

PAUL MATTICK OPTIONAL READINGS

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The New Capitalism and the Old Class Struggle - Paul Mattick



Mattick surveys the historical organisational forms of the old workers movement, and how a changing capitalism has either integrated them or made them redundant.

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The New Capitalism and the Old Class Struggle (Paul Mattick)

"The proletariat is revolutionary or it is nothing." - Karl Marx

Being a product of bourgeois society, the socialist movement is linked to the vicissitudes of capitalist development. It will assume different forms according to the changing fortunes of the capitalist system. In circumstances which are not favorable to the formation of class consciousness, it will not grow, or will practically disappear. In conditions of capitalist prosperity it tends to transform itself from a revolutionary to a reformist movement. In times of social crisis it may be totally suppressed by the ruling class. Since socialism cannot be

established without a socialist movement, it follows that the destiny of the latter ultimately will determine whether socialism will ever be realized.

All labor organizations form part of the general social structure and cannot be consistently anti-capitalist, except in a purely ideological sense. To acquire social importance within the capitalist system they must be opportunist, which means they must avail themselves of the given social processes to attain their goals, however limited the latter may be. Opportunism and 'realism' are apparently the same thing. The former cannot be defeated by a radical ideology which opposes the whole of the existing social relations. It does not seem possible to slowly assemble revolutionary forces into powerful organizations ready to act at favorable moments. Only those organizations that did not disturb the prevailing social relations acquired any importance. If they started out with a revolutionary ideology, their growth implied a subsequent discrepancy between their ideology and their functions. Those organizations opposed to the status quo, yet organized within it, must finally succumb to the forces of capitalism by virtue of their organizational failures.

This appears to be the dilemma of radicalism: in order to accomplish anything of social significance, actions must be organized. Effective organizations, however, tend towards capitalist channels. It seems that in order to do something now, one can only do the wrong things, and in order to avoid false steps one should undertake none at all. The radical socialists are destined to be miserable: they are conscious of their utopianism and they experience nothing but failures. In self-defense, the ineffective radical organizations will put the accent on the factor of spontaneity as the decisive element for any social transformation. As they cannot change society by means of their own forces, they place their hopes in spontaneous uprisings of the masses and in a future unfolding of these activities.

At the beginning of the century the traditional labor organizations -- socialist parties and trade unions -- were no longer revolutionary movements. Only a small left-wing within these organizations preoccupied itself with questions of revolutionary strategy and, consequently, with questions of spontaneity and organization. This naturally involved the problem of revolutionary consciousness and of the relations between the revolutionary minority and the proletarian masses indoctrinated by capitalism. It was judged highly unlikely that without revolutionary consciousness the working masses would act in a revolutionary manner solely by the compulsion of circumstances. This problem acquired special importance due to the split in the Social Democratic Party and the crystallization of Lenin's concept(1) of the necessity of a revolutionary vanguard made up of professional revolutionaries. Aware of the factor of spontaneity, Lenin granted great importance to the special necessity of centrally organized and directed activity. The stronger spontaneous movements are, the more urgent is the necessity of controlling and directing them by means of a profoundly disciplined revolutionary party. The workers must be protected from themselves, so to speak, because their lack of theoretical understanding can very easily lead them to squander their creative powers spontaneously and to fail in their struggle.

Opposition to this point of view was maintained with great coherence by the left-wing Rosa Luxemburg.(2) Lenin, like Rosa Luxemburg, saw the necessity of combatting the opportunist and reformist evolutionism of the established labor organizations and sought a return to revolutionary policies. But while Lenin tried to achieve this by means of the creation of a new

type of revolutionary party, Rosa Luxemburg preferred an increase of the self-determination of the proletariat, generally as well as in the case of the labor organizations, by way of the elimination of bureaucratic controls, and the activization of the rank and file.

Both Lenin and Rosa Luxemburg thought that it was possible for a revolutionary minority to gain control of society. But while Lenin saw in this the possibility of the realization of socialism by means of the party, Rosa Luxemburg feared that any minority, in the position of ruling class, would rapidly begin to think and act like the bourgeoisie of old. She hoped that the spontaneous movements would restrain the influence of the organizations which were aspiring to centralize power in their hands. According to Rosa Luxemburg, the socialists should simply help to liberate the creative forces in mass actions, and to integrate their own activities into the independent class struggle of the proletariat. Her position allowed for the existence of an intelligent working class in a situation of advanced capitalism, a working class capable of discovering, by means of its own forces, ways and means of struggle in its own interests and, ultimately, in favor of socialism.

There was another way of confronting the problem of organization and spontaneity. Georges Sorel⁽³⁾ and the syndicalists were not only convinced that the proletariat could emancipate itself without the guidance of the intelligentsia, but that it had to free itself from middle class elements that usually controlled the political organizations. Syndicalism rejected parliamentarism in favor of revolutionary trade union activity. In Sorel's view, a government of socialists would in no sense alter the social position of the workers. In order to be free, the workers would have to resort to actions and weapons exclusively their own. Capitalism, according to Sorel, had already organized the whole proletariat in its industries. All that was left to do was to suppress the state and property. To accomplish this, the proletariat was not so much in need of so-called scientific insight into necessary social trends as of a kind of intuitive conviction that revolution and socialism were the inevitable outcome of their own continuous struggles.

The strike was seen as the laboratory of the workers' revolutionary apprenticeship. The growing number of strikes, their extension and increasing duration pointed towards a possible ' General Strike, that is, to the impending social revolution.

Each particular strike was a facsimile in reduced scale of the General Strike, and a preparation for the final insurrection. The increasing revolutionary will would not be measured by the success or failure of political parties, but by the frequency and vehemence of the strikes. The revolution will have proceeded from action to action in a continuous mixture of spontaneous and organized aspects of the proletariat's struggle for emancipation.

Syndicalism and such international offspring as the Guild Socialists in England and the Industrial Workers of the World in the United States were, to some extent, reactions to the increasing bureaucratization of the socialist movement and to its class-collaborationist practices. As marxism was the ideology of the dominant socialist parties, opposition to these organizations and their policies expressed itself as an opposition to marxian theory in its reformist and revisionist versions. The trade unions, too, were attacked for their centralistic structures and their emphasis upon specific trade interests at the expense of proletarian class needs. But just as the centralism of the marxist ideology did not prevent the emergence of left-wing oppositions within the

socialist organizations, so the ideological decentralization of syndicalism could not restrain the emergence of centralist tendencies within the syndicalist movement. The Guild Socialists sought the conciliation of the two extremes, distancing themselves equally from the localism of French anarchosyndicalism and from the state socialist conceptions of the marxist ideology.

