

And so we now have before us, today, the question as to what decision this Congress will reach. Should it adopt the line of the old workers' movement, then it will also find its way to the same fatal end. But should it adopt, decisively and with determined step, the path of unity with the left elements, who today are also to be found in Moscow; and should it recognise that there is much of value in them also, then the revolution will receive from the Third Congress of the Communist International a new forward driving force; on the other path, however, it will collapse into the sand and fall to pieces. It is the responsibility of this Congress to reach the correct decision. And it is from this standpoint also that we regard the question of our participation in the Third International.

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And so we now have before us, today, the question as to what decision this Congress will reach. Should it adopt the line of the old workers' movement, then it will also find its way to the same fatal end. But should it adopt, decisively and with determined step, the path of unity with the left elements, who today are also to be found in Moscow, and should it recognize that there is much to be gained in this, then the revolution will receive from the Third Congress of the Communist International a new forward-driving force on the other path, however, it will collapse into the same and fall to pieces. It is the responsibility of this Congress to reach the correct decision. And it is for this standpoint also that we regard the question of our participation in the Third International.

NOTES AND COMMENTS

CHAPTER 1

1. "State Communism"

In the usage adopted by Marx and Engels, the terms "Communism" and "Socialism" were largely synonymous. However, since the ascendancy of right Social Democracy and Reformism in the working class movements of the developed capitalist lands, as well as of Social Democracy in its left or Leninist-Bolshevik form in Tsarist Russia and, after the 1917 Revolution, in the USSR, the term "Socialism" has increasingly come to be associated with the method of "socialist transformation" through *state nationalisation*. This may be either as the political cornerstone of a parliamentary-reformist programme, as in the case of the right Social Democratic Parties in the advanced capitalist lands, or as a full-scale revolutionary perspective, as in the case of the Bolshevik Party in Russia. In view of this, and in order to maintain a clear distinction between both of these degenerated forms and the Dictatorship of the Proletariat, the economic foundation of which lies in the Association of Free and Equal Producers and the implementation of the Average Social Hour of Labour as universal unit of economic regulation and control, the term "State Socialism" might be considered as better fitted to describe a society wholly delivered over to the mindless rule of an unrestrained party bureaucracy in which the absence of any objective framework of economic regulation gives rise to both unbridled economic power and privilege and a heartless, despair-ridden mode of distribution. In such a society, the more a pragmatically conceived system of "social planning" is applied as the alleged panacea of all social progress, the greater is the ensuing social chaos!

2. "The proletariat conquers state power and ... proclaims the means of production to be state property" (Engels).

This is, of course, the well-known quotation from "Anti-Dühring" (Pt. III: "Socialism", Chap. II: "Theoretical", Foreign Languages Press, Peking, 1976, p.362). It should be noted, however, that in his other great work, "The Origin of the Family, Private Property and the State", as quoted in Chapter VII, page 106 of the present work, Engels gives expression to the opposite view of Communism, that adopted by his life-long friend and co-worker, Karl Marx, which defines the social foundation of Communism as an "Association of Free and Equal Producers".

3. "In the year 1917 the producers in Russia began to expropriate the owning class throughout the whole economy, with the intention of ordering production and distribution according to Communist principles".

Unlike the authors of "Fundamental Principles of Communist Production and Distribution", who did not enjoy our advantage of historical hindsight, we now know that the arena covered by the strictly

proletarian revolutionary movement in Russia was largely restricted to those areas of Tsarist Russia in which industry was most heavily concentrated (in the main St. Petersburg [later Leningrad], Moscow, Kharkov, the Donbas coal basin and the Tiflis and Baku oilfields), and embraced a total proletarian mass of no more than 7 million workers out of a total population of some 120 million throughout European and Asiatic Russia. The bulk of the Russian population were peasants, and this constituted the main factor underlying the historical prematureness of the proletarian revolutionary movement there, just as it also provides the socio-economic explanation for the failure of Lenin, the Bolsheviks and even Trotsky to comprehend Marxism except in the mechanical-determinist terms of a system of empirical "planning" based on state nationalisation.

In reality, therefore, we have in the case of the Russian Revolution not so much "the first victorious proletarian revolution in history which ushers in the era of Communism", a victory obtained with the support of the peasantry, as Bolshevik mythology would have us believe, but rather a *special form of the bourgeois revolution* - special because it took place at an advanced stage in the development of the world capitalist system, but over a national terrain which in itself was capitalistically extremely backward.

When the revolution of February 1917 finally broke, it was seen to possess two unique socio-historical features. Firstly, it took the form of a *wholly spontaneous social upheaval*, one in which no organised political force, including the Bolshevik Party, played any ideological or political role of any significance in the arousal or mobilisation of the social classes involved, which were the urban proletariat, urban petite bourgeoisie and peasantry. Indeed, the latter was at that point in its history far too weak to have intervened in any decisive way, numbering as it did a mere 40,000 or so members. As its second unique feature, the February Revolution proved to be the *only bourgeois-type revolution in history in which the bourgeoisie itself was found to be too weakly developed as to be able to fulfil a revolutionary role as leader of the revolution* - indeed, it had even permitted itself to be manipulated by Tsarism into adopting a counter-revolutionary position.

Historically, this had arisen because of the unique socio-political character of Tsarism as a combination of feudal absolutism and oriental despotism, an outgrowth of the incursions of the Tartar hordes, beginning with that of Baku Khan in 1238, into almost the entire area of Russia except the north, and the subsequent spontaneous incorporation of the political methods and institutions of oriental despotism into the political and state system of Tsarism after the eventual expulsion of the Mongol invaders under the leadership of Tsar Ivan III in 1492. As a result of this unique combination of oriental despotism and a socially inhibited feudalism, the class of feudal landowners was rendered economically and politically subservient to the Tsarist state, which was able to maintain itself by playing off the subjugated peasantry against an even more suppressed bourgeoisie. The latter, indeed, was never able to develop any revolutionary movement under its class leadership after the relatively weak and socially narrow Decembrist uprising of 1825, and in its later development Tsarism was able to buy off the bourgeoisie as a potential revolutionary threat to its rule through the system of state subsidies to encourage the growth of "feudal

capitalism".

The outcome of this anachronistic history was that the uniqueness of the Russian Revolutions of February and October 1917 lay, not in their culminating in the "first victorious establishment of the Dictatorship of the Proletariat", as Bolshevik legend would have it, but in the greatest and final anachronism in an entire history of anachronisms: the onset of a bourgeois-type revolution in which the organically determined leading beneficiary class, the bourgeoisie, itself plays a counter-revolutionary role! As a consequence, leadership in the revolution devolved naturally upon the next lower class in the developing - but, in the event, stillborn - class structure of embryonic bourgeois society: the professional intelligentsia, and it was this stratum of the petite-bourgeoisie whose interests were represented in the Bolshevik Party, not that of the - numerically extremely small but highly militant - proletariat. In fact, it was the Bolshevik Party under Lenin's leadership which, in part by means of an astute adaptation of Marxist concepts and terminology to the needs of a new proprietorial class, the professional intelligentsia, and in part through an almost boundless but always pragmatically astute political demagoguery, was able to manipulate ideologically and politically a majority of the industrial workers - though by no means all, as the Kronstadt Revolt of March 1921 was to reveal - into acting as revolutionary canon-fodder on behalf of the revolutionary cause of an alien class, in the mistaken belief that the victorious revolution would make them masters of their own destiny in a genuine Communist society. In this respect, the political methods of the Bolsheviks and of their motivating ideology, Leninism, were not fundamentally different in political character from the manipulation of the *sans culottes* by the Jacobins in the French Revolution.

Thus the complex structure of the Russian Revolution reveals a fundamentally bourgeois-type revolutionary movement within which was encapsulated - and hence unable to develop on a wider all-Russian scale or to acquire an international extension - a numerically much smaller proletarian revolutionary movement. This proletarian movement was, for both the above reasons but particularly on account of its *historical prematureness*, doomed to be ultimately stamped out by the rising system of State Socialism, in which the privileged class was that of the former professional intelligentsia now turned state bureaucrats, and the political leadership and representation of which was provided by the Bolshevik Party - disguised ideologically, of course, by "Marxism-Leninism".

The last stand of the heroic Russian proletarian revolutionaries was at the island fortress of Kronstadt, near St Petersburg. Here, in March 1921, many thousands of the cream of the Russian working class, representing those who had not been taken in by the ideological blandishments of Leninism, had organised themselves in the St. Petersburg and Kronstadt Soviets, in order to demand of Lenin and the Bolshevik leadership on the eve of the Xth. Bolshevik Party Congress that they might at last agree, some 4 years after the overthrow of Tsarism, to replace the dictatorship of the Bolshevik Party with the dictatorship of the proletariat and the control of the economy by the producers themselves. Lenin's reply was to assemble units of the Red Army under the leadership of the former

Tsarist officer Tukachevsky and under the overall command of Trotsky and to send this overwhelmingly superior punitive force over the frozen ice of Lake Ladoga to the island fortress, where they proceeded to butcher the unarmed revolutionary workers in their thousands, not ceasing their bloody counter-revolutionary work until the last proletarian had been done to death. In this way did "Comrade Trotsky" prove his credentials as a "great Marxist and true leader of the Russian Revolution after the death of Lenin" - the latter half of which self-contradictory statement contains some truth, though not in the sense which its authors would seek to imply. It is from this noble revolutionary heritage that the class antecedents of contemporary Trotskyism in all its 57½ varieties in reality derive ! (For a more complete analysis of the Russian Revolution, see forthcoming publication of the Movement for Workers' Councils: "The Historical Significance and Class Character of the Russian Revolution", publication date Spring-Summer 1990).

4. Paragraph ending: "... who are thereby able to create the moving and developing forms needed by social life in all their thousandfold forms".

How clearly the advent of modern computerisation techniques has highlighted the simple practicability of such a system ! Indeed, it may be said that, at least as far as the technical basis of control over production is concerned, the era of the computer represents the dawn of the era of Communism.

5. Paragraph ending: " ...the dictatorship of the proletariat itself works so as to bring about its own demise at the earliest possible historical moment".

The comment should be superfluous here that - benefitting once again from a gratuitous historical hindsight - we can now recognise the social forms and conditions described in this paragraph as representing no form whatever of the Dictatorship of the Proletariat, but, on the contrary, to be the historically new, but in the longer term socially and economically unviable, dictatorship of an equally historically new class formation which has been variously described as an "administrative bureaucracy", "collectivised state bureaucracy", "privileged ruling stratum", and so on. To whatever degree these terms may succeed or fail in expressing the reality of the class relations of Russian State Socialism - and the truth is that they all succeed in expressing some aspect of the truth, just as they are all found eventually to be lacking as final definitions - one aspect is clear enough: the social mode of production upon which those relations depend is one based upon state ownership and control of economic resources implemented through a monolithically organised party dictatorship. However this may be, the failure on the part of the authors of "Fundamental Principles of Communist Production and Distribution" to distinguish between State Socialism and Communism does little to diminish the correctness of the characterisation given of the actual socio-economic features of this wholly new exploitative social class, of the narrow administrative clique which rules over it, of its ruthless party machine or of the socially horrendous effects of

its mindless dictat. These were, after all, at the time when this work was first drafted, social phenomena which were wholly without any historical precedent whatsoever - a fact which, nevertheless, did nothing to prevent the responsibility for providing a definitive analysis of it from falling upon the unschooled, yet happily intrinsically capable, intellectual shoulders of Jan Appel and his team of co-workers.

CHAPTER II

1. "Marginal Notes"

The full title of the original German text was "Kritische Randglossen zum Koalitionsprogramm" ("Critical Marginal Notes on the Unity Programme").

2. Paragraph ending: "And so this problem has become ... a fruit from the tree of forbidden knowledge, and this it has remained ... in spite of the fact that the Russian Revolution has proved that it is precisely at this historical juncture that it must be solved".

We find here yet a further example of the view, universally current amongst Socialists and Communists at the time of the First World War and the wave of revolutions which followed in its wake, that the proletarian revolution would be fought to a relatively rapid conclusion primarily within the European arena and within the same historical era - in short, that the First World War and the wave of European Revolutions which followed it would mark the end of capitalism and the dawn of Communism as a result of the victory of the proletarian revolution.

Apart from the rather obvious fact that a significant element in this belief reflected the primarily emotively based euphoria then quite understandably prevalent amongst the participating revolutionary groups, it has since come to be understood by Marxists that the resilience of the capitalist system and its capacity to absorb intense contradictory upheavals and social antagonisms is and was immense, and that consequently a great deal of further capitalist development would have to take place throughout the world, but particularly in its underdeveloped periphery, before conditions would be ripe for successful proletarian revolutions in any part of the world.

3. Paragraph ending with quotation from K. Kautsky: "Die proletarische Revolution und ihr Programm" ["The Proletarian Revolution and its programme"], p.318.

It will of course be readily appreciated by all, even those with no more than a minimum of critical acumen and historical insight, that the present crisis of "Soviet" State Socialism, the origins of which date back to the first assumption of control over the revolutionary process by the Bolsheviks, represents the direct continuation and outcome of that "impossibility" of a "communism" devoid of any objective mechanism of economic regulation and control, and hence

destined to become the despair-ridden hunting-ground of a power-hungry administrative bureaucracy scavenging through the impoverished post-revolutionary Russian social terrain for whatever meagre springs of power and privilege it could find from which to enrich itself, of which Rosa Luxemburg had given such eloquent and perceptive warning. Godfather Gorbachov now claims to have found the answer to the sterile antagonisms of early "Soviet" society in his concerted reforms, which amount objectively to an attempt to overhaul *post factum* the hitherto absent achievements of the bourgeois-democratic stage of the revolution, negated by Bolshevism, by a belated attempt to incorporate them into the framework of "Soviet" State Socialism. Since, understandably, no measures of any kind have been taken to introduce any system of objective economic regulation or control, since this would unavoidably necessitate the liquidation of the state bureaucracy and its privileges, the resultant pragmatic hodge-podge of the Gorbachov reforms amounts to little more than an attempt to walk the tight-rope of bourgeois-democratic "economic incentives" without their necessary concomitant in an overall capitalist social reality. To this there can be only one of two possible outcomes: either the contradiction represented by the attempt to institute capitalist-type "reforms" without capitalist economic relations will find its more or less rapid resolution in a degenerative descent into the totality of capitalist social reality - in short, the full-scale introduction of capitalism; or the long-suffering "Soviet" working population will witness the fall of Godfather Gorbachov from his tight-rope, on which he has hitherto been performing without a safety-net, and the restoration once again of full-scale Brezhnevian State Socialism!

4. "natural economist".

By "natural economist" is meant one who believes that a classless, non-antagonistic society must of necessity be one the economic basis of which rests upon relations founded on the exchange of goods "in kind", i.e., upon direct barter.

5. "social-democratic communism".

As discussed at length above, the term "state socialism" would be more suitable here.

CHAPTER III

1. Paragraph ending: "... whose motives are bound up with the struggle for profit".

The account of reproduction and accumulation given in this paragraph follows the simplified model of accumulation employed by Marx in Vol. I of "Capital", in which it is assumed, for the sake of simplicity and clarity, that the capitalist sells all his product (C - M') in one fell swoop of hectic trading at the end of the

production period, so that C - M' follows M - C as a direct chronological sequence. In reality, of course, with the exception of one-off projects such as bridge construction or shipbuilding, he is selling his product and converting C into M' all the time and continuously, as an ongoing process, so that the two legs of the total circuit of capital formed by production and distribution respectively are taking place simultaneously.

The analysis of the temporal dynamics of the value-generation and realisation process is worthy of closer examination, since it has been to the failure of Marxists to undertake this essential scientific task that a great deal of the blame for the decline in Marxist science observable in the contemporary working class movement must be attributed.

Furthermore, the neglect of temporality theory at the hands of the "theoretical" hacks of leninism and neo-leninism has given encouragement to the vulgar notion that what the worker sells to the capitalist is an hour of labour *per se*, an hour which generates a fixed quantum of value. In reality, of course, what the worker alienates is his *labour-power*, his undefined and unlimited capacity to labour, and in doing so he produces a similarly undifferentiated and indeterminate quantum of use-values and their hidden essence, value. Having purchased a fixed quantum of labour-time, it is the crux of the capitalist's interest to extract as much realised, productive labour out of that initially only potential labour, labour-power, as he can, and to see to it that this is done in the shortest possible span of time. The greater the quantitative mass of new use-values produced - the quantitative aspect - and the shorter the span of time required for their production - the qualitative aspect, or rate of conversion per unit of time of potential labour into realised labour - the greater will be the absolute quantity of value - and hence also surplus value - that labour-time will yield.

Thus the quantum of value produced in an hour of labour is not a constant, but a variable. And the factor by which that variable is determined is the *intensity of labour*. As the qualitative aspect of the process of value generation, unlike its quantitative integument, labour-time, the intensity of labour is not amenable to quantitative measurement.

A clear understanding of the distinction, on the one hand between the finite limits of the value of labour-power, the determinant of the wage, and the indeterminate and unmeasurable quantity of value that labour-power generates in the process of its conversion over a given span of time into realised, productive labour also has an indirect - but none the less significant for that and, in the absence of that understanding, wholly baleful - influence upon the comprehension in general of the qualitatively different role played by the measurement of labour-time under Communist relations, and hence of the character and function of the Labour Certificate in particular. Expressed in the simplest terms, because the distinction between the value of labour power and the value of the commodities, goods or services that labour power generates in a given span of time is not understood, the former is confused with the latter and equated with it. When, therefore, under Communism, the labour-time required to produce goods or services is measured, it is assumed

that here also value is being measured, and that accordingly the Labour Certificate is another form of money, a circulating medium of exchange. And it matters not if this is denied even by Karl Marx himself - in the absence, on the one hand of a clear understanding of the distinction which pertains under capitalism between the value of labour power and the value of the commodities that labour power produces in a given span of time, and on the other hand of the vital difference between a value-based and value-generative economy such as capitalism and the use-value based, non-value generative economy of Communism, the confusion will continue to compound itself indefinitely. Thus the clarification of the role of temporality in the labour and production process is of crucial significance to the understanding of the economics of Communism also - although it is not the intention to discuss this further here.

If it is understood that the total process of value generation and value realisation is defined by the circuit of capital $M-C-M'$, then it follows from the above that the velocity at which that circuit moves from M to C and from C to M' - what is termed the absolute rate of turnover of capital, or simply absolute turnover - is likewise a function of the intensity of labour. Being the qualitative aspect of the alienation of labour-power, we have seen that, unlike its opposite in dialectical unity with it, the productivity of labour, which may be seen as the quantitative aspect, labour intensity can be given no simple quantitative expression in terms of measured labour time. Its rise can, therefore, have no effect upon the proportional relation of surplus to necessary labour-time upon which the rate of surplus value depends, and from which ultimately the rate of profit is calculated. For this reason, its effect is to pass straight through those value relations, in a manner analogous to the passage of an X-ray through non-metallic matter, to emerge at the surface level of economic movement as an increase in absolute capital turnover. An increase in the productivity of labour, on the other hand, brings about a change in the proportion of surplus to necessary labour-time, hence also in the proportion of surplus to necessary value, increasing the former and reducing the latter, and in this indirect way, by causing the value of the worker's means of subsistence to fall, causing the rate of profit to rise.

