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CAPITALISM UNDER FASCIST GERMANY WORKER'S COUNCILS AND DEMOCRACY

Marx's Advice On Organizations Such As The People's Front And The Labor Party

"At the present moment when the democratic petty bourgeois are everywhere oppressed, they lecture the proletariat, exhorting it to effect a unification and conciliation; they would like to join hands and form one great opposition party; embracing within its folds all shades of democracy.

"That is, they would like to entangle the proletariat in a party organization in which the general social democratic phrases predominate, behind which their particular interests are concealed, and in which the particular proletarian demands should not, for the sake of peace and accord, be brought forward.

"Such a unification would be to the exclusive benefit of the petty-bourgeois democracy and to the injury of the proletariat. The organized

working class would lose its hard-won independence and would become again a mere appendage of the official bourgeois democracy. Such a unification must be resolutely opposed.

"Instead of allowing themselves to form a chorus of the bourgeois democracy, the working men, and particularly the League, must strive to establish next to the official democracy an independent, a secret as well as a legal organization of the working class party, and to make each community the centre and nucleus of working class societies in which the attitude and interests of the proletariat should be discussed independently of bourgeois influence."

(From Karl Marx Inaugural Address for the First International, September 18, 1864.)

Capitalism Under German Fascism

A REPLY TO DWIGHT MAC DONALD

In the present period of decay capitalism, when Fascism (under the domination of German imperialism) is marching forward in rapid strides; when the world is living through a period of wars and revolutions, a great confusion has been created by the new fascist forms of decay capitalism.

One phenomenon which is a topic for discussion and about which there is more confusion than understanding, is the type of economy that exists in Fascist Germany. Because the human mind has been taught for centuries to

think in terms of surface conditions and to relegate to the background, or to ignore, content or essence, most "learned" men of today write volumes of words about fascist economy without ever touching the real problem below the surface.

"THE END OF CAPITALISM IN GERMANY"

Dwight Mac Donald, in the June 1941 PARTISAN REVIEW has a long article proclaiming the end of capitalism in Germany. One of the theoreticians from whom he draws his arguments is Rudolph Hilferding. Mac Donald

praises and then quotes Hilferding, "The capitalist economic system is governed by the laws of the market whose analysis was given by Marx and the autonomy of those laws constitutes the determining characteristics of the capitalist system of production." Mac Donald uses this Hilferding concept as his main thesis on the capitalist mode of production and passes it off as genuine Marxism. He says, "There are two main elements: (1) production is regulated by exchange, that is by the prospect of individual and corporate property owners making a profit by selling their goods on the market; (2) this market regulates "not consciously" but as an impersonal, autonomous mechanism working "independent of man's will." He quotes Trotsky to prove this. Regardless of what Trotsky and Hilferding say, the fact remains that this is a fundamental error.

WHAT DOES MARX SAY?

Marx gives just the opposite concept to that presented by Hilferding. "The real science of modern economy does not begin, until the theoretical analysis passes from the process of circulation to the process of production." (p. 395 v. III). The process of circulation deals with the question of markets and Marx clearly points out that one must pass on to production to really understand the capitalist mode of production.

"In the relation of capitalist and wage laborer, the relation between buyer and seller, the money relation, becomes an immanent relation of production. And this relation has its foundation in the social character of production, not circulation." (p. 132 v. II) Whereas Hilferding and Mac Donald speak of markets being the determining factor of capitalist economy, Marx speaks of production.

Marx explains the relation further: "That accumulation should take place at the expense of consumption, is, as a general assumption, an illusion contradicting the nature of capitalist production. For it takes for granted that the aim and compelling motive of capitalist production is consumption, **instead of the gain of surplus-value and its capitalization, in other words, accumulation.**" (p. 588 v. II) (our emphasis)

"Capitalist production, therefore, under its aspects of a continuous connected process, a process of reproduction, produces not only commodities, not only surplus value, but it also produces and reproduces the capitalist relations; on the one side the capitalist, on the other the wage laborer." (p. 633 v. I.)

Whereas Mac Donald agrees with Hilferding's position and puns from its context Trotsky's formulation, and speaks of production being regulated by exchange and markets governing production, Marx on the contrary shows that the **productive process** is the key and determining factor for the understanding of all aspects of capitalism.

With this basic error in Mac Donald's thesis, on the end of capitalism in Germany, his whole structure falls to the ground.

In dealing with aspects of the market relations in Germany and their change in FORM as compared to capitalism (in its development stage) Mac Donald sees capitalism at an end. But the problem of capitalism **ONLY BEGINS WHILE HE LEAVES OFF.**

PREMISE AND CONCLUSIONS?