The organizations tended to see in their steady growth and everyday activities the most important factors of social change. In the social democratic parties it was the growing membership, the spreading party apparatus, the increasing number of votes in elections and a wider participation in existing political institutions which were thought of as growing into a socialist society. As regards the Industrial Workers of the World, on the other hand, the growth of its own organizations into One Big Union was seen, at the same time, as "forming the structure of the new society within the shell of the old." In the first revolution of the 20th century it was the unorganized mass of workers which determined the character of the revolution and brought into being its own, new form of organization in the spontaneously arising workers and soldiers councils.

The soviet system (4) of the Russian Revolution of 1905 disappeared with the crushing of the revolution, only to return in greater force in the February Revolution of 1917. It was these soviets which inspired the formation similar spontaneous organizations in the German Revolution (5) of 1918 and, to a somewhat lesser extent, the social upheavals in Italy, England, France and Hungary. With the soviet system arose a form of organization which could lead and coordinate the self-activities of the very broad masses for either limited ends or for revolutionary goals, and which could do so independently of, in opposition to, or in collaboration with existing labor organizations. Most importantly, the rise of the council system proved that spontaneous activities need not dissipate in formless mass-exertions but could issue into organizational structures of more than temporary nature.

The Russian councils, or soviets, grew out of a series of strikes and from their needs for committees of action and representation to deal with the industries affected as well as with the legal authorities. The strikes, caused by the increasingly intolerable conditions of the working class, were spontaneous in the sense that they were not called by political organizations or trade unions, but were launched by unorganized workers who had no choice but to look upon their workplace as the springboard and center of their organizational efforts. In the Russia of that time political organizations had as yet no real influence on the mass of workers and the trade unions existed only in embryonic form. In any event, the growth of the socialist organizations and trade unions was to a great extent intensified by the spontaneous strikes and successive uprisings.

In essence, of course, the 1905 Revolution was a bourgeois revolution, supported by the liberal middle class, to break Czarist absolutism and to advance Russia via a Constituent Assembly towards the conditions that existed in the more developed capitalist nations. In so far as the striking workers thought in political terms, they largely shared the program of the liberal bourgeoisie. And so did all existing socialist organizations which accepted the necessity of a bourgeois revolution as a precondition for the formation of a strong labor movement and a future proletarian revolution under more advanced conditions. The soviets were thought of as temporary instruments in the struggle for specific goals of the working class and for a bourgeois-democratic society. It was not hoped that they would acquire a permanent character.

Beginning in 1906, organizational initiative fell into the hands of the political parties and trade unions. But the experience of 1905 was not lost. The soviets, wrote Trotsky (6) " were the realization of an objective need for an organization which has authority without having tradition, and which can at once embrace hundreds of thousands of workers. An organization, moreover, which can unify all the revolutionary tendencies within the proletariat, which possesses both initiative and self-control, and, which is the main thing, can be called into existence within 24 hours."

The soviets attracted the most articulate and politically alert workers, and they found support in the socialist organizations and the incipient trade unions. The difference between these traditional organizations and the soviets is explained by this observation by Trotsky, according to whom

"the parties were organizations within the proletariat, while the soviets were the organizations of the proletariat."

The Revolution of 1905 invigorated the left-wing oppositions in the Socialist parties of the West, but as yet more with respect to the spontaneity of its mass strikes than the organizational form these actions assumed. There were exceptions, however. Anton Pannekoek (7), for example, thought that with the soviets

" the passive masses become active and the working class converts itself into an independent organism that achieves its unification At the end of this revolutionary process, the working class transforms itself into a highly organized and class-conscious entity, ready to seize control of all of society and to take into its own hands the process of production."

According to Lenin, the soviets were

"organs of mass struggle. They originated as organs of the strike struggle. By force of circumstances they very quickly became organs of the general revolutionary struggle against the government It was not some theory, not appeals on the part of someone, or tactics invented by someone, not party doctrine, but the force of circumstances that turned these nonparty mass organs into revolutionary organizations." (8)

If, on the one hand, Lenin insisted that his party

"should not renounce the use of nonparty organizations, like the soviets,"

on the other hand he held that

"the party should conduct itself so as to strengthen its own influence over the working class and to augment its own power." (9)

Lenin saw the Russian Revolution as an uninterrupted process leading from the bourgeois revolution to the socialist revolution. He feared that the bourgeoisie would rather accept a compromise with Czarism rather than run the risk of a thorough-going democratic revolution. It

was therefore the task of the workers and the poor peasants to complete the bourgeois revolution and, at the same time, to exploit the internal antagonisms among the bourgeoisie.

Lenin also viewed the immanent Russian Revolution from an international perspective, and considered the possibility of its westward extension, which would provide the opportunity to destroy modern Russian capitalism at its point of inception. But whatever the outcome of the revolution, the Bolshevik Party must control it in order to exploit it for socialist ends, or, at least, for the realization of a radical bourgeois-democratic transformation of Czarist society.

Considering themselves the vanguard of the proletariat and the latter as the vanguard of the "people's revolution," the Bolsheviks therefore recognized that to take power, a revolutionary party was not enough; what was needed were mass organizations like the soviets. It was in 1917 when the concept of the dictatorship of the proletariat by means of the soviets became the official policy of the Bolshevik Party.

The February Revolution was also the result of a spontaneous protest movement against the increasingly intolerable living conditions during a disastrous war. It began with strikes and demonstrations on an ever-expanding scale, until they provoked a general uprising which found support in some military units and brought down the Czarist government. The Revolution received widespread support from the bourgeoisie, and it was the latter group which formed the first Provisional Government. Although the socialist parties and trade unions did not start the revolution, they played a more important role than in 1905. As in 1905, so in 1917 the soviets did not at first intend to replace the Provisional Government. But in the development of the revolutionary process they occupied increasingly more important positions; there was practically a situation of dual power between the soviets and the government. The further radicalization of the movement amidst the deteriorating social conditions, and the vacillating policies of the bourgeoisie and socialist parties, rapidly played into the hands of the Bolsheviks the majority in the soviets of decisive importance and led to the October Revolution, which put an end to the bourgeois-democratic phase of the Revolution. In time, the regime became the dictatorship of the Bolshevik Party. The emasculated soviets were maintained with a merely formal semblance of life, in order to conceal the fact of the Bolshevik dictatorship. Whatever the reasons for this change -- which we will not discuss here -- it was through the soviets that both the bourgeoisie and Czarism were overthrown and a different social system was introduced. It is not inconceivable that in different internal and international conditions the soviets would have been able to maintain their power and prevent the appearance of the authoritarian dictatorship.

Not only in Russia, but also in Germany, the actual content of the Revolution was not equal to its revolutionary form. But while in Russia it was mainly the general objective unreadiness for a socialist transformation, in Germany it was the subjective unwillingness to construct socialism which caused the adoption of revolutionary methods that were to a great extent responsible for the failures of the council movement in both countries. In Germany, opposition to the war was expressed in the form of industrial strikes which, due to the patriotism of the social democrats and trade unions, had to be organized clandestinely in the workplaces and by means of committees of action which linked the different factories. In 1918 Councils of workers and soldiers arose throughout Germany and overthrew the government. The collaborationist labor organizations were obliged to recognize this movement and to enter it, if for no other reason than

to blunt its revolutionary aspirations. This was easily accomplished in so far as the workers and soldiers councils were composed not only of communists, but also of socialists, trade-unionists, non-politicals, and even adherents of the bourgeois parties. The slogan, "All power to the workers councils" was therefore self-defeating unless, of course, events should take such a turn as to alter the character and composition of the councils.

