

COUNCIL CORRESPONDENCE

ENGLISH EDITION

For Theory and Discussion

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THESES ON BOLSHEVISM;

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Produced jointly by the Group of International Communists of Holland.

[First English Translation from "RATEKORRESPONDENZ"]

WHAT'S BEHIND THE NEW DEAL?

DECEMBER, 1934 - No. 3

UNITED WORKER'S PARTY

PAMPHLETS PUBLISHED BY UNITED WORKER'S PARTY

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INTERNATIONAL COUNCIL CORRESPONDENCE

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"THESES ON BOLSHEVISM"

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I. - The Significance of Bolshevism.

1. In Soviet Economy and the Soviet State, bolshevism has created for itself a closed field of social practice. In the Third International, it has organized an instrument for controlling and influencing the labor movement on international paths. Its directives in matters of principle and tactics are elaborated in "Leninism". The question arises: Is the Bolshevik theory, as Stalin says, Marxism in the epoch of imperialism and the social revolution? Is it, accordingly, the axis of the revolutionary movement of the proletariat on an international scale?
2. Bolshevism obtained its international reputation in the proletarian class movement, first, by its consistent revolutionary struggle against the World War of 1914-18 and, secondly, by the Russian Revolution of 1917. Its world-historic importance lies in the fact that, under the consistent leadership of Lenin, it recognized the problems of the Russian Revolution and at the same time created, in the Bolshevik Party, the instrument by which those problems could be practically solved. The adaptation of Bolshevism to the problems raised by the Russian Revolution was brought about by 20 years of painstaking and consistent development with the aid of insight into the fundamental class questions involved.
3. The question of whether this successful mastery of its tasks entitles Bolshevism to leadership, in theory, tactics and organization of the international proletarian revolution involves, on the one hand, an examination of the social bases and preconditions of the Russian Revolution, and, on the other, of the problems of the proletarian revolution in the great capitalist countries.

II. - The Preconditions of the Russian Revolution.

4. Russian society was decisively conditioned by its position between Europe and Asia. While the more progressive economic force and the stronger international position of Western Europe destroyed in Russia, before the end of the Middle Ages, the first beginnings of a commercial capitalist development, the political superiority of oriental despotism created the foundations for the absolutist state apparatus of the Russian Empire. Russia thus occupied, not only geographically but also economically and politically, an intermediate position between the two continents, combining their different social and political systems in its own peculiar way.

5. This internationally ambiguous position of Russia has decisively influenced not only its remote past, but also the problems of its revolution in the first two decades of the 20th century. The capitalist system in the era of imperialist upswing created two mutually opposed but intimately interlaced centers: the highly developed capitalist center of active imperialist advance in the strongly industrialized area of Western Europe and North America, and the colonial center of passive imperialist plunder in the agricultural regions of Eastern Asia. The class menace to the imperialist system thus arises from both these centers: the international proletarian revolution finds its pivot in the highly developed capitalist countries of Europe and America, the national agrarian revolution in the peasant countries of Eastern Asia. In Russia, which stood at the dividing point between the spheres of influence of the two imperialist centers, the two revolutionary tendencies were mingled.

6. The Russian economy was a combination of antiquated agrarian production characteristic of Asia, and of modern industrial economy characteristic of Europe. Serfdom in various forms survived in practice for an enormous majority of Russian peasants. The small beginnings of capitalist agriculture were thus hindered in their development. They merely caused the breaking up of the Russian village, its indescribable pauperization, while leaving the peasant chained to a soil which no longer was able to nourish him. Russian agriculture, embracing four-fifths of the Russian population and more than half the total production, was until 1917 a feudal economy sprinkled with capitalistic elements. Russian industry was engrafted upon the country by the czarist regime, which wanted to be independent of foreign countries especially in the production of army supplies. Since, however, Russia lacked the basis of a well developed system of handicrafts and the rudiments for the building of a class of "free laborers", this state capitalism, though born as mass production, created no wage-working class. It was a system of capitalistic serfdom, and preserved strong traces of this peculiarity down to 1917 in such features as the mode of wage payments, barracking of the workers, social legislation, etc. The Russian workers were therefore not only technically backward, but also to a great extent illiterate and in large part directly or indirectly bound to the village. In many branches of industry, the labor force was made up mainly of seasonal peasant workers who had no permanent connection with the city.

Russian industry until 1917 was a system of capitalist production interpermeated with feudal elements. Feudal agriculture and capitalist industry were thus mutually penetrated with each other's basic elements

and had been combined into a system which could neither be governed by feudal principles of economy nor furnish the foundations for an organic development of its capitalistic elements.

7. The economic task of the Russian Revolution was, first, the setting aside of the concealed agrarian feudalism and its continued exploitation of the peasants as serfs, together with the industrialization of agriculture, placing it on the plane of modern commodity production; secondly, to make possible the unrestricted creation of a class of really "free laborers", liberating the industrial development from all its feudal fetters. Essentially, the tasks of the bourgeois revolution.

8. It was on this foundation that the State of czarist absolutism arose. The existence of this State depended on an equilibrium between the two possessing classes, neither of which was able to dominate the other. If capitalism furnished the economic backbone of that State, its political prop was provided by the feudal nobility. "Constitution", "right to vote", and system of "self-government" could not conceal the political impotence of all classes in the czarist State which, under the conditions of the country's economic backwardness, produced a method of government which was a mixture of European absolutism and Oriental despotism.

9. Politically, the tasks confronting the Russian Revolution were: the destruction of absolutism, the abolition of the feudal nobility as the first estate, and the creation of a political constitution and an administrative apparatus which would secure politically the fulfillment of the economic task of the Revolution. The political tasks of the Russian Revolution were, therefore, quite in accord with its economic presuppositions, the tasks of the bourgeois revolution.

III. - The Class Groupings of the Russian Revolution.

10. Due to the peculiar social combination of feudal and capitalistic elements, the Russian Revolution was also confronted with complicated tasks. It differed in essence as fundamentally from the classic bourgeois revolution as the social structure of Russian absolutism at the beginning of the 20th century differed, say, from that of French absolutism in the 17th century.

11. This difference, corresponding to the dissimilar economic foundation, found its clearest political expression in the attitude of the various classes of Russia toward Czarism and the revolution. From the standpoint of their economic interests, all these classes were fundamentally in opposition to Czarism. In political practice, however, this opposition differed not only in degree but was quite different also in its aim and goal.

12. The feudal nobility fought fundamentally only for the extension of its influence over the absolutist State, wishing to keep it intact for the safeguarding of its privileges.

13. The bourgeoisie, numerically weak, politically dependent and directly bound to Czarism through state subsidies, made numerous shifts in its political orientation. The Decembrist movement of 1825 ~~was only a~~ only a ~~revolutionary~~ ~~attack~~ on the absolutist State.