Mac Donald arrives at queer conclusions: "In Germany today the market still exists, but it has lost its autonomy; it does not determine production, but it is merely used as a means of measuring and expressing in economic terms the production which is planned and controlled by the Nazi bureaucracy." "Since 1936, production in Germany has not been determined by markets but by needs of Wehrwirtschaft: guns, tanks, shoes, steel... (not necessarily for profit)... but for making war."

Markets have not determined production in Germany or in any other country. To understand any form of capitalism one must understand production, one must understand that production outstrips markets, that it is meaningless to talk of a basic contradiction in the realm of markets. It is the antagonism between productive forces and markets that reflects the basic contradiction. Above all Germany is trying to break out of her difficulties to capture a larger share of the world markets for the needs of her gigantic productive forces. The taking over of the weaker nations of Europe, and in attempting to organize a "new order" is a part of this plan for world markets.

In the first quoted sentence Mac Donald claims that Nazi Germany has "planned and controlled" production. In the second sentence he says production is for WAR.

German production is not planned production. Production FOR WAR is not planned economy. Planned economy must be based on PRODUCTION FOR USE, not production for war. Yes, Germany has planning — just like any capitalist nation, but this type of planning (even though more systematized than the anarchy of bourgeois-democracy) does not equal

PLANNED ECONOMY. Germany's planning is ORGANIZED STARVATION. Mac Donald says the profit motive is in the background, unimportant, in the Nazi "planning" because it is for war. How absurd! I suppose because England and the United States are "planning" for war and gear production for war — we will now see the "end of capitalism" here too? I suppose that this means the elimination of the profit motive? On the contrary — the "planning for war" is a step for the CONQUEST OF THE WORLD MARKET in order to obtain an outlet for PRODUCTION AND ACCUMULATION FOR PROFITS. It is only a means to an end and the end is production for PROFITS, not production for USE. That is the essence of Fascist Germany's attempt to dominate Europe and use this as a base for world conquest.

Mac Donald continues this false theme by saying, "Nor is this production controlled by the market mechanism..." Of course not, it never was.

BASIC FORMS OF CAPITALISM

"But in all capitalist nations, the bourgeoisie face the same dilemma faced by the German bourgeoisie: they cannot survive without war, but in order to make war, they must allow the State to destroy the basic forms of capitalism." Mac Donald has a thought here that is almost correct — but he fills it with a false content.

He says the State destroys the "basic forms" of capitalism in the present decay stage. It is true that the OLD forms of capitalism which Mac Donald calls "basic" because they existed throughout the period of developing capitalism are now being transformed in the decay stage. The important question is not that the FORMS of capitalism have been changed in Germany. The important question is — have the basic essential relations, the CONTENTS of capitalism been changed? They have not. Mac Donald does not claim that they have. He only claims FORMS have been changed. But from a change in the form of capitalism he deduces that it is the end of capitalism in Germany. We may point out that forms of capitalism changed from mercantile capitalism to industrial capitalism, and then to finance capitalism; as well as between forms of bourgeois-democracy and fascism. We agree that Fascism has changed the forms of capitalism. But so did bourgeois-democracy. So did imperialism at the turn of the century.

But Mac Donald not only mixes up form with content; he also confuses forms of decay capitalism with forms of a decaying workers

state, the Soviet Union, under Stalinism.

From these false deductions, Mac Donald thinks that our "old concepts of the class struggle must be reshaped." But Mac Donald's "laws" of markets determining production and changing forms of capitalism meaning the end of capitalism, have no bearing on capitalism as it really exists; and therefore, no changes in its class relations, have been made yet in Germany, Italy or anywhere else except in the Soviet Union.

MORE ABOUT FORMS.

"How can one... not see that the totalitarian State has done **economically**, just what Marx and Lenin looked to the proletariat to do, namely, create new economic forms, which correspond more closely to the 'socialization of production' than do the old private property forms?" If Marx and Engels and Lenin only called for the "creation of new economic FORMS" then they never have to be feared by the exploiters.

Marx did not settle the question by counterposing new property FORMS to OLD property FORMS. Marx counterposed new property RELATIONS to old property relations. The property forms are secondary to this question even though Mac Donald does not know this. It is not merely a question of new property forms to correspond more closely to the socialization of production. Instead, for socialism to exist, capitalist appropriation must give way to **social** appropriation. The contradiction of the capitalist mode of production is socialized production and capitalist appropriation. Not the socialization of production in relation to property forms. Change this **relation** of property and it is not decisive then, although important, just what the **form** of property is.