It is therefore of crucial theoretical significance to the structured analysis of the value-generation process to distinguish clearly between the productivity and the intensity of labour. Whereas both promote a rise in the rate of profit, a rising productivity does this only indirectly by increasing the volume of commodities produced in a given span of time, thereby reducing their unit value and in this way - assuming an increase in productivity to be applicable in the sector of Department B producing subsistence goods - increasing the proportion of surplus to necessary value whilst total value remains constant. An increase in labour intensity, on the other hand, increases both necessary and surplus value simultaneously, whilst the relative proportions of each remain the same. Thus an increase in intensity does nothing to alter the value relations inherent to a given set of production conditions, having only the effect of expanding absolutely the total value produced within the same relative proportions of necessary and surplus value.

Where, therefore, an increase in productivity is reflected in an

increased output over a given span of time, the effect wrought by an increase in intensity is marked by the opposite effect: the production of a given output over a shorter span of time. To summarise: productivity changes the value relations within a given total value; intensity increases the total value whilst leaving the value relations unchanged.

In this way arises the vital distinction between the rate of profit per circuit of capital and the rate of profit per unit of time. With an increase in the intensity of labour, and hence in absolute turnover, this latter form of the rate of profit - its crucial temporal parameter - will rise in relation to the rate per circuit, which may remain constant or even fall. At the level of surplus value generation, the extra surplus value which underlies this extra profit is to be found precisely in the velocity at which the formative elements of production - labour-power (variable capital) and the two component elements in constant capital, objective means of production, composed essentially of plant, machinery and buildings (fixed capital) and raw and auxiliary materials (circulating capital) - are converted into the new commodity - equivalent to stage $M-C$, the stage of production - and then sold - the equivalent of stage $C-M'$, the stage of distribution. Leaving out of account for the sake of simplicity the role played by the constant capital, it is out of this that there arises the crucial distinction between variable capital advanced and variable capital employed. It is, therefore, of vital significance to the theoretical elucidation of the process of value generation, the process which takes place at the point of production and as an integral part of the labour process itself, to distinguish clearly between it and its surface manifestation, which is the realisation of profit, and which lies in the sphere of circulation, at the surface level of economic movement.

Of these two, variable capital advanced and variable capital employed, the former is equivalent to the capital with which the capitalist begins the circuit of his capital, whilst the latter represents the variable capital actually at work in the production process at any given moment in time. As Marx shows in the course of the long and extremely thorough analysis to which he subjects these two categories in the course of Vol. II of "Capital", the fact that the capitalist is continuously renewing his variable capital through the sale of the new product ($C-M'$) enables him, at the conclusion of a given production period, to re-advance the new variable capital out of current income. Embodied in that new money-capital realised in the accelerated process of circulation is the extra surplus value which underlies the increase in the temporal rate of profit analysed above, the outcome of an increase in the intensity of labour. The greater the velocity at which value and surplus value are generated ($M-C$) and then realised as profit ($C-M'$), the greater will be the quantity of absolute surplus value generated and profit realised per unit of time - generally taken to be one year.

An increase in productivity, therefore, benefits both capital and labour. If it is assumed that a rise in productivity is effective throughout the economy, in both Departments A and B, the capitalists will be able to purchase a greater mass of objective means of production per unit value of their constant capital; and the workers will be able to purchase a greater quantity of subsistence goods per

unit value of their wages - i.e., the value of real wages, the wage-rate, will have risen. It is for this reason that the attention of neo-leninist economic theorists - such as Paul Sweezy or John Eaton, the latter the author of the well-known "Textbook of Marxist Economics" used extensively throughout the British "Communist" Party (CPGB) in the period during which it used to consider the maintenance of its image as a "Marxist" party to be an important aspect of its work - all concentrate their theoretical attention exclusively upon the phenomenon of productivity, whilst the effects of intensity are wholly ignored. If, however, the economic history of capitalism were nothing other than a history of the rising productivity of labour, the development of capitalism would long ago have given us a veritable paradise on earth, and it has been for this reason that the neo-leninist theoreticians have been concerned to make onesided use of it in order to provide a gimcrack "theoretical" justification for their non-revolutionary perspectives of "structural reform", culminating in a peaceful, non-revolutionary "transition to 'socialism'" - i.e., State Socialism.

When we come to make a theoretical investigation of a rising intensity of labour, we find a diametrically opposite situation. With rising productivity, the worker sells *exactly the same quantum of labour-power*, yet the wage-rate and, accordingly, his standard of living relative to the previous situation rises - assuming, of course, that all other aspects remain unchanged. With rising intensity, on the other hand, *the value of a given quantum of labour-power rises exactly in proportion to the increase in intensity*. If we assume that the workers succeed in actualising this increase - and here it must be said that they generally succeed in obtaining only a part of the full increase in the value of their wages arising from an increase in intensity, since the category "intensity of labour" is usually ignored by most TU negotiators and simply lumped in with productivity under the general heading of an increase in output - the workers are merely obtaining an absolute increase in their wages on a *quid pro quo* basis. If they work *twice* as hard, they are paid - assuming that they are vigilant and keep a beady eye on what their negotiators are agreeing to on their behalf behind the closed doors of the manager's office! - just *twice* as much. Thus, in terms of the wage-rate in exchange for which they are converting their labour-power, mere potential labour, into realised, productive, surplus value-generating labour, they are merely quits with the capitalist!

It is true that, in the course of the long post-war boom period which prevailed for over 20 years since the end of World War II, the workers living standards, absolutely considered, roughly doubled as compared with the pre-war situation. A sizeable proportion of this, however - and exactly what proportion is difficult to determine with any degree of accuracy - is accountable to increases in the intensity of labour rather than to increases in productivity alone. Since the end of World War II, the various schools of leninist, neo-leninist and trotskyist pseudo-Marxism have attempted to gain credence for theoretical analyses of the long 20-25-year post-war boom which attributed the tremendous increases in absolute working class living standards undoubtedly achieved during that period to *increases in labour productivity alone*, instead of to *increases in productivity and intensity in dialectical combination and interaction*. In this way they have attempted to foist upon class

conscious workers and militant TU activists an analysis of capitalist economy designed to serve their aim of justifying and embellishing in "Marxist" terms their left-reformist policies - of which perhaps the CPGB's utterly bankrupt and philistine "British Road to Socialism" was typical. In this way they have attempted to provide a "theoretical" underpinning for their paramount programmatic strategy: that of acting as a "left" ginger group attempting to push the capitalist parliamentary-reformist labour movement headed by the Labour Party and the reformist trades unions into "more progressive" positions. Never before has a more illusory ideological foil been used with quite such pseudo-Marxist pretentiousness to dress up in theoretical plumage so rotten and corrupt a "programme" for the attainment of an alleged "peaceful" transition to "socialism" as in this case - a "programme" which the Executive Committee of the CPGB was only able to push through to win acceptance amongst its own membership, ideologically brainwashed as it was by years of chanting the dogma-ridden slogans of British and Russian pseudo-Marxism, by resorting to the shabby device of issuing it as a pamphlet on sale to the public under the deceptive title "Britain's Road to Socialism" a whole 12 months prior to the convening of the Congress (1951) which was supposed to give it the formality of its approval, thus presenting that Congress with an effective *fait accompli*!

A little thought will show that the strategic implications of temporality theory for the conduct of the class struggle and for the raising of working class consciousness in preparation for the proletarian revolution are nothing short of immense. It reveals, for instance, that whenever an advance in productive technology takes place, capital strives to deploy the new technology in such a way as to maximise its profits from both ends of the value-generation process simultaneously, i.e., by increasing intensity simultaneously with productivity, or even by applying methods which nullify the ameliorative effects of productivity for the workers altogether. It is in this way that the tendency for the rate of profit *per circuit of capital* to fall with rising organic composition is, at least for a time, effectively cancelled out. Only the unleashing of persistent and militant struggle on the part of all sections of the working class in unity, in the course of which new methods of struggle must inevitably be developed and perfected, can suffice to redress this balance. In such a struggle, the old TU movement has demonstrated its ineptitude time and time again. Only a truly autonomous movement of the productive workers in unity with their brothers in the sphere of distribution, and in full class cooperation with the unemployed, can suffice to build the new revolutionary workers' movement which is needed to reverse the contemporary balance of class power and open up the road towards the proletarian revolution, the road to Communism!

In the limited space here available, it is impossible to enter more fully into this vital component of Marxist revolutionary theory, without which a full understanding of the economy of capitalism is impossible, and the lack of which has blighted whole generations of Marxist students of political economy from Rosa Luxemburg to David Yaffe. Readers are, however, referred to the excellent exposition given in the book "The Economic Theory of the Working Class", by Cde. Geoff. Kay (Macmillan, 1979 - copies available through the Movement for Workers' Councils).

2. Paragraph commencing: "If we should ask ..." to "Allgemeine Grundsätze für Selbstkostenberechnung" ["General Principles of Cost Accountancy"]".

There is, of course, a fundamental and deep-seated contradiction at work here. The professional intelligentsia suffers from an inherent split personality - a split which is the reflex of its intermediate position in capitalist society, and which compels it to attempt the impossible feat of looking in both social directions at once: towards the capitalist for the required norm of *distribution*, for to be accepted into a larger share in the founts of surplus value at the command of the collective capitalist, the state, is here their ever-present dream; yet also and simultaneously towards the proletariat for control of the norms of *wealth production*, which they yearn to manipulate according to a preconceived "rational" concept of "*perfect planning*". Thus the professional economic administrator intrinsically prefers to plan production by manipulation of direct empirical categories, which he sees as being better amenable to "objective norms of control" than the loose and elastic methods associated with value categories such as money.

However, since all physical production projects are qualitatively different the one from the other, our would-be "perfect planners" soon find that it is impossible to organise *distribution* in this way, either as regards distribution for social accumulation or for individual consumption. Hence the one side of their split personality, what we might term the empirical planning side, is at constant war with the other, the value-seeking, acquisitive and exploitative side. The upshot is that they attempt to combine both worlds and to obtain the maximum advantage from both. Productive categories are moved about and allocated by direct empirical "planning", whilst the associated value elements - which in reality are not value elements at all, since the law of value no longer operates, but merely numerative or quantitative units of economic mensuration the "value" of which is purely subjectively and arbitrarily arrived at through a so-called "prices policy" - are applied *post factum*. The result is that condition of highly planned *social chaos* with which the USSR has been beset since its birth.

3. "The children of unskilled workers are as a general rule unable to learn a profession, because it is necessary for them to commence earning as much as possible as early as possible".

Whilst still fundamentally true, the mode of operation of this particular form of the antagonism between capital and labour has been modified to some degree in recent decades, and in particular since the end of World War II, through the introduction of compulsory secondary education and the university grant system. In spite of these reforms, however, the children of the upper and middle classes still dominate the universities and other institutions of higher education, whilst in the more recent period the amelioration of class privileges here in Britain, in this as in other areas, is being brought to an almost complete standstill and unrestricted bourgeois privilege restored as a consequence of the thatcherite programme of neo-classical "contra-reforms" intended to

restore "pure" market relations, in education as elsewhere.

4. "In exactly the same way as the reproduction of the impersonal part of the productive apparatus is ... a function of the individual capitalist group, in a similar way the reproduction of labour-power ... is an individual function of the worker".

In conditions of contemporary "welfare" capitalism, or what is left of it by the thatcherite neo-classical reforms, this function is supplemented by such - in their scope relatively restricted - state-implemented cosmetic ameliorations as Child Benefits, Maternity Allowances, etc. }!

CHAPTER IV

1. Paragraph ending: quotation from: K. Kautsky: *ibid.*, page 321.

The same observations apply here in respect of modern computer technology as were made above.

2. " ...and not with the labour...".

Kautsky's intended meaning here, of course, is not labour, but *labour-power*. The shades of Smith and Ricardo live on! - but see also Note 1 of Chapter XII.

3. Quotation from K. Kautsky: "The Proletarian Revolution and its Programme", p. 319: "The prices of the products, on the other hand, would need to reflect the socially necessary labour...". 10K

Kautsky is caught here in the confusion of concepts as between "socially necessary labour" and "average social(ly necessary) labour-time". Please see Note 1 of Chapter XII. 10K

CHAPTER V

1. " ...; it may be paper, aluminium or any other stuff".

Or, indeed, a plastic computer control card!

2. Paragraph ending: "What possible connection is there between this and the system of labour-time accounting in production?"

Yet a further essential function of the Labour Certificate (or its computerised equivalent) is here revealed: that of ensuring that distribution for personal consumption takes place according to the same equal scale for each category of producer, and that, likewise, the benefits of a rising labour productivity are passed on to each such category equally. As "Fundamental Principles of Communist Production and Distribution" clearly shows, it is by means of a system in which the conditions of distribution are determined by the

conditions of production, and by such a system alone, that this aim can pertain as a natural and organic element of the entire economic process. The sole instrumentality through which this can be achieved is the wholly objective and impartial unit of distribution for purposes of individual consumption represented by the Average Social Hour of Labour.

CHAPTER VI

1. "... inasmuch as the workers must surrender a part of their product for... the public (GSU) establishments".

It is, of course, precisely on account of the necessity for measuring the ASHL units consumed by the GSU establishments - through which, be it remembered, all, or almost all, distribution will take place under the conditions of the Higher Stage of Communism, including distribution for individual consumption, which will be free - that the continued application of the Average Social Hour of Labour as the basic unit of economic regulation and control is as fundamentally essential with the attainment of the Higher Stage of Communism as it was during the Lower. Indeed, one of the formative roles fulfilled by the ASHL in the period of the Lower Stage - the Dictatorship of the Proletariat - is to act as a profound training school of vast and far-reaching scope and significance. In its "negative" aspect, which is the dominant one during the period of the Dictatorship of the Proletariat, the role of this training school is to arouse and mobilise the whole of working humanity in the task of overcoming the long heritage of alienation-generating social relations based upon commodity production, the dominance of the law of value and money-based relations, as well as in preventing the usurpation of social power by a class of would-be administrators and "planners" and the installation of a new class-divided form of alienative, exploitative society based upon state ownership and control of means of production and distribution. In its all-significant "positive" aspect, that role is concerned primarily with the task of applying the Average Social Hour of Labour and the Communist system based upon Average Social Reproduction Time as weapons in securing and maintaining the fully non-coercive and non-alienative conditions of free production and distribution characteristic of relations between the Associations of Free and Equal Producers in the conditions of the Higher Stage of Communism, in which the principle: "From Each According to his Ability, to Each According to his Needs" prevails. See also Translator's Postscript: "Problems of the Transition to Communism", in the present volume.

CHAPTER VII

1. Paragraph ending: "The conditions for the 'withering away' of the state are then for the first time given, and we can say: (Quotation from F. Engels: 'Origin of the Family, Private Property and the State', p. 198, then follows).

This also expresses with the utmost clarity the necessity for the first principle of Communist production: "The establishment of a clear and open relationship of the producer to the product". So long as this principle is adhered to and remains the foundation of all social life, the imposition of an alienative relationship based on inequality and class privilege by an incipient class of would-be controllers of economic life remains impossible.

2. Paragraph ending: "In this way the market mechanism fulfils the function of a regulator of demand".

The most basic impediment to the smooth operation of this most fundamental plank in the theoretical heritage of classical bourgeois political economy is, of course, the unavoidable tendency under capitalism for simple "demand" to be restricted in practice to effective demand. The workers - or, for that matter, any other section of the population - can "demand" the commodities they need, whether these are staple life necessities, as with the working class, or capital goods and raw materials, as with the capitalists, until they are hoarse from shouting - if the money commodity needed to purchase them is not forthcoming, or at least in sufficient quantity, then a non-effective demand is as good as a non-existent or a reduced demand.

Whilst the above is a depiction of what are essentially contradictions at the surface or conjunctural level of economic movement, the level of the market - and none the less real for that! - it should not be assumed from this that the Marxist theory of accumulation and crisis in any way reflects the acceptance of crude "underconsumptionist" theories as a fundamental cause of crisis. On the contrary, Marxist economic theory sees that cause as residing in either one of the two following or - as is almost always the case - in a combination of the two: a) a fall in the per-circuit rate of surplus value below the level at which it can effectively maintain the rate of profit against a simultaneous tendency for the organic composition of capital to rise; or: b) under conditions in which, likewise, organic composition is rising, a fall in the rate of absolute capital turnover to a point at or below which it fails to compensate for an inadequate per-circuit rate of surplus value. In other words, Marxism sees the cause of crisis as residing, not in the sphere of distribution, but in that of production, where surplus value and profit have their generative source. For instance, a fall in the rate of employment of labour will usually be preceded by a fall in the rate of employment of capital, which latter arises on account of difficulties experienced by capital in finding profitable conditions of production, and hence throws "its" workers out onto the streets. It is this which is the primal cause of a fall in "effective demand", and not, as the facile prescriptions of the bourgeois "economic experts" maintain, the opposite, a fall in effective demand which then brings about a fall in production and hence in the current rate of employment of labour. A fall in "effective demand" is thus an effect, not a cause, of crisis.

3. "... and which also form the source of imperialist rivalries which drive millions to their death on the battlefield."

Inter-capitalist rivalry, culminating in war, is of course also a "surface conjunctural tendency", and it is therefore perfectly valid to point out its relationship to the market. Wars are fought, however, not in order to raise "effective demand", and particularly not on the part of the working class. On the contrary, their "positive" aim is to win control of markets and "spheres of influence", i.e., to promote advantageous conditions for the investment and accumulation of capital. Their "negative" purpose, on the other hand, is to eliminate *en masse* those "units of human labour-power" - i.e., members of the working class - who have been rendered surplus to Social Capital's requirements through the inexorable advance of productive technology and the rising productivity of labour and who would otherwise go towards forming the embarrassment of a large, expensive and possibly permanent "reserve army of labour"; as well as to destroy large masses of the associated technologically outdated means of production.

4. "This mobility would comprise and comprehend directly the changed and changing needs of individuals, who would transmit these directly to the productive apparatus".

See in this connection the section: "The Mode of Application of the Average Social Hour of Labour and the Labour Certificate in Conditions of Advanced Technology", in Translator's Postscript: "Problems of the Transition to Communism".

CHAPTER VIII

1. ".... a price policy infringes the principle of a direct relationship of the producer to the product of his labour, in just the same way as this occurs under capitalism; ..."

The conclusion to be drawn from this, which the above passage emphasises above all else, is the impossibility of establishing successfully a Communist system of production and distribution unless the use of money as a means of distribution is first abolished along with the abolition of wage-labour. For, under capitalism, money is a medium of distribution not only for commodities, i.e., for use-values produced as exchange-values, but also for value *itself* - c.f. Marx: "The ultimate form of value is money". So long as money exists, resort to a prices policy as the method of distribution for purposes of extended accumulation, as also for other purposes, would be as impossible to resist as the force of gravity.

2. Paragraph ending: "For that reason their movements (the 'means and methods' of 'deduction on account of accumulation' - Ed.) are circumscribed within firmly defined limits".

This lends added emphasis to the points made in 1. above.

3. Paragraph ending: "... but only to their intrinsically limited purchasing power:" (Quotation from K. Marx: "Theories of Surplus Value", Part II, Chap. XVIII, p. 580, follows).