Nevertheless, the great mass of workers confused the political with the social revolution. The ideology and organizational strength of the Social Democracy had left its mark; the socialization of production was seen as a governmental concern and not as the task of the working class. Although rebellious, the workers were generally so in a reformist social democratic sense. "All power to the workers councils" implied the dictatorship of the proletariat, as it would leave the nonworking sectors of society without political representation. Democracy was still understood, however, as the general franchise. The mass of workers demanded both the workers councils and the National Assembly. They got both -- the councils as a meaningless part of the Weimar Constitution, and with the latter the counterrevolution and, finally, the nazi dictatorship.

Consequently it is clear enough that the workers' self-organization is not an absolute guarantee against policies and actions contrary to proletarian class interests. In which case, however, they will be superseded by traditional or new forms of control of working class behavior by the old or newly-established authorities. Unless spontaneous movements, issuing into organizational forms of proletarian self-determination, usurp control over society and therewith over their own lives, these movements are destined to once again disappear. For it is only through the experience of self-determination, in whatever form it first realizes itself, that the working class will be able to advance towards its own emancipation.

All that has been said relates to the past and seems to be without relevance to either the present or the near future. As far as the western world is concerned, not even that feeble world-revolutionary wave released by World War One and the Russian Revolution was repeated during the course of World War Two. Instead, and after some initial difficulties, the western bourgeoisie finds itself in full command over its society. It boasts of an economy of high employment, economic growth and social stability which excludes both the compulsion and the inclination for social change. Admittedly, this is an overall picture, still marred by some as-yet-unresolved problems, as evidenced by the presence of pauperized social groups in all capitalist nations. It is expected, however, that these blemishes will be eradicated in time.

This common opinion recalls the dispute between orthodox and revisionist marxists at the beginning of the century concerning the problems of capitalist development. The controversy concerned the existence or absence of objective limits to capitalist development which would assure the subjective willingness for revolutionary actions. In times of prolonged prosperity it was the revisionist point of view which was seemingly verified; in times of crisis it was the orthodox position which seemingly possessed the greater validity. Generally, those who insisted on the spontaneity factor also insisted on the temporary character of the capitalist system and on its inevitable demise, while those who emphasized organization envisioned an evolutionary change from capitalism to a socialist society, a transformation to be realized by legislative processes and education within the existing democratic institutions.

As opposed to more static societies, capitalism constantly changes. Its productive process, being a process of capital expansion, continuously alters the system in all its aspects except one. The unchanging aspect consists of the relations of production as relations between capital and labor, which permits the production of surplus value and the accumulation of capital. It can make changes for better or worse; everything depends on the productivity of labor and on its relation to the needs of expansion of the process of accumulation. Historically, capitalism has been a system of expansion and contraction, alternating between periods of prosperity and depression, affecting the conditions of the working population in a negative or positive way. With the passage of time, according to the marxian theory, it will be increasingly difficult for capitalism to overcome its periods of crisis and the general social misery associated with them. This will create a social climate favorable to revolutionary actions.

From the beginning of the so-called Industrial Revolution up to the Second World War, the marxian prognosis could be disputed periodically. In effect, the global depression of 1929 consolidated the opinion according to which the inherent contradictions of capital production must lead to its decline and collapse. But the abstract theoretical model on which this assertion rests, although it reveals the immanent dynamic of the system, does not exclude profound modifications in its functioning, which prolong its life. The ruling classes found a way to escape the depression during the war, and maintained government interventions in the post-war economy. In economic terms this procedure is known as the Keynesian Revolution. Since the government interventions in the economy assured, during almost two decades, the growth of production and trade, the illusion was nourished that a way had been found to break capitalism's tendency toward crisis and depression. It was thought that the fiscal and monetary devices employed were a type of "if planning" which could assure full employment and social stability.

The business cycles of laissez faire capitalism have apparently been brought under control. But not completely, because unemployment persists and periods of recession punctuate here and there the general tendency of expansion. But the great depressions with unemployment on a massive scale appear to be things of the past. Although the many effects of depressions are explained in various ways, from the marxian point of view they find their principle cause in the value character of capitalist production. That is, production is not bound to human needs, but to the expansion of private capital. A given magnitude of capital must produce a greater magnitude. The periods of depression are those periods during which the yield of capital is depressed. They end with a revitalization of business when new methods and ways are discovered to increase the yield of capital. To speak, then, of the end of the capital cycle of crises would imply that capital is actually capable of assuring indefinitely its required profit. On the surface, the types of explanation offered for the crises of capitalism do not have much importance. Goods not only have to be produced, they also must be sold. The profits obtained in production must be realized in circulation. The anarchy of capitalist production explains the disproportions which impede the realization of surplus value, and leads to discrepancies between investments and productivity which obstruct the production of profits. The crisis of capitalism can be described as a crisis of overproduction or under-consumption, each of which implies difficulties in the process of the realization of profit and, therefore, difficulties in maintaining a given level of production and a "normal" rate of growth. The full-blown crisis of capitalism is the simultaneous conduction of all these factors. Whichever aspects of the crisis are emphasized, all are centered on the fact of a reduced production due to a lack of profit.

It is obvious that no capitalist will cut back on production while the market assures him adequate profits. He will diminish production and postpone new investments when he is no longer capable of finding sufficiently large markets for his products. But the crisis of capitalism is a general phenomenon that overtakes all capitals. Any capitalist, or any company, will react to the crisis by trying to maintain, or even increase, his part of the shrinking market by means of a reduction in the costs of production sufficiently large enough to make up for a possible loss of profit. Although all capitalists try to escape from the crisis situation, not all can succeed; but those that survive this situation not only have increased their rate of profit, but also have enlarged their markets, even if only at the expense of the destroyed capitals. It is by competition for profits and for markets that capital is concentrated and centralized, for the completion of the accumulation process.

The production of capital is the accumulation of capital. Surplus value, that is, it unpaid labor, is transformed into additional capital. "Measured" in relation to total capital invested, it translates a certain value into profit. This value must be enough to permit the continuation of the process of accumulation. Capital is divided into investments in means of production and investments in labor power. This is only another way to describe the reality of the increase of the productivity of labor and the increase of surplus value. But if the latter does not increase as fast as the total capital, which is not always the case, the value of the profit declines. According to Marx, this is a consequence of the application of the labor theory of value to the process of capitalist accumulation.

