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*For Theory and Discussion*

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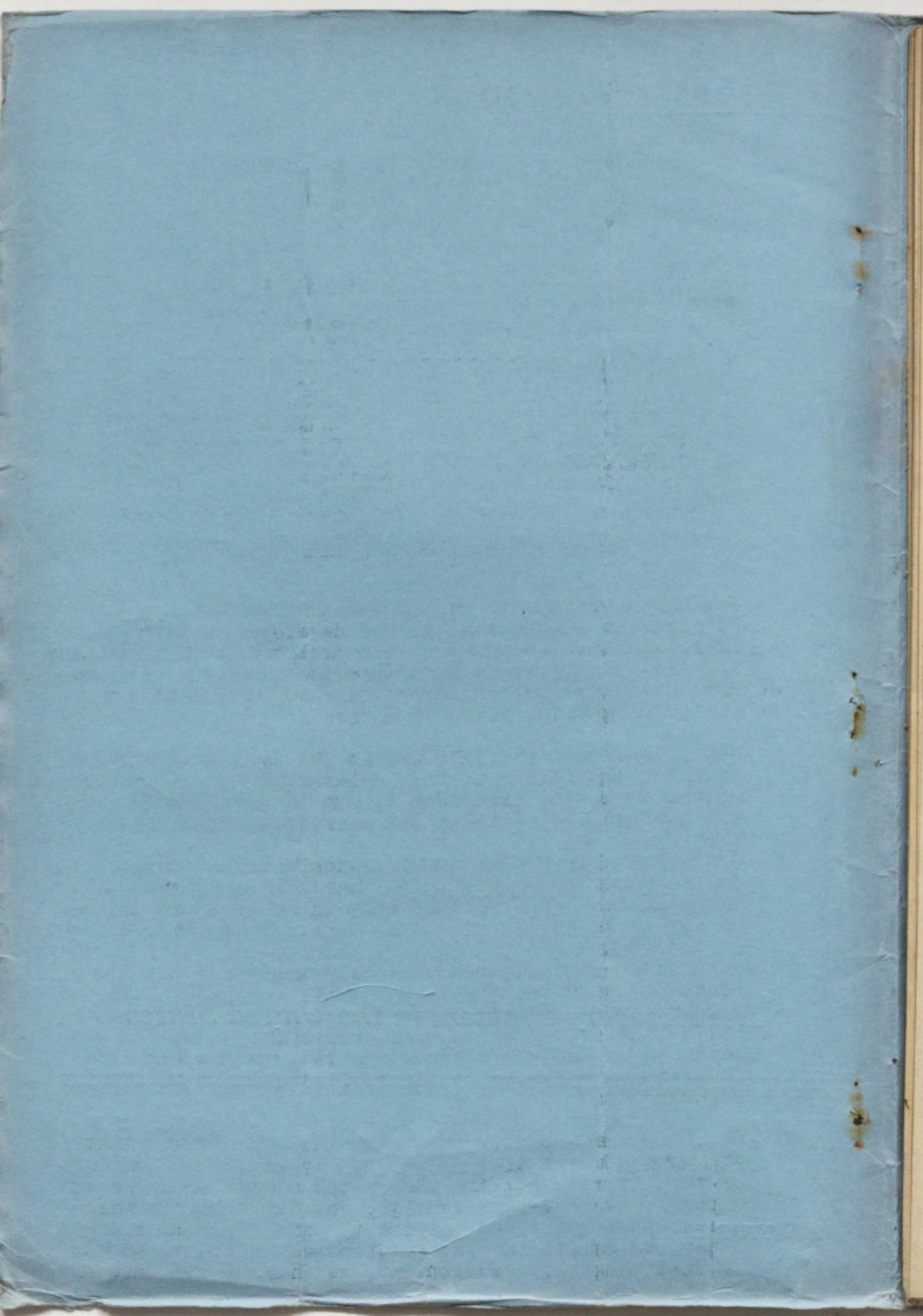
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INTERNATIONAL

# COUNCIL

CORRESPONDENCE

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By the Groups of Council Communists of America

The period of progressive capitalist development is historically closed. The decline period of capital, a permanent condition of crisis, compels to ever greater convulsions of economy, to new imperialistic and military conflicts, to ever increasing unemployment and to general and absolute impoverishment of the workers. Thus is given the objective situation for the communist revolution in the capitalist countries. For the working class, there is only the revolutionary way out, which leads to the communist society. No one can deprive the workers of this task, which must be carried out by the class itself.

The publishers of Council Correspondence see in the acting self-initiative of the workers and in the growth of their self-consciousness the essential advance of the labor movement. We therefore combat the leadership policy of the old labor movement, and call upon the workers to take their fate in their own hands, to set aside the capitalist mode of production and themselves to administer and direct production and distribution in accordance with social rules having universal validity. As a fighting slogan and statement of goal we propose:

All power to the workers' councils! The means of production in the hands of the Workers!

## ANARCHISM AND THE SPANISH REVOLUTION

The heroic struggles of the Spanish workers against the fascists is a milestone in the development of the international class movement of the proletariat. Simultaneously, this struggle put an end to the hitherto uninterrupted course of victorious fascism and initiated a new period of growing class struggles.

But this is not the only reason the Spanish Civil War is of great importance to the proletariat. Its significance lies also in the fact that it put to test the theories and tactics of anarchism and anarcho-syndicalism.

Spain has always been the classical land of anarchism. The enormous influence which anarchist doctrines gained in Spain can be understood only in relation to the peculiar class structure of the country. Proudhon's theory of individual and independent handicrafts, as well as Bakunin's application of the same theory to factories, found wholehearted support by small peasants, land and city workers. The anarchist doctrines were embraced by large sections of the Spanish proletariat and the acceptance of these doctrines was responsible for the spontaneous uprising of the workers against the fascist insurrection.

We do not mean to say, however, that the development of the struggle was also determined by anarchist ideology or that it reflects the aim of the anarchists. On the contrary, we shall presently point out that the anarchists were compelled to give up many of their old pet ideas and accept instead compromises of the worst kind. In analysing this development, we shall prove that an-

archism is incapable of solving the problems of the revolutionary class struggle. The anarchist tactics employed in Spain were unfit to cope with the situation, not because the movement was too small to allow for practical application but because the anarchist methods of organizing the various phases of the struggle were in contradiction to objective reality. This stage of development reveals striking similarities with the Russian bolsheviks of 1917. Just as the Russian bolsheviks were forced to abandon, step by step, their old theories until, finally, they were compelled to exploit the workers and peasants with bourgeois-capitalist methods, so the anarchists in Spain are now forced to accept measures which formerly had been denounced by them as being centralist and oppressive. The development of the Russian Revolution has shown the incorrectness of the bolshevist theories in solving the problems of the proletarian class struggle, and, similarly, the Spanish Civil War reveals the unfitness of the anarchist doctrines.

It seems to us of great enough importance to point out the mistakes made by the anarchists, largely because their valiant fight has induced many workers--who clearly see the treacherous role played by the representatives of the Second and Third Internationals--to believe that the anarchists are right after all. From our point of view, this is a great danger, as it tends to increase the confusion already rampant within the working class.

We consider it our duty to show, from the Spanish example, that the anarchist argumentation against Marxism is wrong; that, on the contrary, it is the anarchist doctrine which has failed. When it comes to understanding a certain situation, or to show ways and methods within a given revolutionary struggle, Marxism still takes the lead, and stands in sharp contrast to the pseudo-Marxism of the Second and Third International parties.

The weakness of the anarchist theories was shown first by the anarchist organizations on the question of organizing for political power. According to anarchist theory, the revolutionary victory would be assured and guaranteed by placing the management of the factories in the hands of the syndicates (unions). The anarchists never attempted to take away the power from the people's front government. Neither did they work toward the organization of a political soviet power. Instead of propagandizing the class struggle against the bourgeoisie, they preached class harmony to all groups belonging to the anti-fascist front. When the bourgeoisie began to curtail the power of the workers' organizations, the an-

archists joined the new government, which, according to anarchist theories, is a gross deviation from their basic principles. They tried to explain this move with the excuse that, on account of the collectivization, the new people's front government does not represent a political power, as it did before, but is merely an economic one, because its members are representatives of the syndicates to which, however, members of the petty bourgeois Esquerra also belonged. The anarchists argued: because the power lies in the factories, and the factories are controlled by the syndicates, therefore the power lies in the hands of the workers. How this actually works out we shall see below.

During the time the anarchists belonged to the government, the decree to dissolve the militia was issued. The incorporation of the militia, and the regular army, the suppression of the POUM in Madrid, were decreed with their approval. The anarchists helped to organize a bourgeois political power, but did nothing toward the formation of proletarian political power.

It is not our intention to make the anarchists responsible for development of the anti-fascist struggle and its diversion into a bourgeois blind alley. Other factors are to be blamed, particularly the passive attitude of the workers in other countries. What we most severely criticize is the fact that the anarchists have ceased to work toward a real proletarian revolution and that they identify themselves with the present development. They have thereby "smoke-screened" the position of the workers against the bourgeoisie, and gave rise to illusions for which, we are afraid, they themselves will have to pay very dearly in the future.

The tactics of the Spanish anarchists have found a number of critics in foreign liberal groups; some of these critics even accuse them of betraying anarchist ideals. But as these critics fail to see the actual situation their Spanish comrades are facing, they remain negative. It could not be otherwise. The anarchist doctrines simply cannot answer the questions that revolutionary practice raises. No participation in the government, no organization of political power, syndication of production, these are the basic anarchist slogans.

With such slogans it is utterly impossible to deal effectively with the interests of the proletarian revolution. The Spanish anarchists fell back into bourgeois practices because they were unable to replace their unrealizable slogans with revolutionary proletarian ones. Precisely for this reason, the

foreign liberal critics and advisers could not offer any solution, for these problems can be solved only on the basis of Marxian theory.

The most extreme position among the foreign anarchists is taken by the Dutch Anarchists (excepting the Dutch Anarcho-Syndicalists of the NSV, Netherlands Syndicalist Vuband). The dyed-in-the-wool anarchists of Holland refute every fight with employes' military weapons, because such struggle stands in contradiction to the anarchist ideal and goal. They deny the existence of classes. Although they cannot refuse to express their sympathy with the fighting anti-fascist masses. In reality, their position means a sabotage of the struggle. They denounce all action which purports to help the Spanish workers, such as sending weapons to them. The kernel of their propaganda is this: everything must be done to prevent spreading the conflict to other European countries. They propagate "passive resistance", a la Gandhi, whose philosophy, translated in the objective reality, means the surrender of defenseless workers to the fascist butchers.