How tellingly this paragraph points up the irrationality of the position represented by our contemporary "Communist Utopians" to the effect that the development of the modern forces of production and the admittedly tremendous increases achieved on that basis in the productivity of labour have rendered obsolete the need, advocated by Marx in "The Critique of the Gotha Programme" and elsewhere, for a Lower Stage of Communism, in which distribution for individual consumption is regulated on the basis of the number of labour-hours contributed ("...to Each according to his Work"), and has made possible a direct transition, following immediately upon a successful overthrow of the power of Social Capital, to the Higher Stage of Communism, in which distribution for individual consumption will be free and unregulated ("...to Each according to his Need").

The full imbecility of such a proposition is thrown into clear relief when the question is asked: just how can an economic apparatus, however great its productivity and capacity for further expansion, which produces mainly vast quantities of ephemeral rubbish, complete with inbuilt obsolescence and reeking of the poisonous fumes of a gratuitous intrinsic fetishism, ever possibly serve the needs of the creators of social wealth, whose consumption requirements, both material and cultural, once they have attained to the real material and spiritual freedom of Communism, will be satisfied only by the products of mankind's very highest levels of intellectual insight and creative imagination? This, of course, quite apart from the question as to what will have happened to that vast capitalistic production apparatus and its soaring productivity after the ravages of a proletarian revolution and a possible preceding inter-capitalist war will have left large parts of it in ruins. For further discussion of this vital aspect of the transition to Communism, please see: "Translator's Postscript; Problems of the Transition to Communism".

4. Paragraph ending: "Even a possible uneconomic or irrational mode of allocating the latter (the Accumulation Fund - Ed.) would be justified if it is found to be an unavoidable outcome of serving and applying that higher principle" (the principle of proletarian autonomy in the control of the economic process - Ed.)

A little thought will soon make clear the truth that even the most horrendous "waste" of social resources in terms of absolute expenditure on the part of the revolutionary proletariat in the early stages of the growth of Communism will have been well worth while if it is to lead to the liberation of working humanity from those dehumanised "cultural" excrescences of latter-day capitalism which both reflect and activate ever anew the subjection of the producers to the very products of their labour over which they have lost the last vestiges of control, so that they can then be used to forge new invisible cultural - better termed, perhaps, a-cultural - chains anaesthetising them from recognition of the very social force which is enslaving them. In this sense, any such "waste" under Communism would form the positive equivalent of the spontaneous

waste and despoliation which were, and still are, the "natural" concomitants of capitalist development. Just as Social Capital establishes a relationship of direct dominance over the objective means of production - plant, machinery and raw materials - by simply appropriating them as fixed or circulating capital, in much the same way does it seek to establish essentially the same direct forms of control over variable capital, *living labour*, by *subjecting the unavoidable physical embodiment of labour, the living worker, to the direct manipulative control made possible by drugs and anodynes*. In the conditions of day-to-day life, this includes primarily the "cultural" drugs which are so much cheaper to produce in the required quantities: "pop" a-music, semi-pornographic pulp literature, the entire pre-digested and cliché-ridden world of popular journalism.

The purpose of all contemporary capitalist "pop culture", therefore, is so to blunt the sensibilities of the working people that they can no longer respond to an ennobling melodic theme, a line of poetry or a formal outline drawn with delicacy of feeling and a developed sense of form. But in seeking to destroy by this most subtle of means the capacity of its class enemy, the proletariat, to change the world through that most creative of all forms of social activity, *the social revolution*, what the contemporary world bourgeoisie forgets is that *the sensibilities of its own class members also tend to be destroyed in the ensuing total process of cultural degeneration and stupefaction*. Thus, for the first time in human history, we now live in an era in which *no new, genuinely creative or imaginative works of art are being produced*; an age in which pastiche appears in the place of dramatic or comedic originality, and in which, for those very reasons, the worker-producers, stripped of every last vestige of cultural self-awareness, are being transformed before our very eyes into mindless automata in the service of an equally mindless and inexorable onmarch of capital accumulation - an accumulation which becomes ever more intractable and difficult of realisation as capitalist development moves from circuit to circuit.

5. Paragraph commencing: "We have already indicated..." to "... the moment they are put to the test."

Indeed, the whole history of State Socialism is the history of its failure to operate as a viable system of economy, one capable of ensuring "the maintenance of the slave even within his slavery". Thus, at the height of the period of "primitive socialist accumulation" in the late '30's and early '40's, the shortcomings and unviability of state socialism dictated that the "Soviet" economy should depend for the production of such basic raw and auxiliary materials as were essential to its further development upon a vast army of slave labour numbering over 20 millions, the overwhelming proportion of which had been simply picked up off the streets or rounded up at dead of night from their beds, and who were innocent of even the least of social or political crimes. Such were the real triumphs celebrated by the Five Year Plans "under the leadership of our all-wise father and leader, Cde. Stalin."

6. Paragraph ending: "The state-capitalist system has not the faintest conception of just how much labour-time has been consumed in a particular sector of production, and even less idea how much labour-time has been consumed in order to achieve simple reproduction!"

Here the text reveals the close class affinity which exists between the new petit-bourgeois professional intelligentsia and its fully-fledged bourgeois progenitors. Both share the same empirical world view - but with this crucial difference in its mode of application as between capitalism and state socialism: in the case of the former, the law of value and the market mechanism intervene between the spheres of production and distribution in order to introduce an objective framework of economic regulation and control; no one capitalist group, be it ever so powerful, *including the capitalist state itself whenever or wherever it appears as an investor of capital and employer of labour*, can override the limits imposed by the market and value relations. In the case of state control, even though the role of the market and of value-based relations may be retained to some degree in the sphere of relations between state-owned industry and cooperatively owned agriculture - as in the USSR, where this is in any case more a result of the economic backwardness of the inherited social terrain than it is of anything else - in the main the role of the law of value is abolished without its place being taken by any other objective medium of social regulation and control, such as would have been provided by the Average Social Hour of Labour. The result is the kind of *total planning of social chaos* which has been a feature of Russian State Socialism more or less since its establishment, and one which can find its culmination only in a process of collapse of parts of the state apparatus of repression such as recent months (Nov.-Dec. 1989) have witnessed in one state-socialist nation after another. In this way does the greatest single fraud in human history gradually peter out against a background of rising popular demands for the granting of those fundamental achievements of the classical bourgeois-democratic revolutions of the 19th. Century which Bolshevism and its neo-leninist inheritors in Eastern Europe and Asia have hitherto succeeded in bypassing for over 72 years.

In addition to this aspect of State Socialism, however, the Authors have also succeeded in this passage in pinpointing yet a further imperative factor underlying the essential - indeed, indispensable - revolutionary role fulfilled by the Average Social Hour of Labour in establishing and consolidating the foundations of the Communist economy. They demonstrate here that, in addition to the task of excluding the remnant of the bourgeoisie from using its residual wealth in order to regain footholds in the control of the economy and to consume without contributing to production, and also in addition to the tasks associated with the elimination of value-based forms of exchange, a further vital role devolving upon the Average Social Hour of Labour and its embodiment for purposes of distribution for individual consumption, the Labour Certificate, is that of rendering invalid and unviable the method of providing the economic resources required for reproduction and accumulation out of the proceeds of taxation and/or a "prices policy", both of which can, of course, be implemented only through the indirect and inexact medium of money.

Money as *medium of exchange*, however, is inseparable from money's *alter ego*, money as *repository of value*. The one cannot exist without the other. Thus the conclusion is undeniable and inescapable: *either a value-based economy with relations of exploitation (wage-labour) and inequality (class antagonisms) - in which case money ("...the ultimate form of value." - Marx) is an absolutely necessary precondition, at least in any developed form of such a society; or a use value-producing economy free of all forms of exploitation, social inequality and alienation - in which case regulation by means of the Average Social Hour of Labour and distribution for individual consumption, at least in the inceptive stage, the Dictatorship of the Proletariat, by means of the Labour Certificate or its equivalent, an instrument which is inherently incapable of acting either as a medium of value-based exchange or as a vessel of value storage, becomes an equally vital precondition for Communism. Either way, what is of absolute certainty is that never can the two be promiscuously mixed in with one another.*

7. "If it is likewise assumed in our simplified model that variations in the productive apparatus ... do not occur, such a mutual integration and adjustment to each others needs on the part of the many industrial establishments concerned would make it possible to conceive of such a productive apparatus as being in a condition of *virtual immobility*".

Such a proposition is, of course, valid only as a simplified theoretical model designed to facilitate an understanding of a special facet of Communist economy: the provision of economic resources for purposes of large-scale development of means of production. Its underlying assumption is that the worker-producers, in session in their representative assemblies, the Workers' Councils, have taken a decision that no *qualitatively* new developments in productive technology are to be introduced for a given period. In practice, the unavoidable precondition for such a decision would be the untenable proposition both that human creativity had died, at least in relation to the means of production, and that likewise, in reflection of this, the needs of social consumption had stagnated and reached a static condition. It is, therefore, of use only as an element in a simplified model of simple accumulation in a Communist economy for purposes of clarifying the special economic features adhering to the above-mentioned special forms of Communist accumulation, and it is in this sense and for this purpose that it is applied by the Authors here.

8. Paragraph ending: "Thus, whenever Communism seeks to organise such special construction operations, it must take the required labour resources from one sphere of employment and redeploy them at a new one; in other words: it must carry out a regrouping of labour resources."

In practice, one would think that the labour resources needed for such special construction operations would be more than adequately subscribed by volunteers from the ranks of the working youth anxious to acquire labour experience over a wide variety of varying topographical, climatic and geographical conditions. In fact, the strong likelihood would be that such construction projects would be

heavily over-subscribed by enthusiastic young workers who would seek to imbue them with a kind of expeditionary or exploratory character.

CHAPTER IX

1. "...the school of 'natural' economists ...".

By this is meant those theorists of socialism or anarcho-syndicalism who advocate the establishment of the new economic relations on the basis of *barter*, or exchange in kind.

2. Paragraph ending: "A system of social accounting based upon the computation of average social labour-time ... provides the firm foundation upon which the entire economic life of the producer-consumers must be structured, directed and administered."

The predilection of Kautsky - as, indeed, of virtually all other members of the professional intelligentsia in the leadership of the Social Democratic Party of Germany - for indirect empirical methods of economic control embodied in a vast bureaucratic state machine and characterised fundamentally by externally imposed forms through which the domination of the apparatus of production and distribution over the producers is realised was itself a symptom of the petit-bourgeois, deterministic world outlook characteristic of that class - and one, furthermore, which declared its close kinship to the bourgeoisie proper. The longing for the perfect machine of social and economic administration which filled the dreams of these mechanical-determinist founding fathers of State Socialism was, of course, later realised by Lenin and the Bolsheviks in Russia.

CHAPTER X

1. "Control card systems, time-clocks, the Taylor system and an ever faster-moving production line ..."

What this reveals above all else is the desire felt by the representatives of the professional intelligentsia who manned the leadership levels of the Hungarian as of the Russian party structures to impose forms of control over the production process and the conditions of labour through which *the intensity of labour* might be screwed up and the advantages of a rising *productivity of labour* resulting from improved technology used primarily, not to lighten the workers' conditions of labour, but to accelerate the pace of "primitive socialist accumulation". In this way the essential kinship of State Socialism as a fundamentally exploitative and alienative form of society, and hence also of its manipulative leaders, with capitalism and the bourgeois politicians who lead and administer it, is clearly exposed.

2. Paragraph ending: "This form of control (state-socialist forms of control over production and distribution - Ed.) bears the character of a system of domination over the producers."

However, since under State Socialism in its "pure" form such basic categories of capitalist economy as the exchange of commodity equivalents, the market as the economic framework within which that exchange would take place and the law of value as the objective regulator of commodity exchange as well as of the value of labour-power, and hence the fundamental determinant of the wage rate, have all been done away with, the system of domination here referred to, unlike capitalism, is one exercised through a use-value economy. However, it is a use-value economy which bears little resemblance to Communism as this was analytically depicted by Marx and further concretised into a comprehensive system of economic relations by the Authors of the work here presented. For it is one over which the producers exercise even less control over the labour process, the product of labour and the economy as a whole than they do under capitalism - where at least their struggles over many decades and centuries have won the limited benefits of more or less free Trades Unions.

Furthermore, lacking any objective instrument of economic regulation, the state-socialist economy is dependent for all decisions concerning each and every parameter of its economic movement upon the purely subjective bureaucratic decisions of an army of managers and administrators - a state of affairs which produces, at one pole a condition of highly planned economic chaos, at the other a degree of tyrannous domination over every aspect of social and private life exercised through a dictatorial party and state apparatus of such repressive power as has never before been witnessed in human history. For all these reasons, the system of State Socialism has been revealed by the objective processes of history as being fundamentally unviable and inoperative - a false start on the road to Communism which is even now (Nov.- Dec. 1989) in process of disintegration and reversion into some form of either state or "free-entreprise" capitalism or a combination of the two. With the aid of Marxist science and the work now before us, the preconditions are being rapidly created within which the workers of the world can learn from the experience of State Socialism and its Leninist ideological excrement and carry through a successful proletarian revolution in the course of the coming decades.

3. "...the producers themselves, who with every increase in the productivity of their labour simultaneously increase the total stock of useful articles available for society as a whole, to which stock all workers have an equal right".

It is, of course, only under the conditions of the Lower Stage of Communism, governed by the principle "From Each according to his Ability, to Each according to his Work", that this right prevails or, indeed, finds any organic purpose. For, as Marx makes clear in the "Critique of the Gotha Programme": "It is ... a right of inequality, in its content, like every right". Thus, "like every

right", it is dictated in part by the fact that the productivity of labour is as yet inadequate to yield an abundance of products of every kind, for both social and individual consumption, such as would make such an "equal right to inequality" unnecessary and redundant; and in part by the need to create the general social conditions within which the worker-producers might learn to master the mode of implementation of the Average Social Hour of Labour as the fundamental unit of economic regulation and control in a Communist society.

As regards the productivity of labour here referred to, it must be understood that, unlike the conditions pertaining to capitalist wage-labour, this relates purely to an increase in output per labour-hour - an increase which derives solely from improvements in productive technology. Since, already under the Lower Stage of Communism, the worker-producers contribute their labour under conditions in which all coercive forms of conversion of labour-power into realised labour have been abolished, the category "intensity of labour" becomes simply an organic expression of the individual producer's natural capacities, and hence ceases to exist as an economic category as such, as it exists under capitalism. The only functioning element of coercion remaining as a vestigial remnant of capitalist relations is one which relates, not to production, but alone to the mode of distribution for individual consumption, and that is the Factor of Individual Consumption (FIC), as made manifest in the Labour Certificate - a factor which varies in accordance with the purely quantitatively varying labour times contributed by individual producers, without any qualitative forms of coercion in the labour or production process being applied. For more on this vitally significant aspect of production relations under the Lower Stage of Communism, see the section "Alienation and Freedom of Labour under Capitalism and the Lower Stage of Communism Respectively", in Translator's Postscript.

4. " 'Their stock-book [i.e., society - The Authors] contains a list of the objects of utility that belong to them, of the operations necessary for their production; and lastly, of the labour-time that definite quantities of those objects have, on an average, cost them' " (Paraphrase of quotation from K. Marx: "Capital", Vol. I, page 170 first shown in full on page 25).

These references by Marx in "Capital" to the necessity for labour-time computation as the basic instrument of economic regulation in a Communist society have been just as completely ignored by both the petit-bourgeois "marxists" of the West European Communist Parties and the Left Social Democrats of Bolshevism, old and new, as have the lengthier references to the same question in the "Critique of the Gotha Programme".

CHAPTER XI

1. "In the course of carrying through the social revolution, the

first concern is therefore not with the immediate implementation ... of the principle "To Each according to his Needs", but with the achievement of independent administration on the part of the productive establishments and the carrying through of a system of independent production accounting and control."

The Authors were correct to establish this priority because, clearly, unless the worker-producers succeed in making effective their social control over the economic system, all possibility of developing Communist relations in production and distribution through to the Higher Stage is aborted. Within the system of social control of which the Workers' Councils are the nodal organisational centre, the attainment of a condition in which each productive or distributive establishment has acquired a sufficient degree of mastery over the economic parameters of the Communist use-value system as to be capable of applying, independently of any 'higher authority', the Average Social Hour of Labour as a unit of economic regulation is of the very greatest formative significance. For it is by this means, and by this means alone, that the worker-producers are able to guarantee that no grounds can exist for justifying the imposition of a central controlling authority which would then arrogate to itself, under whatever high-sounding pretext, such as "saving the fruits of the Revolution" or "ensuring the preservation of Communism", all the reins of power over the economic system under the one controlling authority, which then effectively severs itself from the practical, and hence essentially creative, tasks of production and distribution and so reconstitutes itself as a form of State. Such a development would be equivalent to the counter-revolutionary replacement of the Association of Free and Equal Producers and the Communist system based upon the Average Social Hour of Labour with State Socialism based upon subjective administrative-bureaucratic decrees emanating from an all-powerful party dictatorship exercised through a monolithic centralised state machine - in short, the system of State Socialism as we have seen it in Russia since 1917 and in Eastern Europe since c.1945-8.

CHAPTER XII

1. "SNL" and Paragraph commencing: If we subject the category SNL (Socially Necessary Labour) ... to ... "insofar as a temporal aspect (labour-time) is involved, ..."

Labour, of course, only generates value - a strictly capitalist category - under the general conditions of capitalist wage-labour, i.e., when the labouring subject is divorced from all control over the objective means of production or the proceeds of his labour. Labour is thereby reduced to the status of a commodity which, alienated quantitatively as so much labour-time, the equivalent of the means of subsistence necessary to maintain the worker and his dependants in life, exchanges at its value like any other. The commodity labour-power, however, possesses the peculiar property of being capable of generating, when brought into interaction with the objective means of production - tools, plant, machinery and raw materials, termed in capitalist economics constant capital - a value greater than its own intrinsic value. Thus, under capitalist

relations, the total value created by the worker throughout the period during which he exerts his labour-power divides into two parts: necessary labour, creating necessary value, being that part of total value which represents the worker's means of subsistence; and surplus labour, creating surplus-value, which represents that part of total value which is created over and above the worker's subsistence needs, and which therefore accrues to the capitalist by virtue of his ownership of the objective means of production and consequent control of the production process.

Under Communist relations, the commodity character of labour is eliminated through the abolition of wage-labour, so that the entire labour-time during which the worker exerts his labour-power expresses itself only as necessary labour, albeit a "necessary labour" from which the restrictive limits imposed by the determination of the value of labour-power by the value of the mere means of minimum subsistence have been eliminated. Since the category "necessary value" can only exist in unity with its opposite, "surplus-value", and this, under Communist relations, has ceased to exist along with that which, under capitalism, summons it forth: surplus labour, or surplus labour-time, labour thereby divests itself of its form as value, whether "necessary" or "surplus", and becomes no more and no less than the simultaneous subduer and transformer of nature and the creator pure and simple of "use-products", i.e. all those myriad artefacts and useful products needed both by society (means of production and means of social consumption) and by the individuals comprising it (means of individual consumption).