It is not necessary to enter into the complexities of the mechanism of capitalist crisis, because there is no bourgeois theory that does not concur with Marx's idea that, on the one hand, all the difficulties of capitalism must in the final analysis be attributed to the absence of an increase in profit and, on the other hand, only by an increase of profit can it overcome these difficulties. The classical political economists, Smith and Ricardo, feared the fall of the rate of profit, although for different reasons than those adduced by Marx. The neo-classical theory makes unemployment a result of disproportionality which reduces the incentive to invest. Given that Keynesian theory has found almost universal acceptance, it can be said that Marx's theory of the tendency of the rate of profit to fall, as a consequence of the accumulation of capital, has been adopted by bourgeois economy, although with a different terminology. Where Marx speaks of over-accumulation of capital relative to its increase of profit, Keynesian theory speaks of the increasing scarcity of capital and of the subsequent diminution of its marginal efficiency. Where Marx speaks of a declining rate of accumulation, Keynesian theory considers the same phenomenon as a lack of effective demand. Both cases deal with a scarcity of investments, caused by an inadequate increase of profit.

Modern economic theory suggests nothing less than the integration of the insufficient demand which creates the market with demand created by government, which assures a higher level of employment. So as not to depress further the market demand, the demand created by the government must fall outside the market system. It must not be competitive and embraces, generally, expenditures for public works, arms and other waste products. Because of the imperialist nature of competition on an international level, the greater part of government demand consists of armaments and other military expenditures. In a word, government

expenditures must be increased to confront the effects of depression caused by an insufficient rate of capital expansion.

For this purpose, governments either impose taxes or borrow from private sources -- the loans being, of course, merely a deferred form of taxation. This provides the government with the possibility of increasing its expenditures; which, though it guarantees, to those who receive the government orders, the prices and profits of production, constitutes a cost borne by all of society. That part of total production which comprises, as finished products, the public expenditures, does not enter the market, since there is no private demand for public works or armaments. It is production without profits, in the sense that no part of it is accumulated in the form of means of production which promise additional profits. Instead of the accumulation of capital, there is the accumulation of the national debt.

The surplus value which belongs to capital can be entirely consumed by the capitalists or partially converted into additional capital. When it is totally consumed, a condition prevails which Marx called simple reproduction. This is possible under exceptional circumstances, but, as a permanent condition, it means the end of capital production, that is, of the expansion of capital. In so far as a capitalism without accumulation is a capitalism in crisis (because only via the expansion of capital can the market be sufficient for the realization of the profits obtained in production), simple reproduction is not capitalist production. Supposing that all the surplus value not consumed by the capitalists is spent on arms production, capital will cease to accumulate. There will be perhaps a full use of productive resources, but this would not mean you will have a system of capitalist production. It is for this reason that state-induced production, which does not generate profits, must be limited so that it does not exclude further accumulation of capital.

It is also for this reason that the increase of production determined by public intervention through taxes and deficit financing was considered an emergency device to deal with a declining rate of investment, a decline that was also considered to be temporary. Due to the persistence of insufficient demand, the emergency device was accepted as a permanent condition and was called the mixed economy, replacing the system known as *laissez faire*. Government interventions in the economy were considered capable not only of avoiding the trend towards economic decline, but also of assuring economic stability and even development. In spite of this, the mixed economy is conceived as an economy in which the government sector remains smaller than the private sector, concerning itself only with the deficiencies of the private system. If the public sector, which does not produce profits, expands faster than the private sector, which does produce profits, it will set in motion a tendency that will lead to the decline of the private production of commodities. The expansion of the public sector must be restrained at the point at which its further growth would transform the mixed economy into something different.

Meanwhile, the public sector is financed by taxes and the public debt. Its production, in any case, does not produce profits, and, therefore, does not pay interest. The interest on the public debt must be paid with new taxes and new loans which will reduce the profitability of private capital. To maintain the necessary profitability, prices are raised, thereby passing on the costs of the public deficit to the whole society. The growth of the public sector is, in this way, accompanied by inflation. To stop the inflation process would require restricting the public sector of the economy.

The economies of the western countries are, however, in the midst of a boom, in spite of and because of the inflation and the growth of the national debt. Private production and state institutions assure a high level of employment and economic growth, although the rate of growth varied in the different countries. Partly, the advance is explained in traditional terms. The enormous destruction of capital, in both physical and value terms, during the Second World War changed the international structure of capital so as to make possible a renewal of expansion of capitalist profits. The same causes furthered the concentration and centralization of capital, both on a national and multinational level. The extension of the credit system, particularly by way of the financing of the public debt, served to assist the general expansion of production and the international movements of capital made possible a rapid restoration of economic activity in nations destroyed by the war. Overall, the productivity of labor rose sufficiently to allow both the accumulation of capital and the recovery, promoted by the government, of the diminished production.

Therefore, to the degree that the productivity of labor can be increased in order to secure the necessary rate of profit, it is actually the increasing public spending which is responsible for the high level of employment and relatively prosperous conditions. Even so, the process is a prolonged stop-gap measure. Although it increases the absolute number of workers, the capital accumulation process displaces labor. Less labor must produce proportionally more surplus value to allow for the increase of profits and the expansion of capital. At the same time that it increases the productivity of labor by means of technological innovations, it also diminishes the number of surplus value-producing workers. In bourgeois terminology, "the productivity of capital" replaces the productivity of labor. Profits, or surplus value, can be nothing but surplus labor. And if labor is reduced in relation to the accumulated capital, the surplus labor is reduced, and therefore the surplus value or profit.

Since the displacement of labor is a continuous process, the increase of productivity of labor reintroduces, in connection with the accumulation of capital, the crisis mechanism. A given rate of accumulation cannot be maintained due to its decreasing profitability. To maintain and expand the given level of production, in spite of shrinking profits, requires the consequent increase of public intervention. The latter, in turn, demands a further increase of the productivity of labor and, ultimately, the whole cycle is repeated. Although it is not possible to predict when, the time will come when non-profitable production will neutralize profitable production. And this is so because the falling rate of profit is the imminent tendency of capital expansion, even with the growing independence of the non-profitable sector of the economy.

In a few words, the mere increase of production is no substitute for the increase of profits, upon which the accumulation of capital depends. The prosperity thus attained is a false prosperity which, more forcefully than any real prosperity, prepares a new crisis situation more destructive than any previous crisis. A crisis of this kind cannot be channeled and controlled forever by government interventions within the framework of the mixed economy. It will come when these interventions have reached insuperable limits which cannot be transgressed without destroying the free market capitalist system.

It can actually be asserted with certainty that the crisis of capitalist production has been continuous since the end of the last century. The greater or lesser automatism of the capitalist trade

cycles of the 19th century never worked. Instead, the structural changes which have allowed the system to endure have been introduced with the wars and state intervention.