AGAIN — MARX IS WRONG?

"The crucial error of Marxist thought on the subject, however, was that it expected that this historical trend would intensify the social and economic contradictions of capitalism — whereas it has actually resulted in the destruction of capitalism itself and consequently in the transposing of these contradictions in quite different terms." Nothing can be further from the truth.

Capitalism has not been destroyed in Germany. On the contrary German imperialism (capitalism) in its Fascist form is waging a world war to find world markets suitable for its gigantic productive forces. The most important historical manifestation of intensified capitalist contradictions — the present imper-

ialist war, with Germany playing a leading role — is completely ignored, unseen and unrecognized by our economists of the Partisan Review.

When so-called competitive capitalism was giving way to monopoly capitalism we had new schools of revisionism that tried to prove that the Marxian concept of the intensification of the contradiction of capitalism was a myth and instead capitalism was evolving into something new, "peaceful" capitalism. Mac Donald has the same arguments today when he sees competitive private monopolies of yesterday coming more under the centralized state control today (Fascism and other dictatorial forms). In reality the antagonism between the imperialist states and between the international cartels are intensified. The competition covers a much wider area and is between much larger forces, but it is at the same time much more violent.

Continuing to speak on the question of intensification, Mac Donald says, "The effect of State-controlled monopolies in Germany, has been the reverse; it has weakened, if not eliminated, the economic contradictions of capitalism." Mac Donald agreed with Marx's contention against Bernstein, but falls into Bernstein's trap. Whereas Bernstein made this error dealing with developing capitalism, our present day "economists" of whom Mac Donald is one, make the same error in relation to different FORMS of capitalism in decay.

War is the continuation of politics by other means. And the imperialist war, and war against the Soviet Union which Germany is waging is the highest expression of an intensification of the basic contradictions of capitalism. It is no contradiction (except in Mac Donald's mind) that German imperialism "organizes" its war machinery, its production and army, to the highest degree in order to carry on a more destructive war internationally, economically and militarily. The present imperialist war is a high form of the organization of production in the factory (and to a greater extent than yesterday in the nation) but within the FRAMEWORK of ANARCHY of PRODUCTION AS A WHOLE, on a world scale.

"In such an economy" as that of Fascist Germany, Mac Donald contends, Marx's famous "laws of motion of capitalism" are of little practical importance. The state can solve the economic difficulties — so far as they are caused by the workings of capitalist factors — by

almost any means it chooses, including if necessary a proclamation by the Fuehrer that the moon is made of green cheese, followed by a decree by the Four Year Plan Authority that all banks and corporations must subscribe to a certain percentage of their capital to finance the Goering Cheese Works to exploit lunar-food resources."

This is the depth of stupidity! The tight control of the state over the economy of Germany in no way has altered the fundamental motion of the accumulation of capital and its laws as presented by Marx. Forms have been changed but not the essence. The state can solve no economic difficulties confronting German capitalism unless the state decrees measures that are SOUND in relation to the capitalist mode of exploitation (production), not in relation to the FORMS of economy of developing capitalism. Every step German Fascism has taken since Hitler took power was based on SOUND material conditions of capitalist so-called "free" market, not in the interest of production. Possibly not in the interest of the Jewish petty-bourgeoisie, not in the interests of "free" competition, but in the interests of sound capitalist policy to survive when that economy is in deep social decay.

Just because the fascist leaders used capital for new industries to PRODUCE WAR GOODS even though the cost was far above the world price and profits had to be ignored; one cannot conclude, as Mac Donald does, that they will invest in foolish production, useless to the ruling exploiters. ALL war production, from the standpoint of production for use is useless, and just as useless and wasteful as making a plant to produce cheese from the moon. But for capitalism in decay this production FOR DESTRUCTION is the most necessary sector of economy — without it there is not a chance of capitalist survival.

BARTER AND TRADE

Speaking of barter, Mac Donald says, "These non-capitalist trading methods were evolved precisely because of the disintegrating world market..." Barter was not evolved because of the disintegrating world market. Our friend evolves everything around the circulation and not the production of commodities. Barter was a necessity based upon the gigantic German productive forces smashing all national limitations, outstripping markets. These are two opposite concepts of the problem. Furthermore, the German method of trade is not NEW, is not non-capitalist. Barter is a different

FORM of capitalist trading methods from the form of free trade and international exchange on the old basis, but it was evolved in different forms first under bourgeois democracy and only perfected under fascism.

