

# Capitalist Monopoly and Organization

By Herbert Zam

(Continued from the last issue.)

## The Question of State Capitalism

IN his introduction to Bukharin's book on *Imperialism*, Lenin declared that:

*"Enterprises freely competing among each other within each country, and free competition between each country (emphasis Lenin's) were no longer typical; monopolist combinations of enterprises and trusts became the normal thing."*

In the same article he went into detail to refute the Social-democratic talk of *ultra-imperialism*. He pointed out that such a theory is wrong, not because tendencies to world unification of capitalism do not exist, but because the contradictions engendered by this development preclude the possibility of the goal ever being reached.

Leninist theory leads us to the conclusion that imperialism is the final stage of capitalism—that after imperialism comes Socialism. But, ask the Social-democrats, how can imperialism—which is really concentrated capitalism, more capitalism, monopoly—lead to Socialism? This very same question is asked by Neumann, because he also stands on the general basis of the Social-democratic argument. Precisely *because imperialism is monopoly is it the final stage of capitalism. Monopoly means concentration and socialization of production*—which is the economic basis for Socialism. This socialization of production makes imperialism "the transition from capitalism to a higher economic order."<sup>1</sup> In summing up the importance of imperialism Lenin declares:

*"We have seen that in its essence Imperialism is monopolistic capitalism. This in itself designates the historical role of imperialism, because monopoly . . . is a transition from the capitalist system to a higher social-economic order."*<sup>2</sup>

But if imperialism is a transition to socialism because it socializes production, then is it not perfectly clear that the general tendency of capitalism, in the period of monopoly, is toward organization, particularly in the present period of the growth of state capitalism when "the functions of the multi-national imperialist State grow in all directions?"<sup>3</sup> Comrade Bukharin is absolutely correct when he states that the limit to the tendencies toward state capitalism is "state capitalism in its completed form." As early as August, 1917 Lenin pointed to the state-capitalist tendencies which were becoming a general phenomenon of imperialism.

*"The imperialist war has greatly accelerated and intensified the transformation of monopolist capitalism into state-monopoly capitalism."*<sup>4</sup>

This is the direction in which the general tendencies toward state capitalism are going, just as a "single world trust" is the limit of the general development of imperialism. But neither one nor the other will ever be reached, not because these tendencies do not exist, but because the contradictions which these very tendencies create will destroy capitalism itself.

## The Question of Organization

Comrade Bukharin is quite correct when he characterizes the results of the efforts of capitalism at general organization as "organized chaos." Only Socialism will bring about complete organization with the elimination of chaos. When Bukharin

calls attention to the tendencies toward organization, he is only emphasizing what Lenin wrote in 1915 about monopoly:

*"This is something entirely different from the former system of free competition among scattered traders, who knew nothing about each other and produced for sale on an unknown market. Concentration has reached a point where it makes possible an almost accurate inventory of all the sources of raw material in a given country and even as we shall see in a group of countries and in the whole world. And not only are such inventories made, but the gigantic monopolistic combinations sweep all these sources of raw materials under their exclusive control . . . Capitalism in its imperialist phase leads to the most extensive socialization of production, it thrusts the capitalists, against their will and consciousness into some kind of a new social order, which constitutes a transition from completely free competition into complete socialization of production."*<sup>5</sup>

It is clear that when Neumann argues against the tendencies towards planfulness of modern capitalism he argues not so much against Bukharin as against Lenin, for it was Lenin—not Bukharin—who wrote:

*"When a large establishment becomes a gigantic one, and, on the basis of accurately computed data, systematically organizes the supply of basic raw material to the extent of two-thirds to three-quarters of the total amount of this raw material which is indispensable to millions of people, when it systematically organizes the transportation of this raw material to the most convenient points of production . . . when one center directs all the successive processes of manufacture of this raw material up to the point of receiving many manifold finished products, when the distribution of these products is being carried out according to one plan among tens and hundreds of millions of consumers . . . then it is clear that we have to do with the socialization of production and not with simple 'interweaving', that the private-economic and private owning relations form a shell which no longer corresponds to the contents and which must irrevocably decay gradually and which, if its removal be artificially delayed, can (in the worst event if the curing of the opportunist ulcer be protracted), remain in decadent state for a comparatively long time but which shall inevitable be removed" (Emphasis mine—H.Z.).<sup>6</sup>*

The entire question of state capitalism and organization is approached from the wrong direction by Neumann who still sees it as only a question of government ownership and nationalization. He does not see that in the period of imperialism the tendencies towards state capitalism are expressed particularly in the development of enormous trusts and their fusion with the state apparatus, by the personnel of government leaders and big financiers and by the assumption of directive activities of the government apparatus over industry. These are particularly clear at the present time in the U.S.A. (the Hoover program, the National Business Council, Mellon, Morrow and Grunsky as government leaders).

These tendencies—in which Neumann sees the doom of the revolutionary movement—on the contrary hasten its development and the development of the proletarian revolution by aligning the working class not against individual capitalists or combination of capitalists but openly against the entire capitalist class and the capitalist state.

1. "We see before us the giant process of the socialization of production." Lenin: *Imperialism*, Chap. I.

2. Lenin: *Imperialism*, Chap. VII.

3. Lenin: *Imperialism*, Chap. X.

4. Program of the Comintern.

5. Lenin: *State and Revolution*, Preface.

6. Lenin: *Imperialism*, Chap. I.

7. Lenin: *Imperialism*.