The oppositional anarchists maintain that centralized power within the proletarian dictatorship or military staff will lead to another form of suppression of the masses. The Spanish anarchists retaliate by pointing out that they (in Spain) do not work for centralized political power; on the contrary, they favor syndication of production, which excludes exploitation of workers. They earnestly believe that the factories are in the hands of the workers and that it is unnecessary to organize all the factories on a centralistic and political basis. The actual development, however, has proven already that centralization of production is taking place and the anarchists are forced to adjust themselves to the new conditions even against their own will. Wherever the anarchist workers neglect to organize their power politically and centralistically in the factories and communes, the representatives of the bourgeois-capitalist parties, including the Socialist and Communist parties, will undertake it. This means that the syndicates, instead of being controlled directly by the workers in the factories, will be ruled according to laws and decrees issued by the bourgeois-capitalist government.

## II

From this viewpoint, the question arises: is it true that the workers in Catalonia possessed the power in the factories after the anarchists had syndicated production? To answer this question, we need only to quote a few paragraphs from the pamphlet, "What is

the CNT and FAI?" (Official CNT and FAI publication.)

"The management of the collectivized factories lies in the hands of the factory councils who are elected at a general factory meeting. This council shall consist of from five to fifteen members. The term of official service on the councils is two years....

"The factory councils are responsible to the factory meeting and the industry council of the particular industry... Production is regulated by the factory council in conjunction with the industry council. They also regulate questions of compensation, sanitary conditions, etc.

"Each factory council appoints a director (manager). In factories employing more than 500 workers, the appointment must have the approval of the industry council. With the approval of the workers in the factory, each factory delegates one member of the factory council to the industry council of the 'Generalidad'. The factory councils report regularly to the factory meeting and to the IC about their activity and planning.

"In case of incompatibility or refusal to carry out instructions, members of the factory council can be dismissed either by the factory meeting or the industry council.

"Should a member of the factory council be dismissed by the IC against the wishes of the workers, then the latter have the right to appeal the dismissal before the IC. The IC of the Generalidad decides the case after having heard the report of the anti-fascist general economic council.

"The general economic councils of the various industry branches consists of four representatives of the factory councils, eight representatives of the various syndicates (comprising proportionally all political groups) and four technicians. The latter are appointed by the anti-fascist general economic council. This committee is headed by a member of the industry council of the Generalidad.

"The general economic council has the following task: organization of production, computation of costs, elimination of competition between the factories, investigation of the demands for industrial products, as well as home and foreign markets, rentability and consolidation of factories, reorganization of production methods, tariffs, establishment of central markets, acquisition of means of production and raw

material, credits, establishment of technical laboratories, statistics for production and consumption, attempts to replace foreign raw material with home products, etc."

It does not require much thinking to realize that these proposals place all economic functions in the hands of the general economic council. As we have seen, the GEC consists of eight representatives of the syndicates: four from the anti-fascist general economic council appointed technicians, and four representatives of the factory councils. The anti-fascist general economic council was organized at the beginning of the revolution and consists of representatives from the syndicates and the petty bourgeoisie (Esquer-ra, etc.). As the direct representatives of the workers, only the four factory council delegates could be counted upon. We note furthermore that in case of dismissal of factory council representatives, the IC of the Generalidad and the anti-fascist general economic council have decisive influence. The GEC can dismiss oppositional council members against which the workers may appeal to the industry council, but the decision rests with the anti-fascist GEC. The factory councils organize the working conditions but they are responsible not only to the workers in the factory but to the industry council as well. The factory council may appoint a director, but for the larger enterprises the consent of the IC is also required.

In brief, it can be said that the workers have actually very little to say about organization and control of factories. In reality, the syndicates govern. What that means we will investigate below.

Considering the few facts mentioned, we are unable to share the enthusiasm of the CNT about the "social development". "In the public offices pulsates the life of a real constructive revolution," writes Rosselli, in 'What is the UNT and FAI', (pp 38 and 39, German edition). According to our viewpoint, the heartbeats of a real revolution do not pulsate in the public offices but in the factories. In the offices throbs the heart of a different life, that of bureaucracy.

We do not criticise facts. Facts, realities, are determined by circumstances and conditions beyond the control of single groups; that the workers of Catalonia have not erected the dictatorship of the proletariat is no fault of theirs. The main reason lies in the confused international situation which places the Spanish workers in opposition to the rest of the world. Under such conditions, it is impossible for the Spanish proletariat to liberate itself from its



petty bourgeois ally. The revolution was doomed before it really started!

No, we do not criticize the facts. We do, however, criticize the anarchists for considering the conditions in Catalonia as being socialistic. All those who tell the workers of socialism in Catalonia - partly because they actually believe it, partly because they do not wish to lose contact and influence upon the development - prevent the workers from seeing already what is actually happening in Spain. They do not understand revolutionary principles and therefore render more difficult the development of the revolutionary struggles.

The Spanish workers cannot afford to fight effectively against the rule of the syndicates as this would lead to a complete collapse of the military fronts. They have no other alternative. They must fight against the fascists to save their lives, must accept every assistance regardless of where it comes from. They do not ask whether the result will be socialism or capitalism; they only know that they have to fight until the bitter end. Only a small section of the proletariat is consciously revolutionary.

So long as the syndicates organize the military struggle, the workers will support them; that this leads to compromises with the bourgeoisie cannot be denied and is considered as a necessary evil. The slogan of the CNT, "First the Victory Over the Fascists, and Then the Social Revolution", expresses the sentiment still prevailing among the militant workers. But this sentiment can also be explained by the general backwardness of the country which not only makes possible but even forces the proletariat into compromises with the bourgeoisie. It follows, therefore, that the character of the revolutionary struggle undergoes tremendous changes and instead of pointing toward the overthrow of the bourgeoisie, it leads to the consolidation of a new capitalist order.

#### Foreign Help Strangulates the Revolution

The working class in Spain fights not only against the fascist bourgeoisie, but against the bourgeoisie of the entire world. The fascist countries, Italy, Germany, Portugal and the Argentine, support the Spanish fascists in this fight with all the means at their disposal. This fact suffices to make impossible the victory of the revolution in Spain. The enormous power of the enemy states is too potent for the Spanish proletariat. If the Spanish fascists, with their tremendous power, failed to win up to now, suffering military de-

feats on several fronts, that is the result of the delivery of modern weapons from abroad to the anti-fascist government. While Mexico, from the beginning, lent support with munitions and arms on a small scale, Russia began with its support only after five months of warfare. The help came after the fascist troops, equipped with modern Italian and German arms and further aided by the fascist countries in every way, forced back the anti-fascist militia. From this resulted the possibility for further fighting. Another consequence was that Germany and Italy were compelled to send still more arms and even troops. In this way, these countries became more and more influential in the political situation. With such development of events, France and England, anxious because of their relationship with their colonies, could not remain disinterested. In view of these developments, the fight in Spain assumes the character of an international conflict between the big imperialist powers who openly or clandestinely participate in the war in order to defend old or to obtain new positions of domination. On both sides the hostile fronts in Spain are now supported with arms and other material help. It cannot yet be discerned when and where this fight will end.

Meanwhile, the Spanish workers are being saved by this help from abroad. Simultaneously, the revolution is being given its final kick. Modern arms from abroad made possible the military battle, and consequently the Spanish proletariat became subjugated to imperialist interests and primarily to Russian interests. Russia does not help the Spanish government to further the revolution, but to hinder the growth of Italian and German influence in the mediterranean zone. The stopping of Russian ships and attachments of cargo clearly designates what Russia may expect when it permits Germany and Italy to achieve victory.

Russia tries to become entrenched in Spain. We will only indicate how, as the result of Russian pressure, the Spanish workers gradually are losing their influence on the development of events; how the militia committees are dissolved, the POUM excluded from the government and the hands of the CNT tied.

For months now arms and munitions have been denied to the POUM and CNT on the Aragon front. All this proves that the power on which the Spanish anti-fascists depend materially, also governs the fight of the Spanish workers. They can try to get rid of Russian influence but they cannot do without Russian help, and will, as a last resort, take over everything Russia demands. As long as workers outside of Spain do not revolt against their own bourgeoisie, and by these

actions give active help to the revolutionary struggle in Spain, the Spanish workers will have to sacrifice their socialist goal.

The real cause of the internal breakdown of the Spanish revolution is to be found in the fact that Spanish workers have been dependent on the material help of capitalist countries (in this case on Russian state capitalism). If the revolution should extend over a sufficiently large area, if it, for example, could be effected in England, France, Italy, Germany, Belgium, then things would have another aspect. Only if the counter-revolution in the most important industrial areas of Europe were crushed, as it now is crushed in Madrid, Catalonia, Asturias, the power of the fascist bourgeoisie would be broken. White guard troops in reactionary zones could then certainly endanger the revolution; but they could no longer defeat it. Troops which do not have their base in an industry of sufficient importance very soon reach the end of their power. The workers will no longer be dependent on foreign capitalist powers if the proletarian revolution in the more important industrial areas of Europe is effected. It can then seize all power. So, once more, we state that the proletarian revolution can only be victorious if it is international. If it is confined to a small region, it will be either crushed with armed power or degenerate by being used for imperialist interests. If the proletarian revolution is strong enough on an international scale, then it need have no fear of degenerating in the direction of state or private capitalism. In the following section, we will deal with the questions which would arise under those circumstances.

### The Class Struggle in "Red" Spain

Although we pointed out in the preceding section how the international situation forced the Spanish workers to compromise with the bourgeoisie, we did not imply that the class struggle in "Red" Spain was ended. On the contrary, it continues under cover of the anti-fascist people's front, and is proved by the assaults the bourgeoisie make on every stronghold of the workers' committees, by the continuous reenforcement of the position of the government. The workers in "Red" Spain cannot be indifferent to this development; on their part, they must attempt to maintain the positions they won, to prevent the further encroachments of the bourgeoisie and to give new revolutionary direction to the events.