At the time of the terrorist movement of the Narodniki in the 70's and 80's, they supported the revolutionary movement passively for the purpose of strengthening the pressure on Czarism. They also attempted to utilize, as a means of pressure, the revolutionary strike movements down to the October struggles of 1905. Their aim was no longer the overthrow but the reform of Czarism. During the parliamentary period from 1906 to the spring of 1917, they entered upon a phase of cooperation with Czarism. Finally, the Russian bourgeoisie, in flight from the consequences of the revolutionary struggles of the proletarian and peasant masses, arrived at unconditional surrender to czarist reaction in the period of the Kornilov Putsch, which was designed to reestablish the former power of the Czar. It became counter-revolutionary even before the tasks of its own revolution had been accomplished. The first class characteristic of the Russian Revolution is, therefore, the fact that as a bourgeois revolution it had to be carried through not only without but directly against the bourgeoisie. Thus arose a fundamental alteration of its whole political character.

14. In conformity with their overwhelming majority, the peasants became the social group which at least passively determined the Russian Revolution. While the numerically less important capitalist--middle and upper--peasantry represented a liberal, petty-bourgeois policy, the preponderant number of famishing and enslaved small peasants were forced by elemental necessities into the course of violent expropriation of the large estates. Unable to pursue a class policy of their own, the Russian peasant elements found themselves compelled to follow the leadership of other classes. Until February 1917 they had, on the whole, despite sporadic revolts, been the firm basis of Czarism. As a result of their massive immobility and backwardness, the 1905 revolution collapsed. In 1917 they were decisive in bringing about the end of Czarism, which had organized them in great social units in the army, in that they passively crippled the conduct of the war. By their primitive but irresistible revolts in the villages during the further course of the Revolution, thus doing away with the large estates, they created the necessary conditions for the victory of the Bolshevik revolution which, during the years of civil war, was able to maintain itself only by reason of their further active assistance.

15. In spite of its backwardness, the Russian proletariat possessed great fighting strength, due to the merciless schooling of the combined czarist and capitalist oppression. It threw itself with enormous tenacity into the actions of the Russian bourgeois revolution and became its sharpest and most reliable instrument. As each of its actions, through the clash with Czarism, became a revolutionary one, it developed a primitive class-consciousness which in the struggles of 1917, especially in the spontaneous taking over of dominant enterprises, raised itself to the height of subjective communist will.

16. The petty-bourgeois intelligentsia played a distinct role in the Russian Revolution. Intolerably restricted in material and cultural matters, hindered in professional progress, schooled in the most advanced ideas of Western Europe, the best forces of the Russian intelligentsia stood in the forefront of the revolutionary movement, and by their leadership imprinted upon it a petty-bourgeois, jacobinical stamp. The Russian social-democratic movement, in its professional-revolutionary leader-element, constitutes primarily a party of the

revolutionary petty-bourgeoisie.

17. For the class solution of the problems presented by the Russian Revolution, there arose a peculiar combination of forces. The enormous peasant masses formed its passive foundation; the numerically weaker but revolutionarily strong proletarian masses represented its fighting instrument; the small element of revolutionary intellectuals arose as the master mind of the Revolution.

18. This class triangle was a necessary development of czarist society which was ruled politically by the absolutist, independent State, based on the disfranchised possessing classes; the feudal nobility and the bourgeoisie. The peculiar problems involved in accomplishing the bourgeois revolution without and against the bourgeoisie grew out of the necessity for the overthrow of Czarism, of mobilizing the proletariat and peasantry in the struggle for their own interests and thereby destroying not only Czarism but the existing forms of feudal and capitalist exploitation. Numerically, the peasants would have been able to handle the matter alone, but were politically not in a position to do so as they were unable to actualize their class interests except by subordinating themselves to the leadership of some other class element which in a certain measure determined to what degree the class interests of the peasantry were carried through. The Russian workers developed, in 1917, the beginnings of an independent communist class policy, but lacked the social presuppositions for their victory, which as a victory of the proletarian revolution would have had to be a victory also over the peasantry. This was impossible for the Russian proletariat which, in its various strata, numbered but ten millions. Accordingly they—just like the peasants—had to subordinate themselves to the leadership of a group of intellectuals not organically bound up with their interests.

19. The creation of the organized leadership of the Russian Revolution and the development of an appropriate tactic is the merit of the Bolsheviks. They accomplished the seemingly hopeless task of creating the contradictory alliance between the peasant masses fighting for private property and the proletariat fighting for communism, thus making the revolution under its difficult conditions possible and assuring its success by binding together this contradictory peasant-worker combination with the iron links of their party dictatorship. The Bolsheviks constitute the leadership party of Russia's revolutionary petty-bourgeois intelligentsia; they accomplished the historical task of the Russian Revolution, namely, the fitting of history to the back of the bourgeois-revolutionary peasantry combined with the proletarian-revolutionary working class.

IV. - The Essence of Bolshevism.

20. Bolshevism has all the fundamental characteristics of bourgeois-revolutionary policy intensified by the insight (taken over from Marxism) into the laws of movement of social classes. Lenin's phrase, "the revolutionary social democrat is the Jacobin, linked with the masses", is more than an external comparison. It is rather an expression of the inner technico-political affinity with the movement of the revolutionary petty-bourgeoisie of the French revolution.

21. The basic principle of Bolshevist policy--the conquest and exercise of power by the organization--is Jacobinical. The guiding line of the great political perspective and of its realization through the tactic of the Bolshevist organization fighting for power is Jacobinical; the mobilization of all suitable means and forces of society for the overthrow of the absolutist opponent, combined with the application of all methods which promise success; zigzagging and compromising with any social force which may be used, if even for the shortest time and in the least important sector of the struggle. The fundamental idea of Bolshevist organization, finally, is Jacobinical; the creation of a strict organization of professional revolutionists which will remain a pliant tool of an omnipotent leadership.

22. Theoretically, Bolshevism has by no means developed a thought structure of its own which could be considered a closed system. It has, rather, taken over the Marxist method of looking at classes and adapted it to the Russian revolutionary situation, i.e. basically changed its content while maintaining its concepts.

23. The one ideological achievement of Bolshevism is the connecting of its own political theory as a whole with philosophical materialism. As a radical protagonist of the bourgeois revolution, it falls upon the radical, philosophical ideology of the bourgeois revolution and makes it the dogma of its own view of human society. This fixation upon philosophical materialism is accompanied by a continual backsliding into philosophical idealism which considers political practice as in the last instance the emanation of the action of leaders. (Treason of reformism; idolatry of Lenin and Stalin.)

24. The organization of Bolshevism arose out of the social-democratic circles of intellectual revolutionists and developed through factional struggles, splits and defeats into an organization of leaders with the dominant positions in the hands of the petty-bourgeois intellectuals. Its further growth, favored by the continuously illegal situation, established it as a political organization of military character, based on professional revolutionists. Only through such a straight-laced instrument of leadership could the Bolshevist tactic be carried through and the historical task of Russia's revolutionary intelligentsia be fulfilled.

