the power of the money bag is to be increased by the wisdom of government. That even under such conditions competition proceeds to assert itself, and that the wisdom of government, as in Germany for instance, liquidated many Jewish capitalists, and in America many of the weaker entrepreneurs, lies at the base of all arguments against regimentation. For those people in favor of stiff competition know quite well that the "elimination" of competition is only a form of competition to which they are sacrificed.

Contrary to Ben Akiba, nothing appears twice. Those people who believe that the "new" depression will warm up once more the inconsistencies of the "New Deal" are mistaken. Those who believe in a "second" bloodless revolution by Roosevelt in "favor of the masses" will be disappointed as Roehm was when Hitler let him have it. For those measures applied by the Roosevelt Administration have so far spent themselves without avail. Sharper measures must follow, but no longer in the old direction, for as long as business can be "attacked" the government may divide and rule. But if business and government are more and more identical the government would have to attack itself to divide and rule. It will forget about dividing and will only rule. Glumly Professor *Lionel Robbins* of the London School of Economics says in the *Annalist* already quoted:

"In most cases the very expedients which have been adopted in the last depression have weakened the capacity to stand depression anew. Currency depreciation, unbalanced budgets, vast programs of public spending—these are the measures with which trade has been stimulated in the recent past. And it should be clear that they cannot be applied indefinitely... Thus the underlying position is not stable; and a renewal of prolonged depression... is likely to be attended with very grave consequences. It is no exaggeration to say that the fate of democratic institutions may rest with those who have it in their power to bring about a revival of confidence."

— which would mean in the hands of the governments; but their answer lies not in the direction Professor Robbins hopes for; the democratic forces will in the end be forced, as Roosevelt remarked recently, to "take the place of dictation."

There are two futures, the distant and the immediate. But both are dependent on the reestablishment of capital rentability, regardless of whether this capital is controlled by individuals, trusts, or governments. Existing differentiations in economic and political power will allow the possibility of robbing Peter to

give Paul for some time to come. But this process will finally pauperize both. The problem is not one of the division of spoils, but of the creation of greater and always greater profits. But the immediate necessities of all capitalists lead to only one end — the progressive destruction for all time to come of the base of the profit system. The Dead End sign on the road of capitalism is already in sight, during its periods of prosperity as well as depressions. And we are happy about it. An end of capitalism though full of terror, is better than terror without an end. Therefore we welcome the depression.

"A BIRD IN THE HAND"

Thurman W. Arnolds "The Folklore of Capitalism"

Yale University Press, 1937. 400 pp. \$3.00

A few months after its publication *The Folklore of Capitalism* was already in its third printing. Seldom has a book of its character found in so little time such a wide audience, and seldom so many favorable reviews. Though it is very interestingly and often highly entertainingly written, this praise of the book is not due to what is described as its specific literary charm, but to its debunking attitude, which pleases large layers of intellectuals who don't like to be bothered by any kind of commitment, so that they may play the game of opportunism unrestricted. Using the Manager's formula presented in Goethe's *Faust* in the *Prelude at the Theatre*, "Who offers much brings something unto many, and each goes home content with the effect," Arnold is able to interest almost everybody concerned somehow with the problems of society. To do this most successfully he rejects the Poet and holds with the Merry-Andrew:

"Posterity! Don't name the word to me!
If I should choose to preach Posterity,
Where would you get contemporary fun?"

To judge from the enjoyment Arnold apparently derived from his debunking enterprise, his reviewers must have made him laugh very heartily. Re-printed on the jacket of the "Folklore" is Alfred M. Bingham's opinion that the book, "Will be as much revered as we now revere Darwin's *Origin of the Species*." Fred Rodell in the "New Republic" thinks, "that Mr. Arnold has his fingers on something miles ahead of Marx — in maturity, acceptability, and especially, usefulness." And one Trotskyite, trying to imitate Arnold's style, writes in the "New Internationalist": "Here is an anthropological analysis, admirable for its scholarly objectivity, of a strange and interesting tribe inhabiting the central portion of the North American continent, etc. etc. However, all Arnold wants to show is the difference between ideology and reality. Or as he states, "by the folklore of capitalism, I mean those ideas about social organizations which are not regarded as folklore but accepted as fundamental principles of law and economics". That is, he restates observations made long ago, which today would (if they could) already be commonplaces, and which were described in fiction and science more than often. Although the reviewer in the "New Republic" doesn't know it, Marx has shown 70 years ago why the ideologies of the present exploitation society are practical and in existence though they don't correspond to reality. But this is of no importance; a re-statement of known facts and observations will never hurt, especially when offered in such a readable form as Arnold's. The readability of the book, by the way, is due to his using the age-old trick of amusing the present with the "shortcomings" of the past.