Left-wing radicalism has relied on what its reformist adversaries have called "the politics of catastrophe." The revolutionaries expected not only the deterioration of the living standards of the working population and the elimination of the middle classes by way of the concentration of capital, but also destructive economic crises which would produce social convulsions that finally lead to the socialist revolution. They could not imagine the revolution in other terms than those of objective necessity. And, in fact, all social revolutions have taken place in times of social and economic catastrophe.

It is not surprising, then, that the apparent stabilization and further expansion of western capitalism after World War Two led not only to the desertion of the working class, but also to the transformation of its ideology into the practice of the welfare state and mixed economy. This situation is either celebrated or bewailed as the integration of labor into capital, as the birth of a new socioeconomic system, free of crisis, which combines the positive aspects of capitalism and socialism while shedding the negative features of both. This is often referred to as a postcapitalist system in which the capital-labor antagonism has lost its former relevance. There is still room for all kinds of changes within the system, but it is no longer thought to be susceptible to social revolution. History, as the history of class struggles, has seemingly come to an end.

What is surprising are the various attempts which are still being made to accommodate the idea of socialism to this new state of affairs. It is expected that socialism in the traditional concept can still be reached despite the prevalence of conditions which make its appearance superfluous. Opposition to capitalism having lost its basis in the exploitative material production relations, finds a new one in the moral and philosophical sphere concerned with the dignity of man and the character of his work. Poverty, it is said (10), never was and cannot be an element of revolution. And even if it were, this would no longer be true because poverty has become a marginal issue, for, by and large, capitalism is now in a position to satisfy the consumption needs of the laboring population. While it may still be necessary to fight for immediate demands, such struggles no longer radically question the entire order. In the fight for socialism more stress must be laid upon the qualitative rather than the quantitative needs of the workers: it is just the qualitative needs which capitalism cannot satisfy. What is required is the progressive conquest of power by the workers through "non-reformist reforms."

In which case, "non-reformist reforms" is only another expression for the proletarian revolution. A struggle for a meaningful "workers control of production" is clearly equivalent to the overthrow of the capitalist system. It leaves open the problem of how to bring this about when there are no pressing needs to do so. Capitalism exists because the workers do not have the control over the means of production and if they acquire such control capitalism will cease to exist. This objective cannot be realized within the capitalist system and its persistence is a sign that the illusion still exists that capitalism actually finds itself in a state of transition to socialism -- a transition that must be accelerated by proletarian actions based on this general impulse.

The problem still remains of what organizational means to use to attain this objective. The integration of existing labor organizations into the capitalist structure has been possible because

capitalism was able to provide the majority of the working class with improving living conditions. Wages have risen steadily and in some cases at the same rate as the productivity of labor. The general increase of exploitation has not impeded but has allowed for a betterment of living standards, and if this trend were to continue there is no reason not to assume that the class struggle will cease being a determinant of social development. In that case -- man being a product of his circumstances -- the working class will not develop a revolutionary consciousness and will not be interested in risking its present relative wellbeing for the uncertainties of a proletarian revolution. It was not for nothing that the marxist theory of revolution based itself on the increasing misery of the proletariat, even though this misery was not to be measured solely by the fluctuating wage-scale of the labor market.

Although real, the high living standards of the proletariat in advanced capitalism have been quite exaggerated. However, these high standards have been sufficiently widespread to extinguish proletarian radicalism, although they are too insignificant to change the social position of the workers. Although the "value of labor power must always be less than the "value" of its product, it can mean different living conditions. It can be expressed in a workday of 12 hours or of 6 hours, in better or worse housing, in various quantities of consumer goods. In any case, the wage level and its buying power determine the conditions of the working population, as well as its complaints and aspirations. These higher standards end up becoming habitual and their maintenance is necessary to maintain working class passivity. If they are allowed to deteriorate, workers opposition will arise, as occurred before when the standard of living declined, when the latter was generally much lower. The social consensus can only be maintained according to the hypothesis that the prevailing standards of living can be maintained or even increased.

The validity of this hypothesis, even if it is confirmed by recent experience, is not absolutely certain. But the simple assertion that it lacks validity on a theoretical plane is not enough to modify a social practice based on the illusion of its permanent validity. Despite the various modifications of the system, all elements grant that the capitalist crisis mechanism will continue to reassert itself. Faced with the persistence of the low rate of private capital expansion in America and the diminution of the rates of expansion in postwar Western Europe, a new disillusionment has arisen. While the left Keynesians respond to this situation in a traditional way, demanding more extensive government intervention, the mainstream Keynesians demand a "reversal" of the Keynesian policies, that is, deflationary measures and a shift of accent from the public to the private sector. These two proposals destroy the basic logic upon which they are founded. The expansion of the public sector is only possible by paying a very high price at the expense of the private sector; the subsequent increase of production will be accompanied by the depressive consequences of a yet lower rate of expansion of private capital. The restriction of the public sector can perhaps raise the profitability of capital, but does not assure a rate of accumulation that will guarantee full employment. The ensuing widespread disorder will impose a return to increased state spending.

The discussion about the best type of economic policy is habitually carried out without considering the class character of capitalism. While some conclude that a mixed economy which favors the public sector in relation to the private sector will most rapidly increase the national product, others assert the contrary. As if the functioning of the economy could be judged by the standard of production and not it by that of profitability. It has even been said that a fair

competition" between government production and private enterprise will reveal the superiority of the latter and thus provide evidence of the need to limit the increase of the public sector of the economy. In any case, the reality is that competition does not exist, be it fair or not, between those two sectors of the economy, because if it did it would lead inevitably to the destruction of the free enterprise economy. Actually, nationalized industries exist in all capitalist countries, and some of them really compete with private industries. But they constitute a small enough part of the productive apparatus, whose dimensions it vary from country to country and which, generally, are kept competitive" by means of some type of aid. But however large the nationalized sector becomes, it must constitute a restricted part of the economy, because otherwise the system would be forced to transform itself into a state capitalist system.

As far as the bourgeoisie is concerned, a state capitalist system would be equivalent to socialism, in that both presuppose the expropriation of private capital. The trends towards state capitalism within a mixed economy do not go in that direction. These tendencies have the goal of defending, not opposing, the private enterprise economy. Instead of the state organizing the economy according to the communal needs as perceived by the respective authorities, it is capital which controls the state and which uses its powers to assuify itself increasing profits and its own social domination. (11) The integration of capital and the government transforms the policies of big business into national politics and impedes a change towards state capitalism. It also impedes the extension of the public sector of the economy and a transformation of its character towards a point where it ceases to serve the particular needs of monopoly capital. To solve the approaching crisis by way of further government interventions will require a social revolution. Lacking such a revolution, the only alternatives are the traditional economic crisis or the restructuring of the world capitalist economy by means of war.