If the workers in Catalonia do not fight against the new advances of the bourgeoisie, their complete de-

feat is certain. If the people's front government would eventually defeat the fascists, it will use all its power to push back the proletariat into its former position. The fight between the working class and the bourgeoisie will continue but under much worse conditions for the proletariat; because the "democratic" bourgeoisie, after the victory over the fascists, won by the workers, will then use all their forces in the anti-proletarian fight. The systematic disintegration of the workers' powers has been going on for months; and in the speeches of Caballero, one can already recognize what the workers may expect of the present government after they achieve victory for it.

We stated that the Spanish revolution can only be victorious if it becomes international. But the Spanish workers cannot wait for the revolution to begin in other parts of Europe; they cannot wait for the help which, until now, has been only a pious wish. They must now, at once, defend their cause not only against the fascists but against their own bourgeois allies. The organization of their power is also, in the present situation, an urgent necessity.

How does the Spanish workers' movement answer this question? The only organization that gives a concrete answer to this question is the POUM. It propagandizes for the election of a general congress of councils, out of which shall emerge a real proletarian government.

To this we reply that the foundation for such a proposal does not yet exist. The so-called "worker councils" insofar as they are not yet liquidated are to the greatest extent under the influence of the Generalidad which has stringent control over their composition. Incidentally, the election of the congress would not guarantee the power of the workers over production. Social power means more than merely the control of the government. Only if proletarian power penetrates the entire social life can it maintain itself. The central political power, however great its importance may be, is merely a link to the position of power which has its roots in every part of social life.

If the workers are to organize their power against the bourgeoisie, they must begin their task from the bottom. They must, first, free their shop organizations from the influence of official parties and unions because the latter bind the workers to the present government and thereby to capitalist society. They must try to influence, thru their shop organizations, every part of social life. Only from this basis

is it possible to build up proletarian power; only from this basis can the forces of the working class work in harmony.

### The Economic Organization of the Revolution

The question of the political and economic organization of the revolution cannot be separated. The anarchists who, denied the necessity of a political organization, could not therefore give an adequate solution to the problem of economic organization. Such questions as the connection of labor in the different workshops with that of the circulation of goods, are interrelated problems insofar as the formation of workers' political power is concerned. The power of the workers in the factories cannot be maintained without the building of political labor power, and the latter cannot be maintained as labor power unless it has its roots in the organization of shop councils. So after demonstrating the necessity for the building of political power, the question arises as to the form of proletarian power, how it integrates society, and how it is rooted in the shops.

Let us assume that the workers in the principal industrial areas, for example in those of Europe, had achieved power and thus crushed the military power of the bourgeoisie to a great extent. Then the greatest menace to the revolution from the outside is obviated. But how are the workers, as common owners of the shops, to face the problem of setting the wheels rolling so that society's needs are met? For that purpose, raw materials are necessary. But where do they come from? Or, after the product is made, where should it be sent? Who needs it?

None of these problems can be solved if each factory were to work in its own way. Raw materials for the factories come from all parts of the world and the products resulting from these raw materials are consumed in all parts of the world. How are the workers to know from whom they must obtain their raw materials? How are they to find the consumers for their products? Products cannot be produced at random. The workers cannot deliver products and raw materials without knowing that both are to be appropriately used. If economic life is not to break down immediately, then methods must be found to make possible the organization of the movement of goods.

Here lies the difficulty. In capitalism, this task is accomplished by the free market and thru money. On the market the capitalists, as owners of products, face each other; here the needs of society are ascertained.

Money is the measurement for these needs. The prices express the approximate value of the products. In communism, these economic forms which spring from and are bound to private property will disappear. So the question arises: how are the needs of society to be ascertained, determined, under communism?

We know that the free market can accomplish its task only in a very limited manner. The needs which it measures are not determined by the real needs of the people, but by the purchasing power of the owners and by the amount of wages the worker receives. In communism, the real needs of the masses will be met and not those which depend solely on the contents of the pocket.

Now it is clear that the real needs of the masses cannot be ascertained by any sort of bureaucratic apparatus, but by the workers themselves. The first question here is, not whether the workers are capable of this act, but who has the disposal of the products of society? If a bureaucratic apparatus is permitted to determine the needs of the masses, then a new instrument of power over the working class is created. Therefore, it is essential that workers unite in consumers' cooperatives and thereby create the organism that expresses their needs. The same is true of the shops. Workers who are united in shop organizations ascertain the amount of raw materials they need for the products they must produce. There is, therefore, only one means under communism to ascertain the real needs of the masses; that is, the organization of producers and consumers; the organization of workers into shop organizations and consumers' cooperatives.

Now it is not sufficient for the workers to know what they need for their livelihood, and for the shops to know the necessary quantity of raw materials. The shops exchange their goods; there is a change of matter, the products go thru different phases, thru many factories until their entry into the sphere of consumption. To make this process possible, it is not only necessary to ascertain the quotas but also to administer them. So we come to the second part of the mechanism which must supersede the free market; that is, the general social accounting. This accounting must comprise the working over of statements obtained from the various shops and consumers' cooperatives to a lucid presentation which will give an accurate knowledge of the needs and possibilities of society.

If the building up of such a central accounting does not take place, then the total production will be submerged in chaos when private ownership of the

means of production is abolished and with it the free market. The free market cannot be abolished before organization of production and distribution of goods by the cooperatives of producers and consumers and the central accounting is created.

Russia showed how the "free market" against all the suppressive measures of the bolsheviki maintained itself, because the organs which were supposed to supersede it did not function. In Spain the powerlessness of the organizations to build up a communist production is clearly demonstrated by the existence of the free market. The old form of property has now another face. Instead of personal property in the means of production, the unions take on in part the role played by the former owners in a slightly modified form. The form is changed, the system remains. Property, as such, is not abolished. Barter of goods does not disappear. That is the great danger which faces the Spanish revolution from within.

The workers' task is to find a principal new form of distribution of goods. If they maintain the current forms, they would thus open all the doors to the full restoration of capitalism. In case the workers achieve a central distribution of goods, they certainly have the task of holding this central apparatus under their control. This apparatus, which is created for only registration and statistical purposes, contains the possibilities for appropriating the functions of power and create for itself an instrument of power which can be used against the workers. This development would be the first step in the direction of state capitalism.

#### Taking Over of Production by the Unions

This tendency is clearly discerned in Spain. Union officials are able to dispose of the apparatus of production. They have also a decisive influence over military formations. The influence of the workers on economic life extends no further than the influence of their unions. How very limited this influence is, can be proved by the measures of the unions which failed to lead to an earnest aggression against private property.

If the workers take over the regulation of economic life, one of their first acts will be leveled against the parasites. The fact that everything is purchasable with money, that money is the magic power which opens all doors, will disappear. One of the first acts of the workers will be, without doubt, the creation of a sort of labor check. These checks will be obtainable only by those who do useful work. (Special measures

regarding the aged, the ill, children, etc., will certainly be necessary).

In Catalonia this did not happen. Money remains the medium for exchange of goods. Also, there has been introduced certain control over the movement of goods which did not interfere with the workers having to bring their small possessions to pawn shops, while the house owners, for example; received guaranteed and unearned income, as much as four per cent of their capital. ("L'Espagne Antifasciste", Oct. 10).

One cannot deny the fact that the unions were unable to take other measures, otherwise they would have endangered the anti-fascist united front; and that they would surely recover what they had lost once they had vanquished the anti-fascists and accomplished all necessary reforms. The liberal character of the CNT would guarantee this.

Who argues in this manner makes the same errors as the different sorts of bolsheviki, from both the left and right. The measures accomplished up to now clearly prove that the workers still lack power. With which arguments will one defend the stand-point that the same union apparatus, which today dominates the workers, will, after the defeat of the fascists, place their power voluntarily in the hands of the workers?

Certainly the CNT is liberal. Even if we suppose that the officials of this organization would be ready to relinquish their power when the military situation permits, what would really be altered by this? Because not one or the other leader has the power. But the power is in the hands of the big apparatus which is composed of innumerable large and small "big shots" who dominate key positions as well as minor ones. They are able at the moment when driven from their privileged jobs, to turn the entire production upside down. Here arises the same problem which played such a significant role in the Russian revolution. The bureaucratic apparatus sabotaged the whole economic life as long as the workers controlled the factories. The same applies to Spain.

All the enthusiasm which the CNT has for the idea of the right of self-determination of the workshops does not alter the fact that the union committees did, in fact, take over the function of the employer and consequently forced to play the role of the exploiter of labor. The system of wage-labor is upheld in Spain. Only one aspect is changed: as wage-labor was formerly in the service of the capitalist, so it is now in the service of the unions. To prove this, we quote from "L'Espagne Antifasciste", No.24, Nov.28,1936, under the



heading of an article entitled, "The Revolution Organizes Itself":

"The provincial plenum of Granada convened at Guadix from October 2 to October 4, 1936, and adopted the following resolutions:

'5. The Committee of Union-Unity shall control the entire production (agriculture is referred to). For that purpose all material necessary for sowing and harvesting of crops shall be at their disposal.

'6. As the basis for working with other regions, each committee must make possible the exchange of goods by comparing the values of products with each other according to current prices.

'7. To expedite labor, the committee must list statistically those able to work and those unable, for it must know how much working power it can count on and how the food, according to the size of the family, is to be rationed.

'8. The confiscated land is declared to be common property. Also the land of those who have sufficient physical and professional capacity, cannot be seized. This in order to obtain a maximum of rentability."

(Moreover, the land of the small owners cannot be confiscated. The seizure is to be accompanied by organs of the CNT and UGT).

These resolutions are to be understood as a kind of plan according to which the Union-Unity Committee will organize agrarian production. But at the same time we must clearly note that the leadership of small enterprises, as well as the leadership of large enterprises in which the maximum rentability must be guaranteed, shall remain in the hands of the former owners. The remainder of the land must be turned over for communal purposes. That means it must be put under the control of the Union committees. Furthermore, the Union-Unity Committee (UUC) obtains control over the entire production. But not a single word indicates what part the producers themselves must play in this new order of production. This problem does not seem to exist for the UGT. They only see their task in the establishment of another leadership, namely the leadership of the UUC which still remains the base for wage-labor. Also, the question of maintenance of the wage system determines the development of the proletarian revolution. If the workers remain wage workers, as they were be-

fore, even in the service of a committee set up by their own union, their position in the system of production remains unchanged. The social revolution will be pushed away from their main direction thru the fight for economic influence for the unions or the parties which will inevitably begin. Then the question arises: how far is the union to be regarded as the real representative of the workers? In other words; how much influence will the workers have over the central union committees which dominate the entire economic life?