However, since Communist relations also eliminate the class character of the appropriation of the product, that necessary labour which is now the single and undivided product of the worker's labour-time, in ceasing to create or represent necessary value, becomes socially necessary labour as such. Since no single word exists to express the difference between value-generating labour-time (time being the medium through which, under capitalist relations, the commodity character of labour-power expresses itself quantitatively, the medium of its exchange-value) and that free labour which creates only "use-products", the purely "natural" outcome of the transformation of nature, the Authors sought to express this distinction simply by omitting the word "time". That which, in capitalist terminology, is expressed by "socially necessary labour-time" therefore becomes, in the terminology appropriate to Communist relations, simply "socially necessary labour" (SNL). (Please see also Note 4 of this Chapter)

2. "...the well-known "world equation" enunciated by La Place".

This is an allusion to the principle of indifference made prominent by the French Enlightenment philosopher and mathematician Pierre Simon de La Place. This principle allows us to regard the occurrence of phenomena as being to an equal degree probable if we can perceive no cause making one phenomenon more probable than another, and so can be used to support an estimation of various hypotheses as being antecedently equiprobable.

This proposition is frequently quoted as being the definitive or

quintessential statement of the mechanical-materialist world view, which was developed primarily by the ideological representatives of the revolutionary French bourgeoisie, the enlightenment philosophers of the 18th. Century, and whose underlying determinist method was based upon the idea of an *infinite chain of direct cause and effect*, the most fruitful conditions for the formation of which were seen to arise in and through "antecedently equiprobable occurrences". A literary expression of the same method of thought was that emanating from the pen of the American essayist and thinker Benjamin Franklin, in the well-known passage: "For want of a nail the horseshoe was lost; for want of a horseshoe, the battle was lost; for the loss of the battle, a kingdom was lost - and all for the loss of a horseshoe nail!" (NB: This does not claim to be a word-for-word accurate quotation from Franklin's relevant passage! - Ed.)

The weakness lying at the heart of this type of materialism and its determinist method is, of course, that it takes no account of *qualitative change* as either the originating or the culminative stage in a particular movement or process. If, for instance, the infinite chain of equiprobable occurrences the accidental birth and mutual impingement of which has found its final culminative form in a football making its way through space at a finite velocity, unless the concept of *qualitative change* is conceived as a *self-generative force* which constitutes both the *origin* and the *result* of the new entities ("occurrences") which mark the further development of that football-world, in place of the former methodological concept of a chain of equiprobable causes and effects, and which accounts conceptually for the birth of the new from out of the old within that development, then the question must be asked: who or what kind of power started the football-world off on its journey by delivering the first kick? For this, mechanical materialism could give no satisfactory answer, and hence was powerless to prevent God being smuggled in by the back door, so to speak, as the immortal and changeless *deus ex machina* who, in his infinite wisdom, delivers the initial impetus by creating the universe and so starts the whole celestial football-match off! In this way is illustrated the nature of mechanical-determinist method as the dialectical opposite of idealism - an opposite which, however, exists, and can only exist, in a metaphysical unity of opposites with its opposite partner. Thus idealism presupposes mechanical materialism and vice-versa; the one depends upon, posits and conditions the other.

3. "It is for this reason that it should not cause us any astonishment if the much-prized "solution in principle" (the application of an 'inherent cost price plus an additional increment provided for the maintenance of the non-labouring sections of the population', etc. - Ed.) was found to be incapable of application in Hungary, ...".

The reference here is to the short-lived Hungarian Soviet Republic.

4. Paragraph ending: "This is amenable to application in its widest sense by all "producers" and it is in this way that the problem of average social labour-time simultaneously finds its solution."

The category "socially necessary labour" is thus seen to be the *qualitative* aspect of the labour process in a Communist economy, as against which the category "average social labour time" represents

the reduction of socially necessary labour to its common quantitative essence, labour-time, through which alone the myriad qualitatively varying socially necessary labours can be brought into a mensurative relation with one another and so be subject to economic regulation. (Please also see Note 1. of this Chapter).

5. Paragraph ending: "Expressed in other terms, this would mean that accumulation, or an extension of the productive apparatus, would have taken place without the deployment of an extra outlay of labour."

This follows the distinction made under capitalist relations of production between the productivity and the intensity of labour, according to which the category "productivity" relates specifically to an increase in output attributable to improvements in the technology of the impersonal means of production - plant, machinery, etc. - whilst the expenditure of labour remains the same, with the effect that *output per unit of time* increases; and, conversely, under which the category "intensity" relates specifically to the diametrically opposite case of an increase in output attributable to an intensified exertion of labour functions - that is to say, an *increase in the rate of transformation of labour-power into realised labour* - whilst simultaneously the role played by technology remains unaltered, the effect of which being *solely that of reducing the period of time required to produce a given output* - the opposite outcome to that of productivity. Since no role is played by the category "intensity of labour" in a Communist economy, any increase in output is attributable solely to increases in productivity arising from the ceaselessly occurring improvements in productive technology, and hence takes place, as the Authors correctly state, "...without the deployment of an extra outlay of labour." (Please see also Note 1. of Chapter III).

CHAPTER XIII

1. Paragraph ending: "In this way there would come into being the 'economic dictatorship of the proletariat', the strongest weapon of the victorious working class."

The reality of capitalist development has demonstrated that which the Authors could not then have known: the objective aspect of economic coercion over and against the small-scale producer, in agriculture or in any other sector of the economy, has already been fulfilled within capitalist society through the relentless onmarch of the process of capital concentration, as a result of which virtually no independent small agricultural producers now (December 1989) remain in Britain - except, perhaps, as a tourist curiosity or a rich man's hobby. If they still play a part in the national economies of other West European countries, the overall trend remains the same, so that, by the time the objective and the subjective conditions for the victory of the proletarian revolution will have ripened on a world scale, much the same conditions will prevail throughout the developed capitalist world.

Quite simply, when the time comes for the establishment of the Communist economic system, all small-scale establishments remaining in such spheres as agriculture and handicrafts would be compelled to join in the system of collectively implemented control based upon the Average Social Hour of Labour (ASHL) and Average Social Reproduction Time (ASRT), or suffer withdrawal of all essential supplies of both labour and raw materials. Over and above this *consciously applied* coercive element, so essential to the class strategy of the proletariat in the early period of the construction and consolidation of Communism, the *conditions* of labour for the small independent producers in agriculture and handicrafts - to the extent, that is, that any at all remain after the depredations of the rule of Capital will have driven millions of them into penury and bankruptcy - would not be threatened, nor need their basis in individual skill and creativity be essentially changed. For the implementation of a use-value economy based upon ASHL and ASRT requires only the measurement of labour-time expended and the comparison of productivity, however low or high, with other similar establishments, to arrive at an average productivity. Although, therefore, it will be precisely in agriculture and small-scale handicraft industry that the dictatorship will be most concerned to exercise its coercive powers, those powers will relate *solely and exclusively* to integration within the ASRT system, and would therefore be in no way concerned with such empirical questions as the imposition of large-scale production methods upon those forms of agricultural or handicraft production the creative character of which is inimical to the factory system.

In these circumstances reflecting the essential humanism of Communist relations, it is more likely than not that many small *petit-bourgeois* producers would welcome the Communist economic system as the means of their liberation from a much more onerously coercive relationship: that forced upon them by finance capital, under whose yoke most of their working lives are, under capitalism, in any case spent. This relationship, spontaneously and mindlessly imposed by blind market forces, is one of formal independence but real penury and debt, and it is for these reasons that the small-scale agricultural and handicraft producers would almost certainly prefer a creative relationship in alliance with the proletariat within a consciously enacted economic system a basic aim of which is to foster the essential creativity of social labour, rather than resist what would relatively rapidly turn out to be the socio-economic framework for a rich and creatively rewarding mode of production for their labour.

All this, however, does not include basic large-scale agriculture. Here, as indicated above, centralisation would in any case long since have ensured the introduction of industrial production methods. Communist relations would free these of all inhuman practices such as "factory rearing" and forced feeding of animals, but would of necessity make the fullest possible use of mechanised farming methods and, wherever possible, automation and computerisation technology in order to feed a possibly rapidly expanding population.

An especially advanced proposal would be the development of an entire cuisine based upon chemical foodstuffs. This would leave much of the natural environment relieved of socially engendered ecological pressures, and would accordingly free Nature to restore herself to her former natural beauty and variety. There is no reason to assume that a culture based on chemical food would not develop over a period of time the same cultural variety and richness as we find, for instance, in French *haute cuisine* based upon the preparation and consumption of organic materials.

2. Paragraph ending: "...on the contrary, practice will show that the organisation of production by the producers themselves will develop in an exemplary way in this sphere also".

Here is revealed one of the most significant areas in which the Communist system of autonomous Associations of Free and Equal Producers based upon the Average Social Hour of Labour and Average Social Reproduction Time demonstrates its innate superiority over its rival, State Socialism, based upon centralised control by a bureaucratic administrative caste organised in a dictatorial party-cum-state apparatus of coercion and with the replacement of an objective mechanism of economic regulation by methods of subjective administrative decree. The latter, indeed, has already been tested historically and found wanting, with the consequence that the state-socialist sector of the world has at the moment of writing (Dec. 1989) degenerated into a condition approaching total social chaos in Eastern Europe and is in process of collapsing at a faster rate than measures to incorporate its former nation-states into the framework of the capitalist world system can be enacted.

CHAPTER XIV

1. Heading: "THE AGRARIAN QUESTION AND THE PEASANTRY"

The entire analysis of agricultural relations given in this Chapter may be seen as the antithesis of that offered by "classical" Leninism, which sees the peasant not in his objective class status as a *rural petit-bourgeois*, or small independent producer, but in the *subjective social role* in which Bolshevism was at pains to cast him in the Russian Revolution - namely, as a class ally of the proletariat. Objectively, of course, this reflected the undeniable fact that, because of the low level of capitalist development in Tsarist Russia - in rural life, indeed, virtually non-existent - the traditional Russian *muzhik* was more a feudal serf tied to the land and to feudal relations by a myriad absolutist bonds than a capitalistic *petit-bourgeois*. This, however, made him an ally, not of the working class in a *proletarian-communist* revolution, but of the bourgeoisie - or, in Russian conditions, the professional *petite-bourgeoisie*, which had jumped in to fill the political vacuum left by the defection of the Russian bourgeoisie proper to the side of Tsarism and the counter-revolution - in a *bourgeois-type anti-feudal or democratic revolution*. (Please see Note 1 of Chapter I).

On the other hand, an important element in consciousness underlying the defeat of the proletarian contingent in the German revolution - though not, of course, its main cause - was the dogmatic insistence of the Communist International that the Communist Parties in all parts of the world, including capitalistically developed Western Europe, should apply the same revolutionary strategy as that which had led to the victory of Bolshevism in Russia - i.e., a revolutionary strategy based upon the alliance of the proletariat with the peasantry. For this blindness Lenin himself must take the main blame, for it was he who, as chief spokesman of the Bolshevik Party at the Comintern IInd. Congress (1920), was both the originating author of this wholly anti-Marxist piece of ideological window-dressing and its leading exponent.

The tragi-farce of Comintern history apart, the general correctness of the broad analysis here presented is exemplified through the characterisation of the essentially *petit-bourgeois* character of small-scale agricultural production in the general conditions of a more-or-less capitalistically developed social terrain. As a consumer of the products of the vast chemical monopolies and the motor industry, wholly dependent upon the big banks for his capital needs and finally, as a small tenant, paying ground rent to some vast landowning trust, the small-scale West European farmer of the time was no more than an agent of finance-capital and the monopolies, and one of declining importance at that. Wherever he still exists - and in Britain, if not on the continent of Western Europe, he has now (1989) almost completely disappeared - this is even more true of him today than it was at the time when "Fundamental Principles of Communist Production and Distribution" was first drafted. For further information on the situation in agriculture at that time and the succeeding development, please see: "Entwicklungslinien in der Landwirtschaft" ("Developments in Agriculture"), published by the "Group of International Communists of Holland" (GIK), 1929.

2. Paragraph ending: "In fact, the very opposite has been the case; recent decades have witnessed a significant increase in the numbers of small-scale holdings in agriculture".

The development of agriculture in Britain and, to some degree, the US since the end of World War II, has witnessed a development in which large-scale industrial farming has virtually ousted small private agriculture (see Note 1 of Chapters XIII and XIV above). In France and, to some extent, the Federal Republic of Germany, on the other hand, small-scale holdings still persist even to this day. Furthermore, this has been in close conformity with the course of development outlined by the Authors in this Chapter. It is, of course, the conflict of interest between these two different modes of agricultural development which forms one of the most persistent sources of antagonism within the European Economic Community.

3. Paragraph ending: "The closed domestic economy has been destroyed by specialisation, and the agrarian economy has been transformed into a sector of industrial production."

In the special case represented by the feudal-absolutist Russia of Tsarist times - i.e., prior to 1917 - the course of development described in this paragraph did not pertain, and the closed village economy still persisted right up to the onset of the New Economic Policy in 1924-5. Indeed, the general level of social and economic development in Tsarist Russia at the time of the Revolution has been broadly equated with that of England in the 17th. Century. (For further information on the development of agrarian relations in Russia, please see Notes 1, 2 and 3 of Chapter XVI and Note 4 of Chapter XVII)

4. "In summarising the above (the development of centralised cooperative forms of economic control in agriculture - Ed.), it must be observed that contemporary agriculture is characterised by a strong degree of specialisation and has also developed into the stage of full commodity production for the market."

In Denmark and, to only a slightly lesser extent, the Netherlands, the particular form of specialisation through which the process of integration of agriculture into the industrial economy was given a tremendously accelerated impetus was through production specifically for the British market - viz. the preponderance of Danish bacon and Dutch butter on the British breakfast table. In Germany, where a much larger internal home market slowed down to some degree the rate of development towards specialisation - though not in dairy farming - the process of industrial integration of agriculture was not completed until after World War II, and in some respects may be considered as still lagging behind Denmark, the Low Countries and Britain even today. These general observations apply with even greater force in the case of French agriculture.

CHAPTER XV

1. Paragraph ending: "... only the Average Social Reproduction Time (ASRT) of the products forms the basis of all economic relations, and to this extent at least the peasant question takes on a form which ... is not as anomalous as is the relationship of the so-called 'mature' industrial establishments towards Communism."

Please see Note 1 of Chapter XVIII.

CHAPTER XVI

1. Paragraph ending: "This, of course, was also the reason why he (the feudally restricted Russian peasant - Ed.) soon began to agitate against the Soviet Government and thereby won for himself full freedom of internal trade."

This is, of course, true only of the period up to the end of the New Economic Policy, 1924-9. After that, internal trade on a larger and wider scale was the sole right of state procurement agencies through which the supply of agricultural raw materials and foodstuffs to the state was guaranteed, whilst "free" trading was restricted to local village markets at which peasants could dispose of the produce grown on their personal plots of land and local craft-workers could sell their traditional handicrafts.

2. "By these means the Russian peasant is motivated by the necessity of winning for himself a strong position in the market, in order thereby to attain the highest possible profit."

A more complete economic analysis than any which could have been perceivable to the Authors just prior to, or at the very commencement of, collectivisation - i.e., 1928-30 - would have been one which would have shown that, rather than "the Russian peasant following exactly (my emphasis - Ed.) the path taken by his class comrades in Western Europe", (being) motivated by the necessity for "winning for himself a strong position in the market", what actually happened was that the Bolshevik state encouraged NEP and small-scale economic development in the countryside primarily in order to deceive the peasant into giving the best of his labour towards preparing what he had been led to believe would be his own holding in land, but which was destined a mere 5 years or so later (1929) to contribute towards the development of an agricultural sector dominated by the particular form required for large-scale agricultural production by an otherwise state-socialist economy: the collective farm. Whilst the latter undoubtedly represents a basically capitalist economic formation, it is one which depends upon wage-labour and large-scale deployment of impersonal productive resources, and hence is and was inimical to the small agricultural producer or peasant who, as a rural *petit-bourgeois*, resisted it, sometimes to the death. Had capitalist development in the Russian rural economy been allowed to continue freely and spontaneously, its outcome would have been the gradual accretion of the large-scale capitalist estate as the product of the endemic tendency towards the centralisation of capital and the growth of monopolistic forms in the agricultural sector of the economy, against which the formation of cooperatives for the more rational and efficient discharge of purchasing and marketing functions would have been a life-or-death

necessity for the smaller peasant holdings, but one which would have arisen gradually and spontaneously, like its opposite counterpart, centralisation in the form of large estates. It is, therefore, quite correct for the Authors to draw attention to the deceitful and hypocritical interpretation placed upon this essentially capitalist form of development in agriculture through its characterisation by the Bolsheviks and their later usurpers, Stalin's "dirty-necked officialdom", as "the growth of Communism on the land". On the contrary, it represents a peculiar form of intensified capitalist development which was dictated by the requirements of a wider state-socialist economy and its need to create, *as rapidly as possible in the face of the competitive threat represented by the capitalist-imperialist world*, an economic framework for agriculture which was both fundamentally capitalistic - and hence better suited to satisfy the economic aspirations of the peasant and his corresponding social and class psychology - and amenable to state control. Within this predominantly economically motivated system, the maintenance of a few state-owned farms served partly as a means of providing those establishments concerned with scientific research and development which are essential to any agricultural economy and partly as a sop to the myth of "socialist construction".

3. Paragraph ending: "There is no question there of any agricultural organisation being entrusted with its own management and administration, if for no other reason than that all property in means of production is still privately owned."

Here again, the reference is to the situation prevailing in the USSR prior to Stalin's notorious forced collectivisation drive of 1929.

CHAPTER XVII

1. Paragraph ending: "The aim was the same, but the path leading to it a totally different one."

Since the historical aim and purpose of Social Democracy is to establish State Socialism, whether by reformist or revolutionary means - and, in the case of German Social Democracy, the former was quite clearly the case - we now know that the aims of Social Democracy and those of the proletarian revolution, far from being the same, are as qualitatively different, indeed diametrically opposed, as are the social structure and composition of the two social modes of production they respectively usher in: State Socialism, a new form of class-divided society based on state ownership and control of economic resources (state nationalisation) in the interests of a bureaucratic-administrative caste exercising their class dictatorship over the worker-producers - albeit demagogically in their name - through an all-powerful centralised party and state; and Communism, the harmonious and classless social formation based upon the disposal over and use of economic resources by the freely associating producers themselves in their own unified and classless interest.

2. "For this reason the proletarian revolution (in Germany - Ed.) was extremely weak."

"Weak" or otherwise, the proletarian contingent in the German Revolution nevertheless represents the most powerful eruption of proletarian power ever to have occurred in human history up to the present time. Objectively viewed in relation to its tasks, for the discharge of which the revolutionary sections of the proletariat were in any case both lacking a sufficient mass base and an adequate preparation and training in revolutionary methods of struggle, it is true to say that, objectively judged, the forces of the revolutionary proletariat lacked both a sufficiently sharply focused consciousness and sufficiently developed organisational forms. The fact remains, however, that in 1918-20 some 8 million German workers took up positions behind the revolutionary banner of Communism, and in the course of doing so developed new strategic and organisational methods at the heart of which lay the Workers Councils (Arbeiterräte), but which also included among its weapons the mass strike, the mass revolutionary front of struggle or Red Front, the revolutionary commando groups (Rote Frontkämpfer) - a kind of highly mobile advance offensive spearhead aimed at striking crippling blows deep in the class enemy's strategic rear - and a plethora of subsidiary agitational and propagandistic forms. In total, these represented innovatory contributions to the science of proletarian revolution the full value of which is yet to be fully assessed, and which future, hopefully even more numerically strong and strategically more mature proletarian revolutionary movements, will most certainly be called upon to study and to apply, albeit in higher and more developed forms.