25. The Bolshevist tactic, in the service of pursuing the conquest of power by the organization, revealed--especially up to October 1917--a powerful inner consistency. Its continual outer fluctuations were essentially only temporary adaptations to altered situations and to altered relations of forces between the classes. In accordance with the principle of absolute subordination of the means to the end, without any consideration of the ideological effect on the classes which it led, the tactic was overhauled even in apparently fundamental questions. It was the task of the functionaries to make each of these maneuvers understandable to the "masses". On the other hand, every ideological stirring among the masses, even when fundamentally in contradiction to the party program, was utilized. That could be done because the only issue was the unconditional capture of masses for its policy. It had to be done because these masses, workers and peasants, had contradictory interests and a completely different consciousness. Precisely for this reason, however, the tactical method of

Bolshevism reveals its connection with revolutionary-bourgeois policy; it is, in fact, the method of that policy which Bolshevism actualizes.

V. - The Directives of Bolshevist Policy.

26. The goal which furnished the starting point of Bolshevism is the overthrow of the czarist system. As an attack on absolutism, it is of revolutionary-bourgeois character. To this goal is subordinated the struggle about the tactical line within the Russian social democracy. In this struggle, Bolshevism develops its methods and slogans.

27. It was the historical task of Bolshevism to weld together, by its leadership tactic, the rebellion of the proletariat and peasantry, who stood on quite different social planes, to the end of common action against the feudal State. It had to combine the peasant revolt (action of the bourgeois revolution at the beginning of the development of bourgeois society) with the proletarian revolt (action of the proletarian revolution at the end of the development of bourgeois society) into a unified action. It was able to do this only by reason of the fact that it unfolded a grand strategy in which use was made of the most diverse class stirrings and tendencies.

28. This utilization strategy begins with the willingness to capitalize the smallest splits and cracks in the opponent's camp. Thus Lenin once spoke of the liberal proprietors as "our allies of tomorrow", while at another time he came out for support of the priests who turned against the government because of their material neglect. He was also ready to support the religious sects persecuted by Czarism.

29. The clarity of Lenin's tactic, however, reveals itself in the fact that, especially as a result of the experiences of 1905, he posed the question of the "allies of the revolution" on the right line, in that he turned more sharply against all compromises with the dominant capitalist groups and restricted the policy of the "ally" and of compromises to the petty-bourgeois and small-peasant elements, i.e. those elements which alone historically could be mobilized for the bourgeois revolution in Russia.

30. The two-class basis of Bolshevist policy is expressed broadly in the tactical slogan of the "democratic dictatorship of the workers and peasants", which in 1905 was made the general guiding line of Bolshevist policy and which still carried with it the illusory idea of some sort of parliamentarism without the bourgeoisie. It was later replaced by the slogan of a "class alliance between the workers and peasants". Behind this formula was concealed nothing but the necessity of setting both these classes in motion for the Bolshevist policy of seizing power.

31. The temporary slogans under which these two classes determining for the Russian Revolution were to be mobilized on the basis of their contradictory interests were ruthlessly subordinated to the one purpose of using the forces of these classes. In order to mobilize the peasantry, the Bolsheviks as early as 1905 or thereabouts coined the slogan of "radical expropriation of the landed proprietors by the peasants". This slogan could be regarded from the peasants' standpoint as an invitation to divide the big estates among

the small peasants. When the Mensheviks pointed out the reactionary content of the Bolshevik agrarian slogans, Lenin informed them that the Bolsheviks had not in the least decided what was to be done with the expropriated estates. To regulate this matter would be the function of social-democratic policy when the situation arose. The demand for expropriation of the large estates by the peasants was thus of a demagogic character, but struck the peasants on the dominant point of their interests. In like manner, the Bolsheviks have also dropped slogans among the workers, e.g. that of the soviets. Determining for their tactic was merely the momentary success of a slogan which was by no means regarded as an obligation of principle on the part of the party with respect to the masses, but as a propagandistic means of a policy having for its final content the conquest of power by the organization.

32. In the period 1906-14, Bolshevism developed, in the combination of legal with illegal activity, the tactic of "revolutionary parliamentarism". This tactic was in accord with the situation of the bourgeois revolution in Russia. With the aid of this tactic, it succeeded in linking the day-to-day guerilla warfare between the workers and Czarism, and between the peasants and Czarism, into the great line of preparation for the bourgeois revolution under Russian conditions. In particular, each step in parliamentary activity on the part of the Russian social democracy bore, in consequence of czarist dictatorial policy, a bourgeois-revolutionary character. In its tactic of mobilizing the two decisive classes of the Russian Revolution in the altered situation between the revolution of 1905 down to the World War, this aim was further pursued and the Duma was used as a tribune for its propaganda among the workers and peasants.

VI. - Bolshevism and the Working Class.

33. Bolshevism has solved the historical problem of the bourgeois revolution in feudal-capitalist Russia with the aid of the proletariat as the active, fighting instrument. It has also appropriated the revolutionary theory of the working class and transformed that theory to suit its purposes. "Marxism-Leninism" is not Marxism, but a filling of the Marxist terminology adapted to the needs of the bourgeois revolution in Russia with the social content of the Russian Revolution. This theory becomes, in the hands of the Bolsheviks, and in spite of its being a means of understanding the class structure and tendencies of Russia, also the means of veiling the actual class content of the Bolshevik revolution. Behind the Marxist concepts and slogans is concealed the content of a bourgeois revolution which had to be brought about, under the leadership of a revolutionary petty-bourgeois intelligentsia, by the united assault of a socialistically oriented proletariat and a peasantry tied to private property, against czarist absolutism, land-owning nobility and the bourgeoisie.

34. The absolute claim to leadership on the part of the revolutionary, petty-bourgeois and jacobinical intelligentsia is concealed behind the Bolshevik conception of the role of the Party among the working class. The petty-bourgeois intelligentsia could expand its organization into an active revolutionary weapon only on condition of attracting and making use of proletarian forces. It therefore called its jacobinical party proletarian. The subordination of the fighting working class to the petty-bourgeois leadership was justi-

fied by Bolshevism on the theory of the "vanguard" of the proletariat--a theory which it extended in practice to the principle that the party is the embodiment of the class. The Party, that is, is not an instrument of the working-class, but the working-class an instrument of the Party.

35. The necessity for basing Bolshevik policy on the two lower classes of Russian society is transcribed by Bolshevism into the formula of a "class alliance between the proletariat and the peasantry"--an alliance in which logically antagonistic class interests are consciously lumped together.

36. The demand for unconditional leadership of the peasantry is disguised by Bolshevism with the formula of the "primacy of the proletariat in the revolution". As the proletariat in its turn is ruled by the Bolshevik Party, the "primacy of the proletariat" means the primacy of the Bolshevik Party and its claim to governing both classes.

37. The Bolshevik pretention of seizing power with the support of two classes finds its highest expression in the Bolshevik concept of the "dictatorship of the proletariat". In conjunction with the concept of the Party as the absolute leader-organization of the class, the formula of the proletarian dictatorship naturally means mastery on the part of the jacobinical-bolshevik organization. Its class content is furthermore completely done away with by the bolshevik definition of the dictatorship of the proletariat as the "class alliance between proletariat and peasantry under the primacy of the proletariat". (Stalin and the program of the Comintern.) The Marxist principle of the dictatorship of the working class is thus distorted by Bolshevism into the rule over two opposed classes by the jacobinical party.