Reality teaches us that the workers lose all their influence or power over these organizations; even in the best case, if all workers are organized in the CNT and UGT and if they chose the committees themselves. These gradually change if they are functioning in autonomous organs of power. The committees formulate all norms for production and distribution without being responsible to the workers who raised them to their functions, and they cannot at any moment be replaced at the will of the workers. They obtain the right to dispose of all means of production which are necessary for labor as well as the products while the worker receives only a definite amount of wages in proportion to the labor expended. The problem for the Spanish workers consists, therefore, up to the present, of preserving the power over the Union committees which rule production and distribution. Here it is clearly seen that the anarcho-syndicalist propaganda produces the opposite effect: the anarcho-syndicalists maintain that all obstacles are overcome when the unions achieve the direction of production. They see the danger of the formation of bureaucracy only in the organs of the state but not in the unions. They believe that liberal convictions will make such a development impossible.

But on the contrary, it has been proved and not only in Spain, that liberal convictions will be cast aside as soon as material necessities present themselves. Even the anarchists confirm the development of a bureaucracy, "L'Espagne Antifasciste", in the January 1st number, contains an article taken from the "Tierra Y Libertad", ("Land and Freedom" organ of the FAI) from which we quote the following:

"The last plenum of the "Regional Federation" of the anarchist groups in Catalonia has....made clear the standpoint of anarchism according to present-day demands. We will publicize all these conclusions with short comments."

The following extract is taken from these commented resolutions:

"4. It is necessary to abolish the parasitic bureaucracy which has developed to a high degree in the low and higher organs of the state."

The state is the eternal breeding place for a certain class - the bureaucracy. Today this situation becomes serious. It draws us toward a stream which endangers the revolution. Collectivization of enterprises, establishment of councils and committees became the fertile soil for a new bureaucracy which developed from the womb of the workers themselves. Disregarding the tasks of socialism and divorced from the spirit of the revolution, these elements which lead the places of production or the industries outside the control of the unions, frequently act as bureaucrats with absolute authority and behave as new masters. In the state offices and local bureaus, one can observe the growth of these "swivel-chair artists". This state of things must be ended. It is the task of the unions and the workers to erect a dam against this stream of bureaucratism. It is the union organization which must solve this problem. "The parasites must disappear from the new society. It is our urgent duty to begin the fight with our sharpest weapons and without delay."

But to drive out bureaucracy thru the unions would mean to drive the devil out with Beelzebub; because the conditions of power and not idealistic dogmas determine the development of events. Spanish anarcho-syndicalism, nourished by anarchist doctrines, declares itself for free communism and against all sorts of central power; yet its own power is concentrated in the unions and therefore these organizations are the means by which the anarcho-syndicalists will realize "free" communism.

#### ANARCHO-SYNDICALISM

Thus we have seen that practice and theory of the Spanish anarcho-syndicalists are entirely different. This was already evident when the CNT and the FAI could assure their position only by renouncing, step by step, their previous anti-political attitude, and the same is now reflected in the "economic structure" of the revolution.

Theoretically, they are the vanguard of a "free" communism. However, in order to move the "free" enterprises in the interest of the revolution, they are forced to rob these enterprises of their freedom and subordinate production to a central management. Practice compels abandonment of theory, which means that the theory did not fit the practice.

We will find an explanation for this discrepancy if we thoroly analyze these theories of "free communism" which are, in the last instance, the conceptions of Proudhon, adapted by Bakunin to modern methods of production.

Proudhon's socialistic conceptions, advanced a hundred years ago, are nothing more than the idealistic conceptions of petty bourgeois who looked upon the free competition of small enterprises as the ideal goal of economic development. Free competition was automatically to do away with all privileges arising thru the money-monopolies of banks and the real estate monopolies of large landed property owners. In this way, control from above was to be made superfluous; profits should disappear and each one should receive the "full fruit of his work", because, according to Proudhon, profits were made only thru big business (trade) monopoly. "I do not intend to do away with private property, but to socialize it; that is, to reduce it to small enterprises and deprive it of its power." Proudhon does not condemn property rights as such; he sees "real freedom" in free disposal of the fruits of labor and condemns private property only as privilege and power, the master's right to private property. ("Proudhon and Socialism" by Gottfried Salomon, p.31). For instance, in order to do away with money-monopoly, Proudhon had in mind the establishment of a central credit bank for the mutual credit of the producers, thus eliminating the cost of credit-money. This reminds us of the statement in "L'Espagne Antifasciste" on October 10, as follows:

"The syndicate CNT of the officials of the credit-bank in Madrid proposes the immediate transformation of all credit-banks into institutions for gratis-credits for the working class; that is to say, against an annual compensation of 2%..."

However, Proudhon's influence on the anarcho-syndicalists' conception is not limited to these relatively unimportant questions. His socialism fundamentally constitutes the basis of the whole anarcho-syndicalist doctrine with slight changes in regard to modern and highly industrialized conditions.

The conception of the CNT simply classifies enterprises as independent units in their "free competitive socialism". It is true that the anarcho-syndicalists do not want to return to the scale of small enterprise. They propose liquidating the small enterprises, or to let them die a natural death when they do not function rationally enough. However,

substituting Proudhon's "small enterprises" with "large enterprises", and "hand laborers" with "workers' syndicates" gives a picture of the socialism of the CNT.

### The Necessity of Planned Production

In reality these theories are utopian. They are particularly unapplicable to the conditions in Spain. Free competition at this stage of development is no longer possible and even less so in a state of war and chaos, as in Catalonia. Where a number of enterprises or whole communities liberated and made themselves independent of the rest of the productive system - only in reality to exploit the consumers of their products, - now the CNT and the FAI have to suffer the consequences of their economic theories. They were forced to this step because a fight of all against all appeared inevitable otherwise, which might be of great danger in a moment when the civil war demanded the unification of all forces. They knew of no other way out but that already applied by the bolsheviks and social democrats, namely: abolition of the independence of enterprises and their subordination to a central economic management. The importance of this act is not diminished by the fact that this management is established thru their own trade unions. If the workers are nothing but wage workers in the centralistic system of production, this is, in spite of the CNT, nothing but a system functioning on capitalist principles.

This contradiction of the anarcho-syndicalists' theory and practice is partly due to their inability to find a solution to the most important problem of a proletarian revolution, with regard to economic organization, namely: how and in what way will be determined the share of the total output for each member and participant in the productive system? According to the anarcho-syndicalists' theory, this share should be determined by the independent enterprises or free individuals by the use of "free capital", thru production for the market and return of the full value thru exchange. This principle was maintained even when, years ago, the necessity of a planned production and consequently central bookkeeping was obvious. The anarcho-syndicalists see the necessity of planning the economic life and are of the opinion that this would not be feasible without central registration, meaning statistical organization of the productive factors and the social needs. However, they overlook giving a basis for these statistical requirements. It is an established fact that production cannot be investigated statistically and organized on a planned basis if

there is no measurement to be applied to the products.

### Bolshevist vs. The Communist Mode of Production

Communism means production of the necessities of the broad masses. The question: how much can be consumed by individuals and how raw materials and half-finished products are to be distributed over various factories, cannot be solved in the capitalist money way. Money is an expression of certain private property relations. Money assures a certain share of the social product to its possessor. This holds good for individuals as well as enterprises. However, there is no private property of means of production under communism, nevertheless, each individual shall be entitled to a certain part for consumption from the social wealth, and each factory must have access to the necessary raw materials and means of production. How this is to be accomplished, the syndicalists answer only vaguely by pointing to statistical methods. This touches upon a very difficult problem of the proletarian revolution. If the workers would simply entrust the determination of their share to a "statistical bureau", they would in this way create a power of which they will lose control. On the other hand, regulated production is an impossibility if workers in the factories are entitled to any amount of goods.

We have, therefore, to deal with the following problem: how is it possible to unite, bring into accord, both principles which seem to be contradictory at first sight, namely, all power to the workers, meaning concentrated federalism, and planned regulation of production, which is identical with utmost centralism? We can answer this twofold question only by considering the very foundations of the total social production. Workers supply society with one and the same thing, their labor-power. In a society without exploitation, as communist society, no other measurement than the individual labor-power given to society can be valid for receiving from society the means of existence.

During the productive process, raw materials are converted into commodities by the addition of laborpower. A statistical bureau would nowadays be quite incapable of ascertaining the amount of labor incorporated in a certain product. The product has gone thru many hands, in addition an immense number of machines, tools, raw materials and half-finished products have been employed in its fabrication. While it is possible for a central statistical bureau to compile the figures necessary for a clear picture, comprising all branches in the whole reproduction process, individual factories or enter-

prises are in a much better position to determine the amount of labor crystallized in the finished products by computing the labor-time incorporated in raw materials and that necessary for the production of new goods. Since all enterprises are interconnected in the productive process, it is easy for individual enterprises to determine the total amount of labor-time required for a finished product on the basis of the figures disposable. Furthermore, it is quite easy to find out the social average labor-time by dividing the amount of employed labor-time into the amount of products. This is the final determining factor for the consumer. In order to obtain a product, he will only have to prove that he has given to society in a different form the amount of labor-time crystallized in the product that he wants for consumption. This excludes exploitation. Each one receives what he has given, each one gives what he receives; that is, the same amount of social average labor-time. There is no room under communism for a central statistical bureau at liberty to determine "their share" for different workers' categories.

The quantity for consumption of each worker is not to be determined from "above", each worker himself determines by his work how much he can demand from society. There is no other choice under communism; at least not during the first phase. Statistical bureaus can only serve administrative purposes. These bureaus can, for instance, compute social average values on hand with the use of data obtained from single factories, but these bureaus are to be rated as enterprises, the same as others. They possess no privileges. Communism could not exist where a central office exercises executive functions; under such circumstances there could exist only exploitation, suppression, capitalism.

We want, here, to stress two points: 1.-that should another dictatorship arise, this dictatorship cannot be separated from the underlying principles of production and distribution prevalent in society; 2.-if labor-time is not the direct measurement of production and distribution, but economic activity is solely regulated by a "statistical bureau" to determine the "ration" of the workers, then this situation would call for a combination system of exploitation.