3. "Although this is not the proper place in which to sketch out in full the course of the revolutionary Civil War in Germany, ..."

For those seeking a deeper insight into this, the most significant proletarian revolutionary movement to date, please see: "The German Revolution - An Historical Evaluation of its Contribution to the Strategy of the Proletarian Revolution", a publication now in preparation by the Movement for Workers' Councils. Expected publication date: Spring 1991.

4. Paragraph ending: "Nevertheless, the profound interconnection between production relations and ideology can be clearly perceived as lying at the root of the problem as we have portrayed it."

One of the characteristic features of that interconnection is that there always tends to be a definite time-lag between changes in the relations of production and the corresponding changes in ideological consciousness, and this was as true of German agriculture and the German peasant as it was of agriculture in any other developed social terrain. A factor which undoubtedly had a significant part to play in the development of agrarian relations in Germany and of the completion of these in their fully developed form through their spontaneous realisation in consciousness was the fact that, whereas agricultural production had been placed on a firm capitalistic basis since the era of Bismarck in the '70's of the 19th. Century, in the

sphere of land ownership and tenure a number of feudal vestiges remained. Amongst the most significant of these were the large entailed estates which constituted the chief economic prop of the Junker aristocracy. Situated chiefly in the Eastern and north-eastern Länder of Brandenburg, Mecklenburg, Pomerania and East Prussia, these vast estates (Bismarck's own lay in that part of Brandenburg known as the Mark, north of Berlin), it was not only feudal or semi-feudal tutelage over the land itself, but also certain rights over the tenant farmers (peasants) who lived and gained their livelihood on and from their rented plots of land, that these ancient entailments had afforded the Junker overlord. The command over feudal rights to tenant labour, or *corvée*, may have been eliminated as early as 1848 and its aftermath, but what remained was the tying of the otherwise "free" tenant farmer, or peasant, to the continued use of his plot of land and the dwelling that went with it. Since petty agriculture was the only livelihood the peasant knew, although he may have been fairly well grounded in modern agricultural methods in his work, outside of this and in rural society at large his entire traditionally moulded way of life, his "ideology", was so deeply immersed in these semi-feudal vestigial relations that he could often conceive of no other. Such were the profound depths of the interconnections between production relations and ideology which the Authors correctly characterise as underlying the contradiction between "tradition" and "a given technical level of development".

As a consequence of the interplay of these closely interwoven social conditions, some advanced and some backward, when in 1926 the KPD initiated a public campaign for the disentailment and expropriation of the estates of the landed aristocracy, known as the "Kampf zur Enteignung der Fürsten" ("Campaign for the Expropriation of the Princes"), this alone amongst the many actions it led between 1918 and 1933 met with virtually complete success. Among the reasons for this, however, was the fact that the "princes", at the very moment the formal act of expropriation had passed through the Reichstag and become law, had moved to put into action plans which they had long since worked out in conjunction with finance-capitalist interests. Under these plans, the vast majority of the landed estates were converted overnight into public liability companies whose shares were then quoted on the stock-exchanges of Berlin and München! In other words, the success of the campaign was not altogether unconnected with the fact that it was in any case not completely unsympathetic to powerful and influential sections of the bourgeoisie.

Along with the drastic transformation in the economic and class character of the proprietorship over the land, however, went an equally profound change in the status of the peasant who worked it, from that of a tenant whose labour was entailed indirectly through his entitlement to the plot of land which he worked on his own account and the cottage he occupied, to that of "free" agricultural labourer - one who henceforth paid his rent for the use of both to the new finance-capitalist agricultural group instead of to the old Junker landowner, and who could relinquish his occupation of his piece of land and his dwelling by mutual agreement whenever he wished.

Thus a forcible distribution of the lands of the large Junker

estates was rendered unnecessary through the prior existence of a capitalist framework of development for agriculture which could more or less immediately replace the old feudal structure, or what remained of it. In Russia, on the other hand, where no such possibilities existed in 1917-24, a forcible land distribution was the only solution. The Bolsheviks, however, were never capable of either understanding or accepting these facts, and hence insisted on using their control of the Executive Committee of the Communist International to impose policies in relation to agrarian relations in general and the peasantry in particular upon Communist Parties on some of whose social terrains no *feudally obligated* peasant had been seen for decades! Only the KPD was powerful enough to resist this pressure, but even this was in part due to the fact that, in 1926, the process of "bolshevisation", i.e., the replacement of genuine Communists by careerist sycophants of Leninism, had not yet been carried through to completion. (Please see Note 5 of this Chapter).

5. Paragraph ending: "These conditions are valid throughout ... the large landed estates in Germany, and ... we can conclude with certainty that a high level of development in agriculture precludes the validity of any measures for distributing the land."

Here the opposite factors to those discussed in Note 4. above make themselves apparent. The fact that the production methods characteristic of small- and middle-scale German agriculture, even amongst its most backward section, the tenant farmers of the large entailed estates, stood at a relatively high technological level was sufficient to make land distribution an unviable perspective. All that the peasants on the entailed lands demanded under the Weimar Constitution was "free" - i.e., unentailed or otherwise feudally unencumbered - rented tenure.

CHAPTER XVIII

1. Paragraph ending: "The firmer the industrial proletariat holds power, the more certain will be the eventual carrying through of autonomous organisation within the peasantry."

To the extent that an independent small-scale peasantry still exists in any particular socio-economic terrain, a course of development such as that depicted in this paragraph would remain essential. A maximum of social consciousness-raising would need to be combined with a seamless economic dictatorship, so that only those agricultural cooperatives which had linked themselves to the Communist system based upon the system of ASHL and ASRT would be entitled to draw upon supplies of seed, fertilisers, fuel and power and other essential raw and auxiliary materials.

This economic dictatorship, however, will have nothing in common with the methods of *pragmatic manipulation* disguised as "leadership", with its associations of harsh, often brutal mishandling of social relations, including the relations of the individual towards the all-powerful apparatus of state, which today are all that millions upon millions of working people know of "communism", but which in reality are unavoidable and inherent

features of state socialism. On the contrary, precisely because the very foundations of the Communist system rest upon control by the worker-producers themselves over the apparatus of production and distribution, the economic system based upon ASHL and ASRT guarantees the concentration of all economic development, including agricultural development, towards the realisation of the twin tasks, each closely interrelated with the other, of raising humanity's command over nature, of applying this to the ultimate purpose of increasing the living standards of all working humanity to a point at which the *autonomous intellectual and cultural development of all worker-producers is guaranteed*, as well as, finally, towards the elimination of the last vestiges of the division of society into antagonistic classes, and with them the necessity for the external, alienative constraints on complete freedom of development imposed by the "anti-state", the dictatorship of the proletariat. The dissolution of democracy and its precondition, social inequality, through their subsumation into the classless freedom of Communism opens up the same rich, creative life for all, including those whose social and class status represents a vestigial remnant from a pre-capitalist stage of social development.

The lands in which the programme of economic dictatorship over a residual peasantry in combination with a cultural-intellectual Communist enlightenment is most likely to find application are those in which capitalist development will have been held back through colonial or neo-colonial subservience - those countries of the so-called "third world" in which social development is still at a pre-capitalist stage at the time of the unfolding of the Communist Revolution on a world-wide scale - assuming that any such by then remain, which in itself is improbable in the extreme. In the developed lands, it is likely that the process of capital concentration itself will have long since destroyed the last vestiges of small-scale petty agriculture and an independent peasantry, creating in their place a developed capitalist agricultural industry and an agricultural proletariat. In Western Europe at least, this has already been virtually achieved, whilst the U.S. is also moving rapidly in the same direction. In Russia, Eastern Europe and China, collectivisation has fulfilled much the same role, and the now impending (December 1989) incorporation of the "Soviet" Union and the East European "Peoples' Democracies" into the world capitalist system promises to complete the process there. This leaves only the economically underdeveloped lands of the "third world" as areas in which the gap between capitalist or state-socialist development and Communism would have to be bridged as a special task of the economic dictatorship of the proletariat.

2. "It is true that the weight of tradition still makes itself felt here as an inhibiting factor, but the disadvantageous financial situation prevailing in agriculture throughout most of Western Europe will undermine this influence very rapidly."

The "disadvantageous situation" to which the Authors here refer was the result of the lower levels of the productivity and intensity of labour still prevalent in agriculture at that time (late 1920's). This in its turn was the outcome of the difficulties then experienced in applying mechanised production methods to agriculture. The entire development in agriculture in the developed

lands up to the present time has vindicated to the hilt the forecast made here to the effect that that "disadvantageous situation" would itself "undermine this influence (i.e., that of tradition) very rapidly".

CHAPTER XIX

1. "The capitalist economy ... sooner or later ... will find its highest and most complete form in the state."

This formulation suggests that state ownership and control of economic resources is compatible with capitalist production relations. In adopting this position, the Authors are in agreement with the general trend of Marxist thought on this question prevalent at the time (1925-35).

The confusion of concepts and of the terms used to express them centres upon the failure to differentiate clearly between *state capitalism* and *state socialism*, and reflects the inadequate degree of experience of the latter accumulated at that time. Indeed, in different parts of the book first the one and then the other term is used synonymously.

Today, all excuse for such confusion has disappeared along with the exposure of the true socio-economic foundations of state socialism. Of course, it is true that there are certain quite fundamental social characteristics which the two systems the two terms seek to define really do share in common, and to this extent - but no further - the tendency to confuse the two is understandable. For instance, both are exploitative modes of social production based on the alienation of labour-power; both depend upon a mammoth extension of the power of the state to maintain by force those alienative relations; and both deploy pragmatic methods of "economic planning", though this is to a far greater degree a feature of State Socialism than it is of State Capitalism.

There, however, all similarity between the two systems ceases. State Socialism, at least in its pure form, eliminates commodity production, the operation of the law of value and the market, whilst State Capitalism retains all three; the economy of State Socialism possesses no objective mechanism of economic regulation, and hence tends to be fundamentally unstable; State Capitalism, on the other hand, whilst sharing to the full with its free enterprise parent the fundamental endemic causes of capitalist crisis, nevertheless owes its historical genesis precisely to the need to mitigate as far as possible the contradictions underlying those crises through methods which depend fundamentally upon the operation of the law of value and the still mainly spontaneous regulative role of the market - an aim it fulfils, however, only at the expense of piling up for the future the conditions which lead to yet more destructive and wide-ranging crises.

Whilst the meaning of the term "State Socialism" is relatively clear and uncluttered by conflicting or contiguous interpretations, in the case of the term "State Capitalism" confusion tends to be

still further confounded by the fact that at least two distinct, though closely related, definitions exist. On the one hand, the term is used to define a *qualitatively distinct stage of capitalist development*, one characterised by state ownership of economic resources *in toto* and the complete absence of private forms of ownership, which have been abolished by socially enacted measures such as state nationalisation. In this model, however, commodity production, the law of value and the market continue to function along with state ownership and control. This presupposes a form of combination of separate economic units with state ownership - a model first proposed by the French utopian socialists Claude Saint-Simon and Charles Fourier. Today, the sole examples of this system are those which exist in the Asiatic pseudo-socialist states, China, Vietnam and North Korea. Here, the basic form of economic ownership and control is the so-called *joint state-private board*, based on a 50% share by the state in small-to-middle size industrial establishments whilst the remaining 50% remains under private capitalist ownership. Only - where it exists - heavy industry (iron and steel production, electricity generation, the railways and the major shipping lines) together with, of course, banking and finance - in the case of the Peoples' Republic of China, some 30% of the economy - are placed under state nationalisation.

In the case of the theories of state capitalism prevalent from the late 19th. Century up to approximately the time of the Second World War, the implied motivation underlying the adoption of state capitalist measures derived from the alleged attempts of social capital to overcome the contradictions underlying capitalist crisis through the elimination of competition and the competitive market. Like all such immature theories, this view reflects the belief that the fundamental cause of capitalist crisis lies in an insufficient level of "effective demand", i.e., a tendency towards *underconsumption* which then moves on to cause a degree of *overproduction* leading, in its turn, to a failure to complete the distribution stage of the circuit of capital, $C - M'$, and so to realise as profit the surplus value locked up in the produced but as yet unsold commodities. The resultant loss of profits then drives some of the capitalist groups - the weaker ones - into bankruptcy and to the fate of amalgamation with a larger and more powerful group possessing the financial reserves required to "weather the storm". It was believed that state ownership of means of production and distribution could be used to prevent the onset of what were believed - inaccurately - to be crises of "overproduction" by the simple pragmatic method of regulating wages and prices to make them "fit", thereby creating a correspondence between production and "effective demand". To do this, it was also believed that it would be necessary to do away with private ownership of capital and economic resources altogether and to bring them under state ownership.

On the other hand, the term "state capitalism" is often used to describe a situation in which a *part only* of an extant capitalist economy is brought under state ownership, generally through measures of legally enacted "nationalisation", whilst the remainder of the economy remains in private capitalist hands. Typical examples of this type of "state capitalism", more usually described today as the "mixed economy", were of course the nationalisation of certain basic industries, the so-called "commanding heights of the economy",

undertaken by the Labour Governments in Britain in the immediate aftermath of World War II and into the mid-1950's. The motivation underlying these steps was the need experienced by Social Capital at that time to undertake the extensive re-equipment of certain basic industries which had become run down and obsolete as a result of neglect during the war years, and sometimes earlier. It was felt by certain industrial interests - the majority at that time, in fact - that to do this through the normal finance-capitalist channels in the City of London would have incurred an excessive imbalance of economic advantage in favour of bank capital, to the corresponding disadvantage of industrial capital. The victory of the Labour Party in the first post-war General Election gave the advantage to the industrial wing of Social Capital, which used it, quite simply, to modernise its industrial base at state expense, whilst simultaneously the nationalisation of the Bank of England deprived the City to some extent of the share it would otherwise have enjoyed in the profits ensuing from post-war industrial reconstruction.

In fact, of course, the history of those societies, such as the "Soviet" Union and the "Peoples' Democracies" in Eastern Europe, in which the bulk of economic resources - excluding agriculture - have been placed under state nationalisation, shows very clearly that state forms of ownership and control of means of production and distribution lead inevitably to, and are inherently associated with, the destruction of commodity production, value generation, the operation of the law of value and, finally, the market itself as an arena in which commodity equivalents exchange with one another and, in doing so, release as profit the surplus value contained within them. That history and the experience it has given us also demonstrate that the absence of the market and its value-based regulatory mechanisms is synonymous with the elimination of capitalism itself, though not with its replacement by economic control through the worker-producers themselves in applying the Average Social Hour of Labour as an objective unit of economic regulation which would lead to the classless society of Communism. Instead, capitalism is replaced by the purely administratively manipulated society based on bureaucratic methods of deterministic "regulation". For this type of society, the term "state socialism" forms a more accurate description - though not, of course, an ideal one.

As recent experience (December 1989) has shown, such societies are in the longer run unviable, partly for objective reasons associated fundamentally with the lack of an objective mechanism of economic regulation, and partly because the exploitative system, being wholly subjective-administrative in character, is strategically too exposed and unamenable to ideological concealment as to prove itself in the long run a stable framework for the exploitation of labour-power. (For further discussion of questions relating to State Capitalism and State Socialism please see Note 1. of Chapter XII)

2. Paragraph ending: "For him (E.Horn - Ed.) the problem is not whether but how private property in means of production is to be made obsolete."

The work in question, "Die ökonomischen Grenzen der Gemeinwirtschaft"

("The Economic Limits of the Socialised Economy") was written as a doctoral dissertation at the University of Köln (Cologne) and published in 1928. For further, but unfortunately scanty, information on E. Horn, please see Biographical Notes.

3. "For many years, nothing more was heard about the matter, ..."

This effectively confirms what revolutionary Marxists have long suspected: that the then leadership of German Social Democracy in the shape of the official Kautskyite "Centre", doubtless with the connivance of the various openly revisionist "oppositionist" wings, amongst which that which developed around Eduard Bernstein, of "the Movement is everything, the aim nothing" fame, is perhaps the most notorious, was concerned to suppress what Marx had actually written concerning the economic foundations of Communism in general and the economic relations underlying the transition period, the Dictatorship of the Proletariat, in particular. This act of unprecedented (and, incidentally, as yet virtually undetected and unexposed!) censorship was, of course, undertaken, quite spontaneously and as a matter of pure party expediency, for the obvious reason that, otherwise, the immense authority wielded by Marx and Engels would have been brought effectively to bear against the perspective of state socialism achieved through the empirical method of simple conversion of private capitalist monopoly into state monopoly through nationalisation which was increasingly becoming the official version of the "Road to Socialism" adopted by the Social Democratic leadership from the '90s onwards. In Russia, of course, this corresponded with both the subjective world view and the objective class interests of the petit-bourgeois stratum which had gained control of a working class and Communist movement which the peculiar conditions of pre-capitalist backwardness and Tsarist absolutism was to condemn permanently to a stage of embryonic immaturity right up to the moment when its absorption into the Bolshevik dictatorship rendered it historically stillborn.

As a form of ideological support for this intellectual sleight of hand practised by the Social Democrats of both Right and Left, so typical a characteristic of party ideologues and manipulators of all lands and all eras, the actual mode of realisation of the transition from mere state nationalisation to the higher stage of Communism - always a source of potential doctrinal difficulty for the revisionist theoreticians of Social Democracy - was deliberately left somewhat vaguely formulated and swimming in that suitably evanescent fog of millenarian speculation which was calculated to achieve the best of all ideological worlds for the Social Democratic party bosses, as also for their left Bolshevik disciples: to be just sufficient of a sop to those intellectuals and workers who might have once actually read, or who could vaguely remember, Marx's original text, whilst simultaneously providing no real insight or practical clues as to how the transition to the higher stage was ever to be achieved in practice. This "conspiracy", not so much of actual silence as of a tacitly encouraged (and perhaps even partially unconscious) obscurity, was of course maintained by the Bolsheviks, the left wing of Social Democracy, both before and after the Russian Revolution, and continued in force after the establishment of the Comintern and thereafter throughout the history

of the "International Communist Movement" up to the present day.

In the latter case, that of the Bolshevik Left Social Democrats, or Bolsheviks, the ideological sleight-of-hand chosen was a characteristically noxious one. The guiding principle of the Lower Stage enunciated by Marx, "From Each according to his Ability, to Each according to his Work", was simply equated with the thoroughly alienative principle of "payment according to results", i.e., the application of unequal scales of remuneration, allegedly in recognition of higher quality, more intensive or more dangerous or unpleasant work, whilst the wage relationship and money as the universal medium of exchange are both retained. (See also Translator's Postscript). Needless to say, the principle of "reward for harder and better work" soon began to serve as a justification for the payment of high sinecurial incomes to state managers and party bosses over whom no objective mechanism existed or yet to this day exists to curb such excesses - hence the revolt of the masses against State Socialism today (December 1989). The legacy of this history of combined misrepresentation and suppression - one which is all the more effective for sometimes taking, not a direct and overt form, as under Stalin, but rather one of mere tacit neglect - is to be found, of course, in the fact that, of all the classic works of scientific Communism created by Marx and Engels, none has been more sadly neglected, even by those claiming or aspiring to call themselves revolutionary Communists, than the "Critique of the Gotha Programme".