Arms and other waste products are no substitute for war. They merely imply a larger "social consumption" at the expense of capital accumulation. War, however, not only destroys capital, but can open up opportunities for expansion for the victorious capitals, which can lead to a general expansion of capital. Here also the speeded-up destruction of capital lays the groundwork for a further expansion of the surviving capitals. The mass of profits falling into the hands of any one capital, momentarily more limited yet at the same time more concentrated, increases the rate of profit, also creating the possibility of a new phase of expansion. Capitalist wars are a predictable phenomenon in the framework of the competitive accumulation process at an international level, undertaken by capitalist entities organized at the national level. The national form of capitalist competition is an extension of the class relations of production within each particular nation. Nationalism in the conditions of a world market implies imperialism, with regard to the extension of the national concentration process to the international scene.

However, war can no longer be the political instrument of capital expansion. The destructive forces of modern capitalism are of such a nature that capitalist competition effected by means of war can destroy the material base of its own production system. This state of affairs finds its expression in the nuclear stalemate. Just as the depressions of the 20th century no longer guaranteed a return to prosperity and could only be overcome by world wars, war as a solution to the capitalist crisis is no longer a social possibility. In any event, the ruling powers appear to shy away from the settling of accounts by means of a nuclear war. The existence of an uninterrupted capitalist expansion appears to be equally threatened by war as by depression.

The horror of nuclear war, of course, does not rule out the possibility that, as a final resort, it will actually take place.

The "rational" pursuit of private, particular and national interests determines the irrationality of the capitalist system as a whole. It is therefore events which dominate men, and it can very well happen that the capitalist world will be destroyed sooner by its beneficiaries than by its victims. In which case, the problems addressed in this text are irrelevant, because they are founded upon the supposition that capitalism will not commit suicide.

Unable to take the risks of war, ruling class policies at both the national and international levels limit themselves to the maintenance of the status quo. Stagnation, in any case, violates the principles of capitalist production, the constant transformation of the production processes accompanied by corresponding changes in all social relations except the capital-labor relation. The stagnation is transformed into recession, which indicates that the capitalist mode of production is reaching its historical limits. With the diminishing effectiveness of government production, the need of capitalism to assure its own profit increases, no matter how much social instability may result. The Keynesian economy reveals itself capable of managing prosperity, but not of overcoming the crisis mechanism inherent to capitalism.

No social system collapses on its own. Until it is overthrown, the privileged classes will act as if it were the only social system possible and will defend it with all the means at their disposal. Although hesitant before the perspective of having to resort to total war in order to subject the world economy to the specific demands of the dominant capitalist powers, the privileged classes will try to assure and extend their rule by economic, political and military means. But if they succeed in translating the costs of these efforts into a future increase in profits, such costs will be merely a further expression of the relatively stagnant character of capital production. And, like the "social consumption" stimulated by the demand owing to public spending, this "destructive consumption" brought about by way of a situation of limited war can ultimately only exacerbate the crisis of capital production. Unless the marxian diagnosis is mistaken -- concerning which there is no proof -- the inherent contradictions of capital production, which explain the system's expansions and contractions, and the ever-increasing difficulties of overcoming the latter, will render ineffective the various means employed by the bourgeoisie to stem the decline of capitalism. Even disregarding the third-world conditions existing here and there in all capitalist nations, the conditions of the underdeveloped part of the world testify to the inability of capitalism to industrialize the world economy. All that capitalism has been capable of doing is to create a world market that subjects the world's population to the exploitation of their own ruling classes as well as those of the dominant capitalist countries. The tendencies of the concentration and centralization of capital production polarize the nations of the world between the poor and the rich, in the same way that these same tendencies polarize the population within each capitalist country between capital and labor. And in the same way that the accumulation process tends to destroy the profitability of capital in the advanced countries, so also the same process destroys, by way of increasing pauperization, the possibilities of exploiting the underdeveloped countries. At the same time the need for external sources of profits increases due to the shrinking profits in the capitalist countries, the capacity for exploitation declines in the underdeveloped countries, provoking social movements that oppose the monopolistic control of the world market. The capitalization of the underdeveloped part of the world under the auspices of private

enterprise is increasingly problematic, as much for political as for economic reasons. This happens at a time when only expansion of capital into the exterior can compensate for its contraction in its interior, due to the inevitable increase of non-profitable sectors which provides a temporary respite from a state of crisis which is otherwise unavoidable.

The further capitalization of the world economy, although necessary to increase the mass of surplus value with a view towards a general development of capital production, is obstructed by the monopoly position of the existing capitals in the developed countries, which can allow an evolution of this type only by way of their own further expansion. The demands of profits and accumulation impede an independent capitalist development in the backward economies and transform the latter into so many subjects of the dominant capitalist powers. If there is a way to advance those economies, it can only be accomplished on the fringes of the progress of the capital-rich countries, and that only so far as their capitalization aids in the accumulation of capital in the dominant capitalist countries.

The pure and simple condition of poverty will necessarily oblige the underdeveloped countries to attempt to shake off foreign control of their economies and to open up the road to an independent industrial development. Due to the relations between the ruling classes of those countries and those of the imperialist countries, this presupposes social revolutions directed simultaneously against semifeudal reaction and world monopoly capital. Such revolutions cannot be fought using outmoded capitalist ideology. They are fought in the name of national independence and socialism, the latter being understood as a planned economy under the auspices of the government. The examples of the Russian and Chinese Revolutions served as inspirations for the revolutionaries in backward countries, and where they succeed, they tend to destroy the social basis of a model of development based on property relations. An independent national development is an illusion, of course, because each and every nation is more or less integrated into the international division of labor within the context of the world market.

A realignment of more or less identical social systems takes place, if for no other purpose than to overcome the precarious conditions of national isolation, and this leads to the division of the world into two distinct capital-producing systems, in which the expansion of one means the contraction of the other.

The coexistence of the two systems nourishes the hope for their ultimate convergence in a third system containing elements of both and leading to the unification of the world economy. This view is based on a formal economic relation and does not take into account the class relations underlying the two systems. In spite of any modification that can be allowed, there will remain differences because each one of them presupposes a different set of persons with powers of decision and, therefore, decisive differences in the social relations of power. While in one of the systems, so to speak, political control is assured by economic means, in the other it is by political means. Each system has a different ruling class and economic policies, and this prevents a genuine convergence. On the contrary, the growing similarities between the two systems indicates an intensification of competition in economic, political, and military terms, which refers not only to purely "economic" questions, but also to the expansion or contraction of one or the other of the two social systems.

This type of competition, combined with the general competition of all capitals, and with the competition for influence and control over the formally independent underdeveloped countries, promises to keep the world in continuous turmoil and devours an ever increasing part of social production. Capitalist production is progressively transformed into production for destructive objectives, although it can flourish only by accumulating capital. Something that was possible under extraordinary circumstances in the past, that is, a very low rate of accumulation in wartime conditions, tends to become the rule upon which the future of capitalism depends. And it points to its certain decline as well. With this, the future of capitalism will be characterized by increasing misery for always greater masses of the population -- first in the underdeveloped countries, then in the weaker capitalist countries, and finally in the dominant imperialist powers.