38. The bourgeois character of the Bolshevik revolution is underscored by the Bolsheviks themselves in their revised slogan of the "people's revolution", i.e. the common struggle of different classes of a people in one revolution. That is the typical slogan of every bourgeois revolution which behind a bourgeois leadership brings masses of petty-bourgeois peasants and proletarians into action for its own class aims.

39. In view of the organization's struggle for power over the revolutionary classes, every democratic attitude of Bolshevism becomes a mere tactical chess move. This has been proved particularly in the question of workers' democracy in the soviets. The Leninist slogan of March 1917, "all power to the soviets", bore the typical two-class aspect of the Russian Revolution, for the soviets were the "councils of workers, peasants and soldiers" (i.e. again peasants). Furthermore, the slogan was mere tactic. It was put forth by Lenin in the February revolution because it seemed to assure the "peaceful" transition of control from the social-revolutionary Menshevik coalition to the Bolsheviks by the increase of their influence in the soviets. When, after the July demonstration, the influence of the Bolsheviks over the soviets declined, Lenin temporarily abandoned the soviet slogan and demanded the organization of other slogans of insurrection by the Bolshevik Party. It was only when, as a result of the Kornilov Putsch, the bolshevik influence in the soviets again sharply increased, that Lenin's party again took up the soviet slogan.

Since the Bolsheviks regarded the soviets preponderantly as organs of insurrection instead of as organs of self-government of the working class, they made it all too clear that to them the soviets were only a tool by the aid of which their party could take over the power. This has been demonstrated in general practice, not only by their organization of the soviet state after the conquest of power, but also in the special case of the bloody repression of the Kronstadt rebellion. The peasant-capitalist demands of this insurrection were granted by the NEP; its proletarian-democratic demands, however, were drowned in working-class blood.

40. The struggle over the content of the Russian soviets led, as early as 1920, to the formation of a genuine, though on the whole still weak, communist current in the Party. The workers' opposition (Utyanikov) represented the idea of carrying through soviet democracy for the working-class. Like all other serious oppositions of this nature, later on, it was eradicated by imprisonment, exile and military execution, but its platform remains as the historical starting point for an independent, proletarian-communist movement against the Bolshevik regime.

41. The attitude of the Bolsheviks toward the trade union question is likewise determined from the point of view of control and leadership of the workers by the Bolshevik party. In Russia, the Bolsheviks have completely taken away from the trade unions their character of labor organizations, by governmentalizing and militarizing them by the compulsory character imposed upon them after the conquest of power. In the other countries, the final result of the Bolshevik policy has been to protect the bureaucratic, reformist trade-union organizations, and instead of the breaking up of such organizations, the Bolsheviks have advocated the "conquest" of their apparatus. They were bitter opponents of the idea of revolutionary, industrial organizations because these latter embodied democratic democracy. The Bolsheviks fought for the conquest or renovation of organizations controlled by the centralistic bureaucracy, which they thought to rule from their own command posts.

42. As a leader-movement of jacobinical dictatorship, Bolshevism in all its phases has consistently combatted the idea of self-determination of the working class and demanded the subordination of the proletariat to the bureaucratized organization. In the discussion which took place, prior to the war, on the question of organization within the Second International, Lenin was a violent and vindictive opponent of Rosa Luxemburg and supported himself outspokenly on the centrist Kautsky, who during and after the war clearly revealed his policy of class betrayal. Bolshevism had even then, as constantly since, proved that it not only has no understanding of the question of developing the consciousness and the class organizations of the proletariat, but that it also combats with all means all theoretical and practical attempts to develop actual class organizations and class policies.

VII. - The Bolshevik Revolution.

43. Bolshevism has called the revolution of February the bourgeois revolution, and that of October the proletarian revolution in order to be able to pass off its later regime as proletarian class rule and

its economic policies as socialism. The absurdity of this division of the revolution of 1917 becomes clear merely from consideration of the fact that in that case a development of seven months would have sufficed to create the economic and social presuppositions for a proletarian revolution in a country which had just entered the process of its bourgeois revolution, i.e. simply to leap an economic and social phase of development that would at least require decades. In reality, the revolution of 1917 is a quite unitary social process of transformation, beginning with the collapse of Czarism and attaining its climax with the victorious armed insurrection of the Bolsheviks on November 7th. This violent process of transformation is that of Russia's bourgeois revolution under the historically created, peculiar Russian conditions.

44. In this process, the party of the revolutionary, jacobinical intelligentsia seized power on the two social waves of peasant and proletarian mass insurrection and created in the place of the shattered governing triangle, Czarism, nobility, bourgeoisie, the new governing triangle, bolshevism, peasantry, working class. Just as the state apparatus of Czarism ruled independently over the two possessing classes, so the new Bolshevik state apparatus began to make itself independent of its double class basis. Russia stepped out of the conditions of czarist absolutism into those of Bolshevik absolutism.

45. Bolshevik policy attains, during the revolutionary period, its highest point in the way of embracing and mastering the class forces of the revolution. The apex of their revolutionary tactic is reached in the preparation and carrying out of the armed insurrection. The question of the violent uprising became for the Bolsheviks a question of an exact, thoroughly scheduled and planned military action, the head of which as well as its driving and controlling force was the Bolshevik Party with its military formations. Conception, preparation and execution of the armed insurrection by the Bolsheviks bear the obvious stamp of the jacobinical conspiracy, (in the Russian Revolution again the only possible policy) that is, of insurrection under the peculiar conditions of carrying through the bourgeois revolution against the bourgeoisie.

46. The inner character of the Bolshevik revolution as a bourgeois revolution reveals itself in its economic slogans. To the peasant masses, the Bolsheviks represented the violent expropriation of the large estates by the spontaneous action of the land-hungry small peasantry. They perfectly expressed in their agrarian practice and slogans (Peace and Land) the interests of the peasants fighting for the security of small private property, hence on capitalistic lines, and were thus, on the agrarian question, ruthless champions of small-capitalist, hence not socialist-proletarian interests against feudal and capitalist landed property.

47. Nor with regard to the workers were the economic demands of the Bolshevik revolution filled with a socialist content. Lenin on several occasions repelled with distinct sharpness the Menshevik criticism that Bolshevism represented a utopian policy of socialization of production in a country not yet ripe for it. The Bolsheviks declared that in the revolution it was not at all a question of socialization of production, but of control of production by the worker

The slogan of control of production served the attempt to maintain capitalism as a force for technical and economic organization of production, but depriving it of its character of exploitation. The bourgeois character of the Bolshevik revolution and the Bolshevik self-restriction to this bourgeois economic character, as opposed to the consolidation of the results of the overthrow of 1917, could not be shown more clearly than in this slogan of control of production.