4. "To achieve this, a party dictatorship is an absolutely inadequate instrument."

Here again, it must be said that the entire experience of State Socialism confirms that a party dictatorship is not merely "an inadequate instrument", but is *wholly incompatible* with the establishment of the social and economic foundations of Communism. On the contrary, its basic purpose is to provide the ideologically derived sanctions needed to justify in the name of "socialism" and the "rule of the working class" the brutal levels of exploitation required by Russian and other state-socialist societies during their periods of "primitive state accumulation". Its "romantic" characterisation as a "voluntary order of leadership and social example", allegedly "the highest level of consciousness within the proletariat, its vanguard", as it was sentimentally described by Sidney and Beatrice Webb - though not in those precise words - in their once widely-read book: "The Soviet Union - a New Civilisation", was just so much neo-religious incantation, on the same level of populist demagogic sentimentality as its visual equivalent, Gerasimov's specious genre-painting "Lenin Speaks to the Peasants".

5. "Just how the revolution then proceeds further - whether it leads to state communism or to the Association of Free and Equal Producers - ... inflation will be the inevitable by-product of social upheaval."

When it is borne in mind that, in almost every revolutionary situation which has occurred in Europe since the First World War,

chronic runaway inflation has indeed been a prominent feature - Russia in 1919, Hungary in 1920 and Germany in 1923 - this prognostication is perhaps not as fanciful as at first sight might appear.

6. Paragraph ending: "So soon, however, as the system of labour-time computation will have been generally introduced, the real reproduction times will come to light soon enough."

Here is yet another task that modern computer technology will fulfil, not only a million times more accurately, but in a millionth fraction of the time!

7. Paragraph ending: "Thus it is not our imagination which considers the system of general social book-keeping to be a necessity for Communism; on the contrary, it is the objective legality of the Communist economic system which makes this unconditional demand."

Perhaps no other single paragraph in the entire book is more pregnant with meaning for the future comprehension of the historical legality which will ultimately - and perhaps sooner than the present spectacular debacle of State Socialism in Russia and Eastern Europe is misleading many into believing - lead to the realisation of Communism than this one. At the very heart of the reasoning which underlies it is the recognition of the basic truth that, as with every social revolution, the fundamental historical aim of the proletarian revolution will be to establish a *qualitatively new mode of social production, Communism*. Like all the social formations which will have preceded it, Communism will rest upon a materially grounded system of social relations in production and distribution. It amounts to no more than a truism to say that, to make that system effective, the revolutionary proletariat must first smash the capitalist system of production and destroy the power of the bourgeoisie from its source.

This alone, however, is not enough - it represents no more than the essential first stage of the proletarian revolutionary process, *its negative stage*, which ends only with the establishment of the Higher Stage of Communism. Having won that stage, the revolution must move continuously and unhaltingly forward to realise its positive historical aim: the construction of the Communist system. Should it fail to do this, the result will be either that capitalism succeeds in restoring its flagging vitality, for which the many thousands of proletarian dead worldwide who will doubtless have surrendered their lives in the revolution will form a fitting tonic, or its place is taken by a new exploitative and alienative social system, State Socialism.

Of an equally profound significance and of a perhaps even greater concrete import for the task of Communist construction itself, are the words: "...a Communist economy demands an exact computation of the quantity of unremunerated product which consumers are to receive." (Page 208). What is pinpointed here is that, whether the Average Social Hour of Labour is applied to the sphere of distribution for individual consumption (the Lower Stage of Communism) or whether individual consumption is free, *society will*

still need to know how much of any use-value it has actually consumed, so that it can replace those values, already deducted from FIC, plus any additional increment on account of accumulation or for other purposes previously decided upon by the Workers' Councils.

Seen in this light, the objectively reactionary - indeed, at least in relation to the Higher Stage of Communism, counter-revolutionary - character of the anarchist or anarcho-syndicalist positions is revealed for what it is: the handing over of the fruits of the revolution to the class enemy of the proletariat, the incipient party-state intelligentsia, which is thereby as good as invited to replace the perspective of Communist freedom with the certainty of a new tyranny, that of State Socialism.

As the Authors correctly point out, at the centre of the revolutionary tasks facing the proletariat in its revolution will lie the implementation of the Average Social Hour of Labour and the system of social book-keeping through which it will be applied. It will be this which, under Communism, will replace the role of money. Without it, an economy based on use-value production becomes impossible. However great their purely emotional hatred of capitalism and the wages system, having once participated in their destruction and helped to create the material preconditions for Communism, Anarchism and Anarcho-syndicalism would, if they became the dominant trend within the camp of the revolutionary class forces, then effectively hand over mankind's future freedom on a platter to the new - or even, in certain circumstances, the old - custodians of exploitation, alienation and inequality, the new state socialist intelligentsia or the old bourgeoisie.

8. "It is an aspect of power which the proletariat alone can win, through its struggle, and in that struggle it must never place its chief reliance upon the assistance of Socialist or Communist intellectuals."

The term "intellectuals" is being used in this instance to refer to individual members of the professional intelligentsia - among them in particular those who, then as today, have found more or less stable and lucrative careers as leading officials and administrators within the Social Democratic or openly reformist labour movements of the developed capitalist lands.

As for the value of intellectual insight and analytical ability as such and of those who apply them on behalf of the proletarian struggle and Communism, some of these are undoubtedly, now as in the past, of petit-bourgeois class origin. However, one of the endemic objective tendencies in capitalist development is the process of class polarisation, and one of the positive outcomes of this is for ever larger numbers of formerly petit bourgeois elements to be precipitated into the ranks of the proletariat where, in at least a proportion of such cases, the qualities of intellectual training and discipline they often possess come to be placed at the service of the class struggle and the proletarian revolution. In any consideration of the power of intellectual insight and those who wield it in the cause of Communism, no greater contribution could be found than that made by the Authors of "Fundamental Principles of

Communist Production and Distribution", of whom a few may have been of petit-bourgeois origin, but the majority were true sons of the German and Dutch working class.

9. Paragraph ending: "Its (the state of the proletarian dictatorship - Ed.) task is to break the resistance of the bourgeoisie. ... But as far as the administration of the economy is concerned, it has no role whatever to fulfil, whereby the preconditions for the 'withering away' of the state are simultaneously given."

Here again, the Authors have succeeded in putting their collective finger upon one of the most portentous and profound of all the questions associated with the Dictatorship of the Proletariat: does it represent a form of state power; and, if so, how does this differ in form and structure from the state formations of past or present social systems, such as those of capitalism or state socialism?

The first point to be made here is the relatively simple and straightforward one that all present or previous state apparatuses of power have functioned as the instruments of power of a minority exploitative class. As such, they have been primarily concerned with regulating the class contradictions underlying the given class-based social system, not impartially and objectively, as their representatives have invariably claimed, but in the interests of that exploitative class itself.

Communism, however, creates the objective conditions for the supersession of all classes and class divisions. As soon as Communism is fully and firmly established, with its economic system based upon ASHL and ASRT fully consolidated, and as soon as this is reflected in the attainment of the transition to the Higher Stage, when the last vestiges of alienative constraint upon free and equal distribution of the products of human social labour will have disappeared along with all distinction between the labour of transforming nature into the products needed by society and the joyful exercise of human creative powers by each individual in doing so, the objective need for the state will, as Marx expresses it, wither away. Its maintenance is required only during the period of the Dictatorship of the Proletariat, in order that those effective measures necessary to protect the new Communist production relations from any attempt to restore the value-based relations of capitalism or to impose in place of Communism the administrative-bureaucratic relations of State Socialism - including any attempt at their disguised imposition as "socialism" or "communism" - may be applied through the intrinsic organs of the proletariat's class power, the Workers' Councils.

As the instrument of the - in any case temporary - dictatorship of the vast majority of working humanity over a tiny exploitative minority, however, the "state" of the proletarian dictatorship differs qualitatively from all previous forms of state power, particularly those of Capitalism or State Socialism. As the Authors point out, in the process of economic production and distribution, the state of the proletarian dictatorship plays no role whatever - it has no need to, for the system based upon Average Social Reproduction Time, the Average Social Hour of Labour and - during the Lower Stage - the Labour Certificate or its equivalent, which is

wholly objective and law-determined in its mode of operation, provide all that is necessary in the way of economic coercion over and against either the remnant of the old bourgeoisie or a potential party dictatorship on behalf of a power-seeking professional intelligentsia. It is in reality, therefore, *no state at all*, but *the very opposite*, an *anti-state* - an apparatus concerned precisely with *aborting at birth* any attempt to impose the alienative domination of the free producers by a mode of class-divided social relations which *necessitates* a state as the condition for its permanent existence. To an equal degree, therefore, it is concerned with creating, as speedily as possible, the conditions for the withering away, not only of the conditions under which the old type of class-based state might be restored along with, and as the instrument of, the rule of Social Capital, but *more particularly of the conditions making necessary its own continued existence*, which becomes increasingly unnecessary and anachronistic as society moves from the Lower to the Higher Stage of Communism. (Please see Note 1 of Chapter XIX and Translator's Postscript)

10. Paragraph ending: "From the isolated vantage-point of their central bureaux, it would be the administrators who would decide what is produced ... and with what level of wages labour would be remunerated."

That State Socialism abolishes commodity production and its foundation in the law of value is quite often recognised; what is apparently almost never so clearly perceived is the significance of the replacement of objective value-based relations by those of subjective administrative-bureaucratic dictat *for the determination of wages*.

In effect, the economic system of State Socialism makes the workers' living standards dependent, not upon objective economic processes, such as the law of value and its determination of wage-rates through the market - however much these may, under capitalism, be modified subsequently by actions taking place at the surface level of social practice, such as the wages struggle of the workers or measures enacted by the capitalist state to "peg" wages at a given level - but upon the purely subjective bureaucratic whim - malevolent or benevolent, generous or mean in spirit - of a vastly powerful bureaucratic clique which makes its decisions effective through an omnipotent party dictatorship. If that party dictatorship could permanently have its way, the worker-producers would have no means of struggle whatever open to them, so that that which has formed the aim of reactionaries throughout history, from Louis Thiers to Adolf Hitler, would become reality; the class struggle would have been finally "abolished". Recent events (December 1989) in the "Soviet" Union and the "Peoples' Democracies" of Eastern Europe, however, have afforded the world yet another example of how history acts to correct those who would seek to abolish its most fundamental motivic contradiction!

11. "The latter will unavoidably dissolve into the rule of many separate dictators, and the course of social life will be determined by autocratic forms of rule within the system of democracy."

However much the past history of the USSR may offer evidence of the truth of this statement, and in particular the early subversion - virtually from the moment of victory of the October Revolution, in fact - of the Soviets, which were the chief weapon of the Russian working class in their brave but hopelessly historically predated attempt to establish their class dictatorship, into mere cosmetic appendages of the Bolshevik party-cum-state apparatus whose only practical task was to rubber-stamp the latter's decisions, recent events (December 1989) have proved incontrovertibly that a party dictatorship in combination with an all-powerful centralised state apparatus is, in the longer run, incompatible with the maintenance of a stable social structure. With the increasingly naked exposure of the actual organs of power as lying wholly within that apparatus, along with the ever more obvious and mounting inefficiency and corruption which are the inevitable concomitants of an economy under the direct control of a bureaucratic clique, nothing remained for that bureaucracy to save itself from its otherwise impending redundancy than to take the step of introducing capitalistic forms of value-based relations into the hidebound state economy and to attempt by the usual demagogic means to prevent this from being recognised for what it is - the restoration of a commodity-producing economy based on the law of value - by hastily erecting such ramshackle parliamentary forms as might provide a semblance of "democratic" representation. Their very existence in what once described itself as "the first land of victorious Socialism and the first State of the Proletarian Dictatorship" is proof enough of the fact that a form of capitalism is in course of restoration there in place of the existing anachronistic and profoundly counter-revolutionary state-socialist system.

TRANSLATOR'S POSTSCRIPT

No additional explanatory notes or comments were considered necessary for this section of the book.

APPENDIX I

1. "In addition, one would have to be blind not to see that the profit motive is the foundation of Russian production, just as everywhere else in the capitalist world."

This reflects the view, then widely prevalent throughout the Council Communist Movement, that the economy and social structure of the USSR represented an example of State Capitalism. (Please see Note 1 of Chapter XIX).

2. Paragraph ending: "If at the same time we also perceive the emergence of structural changes in the practice of class struggle, this may be taken as a sure indication that important changes in the sphere of the various idea-systems have taken place which, even at that very moment, are seeking in this way to find their appropriate organisational expression."

At first glance this may appear as if the Comrades of GIK had fallen victim to historical idealism. A little thought, however, soon reveals the fact that what is being discussed here are the changes in the forms of organisation adopted by the proletariat in the conduct of what is, essentially, a mode of social practice - the class struggle. As such, it belongs in the sphere of the conscious idea-superstructure, and forms the reflex of the development of objective class relations, the changes in forms of organisation and modes of struggle being a response to and a reflection of those objective relations, which are primary, whilst the forms of organisation and modes of struggle are secondary and derive from changes in the fundamental social relations.

Examples illustrating the truth of this statement can be found throughout all stages in the history of the working class movement and its struggles. Here in Britain, for instance, when in the period 1837-48 the interests of the industrial bourgeoisie lay in waging a broadly based struggle against the by then decaying feudal nobility for the establishment of a parliamentary-democratic constitutional superstructure as the necessary political framework for the development of capitalism, the infant working class not only joined in that struggle, but formed its very spearhead. This was because its interests and the perspectives for obtaining the best conditions for its development as a class which could live only from the sale of its labour-power also lay in the achievement of a developed bourgeois-democratic constitution, and so, for a time, coincided with those of the industrial capitalists. At a later stage, when it had become clear that bourgeois "freedom" meant above all the freedom of the capitalist to purchase labour-power and thus to enrich himself on the surplus value it yielded, just as it also meant the freedom of the workers to sell that labour-power in exchange for an absolutely declining share in the wealth it produced, the aegis of the proletarian struggle began to change. Its primary concern now became that of obtaining the best possible price

for the only commodity the worker had to sell, his labour-power, and in particular to ensure that, with the remorseless cheapening of the value of labour-power as a consequence of the equally remorseless mechanisation of the labour process and the tremendous increases in the productivity and intensity of labour which this ceaselessly promoted, the wage-rate workers could obtain would reflect to some degree a share in the growing wealth their labour produced.

The organisational expression of this change within the working class and its embryonic movement was, of course, the emergence of the Trades Union as the basic organ of struggle for the maintenance of wages at a point which at least ensured that the commodity labour-power would be sold at, or sometimes even above, its value, and that the conditions under which the worker made his labour-power effective for the capitalist were not such as to endanger the workers' health and safety too greatly. Indeed, it must be said that, had it not been for the emergence and growth of the trades union as a basic form of economic organisation under capitalism, the need experienced by Social Capital to obtain the greatest possible rate of profit in the teeth of the historical tendency for the rate of profit to fall with a rising organic composition of capital would have resulted relatively rapidly in the decimation of the working class as a consequence of it being subjected to an ever increasing absolute rate of exploitation, or rate per circuit of capital, in combination with a similarly rising level of the intensity of labour, the latter being the only effective lever for counteracting the otherwise endemic tendency for the rate of profit to fall with a rising organic composition. The outcome of this dialectic of interaction between the two levels of the value-generative process, the absolute and the temporal, is that pitiless immiseration of the labour process as the only means of obtaining in return a standard of living which, over time, might rise absolutely as compared with that prevailing at some earlier point, but which, at any given moment in time, represents a declining share in the total of social wealth which that labour has produced. (Please see Note 1. of Chapter I and Note 1 of Chapter XII)

In spite even of the trades unions and their ceaseless struggles, however, the living history of capitalism and of the working class and the truth about the conditions of life and labour which workers experience under the heel of Social Capital amply reveal the fact that the workers have known more of insecurity, ill-health, poverty and a life the greater part of which is spent in the endless treadmill of a labour process characterised by monotonous and exhausting immiseration and uncreative sterility than they have ever known of health, happiness, the fulfilment of the pursuit of knowledge or culture or any of the myriad forms of creative endeavour which would otherwise have been open to them had they held that control over the conditions of social production and distribution which only Communism can bring.

Today, in the period of advanced state monopoly capitalism, the trades union movement as a whole has become fully integrated with the capitalist state, with which it interacts as an agency regulating the price of labour-power in the interests of the long-term stability of the capitalist system, just as the control over it has become consolidated under an all-powerful bureaucratic apparatus, the forerunner of the potential state bureaucracy of a possible future State Socialism. This is objectively true in spite

of the fact that the trades unions as such are still as necessary to the life of the working class as ever they were, or perhaps even more so, just as it is also true that individual TU leaders and officials can be, and often are, selflessly dedicated to the service of their class of origin. In short, the modern TU and labour movement has become as necessary a part of the capitalist superstructure as parliament or the political parties.

At an even later stage, therefore, when the workers have fully absorbed and taken to their hearts the knowledge that the development of capitalism, and in particular the displacement of first one and then another branch of skilled labour by machinery, which can do the same job infinitely more speedily and accurately, deprives them of any chance of a fulfilling, creative and expanding arena of life activity, and in fact condemns them to a penurious perspective of monotonous drudgery as mere appendages of the machine, the concept of organisation for struggle once again undergoes a fundamental change. As the character of the labour process changes from one requiring exhausting and monotonous physical labour to one requiring, additionally, an equally exhausting and monotonous mental and nervous exertion, a conscious awareness begins to gain ground that the continued domination of Social Labour by Social Capital will bring only increasing misery for the mass of working humanity, along with such objective evils as the despoliation of the natural environment and wars to maintain the enslavement of whole peoples and emergent nations as workers for whom the prevailing neo- or semi-colonial conditions make them capable of producing at an even higher intrinsic rate of profit. Then, the most class-conscious workers begin to organise, not merely for winning a larger slice of the value-cake, but for abolishing that cake altogether in favour of one the enjoyment of which is reserved only for those whose labour went towards creating it - that is to say, the vast majority of mankind - a majority which, with the establishment of Communism and the Dictatorship of the Proletariat, rapidly becomes the whole of humanity. In short, they, the most advanced politically conscious workers, begin to organise in preparation for the seizure of control over the means of production and the labour process, for deploying themselves those economic means of life for their own class purposes. The form of organisation they adopt for this revolutionary purpose is, of course, the Workers' Council, and it is this which, when the workers' revolution is victorious, becomes the kernel of the social power of the proletariat, through which it makes effective its command over the forces of production which its own labour has created. It is thus the germinal form of its rule over the remnants of Social Capital: the Dictatorship of the Proletariat.

3. " ...at least not this side of the Weichsel".

The Weichsel is the German name for the river Vistula in Poland. In German usage it is taken figuratively to indicate the dividing line between "East" and "West".