We have already stated the main theme of the book: The current ideas in society don't correspond to the prevailing practice, though this practice is carried on, and in one sense is possible only because of such ideologies. The material side of society changes faster than its complementary ideology, and this causes conflicts, which are temporarily resolved in a repetition of this whole situation on a new plane. Nothing is easier than to show that society never does and never can live up to once accepted ideas; that tradition hampers the recognition of changing realities; and that society changes in spite and because of a false consciousness on the part of its members.

As society is made up of many differently interested groups and individuals, it could not function, as it does, without somehow unifying ideologies. So far, the ideologies were fostered consciously only to a small extent and were largely the result of general and specific conditions beclouding the real social relations. The socio-economic basis of society explains the ideological and emotional phenomena Arnold describes with the concept "social psychology". However, he is satisfied with the social psychological side of the conduct of men. That his explanation of social phenomena is itself in need of explanation lies outside his interest. The conflicts in society, reflected in the conflict of ideas, are not referred to specific class conflicts (despite his pragmatic attitude), but are explained by Arnold as caused by the discrepancy between actual needs for mankind in general, and the limitations set by attempts to follow traditional patterns and symbols.

And so it can be said that in more than one sense Arnold's book belongs to the category of late successes in the up-lifting literature like "How to worry successfully", "Life begins at 40", "Live alone and like it", etc., it tells its readers to accept unalterable situations without much fuss. Social organizations have always changed, and traditional thinking was at first always strongly opposed to such changes, only to be defeated eventually. The inevitable has to be recognized and to be accepted, and it doesn't matter if the inevitable is fascism or communism. There is no use lamenting against the growing power of the trusts, against Roosevelt's "socialism", against an unbalanced budget, or against the CIO; these phenomena are justified by their existence. If you don't like them yet, you will eventually; so why bother, why argue, why lose sleep over such matters?

If, from a reactionary or revolutionary point of view, one should oppose the present reality and its ideological expression, he will fail to rally supporters to his side if he restricts himself to appeals to the intelligent and understanding "thinking man". For the latter is a non-existing abstraction. Society is determined solely by every-day needs, which cannot be delayed, and only organizations fostering those needs and their ideologies will have success. The "needs" of the future are nothing but dreams. The day belongs to the realist who prefers the bird in the hand to the two in the bush; the dreamer can only be his servant. And so the actual "usefulness" of Arnold's book, of which the reviewer in the "New Republic" speaks, consists of an intelligent support of the Roosevelt policy, which once more explains the success of the book, owing to the present unity from Hearst past Roosevelt to Browder. It is also "useful" insofar as it tells the workers, who read the book, indirectly that they may as well cling to the Roosevelt bandwagon, for there is nothing else to do, and it presents to them Lewis's CIO as an excellent example of a timely realism.

It is true that Arnold refuses to preach, to propagandize, and that he wants only to state his observations regardless of what others may make of it. But what he wants and what he does are also two different things. The effect of the book, if it has any, will tend to support the forces in power, whatever they might be... That the problems of the workers are not as yet identical with the problems of society, that what may be extremely timely for society may also be extremely foreign to the interests of the workers, never occurs to him. To start and to stop an investigation of capitalism solely on the basis of the "discovery" that the prevailing ideas don't correspond to reality lead only to the appearance that the author approaches reality. He

looks under the shell as well as at it, but still he misses the meat it covers.