The prospects for capitalism are still those of which Marx gave us the general outlines. If this is so, it is sensible to suppose that when the hidden crisis becomes acute, when the false prosperity gives way to depression, the social consensus typical of recent history will give way to a resurgence of revolutionary consciousness, the more so as the increasing scale of the system's irrationality becomes obvious even to the social strata which still benefit from its existence. Aside from the pre-revolutionary conditions prevailing in almost all underdeveloped countries, and aside from the wars, apparently limited but still taking place all over the world, a kind of general dissatisfaction lurks in the background, belying the seeming social tranquility of the western world, which occasionally emerges to the surface, as in the recent protest movement in France. When such a movement is possible in conditions of relative stability, it is surely possible in conditions of general crisis.

The integration of the traditional labor organizations into the capitalist system is an asset to the latter only so long as it is able to underwrite the promised and actual benefits of class collaboration. When these organizations are forced by circumstances to become instruments of repression, they lose the confidence of the workers and therewith their value to the bourgeoisie. Even if they are not destroyed, they may be swept aside by independent working class actions. There is not only the historical evidence that the lack of working class organizations does not prevent organized revolution, as in Russia, but also that the existence of a well-entrenched reformist labor movement can be challenged by new working class organizations, as in Germany in 1918, and the Shop Steward Movement in England during and after the First World War. Even under totalitarian regimes, spontaneous movements may lead to working class actions that find expression in the formation of workers' councils, as in Hungary in 1956.

Summing up: reformism presupposes a reformable capitalism. So long as capitalism has this character, the revolutionary nature of the working class exists only in latent form. It will even cease being conscious of its class position and identify its aspirations with those of the ruling classes. Some day, however, the continued existence of capitalism will no longer be able to rely on a "reformism in reverse"; it will see itself forced to recreate exactly those conditions which lead to the development of class consciousness and the promise of a proletarian revolution. When this day arrives, the new capitalism will resemble the old, and will again find itself, in different conditions, facing the old class struggle.

FOOTNOTES

1. What is to be Done, 1902, and One Step Forward, Two Steps Back, 190 -
2. Organizational Questions of Russian Social Democracy.
3. Reflections on Violence, 1906.
4. For the history of the Russian Soviets, see Oskar Anweiler, The Soviet Movement in Russia, 1905-1921.
5. For the documentation of the workers councils in the German Revolution, see Peter von Oertzen, Betriebsrate in der Novemberrevolution, Dusseldorf, 1963.
6. The Russian Revolution, 1905.
7. Mass Action and Revolution, 1912.
8. The End of the Duma and the Tasks of the Proletariat, 1906.
9. Resolution of the 5th Congress of the Russian Social Democratic Labor Party.
10. Andre Gorz, for example, says this in his Strategies for Labor, 1964.
11. For a descriptive account of this situation as it applies to the United States, see Who Rules America? by G. William Domhoff, 1967.

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The Masses & The Vanguard - Paul Mattick

Why the parties and unions are obstacles to be overcome - and the need for working class self-organisation.

The Masses & The Vanguard

(Paul Mattick - 1938)

Economic and political changes proceed with bewildering rapidity since the close of the world war. The old conceptions in the labour movement have become faulty and inadequate and the working class organizations present a scene of indecision and confusion.

In view of the changing economic and political situation it seems that thorough reappraisal of the task of the working class becomes necessary in order to find the forms of struggle and organization most needful and effective.

The relation of "the party," "organization" or "vanguard" to the masses plays a large part in contemporary working class discussion. That the importance and indispensability of the vanguard or party is overemphasized in working class circles is not surprising, since the whole history and tradition of the movement tends in that direction.

The labour movement today is the fruit of economic and political developments that found first expression in the Chartist movement in England (1838-1848), the subsequent development of trade unions from the fifties onward, and in the Lasallean movement in Germany in the sixties. Corresponding to the degree of capitalist development trade unions and political parties developed in the other countries of Europe and America.

The overthrow of feudalism and the needs of capitalist industry in themselves necessitated the marshaling of the proletariat and the granting of certain democratic privileges by the capitalists. The latter had been reorganizing society in line with their needs. The political structure of feudalism was replaced by capitalist parliamentarianism. The capitalist state, the instrument for administering the joint affairs of the capitalist class, was established and adjusted to the needs of the new class.

The bothersome proletariat whose assistance against the feudal forces had been necessary now had to be reckoned with. Once called into action it could not be entirely eliminated as a political factor. But it could be coordinated. And this was done - partly consciously with cunning and partly by the very dynamics of capitalist economy - as the working class adjusted itself and submitted to the new order. It organized unions whose limited objectives (better wages and conditions) could be realized in an expanding capitalist economy. It played the game of capitalist politics within the capitalist state (the practices and forms of which were determined primarily by capitalist needs) and within these limitations, achieved apparent successes.

But thereby the proletariat adopted capitalist forms of organization and capitalist ideologies. The parties of the workers, like those of the capitalists became limited corporations, the elemental needs of the class were subordinated to political expediency. Revolutionary objectives were displaced by horse-trading and manipulations for political positions. The party became all-important, its immediate objectives superseded those of the class. Where revolutionary situations set into motion the class, whose tendency is to fight for the realization of the revolutionary objective, the parties of the workers "represented" the working class and were themselves "represented" by parliamentarians whose very position in parliament constituted resignation to their status as bargainers within a capitalist order whose supremacy was no longer challenged.

The general coordination of workers' organizations to capitalism saw the adoption of the same specialization in union and party activities that challenged the hierarchy of industries. Managers, superintendent and foremen saw their counterparts in presidents, organizers and secretaries of labour organizations. Boards of directors, executive committees, etc. The mass of organized workers like the mass of wage slaves in industry left the work of direction and control to their betters.

This emasculation of workers' initiatives proceeded rapidly as capitalism extended its sway. Until the world war put an end to further peaceful and "orderly" capitalist expansion.

The risings in Russia, Hungary and Germany found a resurgence of mass action and initiative. The social necessities compelled action by the masses. But the traditions of the old labour movement in Western Europe and the economic backwardness of Eastern Europe frustrated fulfillment of labour's historic mission. Western Europe saw the masses defeated and the rise of fascism — Mussolini and Hitler, while Russia's backward economy developed the "communism" in which the differentiation between class and vanguard, the specialization of functions and the regimentation of labour reached its highest point.

The leadership principle, the idea of the vanguard that must assume responsibility for the proletarian revolution is based on the pre-war conception of the labour movement, is unsound. The tasks of the revolutionary and the communist reorganization of society cannot be realized without the widest and fullest action of the masses themselves. Theirs is the task and the solution thereof.

The decline of capitalist economy, the progressive paralysis, the instability, the mass unemployment, the wage cuts and intensive pauperization of the workers - all of these compel action, in spite of fascism — Hitler or the disguised fascism of the AF of L.