The syndicalists are incapable of answering adequately the question of distribution. Only in one place, in the discussion of economic reconstruction in "L'Espagne Antifasciste", dated Dec. 11, 1936, this point is touched upon, as follows:

"In the case of introducing a means of exchange which

might bear no resemblance to present-day money and which will function only for the purpose of simplifying the exchange, this means of exchange will be administered thru a 'council for credit.'

The necessity for a unit of computation for allowing an estimate of the social needs and likewise serve as a measurement for consumption and production is completely ignored. The means of exchange have, in this case, only the function of simplifying the exchange. In what way this is to be accomplished, remains a mystery. And no mention is made about the measurement for expressing the value of products in these means of exchange; no way pointed out to ascertain the needs of the masses, whether thru shop councils or consumers' organizations, or thru technicians of the administrative offices. On the other hand, the technical equipment of the productive apparatus has been dealt with in detail. Thus economic problems are converted into technical problems by the syndicalists.

There is a close relationship between the syndicalists and the bolsheviki in this respect: their main interest centers around the technical organization of production. The only difference between the two conceptions is the greater naivete of the syndicalists. Both try to evade the question of the formation of new economic laws of motion. The bolsheviki are only capable of answering concretely the question of technical organization, which means absolute centralization under the management of a dictatorial apparatus. The syndicalists, on the other hand, in their desire for "independence of single enterprises" cannot solve even this problem. In reality, when encountering this problem, they sacrifice the right of self-determination of the workers in trying to solve it.

The right of self-determination of the workers over the factories and enterprises on the one hand and centralization of management of production on the other, are incompatible so long as the foundations of capitalism, money and commodity production, are not abolished and a new mode of production, based on the social average labor-time substituted instead. This accomplishment the workers cannot expect with the aid of parties, but only by their own action.

(From "Rätekorrespondenz" No.21. April 1937)

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## NATURE AND SIGNIFICANCE OF "OVERPRODUCTION"

### a) Production As Reflection of Capital Accumulation.

Accumulation of unsold commodities is generally looked upon as the cause of unemployment and crisis. People who have little or no understanding of the economic forces within society, merely see the ever growing output and believe that by raising the purchasing power of the masses, the existing disparity between production and consumption could be overcome. They believe higher wages and shorter working hours would bring the desired result; overproduction would disappear and supply and demand balance once more.

By putting the word 'overproduction' in quotation marks, we indicated already our opposition to this 'common sense' theory. We hold the opinion that the cause for every crisis is to be found in the relationship between capital and labor. We know already that capitalism derives its profits from the unpaid labor of the working class. A crisis sets in when profits become insufficient to satisfy the needs of the capitalist class and its tools (the state, army and navy, judiciary system, church, etc.) and to finance the costly competitive struggle among the capitalist groups themselves. Comparing both theories, we agree that the first one sounds logical to anyone, while our conception might require a deeper knowledge of the economic structure. Without unduly complicating things, we must deal with the economic forces that lead to overproduction and crisis in order to show the fallacy of the 'common sense' theory.

During periods of normal development, production and consumption are more or less in equilibrium. Production does not grow faster than consumption; everything the factories produce is being consumed by society. (This is true notwithstanding the fact that, especially during the years after 1921, the production of coffee, rubber, sugar, wheat, due to natural influences, greatly exceeded the demand, but in relation to the total commodity output these exceptional cases had no influence upon the general development.) Aside from these exceptions, it is also a fact that more and more commodities are produced from year to year, and every year this "more" finds consumers. Who buys these commodities? Answer: The capitalists themselves!

As we have seen before, each year more money is thrown onto the market for profitable investment. The new capital acts as buyer of means of production, raw

materials and labor power. The new wage laborers draw their means of subsistence from the market in form of commodities. Prosperity is therefore dependent on the extent and pace with which new capital is invested profitably. The greater demand for commodities is not the expression of larger needs of the masses, but a consequence of the addition of new capital which, in order to make new profits, buys machinery, raw materials and means of subsistence. The higher the profits, the faster they will be capitalized, being the driving motor in economic life. It is an erroneous conception to believe overproduction arises thru underconsumption on the workers' part because the wages are too low. If profitability of capital is the prerequisite of production, than every increase in wages must be a contributory factor to the stagnation of production, and every decrease in wages must be looked upon as a means to stimulate business activity.

To understand "overproduction", it must be remembered that the flourishing of enterprises, the production that is growing from year to year, finds its cause in the realization of extracted and reinvested profits. In other words, the growing demand for commodities is nothing but the indication of new capital to be absorbed in profitable transactions. Consequently, accumulation of large stocks will result as soon as no more additional capital is available in the economic process. Commodities which were intended for the expansion of production will not be taken out of the market and will, in a very short time, cause an apparent "overproduction". Hence, overproduction is nothing but the interruption of the expansion process (of the accumulation). Looking at the situation superficially, it conveys a picture of unbalanced production and consumption. The equilibrium seems suddenly disrupted and production now exceeds consumption.

#### b) Production and Stocks.

Statistics of 60 important commodities well illustrate this sudden transformation to "overproduction". Looking at the year 1929, and taking 1923-25 as the index 100, we see that up to June 1929 a gradual but steady increase in production took place. The limit was reached with index 126. From this time on, production decreased slowly until in Sept. 1929 it stood at 121. Since this means only a decrease of about 4% within three months, and since such small fluctuations are not unusual, it seems reasonable to assume that production within those three months did not vary considerably. In the middle of October, when there was no indication yet of a disruption of the economic phase, the stock market crash occurred and the actual collapse of industry took place.

What caused this terrific crash and how could such a sudden end disrupt the prosperity period so unexpectedly? The explanation is to be found in the fact that from June 1929 on, practically no capital accumulation took place, and for this reason production could not be expanded. Commodities intended for the expansion of production could not be taken out of the market. Within three months, the situation presented itself as a tremendous "overproduction". It did not yet exist when the expansion of production stopped in June, which is illustrated by statistics on stocks. Newspapers remarked in this respect: "The strange phenomenon is that production does not recede when stocks are large, but only when they are low." This "strange phenomenon" is easily explained if we consider the economic life as a function of capital looking for investment, an "overproduction" being formed when no new capital for the expansion of production is available. A considerable part of the commodities - that part which was intended for the expansion of production - remains in the market and grows continuously. This, in turn, causes a situation which makes it impossible for capitalists to continue production under the old conditions. The accumulated stocks will have, finally, to be disposed of as the producers have, after all, to fulfill their financial obligations. Large quantities of commodities, however, which are to be sold at any price cause a general fall of prices. This fall of prices causes the collapse of the whole economic system, and "overproduction" appears in all industries because their total output was based on the "customary" expansion speculation. In this way, production will be restricted extensively, making millions of workers unemployed.

A resumé of the various conditions gives us the following picture: A continuous expansion of production takes place in prosperity periods by capitalizing the extracted profits. This is known as the accumulation process. Suddenly, accumulation stops while production remains almost at the same level, thus causing growing stocks of commodities which were formerly absorbed in the accumulation process. Unsold stocks threaten the financial position of enterprises and therefore commodities have to be sold at any cost. A fall in prices results, followed by a sharp competitive struggle which, in turn, restricts considerably the economic development. As a last resort, the opportunity of exporting is seized, only to be repelled by the capitalistic groups of those importing countries and counterbalanced, in their favor, by high walls of tariffs and restriction schemes. The longer a crisis continues, the more violent the struggle for new markets.

The general conception of a planless production until warehouses are filled to capacity lacks experimental proof, in our opinion. If we focus our attention to the measures taken by capitalists to overcome a crisis, we see that they attempt to do away with the difficulties by starting anew on a higher level of production. In other words, capitalists try to overcome a crisis by new methods of production which not only make possible a larger output, but which simultaneously reduce the cost of production. When dealing with "overproduction", we do not, in this respect, consider single industries that have produced too many commodities in their respective line. If, for instance, cotton has been partly substituted by artificial silk, and if, as a consequence, the production of cotton is not restricted, too much cotton will be available. A crisis will occur in this case thru disproportion; i.e., the production of a particular commodity has exceeded its limit in proportion to all other commodities. However, this situation cannot cause a general crisis since "overproduction" is limited to one particular commodity and the crisis can be overcome by balancing again supply and demand. But the general "overproduction" is rooted much deeper.

### c) The Disruption of the Accumulation Process.

We know already that the disruption of the accumulation process leads to a crisis, but this fact does not explain the nature of stagnation. As illustrated by statistics of production and stocks, the latter ones were low when the expansion process was interrupted. Thus there existed no difficulty in disposing of the produced goods. We can explain this disruption process only thru the economic forces of the capitalistic system which no capitalist is capable of escaping. It is caused by the same "natural laws" as "overproduction". If and when in a crisis capitalists have found a new profit basis thru lower wages, rationalization, new methods of production, and devaluation of capital, a new economic development sets in. The demand for commodities increases, capital produces again sufficient profits, and at this period the accumulation process continues. A lively demand for new capital is the result of this upswing period. But the same laws that regulate the prices of commodities, i.e. supply and demand, also regulate the price of money and, after all, there are only limited resources of money available for expansion purposes. A struggle of the capitalists for additional capital to be used in the accumulation process sets in, and whoever is able to pay the rates of interest demanded by banks and financing concerns will profit most. However, a stage will be reached where the demand for capital is larger than

the supply; not enough money is finally at hand to satisfy the growing needs for loans. Enterprises that still desire to borrow additional capital for expansion of their productive apparatus will find, eventually, that money is so dear - on account of the large demand - (as well as credit-money also for the continuation of production in general) that the largest part of the profits made by the capitalists goes to the banks in form of interest. We know that profits are derived from the surplus labor time of the workers. A part of these profits goes to the consumption fund of the capitalists, and the less a capitalist is consuming, the more is added to that part which goes as additional capital to the expansion of the productive apparatus, for the continuation of the accumulation process. But, altho the workers are exploited to the limit, not enough surplus value, or profit, is produced to finance a continuous expansion. Production becomes unprofitable under these conditions; the lack of capital causes automatically the disruption of the accumulation process.