4. "Der Vorbote" ("The Harbinger") and "Der Lichtstrahl" ("The Ray of Light")

These were all journals of the left radical wing within the Social Democratic Party prior to and up until the First World War.

In particular, "Der Lichtstrahl" was the organ of the "Internationale Sozialisten Deutschlands" (ISD) ("International Socialists of Germany"), later to adopt the title of "Internationale Kommunisten Deutschlands" (IKD) ("International Communists of Germany"), along with the "Spartakus-Bund" (League of Spartacus), the group of which Karl Liebknecht, Rosa Luxemburg, Franz Mehring and Leo Jogisches were leading members, the forerunners of the "Kommunistische Partei Deutschlands" ("Communist Party of Germany"), founded in December 1918. (Please see Notes 2, 3 and 4 of Appendix II)

5. Poem by Herman Gorter: "De Arbeidersraad" ("The Workers' Council")

This poem, widely read in the workers' movements in Holland and Germany in the period of the revolutionary aftermath of World War I, has never previously been translated into English. The following represents an attempt at a free rendering by the translator of the present work - a self-confessed lover of poetry who, however, possesses little original poetic talent of his own. The aim has been to combine a maximum of comprehensibility for the Anglo-Saxon reader with faithfulness to the quasi-metaphysical style of the original. (For further information on Herman Gorter's life, please see Name Glossary)

THE WORKERS' COUNCIL

The Workers' Councils will one day become the essence of all humanity on earth.

As when the power of brightest sunlight is perceived in a great sheaf of flowers.

They are the highest form of together-being.

They are the overthrowing of all alone-being.

In them alone each man, woman and gentle child

Can find the single aim of ages, humanity's spirit itself.

The Workers' Councils, then, are as the light.

They are peace, tranquility and balm for all,

They are truth and the fountainhead of truth.

They are the foundation-rock in the great universe

of humanity, the nerve-centre of all labour,

They mean joy for humanity - they are the light.

(Herman Gorter: from the poem: "De Arbeidersraad" ["The Workers' Council"])

6. " ...the well-known left Marxist, Parvus, ..."

It would seem in this case that the honoured title of "Left Communist" was bestowed mainly on account of Parvus' positive contribution to the criticism and exposure of Kautsky's "Party Centre" prior to World War I. For some facts on Parvus' life please see Biographical Notes.

7. Paragraph ending: "It was, however, precisely the revolutions of 1848 and the Paris Commune of 1871 which formed the seed-bed of experience from the soil of which the new outlook grew and developed."

The outline delineation of a Communist society given us by Marx in the "Critique of the Gotha Programme" alone proves the validity of the view expressed here that his concept of Communism was that of a use-value producing society, free of value relations and money exchange and founded upon the free association of free and equal producers, and not that of state control over economic organisation and the labour process.

As for the methodologically less developed and empirically cruder perspectives from an earlier stage in the growth of historical materialism from out of the abstract dialectical logic of Hegel into the foundation of a science of history which we find in the "Communist Manifesto", it is not always fully appreciated just how far in advance of the stage reached at that time in the development of society in general and of capitalism in particular, and hence removed from any possibility of their practical application, were the discoveries of Marx and Engels in the new science of the development of society which they themselves had founded. The Manifesto was written in 1848, the "year of revolutions" which marked the crest of the wave of bourgeois-democratic revolutionary movements which were sweeping Europe at that time. And yet it is only now, in 1989, some 140 years later, that the capitalist world system, as the last and most concentrated - excluding the possibility of State Socialism - of all class-divided societies in human history, has reached a stage in the accentuation of its inherent contradictions at which the *preconditions* - no more - for a victorious proletarian revolution are beginning to be created.

Here is not the place to undertake the fuller analysis of the infinitely complex course of that protracted and contradiction-riven development. Suffice it to say that, at the time when the "Communist Manifesto" was written, no practical possibility existed of seeing the Dictatorship of the Proletariat being inaugurated and the transition to Communism taking shape in any part of the capitalist world. Capitalism stood on the threshold of its dynamic industrial stage of development, and whole decades, not to say centuries, of the endless cycles of the accumulation of capital and the resultant intensification of social and class contradictions would be required before there would be even the possibility, never mind the irreversible certainty, of a victorious proletarian revolution.

Marx and Engels, however, were men of revolutionary action as well as of scientific investigation, and for them the science of social change meant above all else the pursuit of the unity of theory and practice in the crucible of social practice itself. This meant, above all, scientific praxis in promoting both decisive strength in class struggle and in inculcating a conscious awareness of the

historical significance of class struggle as the motive contradiction in history and vital generator of the proletarian revolution within the one class to which had fallen the lot in history of leading the fight for Communism: the class of proletarian producers who alone, in Marx's and Engels' words, have "nothing to lose but their chains" and "a world to win". For that reason, they threw themselves into the task of involving the infant proletariat of those days, immature and lacking in tactical experience as it was, in the struggle for the bourgeois republic and the achievement of the liberal bourgeois constitution, in the belief that this would prepare the proletarians for the revolutionary battles in their own class interest which lay ahead at an as yet indiscernible point in future time.

There is, of course, an element of revolutionary euphoria involved in the life activity of Marx and Engels, and indeed it would be strange if this were not so. In all processes of cognition underlying scientific work in the application of historical materialism, there is an inherent tendency for the achievement of a significant breakthrough at the level of the *fundamental* social contradiction to blind one to the fact that that fundamental contradiction is one which operates *below the level of substantive reality*. As such, - and, in the case of human society and its development, this contradiction is that between the rate of development of the productive forces and that of the social relations the two formative classes, bourgeoisie and proletariat, enter into with one another in utilising those forces in the production of their means of life - it can make its effects manifest at the surface level of reality only indirectly, by "working its way through", so to speak, the myriad layers of subsidiary contradiction until, finally, the energy levels thus generated emerge at the surface level of subjective social practice as the *consciously waged social revolution*. If the objective conditions are not ripe for social contradictions to intensify from the most fundamental level right up to the surface of social reality, the reality of *consciously waged class struggle to change the world from class society to Communism*, then those contradictions smoulder at one or other of the non-substantive levels, or else at a concrete level which belongs within the sphere of the existing social mode of production, capitalism - such as the wages struggle - until the accretion of energy working its way upward once again pushes them forward.

In the history of capitalism, there are and have been *two main spheres of contradiction* the relative intensity of interaction between which has been the decisive factor in determining the mode of development of the capitalist system on a world scale. The first of these (Contradiction I) is the contradiction between the *average rate of realisable profit* - from which all the other operative parameters of the capitalist system derive, such as the rate of accumulation and the rate of employment - and the *wage rate* - from which originates the *realisable average standard of living of the working class*. It is this contradiction which is encapsulated within the class struggle, and it accordingly determines the general conditions which shape the *scale and tempo of class struggle in the developed capitalist sector of the world*. The second of the two spheres of contradiction (Contradiction II) is the contradiction between the *historical tendency for the average rate of profit to fall with increasing capitalist development* (please see also Note 1 of Chapter III) and the *rate of expansion of capitalist relations*

into the underdeveloped sector of the world, where the average rate of profit tends to be higher on account of a lower level of capitalist development. It has been the interaction between these two mutually exclusive spheres of contradiction which has been the fundamental factor in determining both the relative tempo and *modus operandi* of the development towards the proletarian revolution and Communism in the developed sector of the capitalist world market, as also the rate of expansion of capitalism and capitalist relations on a world scale. To the extent that the world capitalist system can expand into capitalistically underdeveloped areas, where the average rate of profit is higher and the antagonism between necessary and surplus value, between capital and labour, lower, to that extent does expansion act as a vast capacitor absorbing the contradictions at work in the system as a whole, but the nodal centre of which lies in the sphere of most intense spatial and temporal conditions of value generation and capital accumulation, and hence also of the proletarian class struggle, at the developed centre of the world capitalist system.

In the period following upon World War II, the decisive centre of contradiction shifted from the growth of contradictions associated with the conditions of developed capitalism: falling rate of profit, rising antagonism between capital and labour - Contradiction I - and shifted to those of Contradiction II, centred upon the underdeveloped sector, where it was characterised by the restriction of scope for "pure" capitalist development under the control of the national bourgeoisies of the colonial-type countries by the imperialist stranglehold on economic and social development in the form of colonialism, neo-colonialism and semi-colonialism. As a consequence, the form taken by capitalist development in the underdeveloped sector was the struggle of the national bourgeoisies of the colonial-type countries to secure their economic and political independence from imperialist tutelage - a struggle which expressed itself now violently, now peacefully, but the most characteristic mode of development of which was the upsurge of *national liberation wars* throughout the underdeveloped periphery of the capitalist world system.

The first of these two fundamental spheres of contradiction (Contradiction I) has been vertical in its line of force, residing as it does at the very heart of the system of exploitative value generation which constitutes the vital life-force of capitalist social relations. This has consisted of the ever more exhausting demands, destructive of all intrinsic human creative abilities, placed upon the proletarian producers by the ceaselessly mounting *intensification of labour consequent upon the mechanisation of the labour process* - the means through which an accelerated rate of absolute capital turnover and consequent high temporal rate of profit are obtained as the countervailing tendency acting in dialectical unity with the simultaneous historically tendential fall in the average rate of profit per circuit of capital; and the second fundamental sphere of contradiction (Contradiction II), in mutual interaction with the first and tending, for so long as it remains in operation, to ameliorate and dampen it down whilst simultaneously generating different, shorter-term and more superficial contradictions of its own, is the *tendency for capitalist production and capitalist relations to penetrate into the capitalistically underdeveloped sectors of the world*, where the inherent rate of profit tends to be higher and the intrinsic need for a high velocity of absolute capital turnover and temporal rate of profit tends to be proportionately less intense.

Up till now in the course of the mature stage of capitalism's development, from the time of the First World War up to approximately the present, it has been Contradiction II - which lies at a more superficial level closer to surface reality than Contradiction I, which is a more fundamental contradiction - which has tended to dominate and play the predominant role in the overall development of the world capitalist system. *Over a period of time and in the longer run, however, the first contradiction tends to take precedence over the second.* This is so because - other factors being equal - there are no limits constraining the intensification of the first contradiction, that between capital and labour, the boundaries of which are infinite, whereas those of the second are finite and limited. At the present time, strong indications exist that, for the first time since the era of imperialist expansion began roughly at the turn of the century, *the limits of capitalism's spatial expansion are close to being reached, if, indeed, all unnoticed as yet, they have not already been exhausted.*

It is at that moment in capitalism's history, when the boundaries delimiting the total world arena available for capitalism's further expansion reach their limit and hence begin to shrink relative to the inexorably rising quantitative - i.e., spatial - demands imposed by the new capitals entering the circuit of production (M-C-M'), at the same time as the general conditions in the developed centres of capitalist production for intensified qualitative value-generation become ever more onerously antagonistic, requiring an ever greater acceleration of turnover for an ever smaller return, that the two essential ingredients for the successful unfolding of the proletarian revolution - to wit: the conditions promoting the accretion of capitalism's inherent *objective* contradictions and the revolutionisation of the consciousness of its *subjective* instrument, the class of deprived, alienated worker-producers who increasingly begin to recognise that in very reality they have "nothing to lose but their chains and a world to win", the class which will act as the revolution's executors - begin to coalesce and so to catalyse the proletarian revolutionary movement itself which will destroy capitalism. *It is only now, as we approach a condition of full capitalistic saturation of the developmental parameters of the underdeveloped world, that this hitherto merely quantitative aspect of the growth of the objective conditions for the unfolding of the world proletarian revolution on a world scale, that represented by the formerly underdeveloped sector of the world itself beginning to enter into the era of its own developed maturity, begins to be transformed into a part of the qualitative catalyst itself, that which expresses itself in the drying up of the sources of higher-than-average rates of profit arising from colonial-type underdevelopment as a consequence of the historically tendential fall in the rate of profit beginning to make its debilitating effects felt in that world sector also.*

From this follows also the corollary of the above: the fact that it is also only now, at a time when, simultaneously with the above transformation of the former contradiction between the quantitative aspect, represented by the underdeveloped arena of capitalist expansion, into a part of the qualitative aspect originating in the developed sector of the capitalist world, the opposite counterpart to those surface developmental parameters which manifests itself most powerfully in the application in productive technology of the furthestmost levels yet reached in the intensification of the process

of value-generation achieved through that ultimate stage in the mechanisation of the labour process and the intensification of labour represented by automation and computerised production technology - the growth of the technological preconditions for Communism within the womb of capitalism which by their very concentration of productivity and intensity of labour threaten qualitatively to undermine and destroy the conditions for value-generation altogether - that, at this present historical juncture, the fundamental level of contradiction, that which operates in the sphere of the *production relations themselves*, begins to generate an intensity of antagonism adequate to enable it to break out at the surface level of substantive reality against the countervailing factors represented by the world capitalist system's remaining scope for expansion into an underdeveloped sector which, in fact, is itself becoming increasingly developed.

In this way, Contradiction II begins to recede - it has, in fact, long since done so - and even begins to be absorbed into the sphere of Contradiction I, so that Contradiction I can begin to grow into the decisive sphere and so begin once again to motivate the practice of class struggle in the developed centres of capitalism, *which now, however, include areas which formerly belonged within the underdeveloped sector*. This, in its turn, tends to generate the objective and subjective conditions in which class struggle can intensify in all world sectors to the point of struggles to change qualitatively the base of society in the production relations and so bring the objective and the subjective preconditions for the victory of the proletarian revolution and the dawn of Communism into coincidence, so that they begin to coalesce and so make that victory a realisable prospect.

Up to this point we have considered only those contradictions at work within the capitalist world system. A further web of contradictions contributing to the development of world society, however, are those developing within the state-socialist sector of the world. To the sphere of the underdeveloped world now become relatively developed - receding sphere of Contradiction II - must now, since the onset of the Gorbachov era, be added those countries of the former state-socialist sector which are about to embark upon a course of capitalist development. For a time, these will take over from the former colonial-type countries in providing a degree of capacitative absorption of the contradictions associated with developed accumulation - sphere of Contradiction I. But for a relatively brief span of time only, for the degree of "civilisation" reached by these countries is considerably higher than that of the former colonial-type sector, and their capacity for absorption, though likely to be a potent factor in maintaining capitalist expansion for a couple of decades or so, is correspondingly limited.

Of all this Marx and Engels could, of course, have had no more than the haziest of premonitions. And so it was that, working as they were at a point near to the outset of the proletarian struggle, they felt it necessary to insert into an otherwise brilliantly insighted materialist analysis of social development and the role of class struggle within it that strangely inapposite attempt at an "immediate programme" which appears towards the end of Chapter II of the Communist Manifesto. This, presumably, was intended to offer a series of concrete aims which would have had some relevance to the prevailing situation at that time, one which the workers and the embryo Communist movement of the time could have at least some hope of winning.

It is in this context that the expression given to a "state capitalist" perspective forming part of the transition to Communism, as in the Communist Manifesto, must be judged. In part, as it relates to the realm of theoretical prognosis, this stems from the - at that stage in the development of their historical materialist method as yet incomplete - emancipation of Marx's and Engel's thought from the methodological limitations of the abstract Hegelian dialectic; and in part, as it relates to the realm of revolutionary practice, it stems from the attempt to realise prematurely a proletarian revolutionary praxis, or at least the embryonic outlines of one, in conditions under which this was in reality not yet possible.

Thus the course traced by Marx and Engels in the development of their revolutionary dialectical-materialist method from the stage reached at the time of writing the "Communist Manifesto" to the more profound insights characteristic of the "Critique of the Gotha Programme" is one which sees the transcending of the as yet still theoretically schematic methodology typical of the former to the more dialectically profound perspectives of full proletarian emancipation from wage-labour and the enslavement of the producer to the alienative relations of commodity production and the fetishism which they engender contained in the latter. It is a development which embraces perhaps the highest pinnacle of cognitive insight based on the materialist dialectic and the unity of theory and practice in applying it to the revolutionary transformation of the world of men in society yet achieved in human history.

8. Paragraph ending: "In the terminology of Social Democracy, such establishments were then termed 'establishments under common ownership', even though the producers have nothing whatever to do with their administration and management."

A change in theoretical orientation as fundamental as that referred to in this paragraph cannot, of course, be attributed simply to some purely subjective cause, such as a growth in the degree of support for Social Democracy and a corresponding increase in its electoral fortunes - even though its voting strength did indeed increase dramatically at this very period during the final decade of the 19th. Century. It cannot even be attributed solely to such a change in the form of capitalist ownership as the adoption of state nationalisation as an economic policy by the junker-bourgeois alliance headed by Chancellor Bismarck. On the contrary, it can be explained only by a development as fundamental in its significance as a change occurring in the *objective class structure and composition of capitalist society*.

The nodal centre of that change was the tremendous increase which took place at that time in the overall size of the intermediate class in capitalist society, the *petite-bourgeoisie*. This, which may be termed the quantitative aspect of the development, was accompanied simultaneously by one of even greater significance: the emergence of new strata within the petit-bourgeois class as a whole which began to play a role which increased very considerably the overall social importance of this class and in particular the strategic position it held within capitalist society - the qualitative aspect of the change.

The new strata in question were those making up the *professional intelligentsia*. As ownership and control over the economic apparatus of society becomes concentrated into fewer and fewer hands, culminating in the formation of giant trusts and financial oligarchies, a factor with the potential to promote fundamental instability on a mass scale simultaneously arises: the polarisation of society between a class of capitalist proprietors which tends to embrace an ever smaller proportion of the total population, and a class of proletarian alienators of labour-power which accounts for the overwhelming majority of the population, but which holds no social power whatever over either the economic system or the political and state superstructure which serves it. Since, if the mass of working people could perceive the truth of capitalism's real structure of power - the fact, for instance, that in contemporary capitalist Britain some 2% of the population owns and controls approximately 51% of all the social wealth, including all the means for producing and reproducing it - the extreme social contradiction thereby revealed could, unless it be carefully concealed and its more pronounced effects ameliorated and dampened down at some more superficial level, such as that which occurs at the political surface of social life, have the potential to engender class struggle on an immense scale.

Thus the machinery of the *modern representative state* is built up over a period of some decades, a period which itself represents the period of transition from industrial capitalism to fully mature *socialised capitalism*. And the role within this objective process played by the new professional intelligentsia is that of providing the state with the administrators, politicians, economists, educators, ideologists - in short, the *intellectual career elite* - which staffs that state and its ancillary organs and runs them on behalf of the topmost stratum of the bourgeoisie, the financial oligarchy, the stratum which holds the reins of ultimate power in a developed and fully mature capitalist society in its hands.