The old organizations are either destroyed or voluntarily reduced to impotence. Real action now is possible only outside the old organizations. In Italy, Germany and Russia the White and Red fascisms have already destroyed all old organizations and placed the workers directly before the problem of finding the new forms of struggle. In England, France and America the old organizations still maintain a degree of illusion among workers, but their successive surrender to the forces of reaction is undermining them rapidly.

The principles of independent struggle, solidarity and communism are being forced upon them in the actual class struggle. With this powerful trend toward mass consolidation and mass action the theory of regrouping and realigning the militant organizations seems to be outdated. True regroupment is essential, but it cannot be a mere merger of the existing organizations. In the new conditions a revision of fighting forms is necessary. "First clarity - then unity." Even small groups recognizing and urging the principles of independent mass movement are far more significant than large groups that deprecate the power of the masses.

There are groups that perceive the defects and weaknesses of parties. They often furnish sound criticism of the popular front combination and the unions. But their criticism is limited. They lack a comprehensive understanding of the new society. The tasks of the proletariat are not completed with seizure of the means of production and the abolition of private property. The questions of social reorganization must be put and answered. Shall state socialism be rejected? What shall be the basis of a society without wage slavery? What shall determine the economic relations between factories? What shall determine the relations between producers and their total product?

These questions and their answers are essential for an understanding of the forms of struggle and organization today. Here the conflict between the leadership principle and the principle of independent mass action becomes apparent. For a thorough understanding of these questions

leads to the realization that the widest, all-embracing, direct activity of the proletariat as a class is necessary to realize communism.

Of first importance is the abolition of the wage system. The will and good wishes of men are not potent enough to retain this system after revolution (as in Russia) without eventually surrendering to the dynamics engendered by it. It is not enough to seize the means of production and abolish private property. It is necessary to abolish the basic condition of modern exploitation, wage slavery, and that act brings on the succeeding measures of reorganization that would never be invoked without the first step. Groups that do not put these questions, no matter how sound their criticism otherwise, lack the most important elements in the formation of sound revolutionary policy. The abolition of the wages system must be carefully investigated in its relation to politics and economics. We will here take up some of the political implications.

First is the question of the seizure of power by the workers. The principle of the masses (not party or vanguard) retaining power must be emphasized. Communism cannot be introduced or realized by a party. Only the proletariat as a whole can do that. Communism means that the workers have taken their destiny into their own hands; that they have abolished wages; that they have, with the suppression of the bureaucratic apparatus, combined the legislative and executive powers. The unity of the workers lies not in the sacrosanct merger of parties or trade unions, but in the similarity of their needs and in the expression of needs in mass action. All the problems of the workers must therefore be viewed in relation to the developing self-action of the masses.

To say that the non-combative spirit of the political parties is due to the malice or reformism of the leaders is wrong. The political parties are impotent. They will do nothing, because they can do nothing. Because of its economic weakness, capitalism has organized for suppression and terror and is at present politically very strong, for it is forced to exert all its effort to maintain itself. The accumulation of capital, enormous throughout the world, has shrunk the yield of profit - a fact which, in the external policies, manifests itself through the contradictions between nations; and in internal policies, through "devaluation" and the attendant partial expropriation of the middle class and the lowering of the subsistence level of the workers; and in general by the centralization of the power of big capital units in the hands of the state. Against this centralized power little movements can do nothing.

The masses alone can combat it, for only they can destroy the power of the state and become a political force. For that reason the fight based on the craft organizations becomes objectively obsolete, and the large mass movements, unrestricted by the limitations of such organizations, must necessarily replace them.

Such is the new situation facing workers. But from it springs an actual weakness. Since the old method of struggle by means of elections and limited trade union activity has become quite futile, a new method, it is true, has instinctively developed, but that method has not yet been conscientiously, and therefore not effectively, applied. Where their parties and unions are impotent, the masses already begin to express their militancy through wildcat strikes. In America, England, France, Belgium, Holland, Spain, Poland - wildcat strikes develop, and through them the masses present ample proof that their old organizations are no longer fit for struggle. The wildcat strikes are not, however, disorganized, as the name implies. They are

denounced as such by union bureaucrats, because they are strikes formed outside the official organizations. The strikers themselves organize the strike, for it is an old truth that only as an organized mass can workers struggle and conquer. They form picket lines, provide for the repulsion of strike-breakers, organize strike relief, create relations with other factories. - In a word, they themselves assume the leadership of their own strike, and they organize it on a factory basis.

It is in these very movements that the strikers find their unity of struggle. It is then that they take their destiny into their own hands and unite "the legislative and executive power" by eliminating unions and parties, as illustrated by several strikes in Belgium and Holland.

But independent class action is still weak. That the strikers, instead of continuing their independent action toward widening their movement, call upon the unions to join them, is an indication that under existing conditions their movement cannot grow larger, and for that reason cannot yet become a political force capable of fighting concentrated capital. But it is a beginning.

Occasionally though, the independent struggle takes a big leap forward, as with the Asturian miners' strikes in 1934, the Belgium miners in 1935, the strikes in France, Belgium and America in 1936, and the Catalonian revolution in 1936. These outbreaks are evidence that a new social force is surging among the workers, is finding workers' leadership, is subjecting social institutions to the masses, and is already on the march.

Strikes are no longer mere interruptions in profit-making or simple economic disturbances. The independent strike derives its significance from the action of workers as an organized class. With a system of factory committees and workers' councils extending over wide areas the proletariat creates the organs which regulate production, distribution, and all the other functions of social life. In other words, the civil administrative apparatus is deprived of all power, and the proletarian dictatorship establishes itself. Thus, class organization in the very struggle for power is at the same time organization, control, and management of the productive forces of the entire society. It is the basis of the association of free and equal producers, and consumers. This, then, is the danger that the independent class movement presents to the capitalist society. Wildcat strikes, though apparently of little importance whether on a small or large scale, are embryonic communism. A small wildcat strike, directed as it is by workers and in the interest of workers, illustrates on a small scale the character of the future proletarian power.

A regrouping of militants must be actuated by the knowledge that the conditions of struggle make it necessary to unite the "legislative and executive powers" in the hands of the factory workers. They must not compromise on this position: All power to the committees of action and the workers' councils. This is the class front. This is the road to communism. To render workers conscious of the unity of organizational forms of struggle, of class dictatorship, and of the economic frame of communism, with its abolition of wages - is the task of the militants.

The militants who call themselves the "Vanguard" have today the same weakness that characterizes the masses at present. They still believe that the unions or the one or the other party must direct the class struggle, though with revolutionary methods. But if it be true that decisive struggles are nearing, it is not enough to state that the labour leaders are traitors. It is necessary,

especially for today, to formulate a plan for the formation of the class front and the forms of its organizations. To this end the control of parties and unions must be unconditionally fought. This is the crucial point in the struggle for power.

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