We have already dealt with the decreasing rate of profit of capital and the smaller mass of profit in relation to the growing total capital, economic factors that are leading to the collapse of the capitalist system. (Notes on 'Productivity' in C.G.#4). We do not intend to discuss it here again, but only want to warn against forming an opinion based on data and statements of the press and superficial knowledge. On the surface, a crisis appears in the stock market and banking system as the result of lack of credit and need of capital. Taking this situation without closer analysis, one might arrive at the conclusion that we have to deal with a money-crisis and not with a production-crisis, and that a change in organization of the monetary system will do away with all difficulties. Planned accumulation of capital and proper distribution of credits is to prevent all crises. However, the determining factor in capitalist society is the competitive struggle of capital which will set time and degree of the expansion needs in the productive system, when credits and loans are needed. A planned supply of capital would therefore be identical with disregarding this struggle of capital and the dissolution of private property of the means of production in general. Planned supply of capital under private property relationship - as a theoretical abstract assumption - must result in a complete destruction of the technically weaker capital because these would be incapable of maintaining their profitability. For this very reason, it is an impossibility for the capitalist class to avoid crises thru planned production.

d) The Chronical Character of the Present Crises.

In conclusion, we like to say that the usual conception, according to which a crisis arises thru "overproduction" of various commodities, reverses the actual picture and does not explain the fundamental laws of the situation. The apparent overproduction is regarded as causing difficulties in disposing of the produced goods, which in turn leads to a decrease in profitability. In reality, the constant capital grows faster than the profits, limiting the profitability and leading, as a consequence, to a disruption of the expansion of production, the accumulation process. Only at this stage, "overproduction" becomes visible and conveys the erroneous picture that there exists an underconsumption. Overproduction is only an accompanying factor of a crisis, not the cause; it sharpens the crisis insofar as it causes a fall in prices. Even if the capitalists were capable of disposing of all "surplus" commodities, they could not eliminate crises. The cause is to be found in a different direction: economic forces are determining the degree of exploitation and the prevalent stage of technique, which can be brought in proper (profitable) relation to the exploiting capital only if fundamental changes in the composition of capital can be effected.

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LEON TROTSKY'S THE REVOLUTION BETRAYED. - Doubleday,  
Doran & Co. -- 308 pages. \$2.50

To readers acquainted with Trotsky's ideas and with the publications of his movement, this new book of Lenin's "co-worker" will be a disappointment as it contains very little which could be regarded as new or which had not already been stated elsewhere. For this reason, it does not seem worth while to take up again the topics treated in this volume; instead, we shall deal exclusively with those parts, however few, which somehow serve to indicate that even in the mind of the party-intellectual, changes do take place. But even such changes are only matters of emphasis, due to a growing bitterness on the part of Trotsky toward the whole Russian mess, and constitutes an attempt to adopt his "theoretical line" to a changing situation which has only too obviously contradicted previous postulates of his theory. The result only shows more clearly than ever before, the hopelessness of all attempts to revive Bolshevism; it illustrates the fact that in practice as well as in theory, Bolshevism has ceased to have any meaning for the working class.

So far as Trotsky's description of the Russian scene is concerned, his objectivity is unquestionable. Any serious student of Russia will recognize that Trotsky's book reveals the true situation prevailing in Russia. Also, as regards the history and present policy of the Third International, Trotsky has undoubtedly done justice to many important facts, even though he still tends to explain the counter-revolutionary role of this institution, as well as the similar course within Russia, as resulting largely from the stupidity and the evil character of the leaders and their organizational machines. The subjective "errors" and "crimes" of these leaders seem to play, in Trotsky's exposition, a larger part in the general development than the objective course of economic-social necessity.

The farther Trotsky searches back into the history of Bolshevism and Russia, the more meager are the results of his investigation. The times of Lenin and Trotsky are dealt with in such a superficial way that a critical evaluation of these parts of the book is an impossibility. This attitude on Trotsky's part is the more regrettable because the closest study of the period from 1917 to 1923 is a necessary presupposition to any understanding of the further development and the present state of Bolshevism. To Trotsky, Stalinism and

the betrayal of the Revolution are identical. But just the same, to explain Stalin's success, Trotsky has to take into consideration class movements within Russia; which should make it clear that the roots of Stalin's policy must be sought in pre-Stalin conditions - conditions which, however, meet with no criticism from Trotsky. Stalinism can be explained only by way of Bolshevism. If Leninism was the revolutionary stage of Bolshevism, Stalinism is its phase of consolidation. The one is unthinkable without the other. No real criticism of the results is possible without a criticism of the cause. A Marxist does not restrict his criticism of capitalism, for example, to the last phase of this society, but explains the latter by analyzing the cell-form of capital and the earliest beginnings of bourgeois society. An attack on Stalin without an attack on Bolshevism has no real value, and that is all that there is to Trotsky's book.

Trotsky writes: "Socialism has demonstrated its right to victory, not on the pages of Das Kapital, but in an industrial arena comprising a sixth part of the earth's surface - not in the language of the dialectics, but in the language of steel, cement and electricity". (8)-# This meaningless sentence, which will enable friends of Trotsky again to excuse the absence of intellect with the presence of a most brilliant style, essentially devaluates all criticism of Stalinism; for this "right" of "Socialism" has been far better demonstrated in the period of Stalin than before. Only with the latter could this "right" be demonstrated at all "in an industrial arena". Furthermore, Lenin did not think it possible for the present to demonstrate socialism's "right" in Russia, but only the "right" of state capitalism. When Trotsky later, under the cloak of innocent naivete, says that the "term 'state capitalism' has the advantage that nobody knows exactly what it means", (245), he only reveals the hope that his readers are unacquainted with Lenin's position on this question, a position which dominated the ideas of the Bolsheviks prior to Stalin's turn. The discussion as to the character of Russian economy is not new. At the eleventh party congress of the Bolsheviks, Lenin, in reply to those members who were afraid of the clearly capitalistic turn in Russia, said, "State capitalism is that form of capitalism which we shall be in a position to restrict, to establish its limits; this capitalism is bound up with the state - that is, the workers, the most advanced part of the workers, the vanguard is we. And it is we on whom the nature of this state capitalism will depend." But as concerns the masses, this clarity on the part of the bolshevik leaders with re-

# - All numbers indicate pages in Trotsky's book.



gard to the state-capitalist character of Russian economy also produced the need to camouflage this state capitalism as socialism, for, as Bucharin expressed it at a government conference toward the end of 1925: "If we confess that the enterprises taken over by the State are state-capitalist enterprises, if we say this openly, how can we conduct a campaign for a greater output? In factories which are not purely socialistic, the workers will not increase the productivity of their labor." It was not convenient to tell the workers that Russia is a state capitalist system. The international bourgeoisie, however, was not in need of enlightenment on the subject; it knows quite well that business can be done with Russia in spite of the absence of individual capitalists and the taking over of their "burden" by the state apparatus. In 1921, Lenin expressed the character of the Russian economy quite well when he said that "a series of transitional stages - state capitalism and socialism - was required in order to prepare the way for communism," for which purpose there was needed "the aid of personal interestedness, the aid of economic calculation, the building of a substantial bridge, which, in the land of the small peasants, leads thru state capitalism to socialism," to which end "the proletarian state must become a provident, careful and skillful proprietor, the future wholesale dealer; in no other way can the land of the small peasants be raised to a high economic level."

Very often, for Lenin, state capitalism and socialism is even identical. In Towards the Seizure of Power, he writes: "Socialism is nothing but state capitalist monopoly made to benefit the whole people; by this token it ceases to be capitalist monopoly." This recognition by Lenin of the state capitalist character of Russian economy, does not hinder Trotsky even today from declaring that his analysis of the concept state capitalism "is sufficient to show how absurd the attempts are to identify capitalist state-ism with the soviet system." (248)

Trotsky denies the state capitalist character of Russian economy by reducing the term state capitalism to a point where it loses all meaning. That is, he sees in the concept no more than was seen in it prior to the Russian revolution, or than is seen in it today with reference to the state capitalist tendencies in fascist countries. As it is clear that Russia represents something different from what the term state capitalism implies under fascism or in bourgeois society generally, Trotsky wins his argument because he has posed the question to suit his own convenience. A full-fledged state capitalist system is surely something

other than state capitalist tendencies, or state enterprises, or even state control in an otherwise bourgeois society. State capitalism as a social system presupposes the expropriation of the individual capitalists, that is, a revolution in property relations. While the capitalist mode of production historically grew up on the basis of individual property of the means of production, the Russian revolution has proven that under certain circumstances the capitalist mode of production can continue to exist even though the individuals proprietors are eliminated and replaced by a collective exploitation apparatus, in which no one is able to say that a particular means of production is his individual property. The Russian revolution changed property relations, but it did not change the mode of production. To deny the state capitalist character of Russia is to deny the establishment of new facts by historical development. Trotsky argues that because state capitalism in Russia is not what state capitalist tendencies are under capitalism, therefore it is not state capitalism. Marx did not foresee the possibility of a state capitalism in the Russian sense; no one foresaw such a system in all its meaning till it came about. Its existence means that tendencies have become a reality for a whole society, and it is necessary to recognize and analyse this new phenomenon created by the Russian revolution. There is no term which could express more clearly the economic order of Russia than the term state capitalism. The mode of production is capitalistic; that is to say that by means of wage labor there is an appropriation of surplus value, of profit. No longer directly the individual entrepreneurs, but by the state apparatus, which controls the means of production and distributes the surplus value according to the necessities of this system, that is, the necessities of accumulating as fast as possible and of safeguarding the apparatus by increasing its power and prestige. Only a change of the mode of production can bring about socialism; otherwise, so far as the workers are concerned, they will have only exchanged one set of exploiters for another. Under the conditions of state capitalism the process of accumulation, the building up of the productive forces by wage labor is bound up, as under capitalism, with an increased appropriation of surplus value, with more exploitation, and hence with the development of new classes, of new vested interests, in order to make this total process possible, since the working class cannot exploit itself. This necessity sufficiently explains the Russian development; no other "line", no other "policy" could have essentially changed this development. Trotsky would have been

Stalin, if he had not been lucky enough to be kicked out at an early date. By not recognizing the state capitalist character of Russia, by describing its economic set-up as something transitional to socialism, that is, as the beginning of socialism, Trotsky only indicates his own readiness to make, if possible, another state capitalist revolution, which can result in nothing else but a new Stalinism, a new betrayal of the Revolution. Fortunately, Bolshevism has no such future, and Trotskyism will have no chance to become Stalinism.