The essence of the problem of barter is DUMPING. The DUMPING of commodities can take different forms. You can dump commodities by selling below the market price, driving the other competitors from the market, e. g. selling American made produce in Latin America far cheaper than it can be bought in industrial cities in the United States. You can dump commodities by arranging loans to nations, loans that pay for the imports or by rebates. You can use the gold hoard as the United States does and dump commodities on the international market. Or you can use the barter method of Fascism. They all represent attempts to patch up the breakdown of capitalist production and exchange, not just capitalist exchange, or capitalist markets.

Many other errors in economics and its relation to politics must be skipped, due to lack of space in this article. We at least have dealt with the basic errors from which the other errors in the article flow.

But in concluding it is necessary to give a positive presentation of what Fascism is. It may be well to mention that all of the writers who deal with the elimination of capitalism under Fascism pick Germany and not Italy as their example. They leave Italy out almost entirely. This is due to the fact that productive forces in Italy and industrial development are more backward than Germany and the new FORMS less pronounced. But people who only deal in forms instead of essence could not cover up so easily in an analysis of Italian economy as in an analysis of German economy.

WHAT IS FASCISM?

We do not intend to give a detailed explanation of Fascism; we only deal with its two outstanding features and not its development and forms. In the first place, Fascism is the most acute form of capitalism in its decay stage, when the old forms of economy and state rule no longer can keep in check the class forces, when a working class in driving for state power has been decisively defeated by the exploiters who then must reorganize their structure on the basis of a defeated revolution. It is a product of industrially developed coun-

tries. The "fascism" of the backward countries is of a different structure, even though the above elements enter into the problem.

Economically speaking, Fascism is an attempt to "solve the problem" of the constant over-accumulation of means of production, capital and commodities, that occur because of the productive forces always outstripping the markets.

In the past, when capitalism was developing and backward countries still afforded an expanding market, despite a crisis every few years, a crisis of over production, there was still room for development, and expansion. But after the six leading imperialists had by war divided and redivided the earth three times (up to 1917), international competition became most acute.

It has reached the point, not only in fascist countries, where the individual capitalists or groups of capitalists can no longer solve the crisis of overproduction by the bourgeois-democratic method of letting nature take its own course. The accumulation of capital is so great that if the exploiters state does not take a hand a new revival on a grand scale is out of the question.

The solution is for the state constantly to usurp this accumulation and surplus from the usurpers of labor and use it up one way or the other, or destroy it if necessary, to permit the turn-over of industrial capital, to start on a new capitalist cycle.

Germany used up this over-accumulation (that the British, French and American capitalists hemmed in by domination of the world markets) by rebuilding an internal war machine equaled by none. After seven years of vast accumulations of war materials and production for war materials the war starts and more accumulation is destroyed in war. All other countries now use up their over accumulation the same way. This is what the New Deal calls a spending program. This is what Keynes calls prosperity by spending. Underneath it is the same problem. To use up the over-accumulation that capitalism produces, to DESTROY it, so wage labor may continue to be exploited, so capital may continue to rule. This is the economic foundation of the "return to the dark ages", of Fascist barbarism. And this decay capitalism Mac Donald and others see as a "New Order."

July 7, 1941.

Notice On Publications

The I.C.C. calls its readers attention to the first few issues of the "SPARK", German organ published in South America by comrades of the Foreign Buro of the Red Front in collaboration with other revolutionists; that this organ has presented valuable material, some of which has been translated and published in the INTERNATIONAL NEWS.

However, the failure of the Editorial Board

to point out the articles it agreed with and those it disagreed with has caused confusion, to say the least. Another shortcoming has been the failure of the Editorial Board to present a statement as to the political policy of the paper. It is always essential in Marxian publications to present the Editorial policy and to make a distinction between articles of the Board and discussion articles.

Worker's Councils And Democracy

Whatever the outcome of the Nazi invasion of the Soviet Union the conclusion will have a profound effect upon the question of Soviets in other parts of the world. The history of Workers' Councils (Soviets) dates back to 1905, but the Paris Commune for the first time saw new rudimentary working class organs begin to take shape in the wage slaves struggle for power. But the short period of the Paris Commune and the low level of economic development did not enable these structures to develop. Then came the Russian Revolution of 1905 in which the developed forms of the Worker's, Soldier's and Peasant's Councils could be clearly seen, even though this revolution was also drowned in blood.