The statement of "usefulness" made by the already mentioned reviewer must have amused Arnold particularly, for he himself is convinced of nothing more than the uselessness of his "discovery" in practical life. He cannot conceive of a replacement of folklore with a real insight, but only of an exchange of one folklore with another. To justify somehow the writing of his book, he has nothing more to say than that he has "a feeling" that the replacement of the present folklore of capitalism (as that, for instance, expressed in the illusion that we still live under private property relations and that the Constitution is "a charter of positive government") with the other folklore, expressed in the "worship" of a single personality may be prevented by a third possibility, which however will mean no more than "to modify the bitter clash of extreme positions", if our "priesthood" gains a better insight as to what is really necessary and what preventable. In other words, and disregarding the fine expressions which Arnold used to say such simple things as bourgeois democracy and bourgeois fascism, all that he can conceive as useful by the recognition of the difference between reality and ideology as presented in his book, is that a few intellectuals try to reconcile the coming American fascism with the superstition of the past and the present to avoid unnecessary noise. And expressed still more simply, what Arnold wants to say is that those people who want to prevent fascism must become fascists in order not to be replaced by fascists. "I have no doubt," he writes, (p. 393) "as to the practical desirability of a society where principles and ideals are more important than individuals... Yet the belief that there is something peculiarly sacred about the logical content of these principles, that organizations must be molded to them, instead of the principles molded to organizational needs, is often the very thing which prevents these principles from functioning. The greatest destroyer of ideals is he who believes in them so strongly that he cannot fit them to practical needs." How realistic Arnold is here becomes clear when we merely take notice of the fact that the European socialistic movements have become nationalistic and present a fascistic program in competition with the real fascists, as an indication that they have learned long before the appearance of Arnold's book that if you want to function in capitalism you have to be in step with capitalist "progress". In times where the professional pacifists become the greatest war-mongers, as at present in America, it is obvious that Arnold's suggestions only reflect present-day reality. This means that Arnold thinks that the recognition of the folklore of capitalism as springing out of capitalist relations, will lead to the possibility of manufacturing new folklore more in step with the needs of the present. The planless folklore will be replaced by planned ones, for he is convinced that "Men cannot fight over practical things." (p. 336). "Institutional creeds, such as law, economics, or theology," he says (p. 356), "must be false in order to function effectively." But he says this only to safeguard his readers from the misery of disappointment. The old truth that one has to strive for the impossible to reach the possible, that the general and the specific can never be divorced, is restated with an eye to the defense of the present, which will always be imperfect and still be the only thing worth living for. So he accepts Mussolini and Hitler without denying their "bad sides" and he supports Stalin against Trotsky as the realist against the dreamer. And really one might as well spare himself all indignation with the present or the future rulers of society. There is no reason to become excited because present needs oppose cherished ideas. "What was called heresy in the Middle Ages is called Communism today, but the essential ideology of the argumentative attack, then and now, is identical." (p. 3). Why cry, he argues, about attacks on private property, which is already a fiction because of the development of trusts and state capitalist enterprises? The whole social question is one of systems of governments and of changes of terms. "If the rise of new organizations is slow, the terms will change their meanings, rather than be supplanted by new terms. Capitalism will become "socialistic" in a slow revolution. In a more violent one, 'Capitalism' will be

supplanted by 'Socialism' and then in the period of stabilization 'Socialism' will gradually become 'capitalistic'. This is what is happening in Russia" (p. 341) Arnold forgets to add to the statement — if one accepts the folklore of Russia's 'Socialism'.