48. The elemental force of the workers' attack, on the one hand, and the sabotage of the dethroned employers on the other, meanwhile drove the Bolshevik industrial policy further into taking over the industrial enterprises by the new governmental bureaucracy. The state economy which at first, throughout the period of war communism, was most choked from overorganization (Stavism), was denoted by Lenin as state capitalism. The designation of the Bolshevik state economy as socialist is a product of the Stalinist era.

49. Lenin himself had, however, no other fundamental conception of socialization of production than that of a bureaucratically conducted state economy. To him the German war economy and the postal service were illustrations of socialist organization, i.e. economic organization of an outright bureaucratic character, centralistically controlled from above. He saw only the technical, not the proletarian, social side of the socialization problem. Lenin likewise based himself, and with him Bolshevism in general, on the concepts of socialization propounded by the centrist Hilferding, who in his "Finance Capital" had sketched an idealized picture of a completely organized capitalism. The actual problem in socializing production, i.e. the taking over of the enterprises and the organization of the economy through the working class and its class organizations, the shop councils; Bolshevism has completely passed it by. It had to be passed by because the Marxist idea of the association of free and equal producers is directly opposed to the essence of the rule of a Jacobinical organization, and because Russia did not possess the social and economic conditions necessary for socialism. The socialization concept of the Bolsheviks is therefore nothing but a capitalist economy taken over by the State and directed from the outside and from above by its bureaucracy. The Bolshevik socialism is state-organized capitalism.

VIII. - Bolshevik Internationalism and the National Question.

50. During the World War, the Bolsheviks represented a consistently international standpoint under the slogan "Convert the imperialist war into civil war" and had apparently conducted themselves as consistent Marxists. But their revolutionary internationalism was as much determined by their tactic in the struggle for the Russian Revolution as was later their swing to the NEP. The appeal to the international proletariat was only one side of a large-laid policy for international support of the Russian revolution. The other side was the policy and propaganda of "national self-determination" in which the class outlook was even more definitely sacrificed than in the concept of "people's revolution", in favor of an appeal to all classes of certain peoples.

51. This double-faced "two-class internationalism" of the Bolsheviks corresponded to the international situation of Russia and of

revolution. Russia stands between the two centers of the imperialist world system, geographically and sociologically. In Russia, where the active imperialist and the passive colonial tendencies met, the system collapsed. The reactionary classes of Russia were incompetent to put it together again, as their decisive defeat in the Kornilov Putsch and later in the civil war has proved. The only real danger threatening the Russian revolution was that of imperialist intervention. Only military invasion on the part of imperialist capital could strike down Bolshevism and restore Czarism - the old regime which had been built into the world system of imperialist exploitation both as an instrument and as material at the same time. The problem of active defense of Bolshevism against world imperialism consisted, therefore, in counter-attacking in the imperialist centers of power. This was brought about through the two-sided international policy of Bolshevism.

52. With the standpoint of the international proletarian revolution, Bolshevism propagated an internal attack by the international proletariat on the center of world imperialism in the highly developed capitalist countries. With the policy of "the right to national self-determination" Bolshevism propagated an attack by the oppressed peasant peoples of the Far East on the colonial center of world imperialism. In a double-phased international policy adjusted to tremendous perspectives, Bolshevism attempted to lengthen the proletarian and peasant arms of its revolution into the international stretches of world capitalism.

53. The position of Bolshevism on the "national question" is practical, hence not merely an expedient of the bourgeois revolution of its own country, - a revolution which wished to strike Czarism with the aid of the national instincts of the oppressed peasant elements, and nationalities of the Russian Empire. It is, at the same time, the peasant internationalism of a bourgeois revolution which was accomplished in the age of world imperialism and which could hold out in the meshes of the imperialist net only with the aid of an internationally oriented and activated counter-policy.

54. As instruments of Bolshevik leadership for this policy of international support for the bourgeois revolution accomplished on Russian soil, Bolshevism attempted to create two international organizations: the Third International to mobilize the workers of the highly developed capitalist countries, and the Peasant International as an organization for Bolshevik mobilization of the oriental peasant peoples. As the final guiding thought of this international double-class policy there appeared the idea of the world revolution, in which the international (European-American) proletarian revolution and the national (mainly Oriental) peasant revolution were to be riveted into a new international unity of bolshevik world policy under the strict leadership of Moscow. Thus the concept of "world revolution" has for the Bolsheviks an altogether different class content. It no longer has anything in common with the international proletarian revolution.

55. The international policy of Bolshevism was thus directed to repeating the Russian Revolution on a world scale by simultaneous utilization of the proletarian and the peasant-bourgeois revolutions and thereby making the leadership of the Bolshevik party of Russia

the commander of a world bolshevik system of coupling together the communist-proletarian and peasant-capitalist interests. This policy was insofar positive as it has protected the Bolshevik State from imperialist invasion by continually disquieting the capitalist States, and thereby has given it time to build itself gradually into the world imperialist system again by the capitalist methods of commercial relations, economic agreements and non-aggression pacts. It has given Russia the opportunity for an unhindered national building up and extension of its own internal position. The two-front policy of Bolshevism was negative in that on both sides the attempt to carry over the active bolshevik policies onto a world scale has collapsed. The experiment of the Peasant International has completely broken down with the defeat of bolshevik policy in China. The Third International, after the pitiful collapse of the Communist Party of Germany, is no longer a factor in bolshevik world policy. The gigantic attempt to transplant the bolshevik policy of Russia into world relations is historically a failure, and proves the national, Russian limitations of Bolshevism. At any rate, the bolshevik experiment in international Machtpolitik has afforded time and space for the retreat of Bolshevism onto its national (Russian) position and for the conversion to capitalist-imperialist methods of international policy. Theoretically, this retreat found its expression in the formula "socialism in one country", thereby removing the international ties from the concept of "socialism" after the Russian economic practice had already robbed it of its proletarian class content and turned it into a disguise of state-capitalist tendencies found as well in reformism and in petty-bourgeois fascism.

56. Actually, it is unessential, now that we have the results of 15 years of the bolshevik State and of the bolshevik international, whether Lenin at or before the founding of the Comintern had or had not a different idea about the effect of this bolshevik international. In practice, Bolshevism with its concept of the "right to national self-determination" has developed the tendencies to a world-bolshevik Machtpolitik. It has also, through the Comintern, decisively contributed to the result that the European proletariat was unable to rise to the height of revolutionary communist insight and instead remained stuck in the mud of reformist concepts revived by Bolshevism and decorated with revolutionary phrases. Thus it has come about that the concept of the "Russian Fatherland" has become the cornerstone of the whole policy of the bolshevik parties, whereas for proletarian communism the international working class stands at the center of all international orientation.

IX. - State Bolshevism and the Comintern.

57. The establishment of the Soviet State was the establishment of the rule of the party of bolshevik-Machiavellism. The sociological basis of this state power, made independent of its supporting classes and creating the new social element of the bolshevik bureaucracy, was composed of the Russian proletariat and peasantry. The proletariat, enchained with the methods of compulsory membership in the trade unions and the terrorism of the Tobska, formed the basis of the bolshevistic, bureaucratically conducted state economy. The peasantry concealed and still conceals in its ranks the private capitalist tendencies of that economy. The Soviet State in its inner policy was continually being tossed back and forth between the two tendencies.