We say "...and its ancillary organs..." because, if the state were simply an isolated superstructural excrescence floating above society and controlling it by means of direct lines of command, it would soon be recognised for what it is: an instrument of power of an exploiting and oppressing ruling class, and its overthrow would follow relatively rapidly. Thus it is compelled by the logic of sheer survival to adapt itself to the objective conditions of its existence by presenting itself as *the social essence of society itself, the framework which holds it together*. And, of course, it is represented by the ideologues and propagandists of Social Capital as fulfilling its role on behalf of all the classes and strata of capitalism equally and impartially, and so as being simultaneously above classes and class struggle and independent of both. To do this effectively, a number of social organisms not directly a part of the state as such, but ancillary to it and acting as the transmission-belts linking the state to the various sectors of the socio-economic infrastructure, are born. These social organisms act as the lifeline which maintains Social Capital's vital strategic links with the pulse of social life and class struggle in the fabric of society itself, and which enable it to overcome - but only temporarily! - its potential isolation. Among those ancillary organs can be counted, for instance: the *political parties*; the *local representative bodies, or local councils*; and, finally, and perhaps the most important of all, the *reformist labour movement*, consisting of the political party claiming to represent the social and class interests of the working class within capitalism - in

Germany the Social Democratic Party, in Britain the Labour Party - and, of course, the Trades Unions. To staff, organise and maintain that "modern labour movement" thus becomes one of the responsibilities of the new petit-bourgeois professional strata, and to do so becomes, for those strata, a valid career perspective. In Germany, the changes in the social and class composition of capitalism associated with these developments began to manifest themselves at around the turn of the century, from about 1895 onwards.

In this way was born the modern reformist labour movement and the stratum of professional administrators, negotiators and propagandists which leads it. It is a stratum which attempts to face in both class directions at once - towards the capitalist class, which it seeks to convince, without success, that it can safely be entrusted with the permanent responsibility of running capitalist society on behalf of Social Capital; and towards the working class, which it attempts to persuade - with, regrettably, some considerable success, at least up till now - that it can safely abandon direct autonomous class struggle as the means for promoting its interests and leave those interests to be represented indirectly by the "expert" negotiators and administrators of the reformist labour movement.

Thus a view of the state and of state nationalisation as an economic policy arises which is an ambivalent fusion of the orthodox bourgeois conception and that of the new "labour aristocracy". The former sees state nationalisation as the essence of social communality which threatens its most basic interests by destroying the "profit motive" (i.e., the value-generating mechanism in the production relations of capitalism); and, as the diametrical opposite of this in unity with it, the "labour aristocracy" sees it as the means for realising the truly rational society, bureaucratically administered State Socialism. The former view is idealist in its outlook; the latter, in keeping with the social role of the administrative stratum which gave it birth, deeply empirical-determinist. Both the orthodox bourgeois view and that of Social Democracy and Labour Reformism have this much in common, however: *they both perceive the state as a power which stands above classes and class conflict, independent of both and impartially available as the instrument of their respective class aims.*

The left wing of the social-democratic or labour-reformist movement, on the other hand, would be prepared to resort to revolutionary methods if necessary, but only on condition that the political machinery for restraining the working class from any possible attempt to carry the revolution on to an autonomous struggle for real proletarian power is built in to the statutes of the party framework it heads, and hence that the preconditions for imposing a party dictatorship are present from the very outset of the revolutionary development onwards.

To return, however, to German Social Democracy at the turn of the century and up to the November Revolution of 1918, it can be said that the inability of the "Party Centre" under Karl Kautsky which dominated the SPD leadership, despite its espousal of "Marxist" orthodoxy, to rise above the self-contradictory view outlined above provides ample proof of its inability to transcend the metaphysical limitations of the bourgeois categories of thought, with their inbuilt tendency to polarise into idealism or mechanical determinism. Scant wonder that the Social Democratic Party's

evolution ended with its transformation from that which it had set out to become under the dominant influence of Marx and Engels: the conscious leadership of the proletariat in the struggle for Communism - into the diametrical opposite of that: a centre of the bourgeois counter-revolution positioned strategically *within* the camp of the proletariat. It is, therefore, to Social Democracy - not, however, only of the right, but of the left as well - that the major subjective responsibility for the defeat of the proletarian contingent within the German Revolution must be attributed.

9. "Works Councils"

After the victory of the October Revolution, the Bolshevik Party, having first used its majority in the All-Russian Congress of Economic Councils to prohibit the autonomous administration of industrial establishments by the indigenous workers (Decree of 14th. November 1917), began manoeuvres aimed at forcing the Councils to accept a change in their declared aim and status from one in which they *controlled the entire aegis of production and the labour process* within their respective industrial establishments to one in which they acted merely in so-called *co-partnership with the state in carrying out Bolshevik policy*. Since the fundamental aim underlying that policy was one directed towards the building of State Socialism under bureaucratic party control, a primary precondition for its successful prosecution was the emasculation of the Workers' Councils into mere extensions of the Bolshevik Party, their transformation into pliant tools in the service of that profoundly anti-proletarian and anti-Communist aim. The *Works Councils*, which appeared increasingly after November 1918, should therefore on no account be confused with the *Workers' Councils*, or *Soviets* prior to that date, which were the basic form of organisation of the Russian proletariat in the Revolution and potential instrument of its revolutionary dictatorship.

10. "The First Congress of Workers' Councils (Soviets), held in May 1918, had indeed declared "autonomous" expropriation to be forbidden, but the extent to which this Congress truly represented the actual views of the workers is sufficiently expressed in the above-mentioned achievement of 200 expropriations."

Prior to the October Revolution, the Bolshevik Party had succeeded in gaining the support of the industrial proletariat primarily as a result of its declared support for the Soviets and the aim of control by the producers over the instruments of production and distribution. Between February and October of 1917, the membership of the Bolshevik Party increased from around 40,000 to about 250,000, and this was almost exclusively accountable to the influx of new proletarian members. After October, however, disillusionment very rapidly set in, when it became clear that Lenin and his disciples would give no support to the principle of autonomous class control over production and distribution by the producer-consumers themselves, but instead were bent upon establishing a state economy based upon state nationalisation - a programme which differed from that of orthodox Social Democracy only by the fact of Bolshevism's revolutionary origins, which in their turn derived from the peculiar conditions of social development imposed by Tsarism and the fact that it could be eliminated only by revolutionary force - combined with bureaucratic control by a dictatorial party.

As this paralysing knowledge slowly sank in, it brought with it as its direct consequence a stultifying social ennui and the complete evaporation of the previous revolutionary élan. This state of affairs continued until March 1921, when the workers in Petrograd, the very cradle of the Revolution, decided to make a stand and to raise the issues of proletarian hegemony once again at the forthcoming Xth. Bolshevik Party Congress. For this they were branded by Lenin and Trotsky as "counter-revolutionaries" and "helpmates of capitalism". Ensnared with their allies, the sailors of the naval base at Kronstadt, they turned the island fortress into the scene which was to witness the last stand of the proletarian revolutionary movement in Russia. For a brief account of their massacre at the hands of Trotsky, the Commissar of War, and his direct executor, General Tukachevsky, the ex-Tsarist officer, please see Note 3 of Chapter 1.

11. "state capitalism".

Please see Note 1 of Chapter XIX and Note 7 of this Appendix.

12. Paragraph ending: "In the concentration of power over the objective means of control over the productive apparatus ... in the hands of a central state authority, we perceive the process through which the revolutionary concept of the dictatorship of the proletariat is transformed into its opposite, into the *counter-revolutionary* concept of a dictatorship over the proletariat."

The entire course of development in the "Soviet" Union and in the "Peoples' Democracies" of Eastern Europe since the Second World War bears witness to the truth contained in this paragraph. The entire edifice of State Socialism in these countries is, at the moment of writing (December 1989) tumbling down, and its former beneficiaries, the party-cum-state bureaucracy, is even now feverishly engaged in the attempt to refashion a variant of capitalism, founded like any other upon wage-labour and value-generation though heavily disguised under layers of state-implemented reformism, out of the shattered ruins of State Socialism.

In their attempt to conceal the true significance of this development, the leaders of state socialism and the political leaders of world capitalism are jointly concerned to characterise it as no more than a "reform movement" aimed at "ridding the countries of Eastern Europe of the evils of party dictatorship and to introduce democracy". In some cases, they even go so far as to describe demagogically the popular movements there as "revolutionary", as "Peoples' Power". In order to ensure that these movements are absorbed into new political frameworks under their control, new bourgeois-type leaders, the spokesmen of new nascent bourgeois-type class formations, sometimes in alliance with a section of the old party dictatorship of state socialism - as, indeed, is the case with Godfather Gorbachov himself in the "Soviet" Union - but more usually in violent opposition to them, are frantically attempting to erect new parliamentary-type state organs of deception or else, as in the "Soviet" Union, to embellish the old state apparatus of state socialism with newly-fashioned organs of an old-fashioned bourgeois democracy - the so-called "Soviet Parliament". In the "Soviet" Union at least, this would bear some objective historical validity if it were an organic social development stemming from the active energies of the mass of working

people, since the Bolshevik abortion of a premature proletarian revolution in order to make it give birth to State Socialism had the simultaneous effect of short-circuiting the achievements of the bourgeois-democratic revolution there.

This, however, is not true of other East European lands of former state socialism, and it is for that reason that we must sincerely hope that the proletarians of those countries will learn all the more rapidly the true "Lessons of October" and move, not only to consolidate the bourgeois-democratic stage of social development, but to continue the traditions and practice of struggle against the party dictatorship of state socialism by beginning to transform them into class struggle directed against the burgeoning new bourgeoisie and the capitalist relations which are even now, at this early stage, being implanted. In this way is the road leading to the proletarian revolution and Communism at the earliest possible date in the future opened up, even if, as is most likely the case, the date of its outbreak is still some decades off. When that day of proletarian emancipation comes, we will see how the sickly smile of welcome for "democracy" and "reform" at the moment perpetually on the faces of the bourgeois hyaenas the world over who are "welcoming" what they choose to call "Peoples' Power" in Eastern Europe will change into the snarl of fear and hatred they feel for a reborn "Spectre of Communism" haunting Europe!

13. Paragraph ending: "In such a situation as the one now prevailing, i.e., prior to the carrying through of the revolutionary destruction of the old capitalist system, ... it is necessary to have a clear conception ... concerning the fundamental social legality which regulates the relationship of the separate industrial organisations to the economic organism as a whole."

The Social Democratic conception of Socialism or Communism as no more than an "organisational amalgamation of the various branches of production" clearly reflects the empirical-determinist limitations of the variant of bourgeois thought which formed its ideological underpinning. On the other hand, the profoundly dialectical character of the inherent proletarian conception of Communism is equally clearly reflected, in its positive aspect, firstly in the conception of the Average Social Hour of Labour as the fundamental unit of economic regulation underlying the *objective relations in production and distribution* through which the Communist system is realised; and secondly in the elaboration, deriving organically from the concept of the Average Social Hour of Labour, of a fundamental *law of motion* of the Communist system represented in the law of Average Social Reproduction Time. In its negative aspect, the expression of the dialectical character of the proletarian concept of Communism lies in the refusal even to consider prematurely the purely organisational structure of Communism. This, being unamenable to any kind of *a priori* predetermination, is correctly understood as requiring to be born from out of the living practice itself of the construction of Communism.

14. Paragraph ending: "Such a social situation (the contradiction "between the capitalist class and the proletariat" - Ed.) can only be overcome when the workers set themselves free; when they conquer the right to assume command over the means of production and begin to participate in the economic process under conditions of economic equality."

Whilst it is true that the concentration of control over capital into fewer and fewer hands and into larger and larger units means, not the elimination of competition in favour of a state-organised socialism, as the Social Democrats of left and right, from Hilferding to Lenin, believed, but "the organisation of competition on a higher and higher level", it must also be borne in mind that the process of concentration and monopolisation is itself the result of contradictory tendencies taking place at a more profound level by far than that of a mere mechanical surface amalgamation of units of capital ownership. At bottom, the *form* assumed by the concentration of capital - trustification, monopolisation and, excepting state socialist conditions, state nationalisation - is the reflex at the surface of social practice of increases occurring at the unsubstantive level at which the value-composition of capital and the concomitant changes in the productivity and intensity of labour take place - changes which in their turn are the outcome of a rising mechanisation of the labour process and the resultant decline in the value of the produced value-bearing commodities (productivity of labour) in the sphere of the objective instruments of production, and a speeding-up of the conversion of potential labour-power into realised labour in the sphere of the realisation of living labour as value (intensity of labour).

15. Paragraph ending: "Within this defined framework ("the general laws of motion of the Communist social organism as a whole" - Ed.) free autonomous activity and self-movement can develop and unfold, and for this reason the workers become, through the very instrumentality of this framework, *free producers*."

Again, we have to do here with a paragraph pregnant with a vitally significant content. Where capitalism is founded upon the freedom of each *individual* capitalist or capitalist group to compete with others - the equivalent at the level of society of the law of natural selection in nature, the organic concomitant of which is the enslavement of the value-producers, the workers, in the treadmill of wage-labour - Communism is founded upon the *collective* freedom of the producers, who achieve their emancipation from the blindness of spontaneous social development and the rule of mere necessity through their cooperation in establishing the harmonious relations of Communism. It follows from this that where the individually differing *conditions* of capitalist production reflect the uniform and equal subordination of all capitalists, and indeed the entire framework of social relations in which capitalism is embodied, to the blind spontaneity of the market and its laws, under Communism the *identical and equal conditions* for all producers established by the system of Average Social Reproduction Time and the Average Social Hour of Labour is the very instrumentality through which the liberation of the producers from their domination by the blind forces of the market and value-engendered relations is achieved, just as it is also the means for achieving the full creative individuality and uniqueness of each individual worker-producer.

Expressed in the simplest possible terms: under capitalist relations we find uniqueness and individuality in the conditions under which the objective means of production and distribution in their form as *capital* operate, combined with monotonous uniformity and sameness of the characteristics of life and labour for the active labouring subject; under Communism the opposite: equality of objective social conditions becomes the medium through which a maximum of

individuality and uniqueness for the active labouring subject, the worker-producer, an infinite variety of opportunities offered his individual creativity, is achieved. Full human freedom therefore expresses itself as the attainment of complete control, not only over the laws of the natural universe - for this is not incompatible with capitalist relations - but over the developmental laws of human society itself, which have hitherto dominated mankind instead of mankind establishing his domination over them, and hence over his own social destiny.

APPENDIX II

1. "War Clauses"

These were Exceptional Articles - in effect, Emergency Decrees - enacted by the Government of Chancellor Bethmann Hollweg at the commencement of World War I which amended the Constitution so as to eliminate or restrict civil liberties, ostensibly for the duration of hostilities.

2. "In those days I had taken up a position in the forefront of the left revolutionary workers' movement in Germany."

Generally termed the "Left Communist" or "Left Radical" movement today, the groups and tendencies to which Jan Appel is referring all had their origin in the "Debate concerning the Mass Strike" of 1906, the most significant arena of discussion and controversy on questions of revolutionary principle to take place within the Social Democratic Party of Germany in the period before the First World War. This discussion had been lent an additional impetus through the outbreak of the Russian Revolution of 1905, and as a direct consequence of the recognition given to the entire sphere of problems surrounding the question of the strategic and tactical significance of spontaneous mass actions for the class praxis of the Party, the decision adopted at the 1905 Party Congress to recognise the mass strike as a "defensive weapon in class struggle" was rescinded as a result of the growing view within the General Commission of the Free Trades Unions, supported by wide sections of the Party apparatus, that it possessed more than a mere defensive value, and opened up the possibility of a revolutionary regeneration of the SPD.

The debate was lifted to a higher level through the publication that same year of a famous article by Rosa Luxemburg entitled "Die Bewegungsweise der proletarischen Masse," die Erscheinungsform des proletarischen Kampfes in der Revolution" ("The Method of Organisation adopted by the Proletarian Masses, the Archetypal Form of Proletarian Struggle in the Revolution"). This found an immediate echo in a left-radical grouping within the Bremen party organisation of the SPD which had formed around the local SPD newspaper "*Bremer Bürgerzeitung*" ("Bremen Citizens' Daily"), to which the Dutch Social Democrat Anton Pannekoek was a regular contributor. In 1898, Pannekoek accepted an invitation to take up a permanent teaching and lecturing position in both the Bremen and the Hamburg Party Organisations. In 1911, he was joined on the staff of the "*Bremer Bürgerzeitung*" by a young teacher, Johann Knief, who gave up his teaching career to take up revolutionary work and soon became Pannekoek's pupil in revolutionary theory and strategy.

In the course of the period leading up to the First World War, the Left Radicals (later to be termed Left Communists) developed a many-sided and theoretically revealing critique of the positions on basic questions of revolutionary principle held by the SPD leadership, and particularly of that dominant section of it headed by Karl Kautsky which was known as the "Party Centre" - a conscious word-play focusing attention on the fact that the group around Kautsky, which included such historically formative figures as - up to his death in 1913 - August Bebel, invariably took up a position on all controversial questions which was an empirically motivated compromise located centrally between the Revisionists on the Right and the Radicals on the Left.

The analysis of the internal composition of the SPD developed by the Left Radicals revealed the division of the Party into three main tendencies, one revisionist and two radical: firstly, the aforementioned group around Karl Kautsky, which Pannekoek defined as still fundamentally radical, but in a process of degeneration into revisionism as an unavoidable outcome of its theoretical character, which Pannekoek showed to derive from the aim of attempting to maintain adherence in form to the letter of Marxism's classic formulations of principle, whilst in its political practice adopting methods which assumed that the downfall of capitalism would come about more as a result of applying what they (the Left-Radicals) termed an "Ermattungsstrategie" ("a Strategy of Exhaustion") than from a "Niederwerfungsstrategie" ("a Strategy of Overthrow"). As Pannekoek pointed out at the Chemnitz Congress of the SPD, for instance: "Der wirkliche Effekt des Auftretens des Genossen Kautsky ist also nur der, dass er eine theoretische Schirmwand für die Elemente in der Partei und in den Gewerkschaften geliefert hat, die sich bei der weiteren rücksichtslosen Entfaltung der Massenbewegung unbehaglich fühlen, sie im Zaume halten und sich am liebsten so schnell wie möglich auf die alten bequemen Bahnen des parlamentarischen und gewerkschaftlichen Alltags zurückziehen möchten". ("The only real effect achieved by Cde. Kautsky's intervention is to provide a theoretical screen behind which those elements in the Party and the Trades Unions can hide who feel uncomfortable as a result of the continued relentless development of the mass movement, who wish to restrict that movement and desire nothing more than to return as quickly as possible to the comfort of the daily parliamentary and trades union routine").

It was the war period, the collapse of the Second International and the degeneration of the SPD party organisation into open social-chauvinism and collaboration with the Junker-bourgeois alliance and its war machine which formed the spawning-ground both for the German Revolution itself and for the Left Radical Movement. It was this which created the objective conditions for the growth of contacts between the various Left Radical groups and, ultimately, brought about their short-lived unification in the "Kommunistische Partei Deutschlands" (Communist Party of Germany) in December 1918. In August 1914, Rosa Luxemburg, Karl Liebknecht, Franz Mehring and others joined forces to issue the famous "*Spartakus-Briefe*" ("Letters of Spartacus"). These rapidly acquired a mass - and wholly illegal - readership amongst Social Democrats and their supporters all over Germany, and it was from this that the "Spartakus-Bund" ("Spartacus League") was formed in 1916. The other grouping was that which formed out of the Bremen Lefts of the pre-war period around the journal "*Lichtstrahlen*" ("Rays of Light"), the editor of which was Julian Borchardt. To this was soon added yet a further journal, "*Arbeiterpolitik*" ("Workers' Politics"), the successor to the old