Arnold's "philosophy" as a practical guide can have meaning only on the assumption that the "necessary" and "practical" are also possible. To show consistency in his thinking he is continuously forced to speak in non-capitalist terms to prove to the capitalist mind that it is not in conformance with reality. "The holy war between Capitalism, Communism, and Fascism", he says (p. 14) "is one of the greatest obstacles to practical treatment of the actual day-to-day needs of the American people. Even agricultural credit and soil conservation become tainted with Communism." If the objective reality were known to him, he would see that not the ideological battles hinder the fulfillment of practical needs, but the impossibility of a fulfillment of the practical needs leads to those ideological battles. Because the "people" are trying to live up to the philosophy of "the bird in the hand" they are forced, under present conditions, to defend all existing folklores and create all kinds of dreams. Here it is not a question of a poor adjustment to reality on the part of the stupid, the religious, the tradition-handicapped, but a question of life and death in the present, and this in spite of the fact that such may also be the case under less stressing circumstances. Instinctively or consciously the economically out-dated know or feel that their particular position in society is bound up with a particular ideology, and that if the latter is threatened the former is also challenged. To make this necessity of being reactionary appear ridiculous in the eyes of those who understand, Arnold ascribes to the present miserable society the possibility of satisfying the material needs of mankind. He assumes that if it were only properly organized, present day society could fulfill the real needs of the day, that with a different distribution of goods the idiocy of slogans opposing social security measures and similar necessary improvements would become apparent. He does not see that these up-to-date policies are an expression of the objective impossibility of solving by mere organizational changes the problems of society on the basis of a restriction to a "bird in the hand" philosophy. What can be done by organizational changes is a different distribution of the growing misery. To give those more who have little or nothing implies giving those less who have still enough or too much. But as soon as one gets less, his past and present position in society and his future in it are threatened, he is slipping, is on the downgrade, and will rally to defend his own, and this is possible only by fighting those practical necessary changes, which the understanding one holds necessary, and its ideological expressions. As there is no possibility, without revolutionary change, of developing organizations capable of satisfying urgent needs, it is obvious that without such revolutionary change the struggle for the diminishing product of society, and with this the ideological struggle, will increase, and will exclude more and more the maintenance of society even on a progressively miserable basis. The forces interested only in the "bird in the hand" philosophy will have to counteract this growing chaos by a forcefully manufactured "unifying" totalitarian ideology, which will exclude even the possibility of "discoveries" of contradictions between ideas and reality. And of this, Arnold is afraid, although he hides his fear by an amused nonchalance, and he hopes, however dimly, that the "understanding" he provides may "at least tend in the direction of preventing anger and excitement in government which destroy practical judgment." (p. 393)

Despite all this, Arnold's book may be recommended precisely for its "bird in the hand" attitude. But still the question remains: — what is this bird in the hand? With a remarkable clarity Arnold shows, for instance, that Norman Thomas' party is not such a bird, but with equally remarkable obtruseness he sees the feathers of such a bird on Lewis's C. I. O. In other words, the bird in the hand for him is always what he thinks is practical today. If the C. I. O., for instance, organizes the workers to make them more

capable of fighting backward orientated capitalists, it also regulates the workers to the will of its bureaucrats. They cease partly to be the victims of capitalists in order to become victims of union leaders. It remains to be shown that the unionization of workers in the C. I. O. manner actually allows for better living standards under the **present conditions of society**. If this can be demonstrated Lewis will be the "bird in the hand" regardless of what kind of ideology he may peddle. But if it can be proved that no real material gain results from this unionization, then the C. I. O. cannot be regarded as a "bird in the hand" policy but another folklore. However, Lewis and his C. I. O. may still be an expression of the actual needs of the time, but not for workers. But Arnold was not thinking of the workers. And so it is with all other problems in society. What may appear as a "bird in the hand" engaging people in all kinds of activity may be in reality an illusion hindering the fulfillment of practical needs. A propaganda for the fulfillment of the apparently most direct actual needs, objectively impossible without revolutionary changes, may lead to the postponement of the fulfillment of those needs because of a refusal to demand more than the "bird in the hand". The maximum demand may be the only realistic minimum demand. For this reason the revolutionary worker must continuously investigate and reinvestigate conditions, must continually distinguish between what is to be regarded as a "bird in the hand" and what only appears as such. This already means that he has to coordinate his activity of today with his recognized needs of tomorrow. He has to reject the one sided emphasis prevailing in Arnold's book and has to be both at the same time — a man of principle and a man of action.

THE MARXIST IDEOLOGY IN RUSSIA.