It has attempted to master them through violent organizational methods such as the five-year plan policy and compulsory collectivization. In practice, however, it has only increased the economic difficulties to the danger point of an explosion of the economic contradictions by the intolerable overextension of the forces of the workers and peasants. The experiment in bureaucratically planned state economy can by no means be denoted as a complete success. The great international cataclysms threatening Russia are bound to increase the contradictions of its economic system till they become intolerable and may enormously hasten the collapse of the hitherto gigantic economic experiment.

58. The inner character of Russian economy is determined by the following circumstances: it rests on the foundation of commodity production; it is conducted according to the viewpoints of capitalist profitability; it reveals a decidedly capitalist system of wages and speed-up; it has carried the refinements of capitalist rationalization to the utmost limits. Bolshevist economy is state production with capitalistic methods.

59. This state form of production also produces surplus value, which is squeezed out of the workers in fullest measure. The Russian State does not, to be sure, reveal any class of people who individually and directly are the beneficiaries of the surplus-value production, but it pockets this surplus value through the bureaucratic, parasitical apparatus as a whole. In addition to its own quite costly maintenance, the surplus value produced serves for the expansion of production, the support of the peasant class and as a means of settlement for the foreign obligations of the State. So that, in addition to the economically parasitical element of the ruling bureaucracy, the Russian peasants, as a distinct part of international capital, are the beneficiaries of the surplus value produced by the Russian workers. The Russian state economy is therefore profit production and exploitation economy. It is state capitalism under the historically unique conditions of the bolshevik regime, and accordingly represents a different and more advanced type of capitalist production than even the greatest and most advanced countries have to show.

60. The foreign policy of the Soviet Union has been subordinated to the point of view of securing the position of the Bolshevist Party and of the state apparatus which it controls. Economically, the Russian government fought for support of its industrial construction, which was pushed forward with the greatest exertions. The isolation of Soviet Russia's economy led to a strenuous policy of doing away with the compulsory autarchy while maintaining control of the foreign trade monopoly. Commercial treaties, concessionaire agreements, as well as extensive credit arrangements, reestablished the bond of Russian state economy with capitalist world production and its markets, into which Russia entered partly as a courted customer and partly as a keen competitor. On the other hand, the policy of economic attachment to world capital compelled the soviet government to cultivate friendly and peaceful relations with the capitalist powers. The principles of a bolshevist world policy, where they were still propagated, were opportunistically subordinated to the bare commercial treaty. The entire foreign policy of the Russian government took on the stamp of a typically capitalist diplomacy and thus, in the international sphere, definitely tore bolshevist theory loose from bolshevist practice.

61. In the center of the foreign propaganda of the Comintern, Bolshevism placed the thesis of "imperialist encircling of the Soviet Union" though such a phrase did not harmonize in the least with the complicated lines of imperialistic conflicts of interests and their continually changing groupings. It attempted to mobilize the international proletariat for its foreign policy and, through a partly parliamentary partly putschist policy on the part of the communist parties, to create unrest in the capitalist states from within and thereby strengthen the diplomatic and economic position of the Soviet Union.

62. The oppositions between the Soviet Union and the imperialist powers led to the ideological counter-propaganda of the Comintern under the slogans: "Menace of War against the U.S.S.R.", "Protect the Soviet Union". In that the workers were presented with these oppositions as the only and determining ones in world policy, they were prevented from gaining an insight into the actual realities of international politics. The adherents of the communist parties became, before everything else, blind and opportunistic defenders of the Soviet Union and were kept in ignorance of the fact that the Soviet Union had long ago become a full-fledged factor in imperialist world politics.

63. The continual cry of alarm about an imminent war by the combined imperialist powers against the U.S.S.R. served in domestic politics for justifying the intensified militarization of labor and the increased pressure on the Russian proletariat. At the same time, however, the Soviet Union had and has the greatest interest in the unconditional avoidance of any military conflict with other States. The existence of the bolshevik government depends internally in large measure on the avoidance of all convulsions in the sphere of foreign politics, both military as well as revolutionary. Therefore the Comintern has in practice, in crying contradiction to its old theory and propaganda, carried on a policy of sabotage of all real revolutionary proletarian development and in the communist parties somewhat openly spread the conception that the upbuilding of the Soviet Union must first be secured before the proletarian revolution in Europe can be pressed further. On the other hand, the Russian government has, to be sure, employed strong gestures against imperialist powers for the sake of prestige, but in practice always capitulated to them. The "sale" of the Manchurian railway is an example of the unresisting capitulation of the U.S.S.R. to the imperialist opponent. The over-hasty recognition of the Soviet Union by the United States at the same point of time is, conversely, a proof that the imperialist powers, within the bounds of their policy of opposing interests, also know how to give a positive value to the factor represented by the Soviet Union. But especially has the Soviet Union documented its bond with capitalism by arranging and extending particularly close economic relations with Italian fascism and Hitler Germany. The Soviet Union appears as a reliable economic, and hence also political, support of the most reactionary fascist dictatorships in Europe.

64. The policy of unconditional understanding of the U.S.S.R. with capitalist and imperialist States has not only economic grounds. Nor is it merely an expression of military inferiority. The Soviet Union's "peace policy" is, rather, quite decisively guaranteed by the inner situation of Bolshevism. Its existence as an independent state power

depends on its success in maintaining an equilibrium between the dominated working class and the peasantry. In spite of the progress made in industrializing the country, the position of the Russian peasantry is still extremely strong. First, in its hands still rests in large measure, in spite of all repressive policies from above, the decision about the feeding of the country. Secondly, collectivization has strengthened not only the economic, but also the political power of the peasantry which as before is still fighting for private capitalist interests. (For "collectivization" in Russia means a collective union of privately owning peasants with the maintenance of capitalistic methods of accounting and distribution.) In the third place, finally, a war and the mass arming of the peasantry would form the conditions for a renewed and violent peasant revolt against the bolshevik system; just as, on the other hand, a revolution by the European proletariat would also make probable an open rebellion by the Russian workers. On these grounds, the policy of understanding between the Soviet government and the imperialist powers is a life necessity of bolshevik absolutism.

65. The Comintern itself has become a tool for the misuse of the international working class for the opportunist aims of national glorification and the international security policy of the Russian State. It arose, in its extra-Russian parts, from combining the revolutionary cadres of the European proletariat. By utilizing the authority of the bolshevik revolution, the organizational principle and tactic of Bolshevism was forced upon the Comintern with the utmost brutality and without regard for immediate splits. The executive committee (E.C.C.I.) - another tool of the leadership of Russia's governmental bureaucracy - was made the absolute commander of all communist parties and their policy was completely cut loose from the actual revolutionary interests of the international working class. Revolutionary phrases and resolutions served as a cloak for the counter-revolutionary policy of the Comintern and its parties, which in their bolshevik manner became as adept in working class betrayal and unrestrained demagogy as the social-democratic parties had been. Just as reformism went down, in the historical sense, on the fusion of its apparatus with capitalism, so the Comintern suffered shipwreck by the connection, through its apparatus, with the capitalist policy of the Soviet Union.