Trotsky describes the contradictions of the Russian economic situation in the following: "To the extent that, in contrast to a decaying capitalism, it develops the productive forces, it is preparing the economic basis of socialism. To the extent that, for the benefit of an upper stratum, it carries to more and more extreme expression bourgeois norms of distribution, it is preparing a capitalist restoration. This contrast between forms of property and norms of distribution cannot grow indefinitely. Either the bourgeois norms in one form or another spread to the means of production, or the norms of distribution must be brought into correspondence with the socialist property system." (244) So that what is needed today in Russia, according to Trotsky, is a revolutionary act which replaces the present parasitical bureaucracy with a non-parasitical bureaucracy. Nothing else, in his opinion, needs to be changed, as the economic system is quite able to proceed toward socialism in combination with the world-revolutionary trend. A new but better bureaucracy is needed to perform the social planning and regulate the social life, which, however, needs for its full realization a tremendous amount of exploitation, as Trotsky is convinced in view of the general backwardness of Russia. This new bureaucracy, absolutely necessary in Trotsky's transitional stage, will introduce a greater equality of income. But the present bureaucracy started out with the same idea, and in the beginning it limited its income and the degree of inequality. The conditions themselves, that is, the Russian economic system, not only enabled but also forced the present bureaucracy to greater and greater economic inequality in its own favor, in harmony with the need of a faster accumulation to secure the system as a whole. Where is the guarantee that Trotsky's new bureaucracy will be different from the present one? There is not such a guarantee as there is not such a possibility. The action of this or any other bureaucracy is conditioned by the economic system, which is one of exploitation and which Trotsky thinks adequate as a basis for further socialistic endeavours. Under the prevailing

mode of production, Russia cannot develop the productive forces higher than capitalism did, and because it cannot do so, its system of distribution can never exceed the norms of capitalist distribution. There is no such contradiction as the one pointed out above between forms of property and norms of distribution. This contradiction exists only in the mind of Trotsky, because he is unwilling to say openly that the Bolsheviki revolution was only able to change the form of capitalism, but was not able to do away with the capitalist form of exploitation. To point to a contradiction between its socialist method of production and its bourgeois norm of distribution it must first be proven that Russian state capitalism is able to do more in regard to the development of the productive forces of mankind than capitalism has done. But Trotsky is unable to prove this, since so far Russia has not even reached the capitalist levels. The Russian method of production is in absolute harmony with its method of distribution and nothing else in the premises is possible. We suggest that Trotsky look up Marx's point of view on this question.

Agreeing with all of Trotsky's criticism directed at Stalinism, still it is impossible to agree with Trotsky's position. It is so contradictory that after reading his book, one almost feels sorry for the man. For he is unable to say what he really wants to say; his past lies in the way of his understanding of the present.

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Max Eastman, The End of Socialism in Russia.  
Little Brown & Co. 75 cents.

Despite the fact that Eastman does not display more theoretical insight in his analysis of the Russian situation than Trotsky, nevertheless this small booklet is by far superior to Trotsky's larger volume. We don't think that Eastman can be considered a Marxist, even if he likes to describe himself as such. But his exposition of the Russian scene from a common sense point of view, tells the workers more about the "Fatherland" than Trotsky will ever be able to do. Eastman shares with the latter the attitude of distinguishing between Lenin's and Stalin's "Socialism", that is, he displays the same lack of interest in historical truth as Trotsky, which devaluates to a large extent his otherwise very useful pamphlet. As there never was socialism in Russia, it cannot have come to an end. If there was socialism, than nothing else but socialism can exist

there today. It seems to be impossible for all these bolshevist enthusiasts to confess their earlier ignorance in relation to the question of what the Revolution brought about in Russia. However, it is never too late, to speak out the truth. And this, Eastman has done, in relation to present-day Russia. He describes it properly as a system of state capitalism and opposes here not only Stalinism but Trotskyism as well. His pamphlet will be read with profit by all revolutionary workers.

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FROM TSAR TO LENIN

(A Film edited by Max Eastman)

Whether propaganda is mightier than history is no riddle to our political intelligentsia. Documentary material released by the Russian Government for the enlightenment of the capitalist world gives ample proof of the successful attempt to correct history for the glorification of the regime. This time we find the well-trained Stalinists pointing the accusing finger at Max Eastman for his latest release Tsar to Lenin, as a film marred by the obvious desire to change the meaning of events.

We greet every attempt to attack the "crude despotism" of the so-called "Workers Fatherland" but we also **reject** the "crude primitivism" of Eastman to explain the Russian Revolution, its economic forces and their relation to the uprising.

We have to confess that Eastman, as the editor of the news-reel shots, has done nothing of the masterful work accredited to him by the hailing critics. We admit that it is a lovely piece of idealism, but the facts of history have been neglected. Too many events have been overlooked in the ecstasy of creation, even if the accumulation of the material took over 10 years. Whether Trotsky-sympathizers look with awe upon their master shouting - All power to the Soviets - or Stalinists mumble "traitor", the torrent of flashes proves that their selection often is aimless.

Still haunted by the old man with the camera complex, the smiling condemned soldier giving up his shoes, we can't forget the Tsar's wistful ball-playing and his urge for nude-bathing. He must have been a sympathetic, democratic, little fellow. But where were the oppressed workers, the beaten farmers? Certainly the few shots of starving children and dirty workers were not the criterium of Tsarism.

And the interpretation, that it needs only the concentration of the leaders from various corners of the world, to make a successful revolution, to fulfill the destiny of a nation is quite naive. As for the American audience, after seeing the film, the Russian Revolution remains to them as nebulous as the many other manifestations we encounter along the road of truth.

P.W.

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John Strachey, The Theory and Practice of Socialism.  
Random House. \$ 3.50

This book is an elaborated statement on what goes today for theory and practice in the Communist Party. Neither on the general question of socialism, nor in all the detailed questions, like religion, peace, war, nationalism, liberty, etc., will the reader find one original idea, or even an old idea expressed in a new way. Strachey understands neither capitalism nor communism. He sees only the party-line. A part of the book contains essays on the development of the working class movement, which, although partly interesting and readable, are of no real import. The last part of the book, The Science of Social Change, is the most meager of the whole work, overstuffed with quotations from Engels "Anti-Dühring", illustrating most clearly Strachey's theoretical incapacities.

His book directs itself to the "best men and women of every class in Britain and America", and is in line with the present "People's Front Ideology". Naturally it sees in Russia the practice of socialism and in Leninism-Stalinism its theory. It also directs itself against all attempts towards socialism, by denying the possibility as well as desirability of equality. Whoever wants to be assured that Russia and Bolshevism represents nothing but a new system of capitalist exploitation should read this book.

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R E A D :

LENINISM OR MARXISM  
By Rosa Luxemburg 10 cents

THE BOURGEOIS ROLE OF BOLSHEVISM 10 cents

What Communism Really Is  
The Social Average Labor Time as the Basis of  
Communist Production and Distribution. 10 cents  
Order From: Council Correspondence, P.O. Box 5343.

Chicago, Ill.

The Recovery Problem in the United States

( \$ 4.00 )

The Brookings Institution. Washington D.C.

This book is indispensable to the lay as well as professional student of contemporary economics. It is impossible at this place to do justice to all its contents or the tremendous and important factual material which it presents.

The book recognizes that "the present world recovery movement has been under way for approximately four years, but the degree of economic improvement has been far from sufficient to absorb unemployment and to restore former standards of living. This also holds for America, in which recovery has been appreciably less than that in many other countries." This limited improvement has been possible by an increase in profitability due to better exploitation methods, increase in productivity and the reorganization of capital on many lines of economic activity. Real recovery, as measured by previous periods of recovery after crises, has not as yet occurred. The downward trend of capital was stopped and turned into a new upswing, which, however, has been unable to surpass the production level of 1929. For a real boom, the 1929 level must be surpassed by far, but as yet nothing of the sort can reasonably be expected. The Brookings Institution describes the existing situation quite well in saying that it is "one of delicate adjustment and precarious balance. In a very real sense the world stands at the cross roads. We may move gradually forward along a broad front, achieving progressively higher levels of well-being; or we may suffer a reversal of current trends and enter upon a new period of recession, involving further deterioration of living standards and bringing a new era of disorganization the consequences of which no one can foresee."

The deepest point of world economy was reached in the middle of 1932. From that time on to the present the trend is upward. But four years of such favorable development have been unable to bring about a real prosperity. If the old business cycle were still in effect, a new crisis could be expected by 1938; but this crisis would set in at a lower point of production than that on which the boom of 1929 was broken. In other words the new crisis would establish the fact that capitalism was unable in the whole course of a complete business cycle to surpass the production level previously attained; it would justify the statement that capitalism is unable to overcome its stagnant character. The present depression would

have failed to fulfill its function, that is, to clear the way for further progressive advance of capitalist society. But if depression has changed, then so also has prosperity. If the former is unable to function in the well known ways, then also the latter will look different from previous periods which were called prosperous. "Prosperity" would then be nothing more than a breathing spell in an irresistible downward-trend of capital.

The upward trend of economic development experienced lately could only reach its insufficient level by a great increase of production from public funds and by the tremendous armament program. If, in spite of the fact that it was a period of general rationalization, the years from 1921 to 1928 were already relatively unsatisfactory in regard to profitability of capital, the expectations can not be great with reference to the profit needs for further progressive accumulation on the basis of the present character of the development of production.

The Recovery Problem presents the following picture: "On a full-time basis such as prevailed in 1929, more than 20 per cent of the nations' labor force remains unutilized in 1936; by the middle of 1936 we were still 25-30 per cent below the adjusted 1929 level in both manufacturing production and total output of goods and services." A very unfavorable situation, indicating the difficulties of capitalism in bending the economic reality to suit its need for profit. After two years of depression the productivity of the workers, which previously had increased after the crash of 1929, declined considerably, making the reestablishment of profitability still more difficult and indicating the impracticability of a decisive reduction in wages as a means of over-coming the crisis. What can be saved in that way may be wholly offset by a decrease in productivity, showing once more that only an accelerated accumulation is a real solution for capitalist difficulties. But this failed to come about, in spite of a rate of interest lower than ever before in capitalist history. The favorable circumstances for capital expansion were largely offset by many arising circumstances of an unfavorable character; as for instance, by an increase of socially unavoidable expenditures which ate from the already insufficient surplus value.