Communism, for us, is not a state of things to be established nor an ideal to which reality must adapt itself; we call communism the actual movement which transforms existing conditions. (Marx)

WE have to deal here with an especially pointed example of the striking discrepancy which in one form or another is noticeable in all phases of the historical development of Marxism. It may be characterized as the contradiction between the Marxian ideology on the one hand, and the actual historical movement which, at a given time, is concealed beneath that ideological disguise.

It is now almost a century since a special censor dispatched from Berlin to supplant the local authorities of Cologne in the difficult task of garroting the "ultra-democratic" paper edited by the 24 year old Karl Marx, reported to the Prussian government that the *Rheinische Zeitung* might now safely be permitted to continue as the "spiritus rector of the whole undertaking, Dr. Marx", had definitely retired from his job and there was no possibility of a successor capable of keeping up the "odious dignity" hitherto achieved by the paper or of "prosecuting its policy with energy". That advice, however, was not followed by the Prussian authorities who in this matter were directed, as has now become known, by the Russian Tsar Nicholas I whose vice-chancellor, Count de Nesselrode, had just then threatened the Prussian ambassador in Moscow to lay before His Imperial Majesty's eyes "the infamous attack which the *Rheinische*

Zeitung, published at Cologne, had recently made on the Russian cabinet". That happened in Prussia, 1843.

Three decades later, the censorship authorities of tsarist Russia herself permitted the publication in Russia of Marx's work — the first version of *Capital* ever to appear in another than the German language. The decision was based on this precious argument: "Although the political convictions of the author are entirely socialist and although the whole book is of a definitely socialist character, the manner of its presentation is certainly not such as to make the book open to all, and in addition it is written in a strictly mathematically scientific style so that the committee declares the book to be immune from prosecution."

That tsarist regime which was so eager to suppress even the slightest offence committed in any European country against the Russian supremacy, and so utterly careless as to the dangers implied in Marx's scientific exposure of the capitalistic world as a whole, was in fact never touched by the fierce attacks directed by Marx in all his later career against the "immense and unresisted encroachments of that barbarous power whose head is at St. Petersburg and whose hands are in every cabinet of Europe". Yet it was to succumb to just that apparently altogether remote menace which had invisibly lurked in the Trojan horse inadvertently admitted into the precincts of the Holy Empire. It was finally thrown over by the masses of the Russian workers whose vanguard had learned its revolutionary lesson from that "mathematically scientific" work of a lonely thinker, *Das Kapital*.

Unlike Western Europe — where the Marxist theory arose in a period when the bourgeois revolution was already approaching its close and Marxism expressed a real and actualized tendency to pass beyond the goals of the bourgeois revolutionary movement, the tendency of the *proletarian class* — Marxism in Russia was from the beginning nothing more than an ideological form assumed by the material struggle for putting across the capitalist development in a pre-capitalistic country. For this purpose Marxism was taken up greedily as the last word of Europe by the entire progressive intelligentsia. Bourgeois society fully developed in Western Europe was here just in its birth pangs. Yet on this new soil the bourgeois principle could not make use, once again, of those historically outworn illusions and self-deceptions with which it had concealed from itself the restricted bourgeois content of its developmental struggles in its first heroic phase in the West, and had kept its passions to the level of great historical events. For penetration into the East, it needed a new ideological costume. And it was just the Marxist doctrine taken over from the West which seemed to be most able to render the growing bourgeois development in Russia that important historical service. Marxism was far superior, in this respect, to the native Russian creed of the revolutionary Narodniki (populists). While the latter started

from the belief that Capitalism as existing in the "unholy" countries of the West was impossible in Russia, Marxism, by reason of its own historical origin, presupposed a fully accomplished capitalistic civilization as a necessary historical stage in the process of the ultimate realization of a truly socialist society.

Yet in order to render the rising bourgeois society in Russia such ideological mid-wife service, the Marxist doctrine required a few modifications even in its purely theoretical contents. This is the basic reason for the considerable theoretical concessions, otherwise hard to explain, which Marx and Engels in the 70's and 80's made to the set of ideas, essentially quite irreconcilable with their theory, that up to then had been held by the Russian populists. The final and most comprehensive form of those concessions is contained in the well-known oracular statement of the **Foreword** to the Russian translation of the **Communist Manifesto** (1882):

The object of the Communist Manifesto was to proclaim an inevitably impending dissolution of present-day bourgeois property. In Russia, however, we find by the side of the capitalist order which is developing with feverish haste and by the side of bourgeois landed property which is as yet in the process of formation, the larger half of the land owned by the peasants in common.