X. - Bolshevism and the International Working Class.

66. Bolshevism, in principle, tactic and organization, is a movement and method of the bourgeois revolution in a preponderantly peasant country. It brought the socialistically oriented proletariat and the capitalistically oriented peasantry to a revolutionary uprising, under the dictatorial leadership of the jacobinical intelligentsia, against the absolutist State, feudalism and the bourgeoisie, for the purpose of smashing feudal-capitalistic absolutism, and, in a great strategy of turning everything to advantage, joined together the opposed proletarian and peasant class-interests with the aid of insight into the class character of the laws of social development.

67. Bolshevism is therefore not only unserviceable as a directive for the revolutionary policy of the international proletariat, but is one of its heaviest and most dangerous impediments. The struggle against the bolshevik ideology, against the bolshevik practices and

hence against all groups seeking to anchor them anew in the proletariat is one of the first tasks in the struggle for the revolutionary reorientation of the working class. Proletarian policy can be developed only from the proletarian class ground and with the methods and organizational forms adapted thereto.

WHAT'S BEHIND THE "NEW DEAL"?

The New Deal is no harbinger of a "new social order", nor is its apostle, Franklin Delano Roosevelt, self-proclaimed Messiah for the "forgotten man", the really unselfish and public-spirited individual he is portrayed.

Roosevelt's election was engineered, just like all other previous elections, by a group of individuals whose economic interests required urgent governmental aid.

The fall of 1932 saw the complete collapse of American industry and a rising tide of agrarian discontent. The current occupant of the White House, Herbert Hoover, placed there by the Morgan and Mellon financial interests, appeared totally oblivious to the desperate straits of these two groups. It was only natural that these groups should strive for that political power in the coming election which would enable them to pass beneficial legislation for themselves.

Why was Roosevelt selected to "lead" the country out of economic chaos? Not only because he had caught the nation's attention as a much advertised "liberal" politician, but even more so because his own economic interests were identical with those of the group pushing his candidacy.

James Roosevelt, father of Franklin D., one-time vice-president of the Delaware & Hudson R.R., accumulated such a tremendous fortune in railroad organization, both down South following the Civil War, and in the East, that he was considered one of the five richest men in New York City. Although young Franklin D., had expressed a desire to enter the Navy, the elder Roosevelt persuaded him to study law instead and thus better equip himself for the ultimate management of the extensive Roosevelt holdings. Following graduation from Harvard and Columbia Law School, Roosevelt entered the offices of the best established firm of management lawyers in New York City. While in their employ, he directed the affairs of the huge Astor estate, and thereby established a very close friendship with William Vincent Astor, one of the country's most influential industrialists and bankers. In a spirit of fun, Roosevelt then entered politics. Running for the state Senate on the Democratic ticket, he surprised everyone by capturing the office. No sooner was he seated, than Roosevelt, the comparatively unknown, drew national attention to himself by leading an opposition to the Tammany nomination for U.S. senator (in those days, 1911, they were elected by the state legislature). Thus he gained through his one act that unfounded reputation for unselfish devotion to the people's interests that has endured to this day. Next Roosevelt boosted Woodrow Wilson for the Democratic presidential

nomination in 1912, stumping for him afterwards during the successful election campaign. As a reward, Wilson appointed him Assistant Secretary of the Navy. Roosevelt spent seven years in this position. Several months ago, the Administration publicity agencies made much of the State department's order removing the U.S. Marines who had been stationed in San Domingo (Haiti). They discreetly neglected to mention that it was this same Franklin D. Roosevelt who sent them there in 1913 in his first official act as Assistant Secretary ostensibly to protect American lives, actually to protect American investments, Astor interests among others! During the summer and fall of 1915, our peace-loving Asst. Secretary of the Navy began preparing the Navy for eventual participation in the World War, two years before our actual entry! In addition, he developed a gift for oratory and began to advocate publicly for a much larger Navy. This missionary work was largely instrumental in causing President Wilson to sponsor the largest Navy appropriation bill up to that time. Passed in 1916, it provided an appropriation of \$320,000,000 for naval expansion.

After America was propagandized into the war, thanks to paid Allied propaganda plus the help tendered by American financial interests (J.P. Morgan & Co.) and young jingoists of the Roosevelt type, our hero proved himself quite capable. Roosevelt invented the "Macy Board" the first governmental war labor board, which coordinated wages in every part of the country. The National War Labor Board developed from this. This latter Board showed its regard for Labor by forbidding all strikes for the termination of the war. Roosevelt also served as representative of the Navy on the War Labor Policies Board, charged with working out labor policies. In his capacity as Navy labor expert, Roosevelt helped "arbitrate" labor disputes pertaining to the Navy construction yards. This work brought him into contact with various American Federation of Labor officials, who all displayed great patriotism and extreme reasonableness in their dealings.

The greatest of these patriots and the most reasonable in his demands was the vice-president of the International Association of Machinists. Roosevelt never forgot the favors he received from this official, and so when the C.C.C. was instituted last year, at its head was placed this sterling patriot, Robert Fechner.

After helping to win the war to "make the World Safe for Democracy", Roosevelt returned to civilian life, resuming his law practice. At Alfred E. Smith's behest, he reentered politics, gaining the governorship of New York in 1928, and again in '30. During this period, the Governor discovered he possessed a remarkable radio voice, for a politician. From such humble beginnings sprang that great American Institution: Intimate Fireside Chats With The President (through the courtesy of both broadcasting systems).

His administration as governor, in spite of press-agency to the contrary, shows no benefits for labor. The legislation to which Roosevelt points with greatest pride as a boon to labor, The New York State Old Age Pension Act, doesn't benefit labor at all. Not only must applicants be 70 years or over, (surely no help to most workers who never reach 60, let alone 70 because of modern working conditions but the procedure is so loaded with red-tape that really needy individuals without money for legal aid can hardly hope to secure its meagre benefits.

Roosevelt is not the only member of his family with extensive railroad holdings. His first cousin on his mother's side, Lyman Delano, is today Chairman of the board of directors of the Atlantic Coast Line R.R.Co., the Louisville & Nashville, and has an interest in many others. Other relatives are J.J.Pelley, recently resigned president of the New York, New Haven & Hartford R.R., and a shareholder in others; and Mr. Curry of the Union Pacific. Roosevelt's three most intimate friends are likewise industrialists with huge railroad holdings. The aforementioned Vincent Astor, besides extensive interests in industry and ocean transportation, is a director of the Great Northern Ry.Co., and the Illinois Central. Wm.A.Harriman, heir of the old railroad king, is a director of both the Illinois Central and the Union Pacific. Wm.K.Vanderbilt holds directorates in the New York Central, the Michigan Central, and other railroads. Besides these relatives and close friends, all who supported Roosevelt's presidential campaign with substantial financial contributions, almost every other railroad mogul in the country likewise backed him: Robert Goellet, Arthur C. James, Edward S. Harkness, C.S.McCain, David Bruce, Howard Bruce, Wm.T.Kemper, and F.H.Rawson. The railroad group behind Roosevelt numbered almost everyone but, significantly enough, the representatives of the roads controlled by the J.P.Morgan financial interests.