The Brookings Institution notes that the degree of recovery so far attained was rendered possible only by a further spread between the actual output of the workers and their actual income. More value



and surplus value was realized on a given capital, and this, in conjunction with the re-organization of capital during the crisis, and also with the governmental spending program, permitted the face-lifting of capital which we have now witnessed. In so far as "prosperity" was advanced by an increase in governmental spending, made possible by extending the credit facilities, it can be justified only in case it leads to a real prosperity which will cover the deficits to which this artificial method has given rise. So that the somewhat happy present situation is clouded by forebodings about the future. Still, the basic need remains, in the eyes of the Brookings Institution; "the absorption of the unemployed in the production of additional goods and services in the field of private industry." To raise the standard of living of the wage workers, as the Institution claims it desires, involves, in their opinion, "necessarily increasing the spread between wage rates and prices. An increasing spread between wage rates and prices depends fundamentally upon increasing the efficiency of production." Prices should be lowered so to allow more purchasing power to the workers and all other classes. But if prices are lowered so also the price for labor power, otherwise profits would be reduced. However, according to the Institution. "only inconsequential increases in wages can be achieved by trenching upon the profits." The Brookings Institution wants to say that prices should fall faster than the price of labor power, a thing which characterizes the upward trend of capitalism, but which also means that the productivity of the workers must increase more rapidly than their consumption. But such a process has led to the present capitalist dilemma, to repeat the process is equivalent to bringing about the same situation, which, however, the Brookings Institution is out to change, and the gap between production and consumption, which the Institution wants to be closed, will be widened.

To be sure, the Brookings proposals are quite in harmony with the needs of capitalism; any other sort of proposals is so much nonsense. That this is the only field of action for capital is recognized by the Marxist also. More profits, more surplus labor: that is the real need of capital. If that need is satisfied, capitalist society will be happy all around. For this reason and in spite of its class harmonizing philosophy, the Brookings Institution recognizes as favorable factors in the present situation; the low rate of interest, the reduction of private indebtedness, increasing efficiency of

production and fuller utilization of capacity, making possible higher wages and higher profits in relation to prices; a sound banking and monetary policy, expansion of foreign trade, and the accumulated deficiency of production as a stimulus to further expansion. For all these factors increase the profitability of capital. And it looks with sorrow on all the existing unfavorable factors, such as the difficulties involved in maintaining fiscal stability, the danger of price inflation, the present trend in the labor movement toward a more self-seeking activity, the ill-conceived industrial and social legislation, and also the unstable international situation.

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In the next issue of the Council Correspondence  
REVIEWS on:

H. Levy, The Web of Thought and Action

A. Woodburn, An Outline of Finance

A. R. Williams, THE SOVIETS

Hill & Mudie, The Letters of Lenin.

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## CIVIL WAR IN CATALONIA

The recent upheaval in Catalonia as well as General Franco's purge have proven conclusively that the outcome of the war will not be decided on the battle-fronts alone. Indeed, unless we follow the conflict brewing in the hinterland we lose sight of the whole meaning of the revolution.

The clash between the Generalidad and the Anarchists is a natural outgrowth of the politics of the "Peoples Front". On the one side we have a decentralized organization of politically conscious workers on the other a centralized state apparatus controlled by the Socialist and Communist Parties (P.S.U.C.) subordinated to the Moscow International. The logic of the Peoples Front politics dominated by Russian diplomacy makes the shooting and suppression of revolutionary workers inevitable.

The treacherous role of the Peoples Front was nowhere more obvious than in Catalonia, economically and politically the most progressive part of Spain. The rise of the generals has brought about a new chain of contradictions in the revolutionary process of republican Spain. These contradictions arose from the beginning of the upheaval in Catalonia where the anarchists were the most dominant political factor. We must not forget that it was the spontaneous rise of the anarchists that prevented the immediate victory of the Generals. The spontaneous counterattack of Catalonian workers consisted of taking over of factories, transportation and the Telephone Station of Barcelona, and with it the setting up of Councils and Committees. Because of its organizational form so well fitted to the spontaneous mass-struggle methods of the workers it immediately found itself in the forefront of the counter offensive. Thus it came about that the anarchists politically opposed to the council idea, were in fact the activisers of the factory- and militia- councils. This brought them into sharp opposition to the P.S.U.C. which has, since the Russian intervention, and because of an increasing influx of the left-bourgeois elements, increased its influence in the Generalidad. The P.S.U.C. though still adhering to the soviet idea in its program on paper, advocates a bourgeois-democratic authoritarian policy. Caballero has only recently declared that the spanish Communist Party is with the bourgeois-liberal parties of the Peoples Front government on the right of the Spanish Republic of which the Socialist Part is the Center.

Because of their anti-centralization, anti-state

doctrine the anarchists failed to give its committees the necessary methods of control, which the logic of its mass power demanded. The third political organization of the Catalonian workers, the P.O.U.M., though confirming to the central idea of political power for the masses, does not at all fit into the Spanish scene due to its Leninist character. There were two governments: the hundreds of de-centralized committees reigned from below and the State apparatus from above. A double reign which must give rise to dangerous conflicts. The anarchists remained aloof and failing to centralise the power of the masses sought to ameliorate this failure by entering the Generalidad. With this they succeeded in obscuring the contradictions between the committees and the central power but did not do away with them. The tension increased and gave rise to continual friction between organs of the state and the committees and thus resulting in repeated government crises. If the anarchists did not try to solve the conflict by insisting upon a council system with all the power at its disposal, then the Generalidad and also the Valencia government could set out to make an end to this rival power by insisting upon the disarming of the anarchist workers. The recent collision has brought the problem to the fore: either total control of centralised councils or a central government in the interest of bourgeois democracy. The struggle in Barcelona indicates that the anarchists at the same time went too far and also not far enough in their struggle within the framework of the Peoples Front policy.

About the Barcelona collision itself we will bring a few facts which the newspapers friendly to the "Peoples Front" preferred to overlook.

1) The hostilities were the spontaneous reaction of the anarchist masses to the decrees of the Valencia Government which tried to subordinate the Catalan militia to the military general staff. Politically the government attacked the anarchists and not vice versa. To justify its decree, the government pointed to the stagnation of the offensive on the Aragon front, blaming the anarchists for this situation. The inactivity of the Catalan militia is due mostly to its inadequate military supply, especially artillery. Furthermore, even if the Catalonians have no great victories to point to, neither have they suffered any such catastrophic defeats as Toledo and Malaga. They have held the Aragon front.

2) The shooting began in Barcelona on May 3 when upon the orders of the Generalidad, the anarchists were

ordered to leave the Telephone Station which they have held from the beginning. The military attack also was initiated by the government and not by the anarchists. It is proven beyond doubt that the anarchists did not undertake a "putch".

3) The leadership of both the F.A.I. and the C.N.T. had no hand in the spontaneous resistance. For even on the first of the three day struggle they have used press and radio to urge their followers to make an end to the shooting and to enter negotiations with the socialist unions and the government. Hostilities ceased when the anarchists left the Telephone Building upon the condition that no reprisals were to be taken against them. The government waived police occupation.

The fight in Barcelona ended in a compromise; that is, on the surface everything remained as before. The opposition press is appearing again, though with blank spaces deleted by the censor. The funeral of the victims was turned into a mass demonstration. The arrested were all freed, with the exception of a few leftist radicals who were taken to the private jail of the Communist Party. The local committee of the P.O.U.M. declared openly in its La Batalla, May 13, "with armed hands have we answered the provocation of the Reformists". The change in the Generalidad, too, was a result of the compromise. The C.N.T. is, as before, represented in it. Only the P.O.U.M. was ousted from the Committee of Defense, but is not curbed in its political activity.

Meanwhile the Valencia Government has used the conflict to solidify its own position by decreasing the militarization of the catalan militia, by the disarming of the civilians and the councils, using 5000 civil guards from Valencia for the task. It has also appointed two executives to take over both civil and military power. General Pozas for the army and Colonel Escobar of the national guard as police chief. The disarming, however, pertains only to the civilian population. The militia of the C.N.T. and the P.O.U.M. are closed politically unified bodies which cannot be touched without provoking a new slaughter and endangering the Aragon Front.

The attack against Catalonian Anarchism was instituted against the will of Caballero who resisted it sharply. In his paper "Adelante" of May 11 appeared an article condemning the control of the Comintern over the spanish Communist Party and taking a stand against the sudden request to oust the Anarchists from the Valencia Government. The article ends with

the following: "A government composed mainly of working class representatives cannot resort to methods that are reserved for reactionary and fascist states...Under no circumstance will we tolerate any attacks upon legally functioning organizations."

It is clear that the offensive against the anarchists was Moscow inspired and that the methods, as Caballeros organ states, were reactionary and fascist. It is further clear that the doing away with the Caballero Cabinet was due to his stand against it. With the C.N.T., the Socialist Trade Unions and the left wing of the Socialist Party from the new Cabinet the situation assumes far reaching political significance.

Is Moscow striving for a "moderate regime" to facilitate a compromise with the Insurgents? Is Russias foreign policy paving the way for British and French intervention? Whatever its aims the question facing the Peoples Front is: who is ruling the Republic of Spain?

The occurrences in Catalonia have shown the danger of these political developments. The Generalidad has sought an understanding with the anarchists without which no solution is possible. Should the Central Government attempt the insane adventure of subjection it will face not only the workers but all Catalonia which has repeatedly risen against Castillian dictatorships.

Police action will not solve the problem. The inner contradictions of the spanish Peoples Front continue unabated. Franco of course will not be put down by the Governments crusades against the anarchists or by its forceful methods of conquest in Catalonia.

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SEVEN WORKERS HAVE BEEN KILLED

by Chicago police on behalf of Republic Steel. More than seventy are in hospitals, some of them in very critical condition. Many are under police guard to go to jail as soon as the doctors permit it. The police murdered those workers because Republican Steel was selected as the testing ground as to how far the power of the C.I.O. goes. How far will it go? What is this organization doing to stop further massacres of workers? Why doesn't it call all its organized members out of all plants in all America? SEVEN WORKERS HAVE BEEN KILLED ! This should be reason enough to shake the whole world. It does not shake the leaders of the C.I.O. They are going to do NOTHING!