Thus arises the question. Can the Russian peasant community in which the primitive common ownership of the soil subsists, although in a stage of already far advanced disintegration, be immediately transformed into a higher and communistic form of landed property, or must it previously go through the same process of dissociation which is represented in the historical development of the West?

The only possible answer to this question at the present time is the following: — If the Russian revolution becomes the signal for a workers' revolution in the West so that the two supplement each other, then the present-day Russian system of common ownership can serve as a starting-point of a communistic development."

In these sentences, and in numerous similar utterances occurring in their correspondence, in the letters to the Russian populist writer Nikolai-on, in the letter to Vera Sassulitch, and in Marx's reply to a fatalistic interpretation of his theory of necessary historical stages by the Russian critic Michaelovski, there is already anticipated in a way the whole of the later development of Russian Marxism and thus also the ever widening gap between its ideology and the actual historical content of the movement. It is true that Marx and Engels qualified their acknowledgment of the intrinsic socialist possibilities of existing precapitalistic conditions in Russia by the cautious proviso that it was only together with a workers' revolution in the West that the Russian revolution might skip the capitalist stage and pass from the prevailing semi-patriarchal and feudal conditions directly to socialist conditions. (The same proviso was later repeated by Lenin.) It is also true that this condition was not fulfilled (neither then nor after October 1917) and that, on the contrary, the Russian peasant community to which Marx as late as 1882 attributed such a powerful future role, was shortly

afterwards completely wiped out of existence. Yet it cannot be denied that even such apparently anti-Marxian slogans as the recent Stalinist "theory" of building up socialism in one country, misusing Marxism as an ideological cloak for a development which in its actual tendency is capitalistic, can appeal not only to the precedent set by the orthodox Marxist Lenin, but even to Marx and Engels themselves. They, too, had been quite prepared, under certain historical conditions, to remould their critico-materialistic "Marxist" theory into a mere ideological adornment of a revolutionary movement which claimed to be socialistic in its ultimate tendency, but which in its actual process was inevitably subject to all sorts of bourgeois limitations. There is only this difference, and a remarkable difference indeed, that Marx, Engels and Lenin did so in order to promote a future revolutionary movement while Stalin definitely applied the "Marxist" ideology for the defence of a non-socialistic status quo, and as a weapon against every tendency of revolutionary realization.

And so began — actually during the life-time and with the conscious and active collaboration of Marx and Engels — that particular historical **change of function** through which Marxism, adopted as a ready-made doctrine by the Russian revolutionists, was in the further development transformed from a theoretical tool of a proletarian socialist revolution into a mere ideological disguise of a bourgeois-capitalist development. As we have seen, that change of function implied from the very outset a certain transformation of the doctrine itself which in this case was achieved through a mutual interpenetration and fusion of the traditional populist creed and the newly adopted Marxist ideological elements. Though that transformation of the Marxist theory was at first admitted by Marx and Engels (as they imagined) as a transitory step only, to be retraced by the imminent "workers' revolution in the West", it soon turned out to have been in fact the first step toward the permanent transformation of their revolutionary Marxist theory into a mere revolutionary myth which could at the utmost work as an inspiration for the first stages of a beginning revolution but in its final outcome was bound to act as a brake upon the real revolutionary development rather than as its furtherance.

It is a spectacle worth noting, the way this historical process of ideological adaptation of the Marxist doctrine has been worked out during the following decades by the different schools of the Russian revolutionaries themselves. It may be safely said that in those violent debates on the perspective of the *capitalist development in Russia* which were waged in the closely restricted circles of the Russian Marxists at home and in emigration from the 90's to the outbreak of the war and to the overthrow of the tsarist government in 1917, and which have found their most important theoretical expression in the principal economic work of Lenin, *The Development of Capitalism in Russia* (1899), the