

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## CURBING BIG BUSINESS?

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

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

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

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

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

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

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

  

Number of concerns disappearing from the economic field		
	1924	368
	1925	554
	1926	856
	1927	870
	1928	1058
	1929	1245

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

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

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

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

If a group of bankers want to get hold of a certain profitable industry, or a concern financial control of some competitors' assets, with, say, a capitalization of 75 million dollars, listed as 25 million dollars in bonds, 25 million dollars par value of non-voting stock (pref.) and 25 million dollars par value common stock, all they have to do to gain complete legal control is to purchase on the market 50% of the common stock at market value-par value. The stockholders of the common stock, as the only voting stock, influence and determine the policies of the enterprise, and are therefore the controlling power of the management policies. The investment of the group interested in the above outlined concern would have been 12½ million dollars. This group would now form a legal holding company by setting up an organization to take over the 12½ million dollar investment. The new "holding company" would issue its own securities based on the credit of the invested money. The issue would consist of 5 million dollars of bonds, 2½ million dollars of pref. stock, and 5 million dollars common stock of the "Holding Company." It then throws the bonds, including the pref. non-voting stock, on the market, with almost half of the common voting stock. The remaining 2½ million dollars of common stock is now the only factor requisite to keep control over the 75 million dollars operating company. The proceeds of the issues sold are paid in turn to the original investors, who now form the controlling group as "holding company" of the operating company. A second holding company may be set up to buy the remaining stocks of the original holding company. This procedure can be duplicated again and again, so that at the end — or top — organization, a 1% investment controls an entire industry and its subsidiaries. It minimizes the investment and increases the power over the whole structure of production.

In the case of the Commonwealth Power investigation, to cite an example, it was found that control over the vast enterprise was accomplished by an actual investment of 9½ million dollars controlling a total of over 239 million dollar assets.

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

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

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

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

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

**Monetary Income from Capital invested in Financial Institutions**

1925	27,072,000	Million Dollars
1929	89,668,000	" "

**Rise in Profits from 1923 to 1929**

Financial corporations	177%
Speculative profits	300%
Non-financial corporations	14%

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

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

**Gross Assets as of January 1, 1932**

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

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

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

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

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

P. W.

## DISCUSSION

### On The Impotence of Revolutionary Groups\*

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

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

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

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

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

#### II.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sam Moss

## BOOK REVIEWS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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