The railroads had indeed taken the worst beating of any capitalist group during the period of the crisis, and certainly needed help. For example, in 1932, 150 selected railroads showed a deficit of \$150,634,00 compared to earnings of \$896,807,000 in 1929. The railroad equipment industry led by Wm.Woodin also marshalled behind Roosevelt.

Another section of industry that rallied behind Franklin D., was the mining, particularly the precious metals - gold and silver - group. Most prominent here were the Guggenheim and Bernard M.Baruch interests, exerting a virtual monopoly on silver through control of the American Smelting & Refining Co., which either extracts or refines for others almost one-half of the world silver produced yearly. Included with these is also Wm.R.Hearst, newspaper publisher, large Mexican silver mine owner and shareholder in the Homestake Gold Mining Co. This group in advocating gold devaluation and greater use of silver for monetary purposes enlisted the large farmers' vote who demanded that farm product prices be raised through monetary legislation.

A political party that promised to raise farmer purchasing power, (fallen in 1932 to almost one-half that of 1929) was bound to gain the support of industrial interests dependent on the farmer; and so we find the McCormicks, owning the monopolistic International Harvester Co., and other farm implement and fertilizer manufacturers joining the Roosevelt band-wagon.

Minor industrial interests included the liquor concerns who wanted repeal of the Prohibition Amendment, and construction industry moguls such as C.R.Crane of Crane Co., Jesse H. Jones (R.F.C. head) and J.T. Jones of the Jones Lumber Co., etc.

Behind both political parties was also a grim struggle between two factions for control of the giant Chase National Bank. Backing the Republican Hoover were his 1928 mentors, the House of Morgan. Opposing

J.P.Morgan was this other group of stockholders headed by John Rockefeller, Jr., and including Vincent Astor, the Vanderbilts and Guggenheims. The fight centered about the policy of J.P.Morgan, who controlled the bank, in forcing the Chase National to engage in practices outside its own legitimate field, such as lending money for speculative purposes, the floating of new stock and bond issues, and buying and selling on the stock market. Rockefeller, Jr., and his allies who are primarily industrialists, violently disapproved of this policy blaming it in great part for the stock market crash of '29. They not only wanted to gain control of the bank and return it to its normal commercial banking practice, which is to provide funds to industry and business for meeting current expenses, on good security, but they wanted control of the federal government in order to enact federal legislation against the Morgan policy which had become widespread under the influence and example of the Chase National. The Lehman Bros. (among which is Gov. H.H.Lehman of N.Y.) the country's second largest firm of investment bankers, and other investment houses such as Halsey Stuart, supported this attempt to legalize against their competitors.

Roosevelt was no sooner inaugurated than he commenced to remember the "forgotten men". First on the list, of course, were the Rockefellers, So on March 15, 1933, J.P.Morgan was summoned before the Senate Banking Investigation. His revelations and those of Albert H. Wiggin, the nominal head of the Chase National appointed by Morgan, were so damaging that Wiggin was forced to resign and the Rockefellers gained the balance of voting power, enabling them to elect their own man Winthrop W. Aldrich to the Chairmanship of the Board of the Chase National Bank. When Aldrich appeared before the Banking Investigation, he announced that the Chase National would divorce its Chase Securities Corp. He argued for a complete divorce of the securities business and commercial deposit banking. This suggestion was embodied in the Glass-Steagall Banking Act (June 16, 1933) ordering all commercial banks to be separated from their securities business within twelve months. Restrictions were also placed against loans for speculative purposes.

The devaluation of the gold dollar, followed later by the nationalization of silver, enriched immediately the gold and silver producers. This monetary policy plus crop curtailment as practiced by the A.A.A. has increased farm prices to some degree. The Administration, however, overlooked the obvious fact that higher food prices raise the cost of living for the worker, which is directly opposed to the interests of the industrialist who desires low production costs.

The N.R.A. whose first form was suggested by Bernard M. Baruch as the result of his war-time experience as Chairman of the War Industries Board, was administered by Hugh Johnson (a former employe and disciple of Baruch's) in such fashion as to allow the natural tendency toward monopoly inherent in capitalism to develop unrestrictedly. Codes were drawn by the largest industrialists in each industry and naturally they were drawn in their own interests. Minimum wages and hours served to eliminate the small competitors who were only able to stay in the race by paying unbelievably low wages and working long hours. Governmental restriction, therefore, helped to liquidate these small fry and fostered monopoly. Since anti-trust restrictions have been set aside during the course of N.R.A., it is evident that this phase will be continued.

In the effort to help those other "forgotten men", the backbone of his political support, the railroad and addiliated interests (including himself) the President has been forced to adopt a cautious and slow policy. Because they are subject to federal regulation, the railroads present a delicate problem. Rates cannot be arbitrarily raised without consent of the Interstate Commerce Commission. Competition at the hands of the bus, waterway and the aeroplane has caused a great drop in railroad traffic. For example: volume of freight traffic today is only 60% that of 1929; passenger traffic today is only 50% of 1929 and 33% of 1920. A coordinator of railroads was established after Roosevelt took office. His job has been to develop a plan to reestablish the roads. His plans call for greater consolidation among the various competing roads which would eliminate competition between them -- one of the requirements of the I.C.C. In addition, it has been suggested that the I.C.C. be reorganized with separate divisions for railroads, motor lines, air lines and other carriers in a coordinated system of government regulation. If these plans are carried through, and they should considering Roosevelt's hold on Congress today, then the railroads will become more of a monopoly than ever, and rival forms of transportation will suffer. The government will also be forced to subsidize the railroads in order to modernize them. Private capital could hardly finance the costs involved today.

Having secured most of its real objects, or about to secure them, the "New Deal" can now afford to drop its mask of "radicalism". Overtures have been made to big business assuring it that the administration is inherently devoted to preserving the profit system. Because of Labor's growing militancy and its refusal to obey and accept docilely the traditional trade-union leadership of the A.F. of L., in the face of ever-growing misery, a change in the governmental labor policy may be expected shortly. In return for some sop, such as unemployment insurance of a kind, labor will be made to give up its right to strike. Once the strike is outlawed, is made illegal, wage cuts will become the rule. Of course, Labor will be asked to accept these cuts only "temporarily until business revives!"

Our only conclusion is that Labor only by completely changing the social and economic system can really and truly give itself a New Deal for all time.

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To those who have written in asking for additional copies of the first issue of Council Correspondence, we are sorry to say that this issue is entirely sold out. We hope to get out the feature article, "What is Communism" in pamphlet form sometime in the near future, and when we do we will notify the workers who have sent in these requests. We still have a few copies of the November issue.

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