In 1917 these councils of the workers were able to establish the rule of the working class along with its peasant ally. From then on Soviets in one form or the other developed in all parts of the world wherever the capitalist disintegration and the proletarian upsurge brought forth the question of state power. These Councils have been revealed to be the outgrowth of a revolutionary situation, and represent the stage of struggle for power by the wage workers; just as the trade union represented the first organized class forms of wage workers. From trade unions to Worker's Councils fighting for power, a whole period of historical development has been written.

THE FORM OF THE COUNCILS

As organizational structures of a worker's State the Councils take on varied forms depending upon the concrete situation. Everybody who has studied the problem is familiar with the Russian form of Soviets. (Workers, Peasants, Soldiers Soviets) In England the

Shop Steward Movement would have developed into Councils if the situation had ripened. In Germany, not only the classical form of Soviets existed but the Factory Committee and Shop Steward Movement could have been developed into Councils of the Worker's State. In Spain the Anti-Fascist Committees represented a variety of Soviets or Councils. In the United States the Factory Committee and the Shop Committee seem the most suitable embryo forms toward this end.

STRUCTURAL ASPECTS OF THE COUNCILS

History has already revealed the basic structural aspects of the soviets both in development and in decay, in Russia and in other countries where they have sprung up. Above all, in order that they may be Councils of a State power that is moving in the direction of greater working class democracy and toward socialism the Councils must be BASED UPON AN INDUSTRIAL STRUCTURE. Or in backward countries, a geographical structure may exist in several areas but the industrial structure must be decisive, even though the peasantry are the majority.

There is an important structural difference (as well as content difference) between the Peasant Soviets in Russia under Lenin, and the Peasant Soviets in the interior of China. In Russia these peasant Soviets were subordinated to the proletarian revolution and the proletariat in the period of civil war, with a 5 to 1 voting ratio favoring the workers. But in China they represented a high level of peasant civil war with outside aid from Stalinism, which was in no way a solution of the fundamental problem confronting the peoples of China.

Worker's Councils, Soldier's Councils, and

Peasant (or Farmer) Councils represent three basic structural FORMS. If the soldier's and peasant's Councils are not subordinated to the industrial structure with the working class as the driving force it involves more than just a problem of structure. It is, as stated before, a problem of content.

The Councils of FACTORIES, MINES, MILLS, and other ESTABLISHMENTS are the basic industrial framework to which other geographic forms of Councils (Peasants, etc.) must be attached. The industrial structure of the Councils, unlike the industrial structure of "trade unions" is based upon INDUSTRIAL AREAS instead of national industries. Within a given area the urban and rural centers are grouped together through their local soviets and its basic unit — the Councils of factories, mines and mills.

CONTENT OF COUNCILS

The most important aspect of the question of Councils is to find its exact relation to the question of STATE POWER, to the question of which class rules at the given moment. This is the stage of embryo Councils (before basically takes in the question of property relations, but here we are only dealing with the problem of relation to class domination. The three stages of the development of the Councils (in period of Dual Power), developed and functioning Councils (in period of Dual Power), and Councils that become the ruling organs of society (when Dual Power is transformed into the dictatorship of the Proletariat), replacing the Dictatorship of the exploiters.

It is clear that in this development the key question to determine the role of the Councils is the QUESTION OF STATE POWER. Two opposite roads are possible. In the period of Dual Power do the Councils subordinate themselves and take orders from the exploiters' Government (no matter how weak it may be) or do the Councils proceed on the basis of DUAL POWER toward full power? This question separates reformists from revolutionists (the line of Marxism and revisionism must be drawn on more than just this one demarcation).

Just as one must make a distinction between a trade union and a Company union so too one must not forget that even a "warped" (bureaucrat or gangster controlled) trade union is still a trade union, in contrast to a Company Union. A house cleaning is necessary to revitalize the union, but the Company union must be destroyed. So too, one must make a distinction between Councils controlled by the

workers, with workers' democracy and councils controlled by bureaucrats or reformists. Nevertheless these latter forms of councils controlled by bureaucrats or reformists are COUNCILS and need a house cleaning, not destruction.

The Soviets in Russia before the October struggle for power were dominated by the reformists, but were transformed under correct theory in ACTION. Later the Stalinists replaced the revolutionists and bureaucratic opportunists dominated the Soviets — until Stalin liquidated them. Under certain conditions it may be necessary, if the Soviets are in reformist hands, to build new Soviets through establishing new factory councils, where the majority can be given expression.

THE RULE OF THE WORKING CLASS AND THE COUNCILS

Above all the Councils must be the DEMOCRATIC INSTRUMENT of the class. Without democracy in the Soviets and Trade unions the Soviets become a hollow shell just like trade unions under reactionary, gangster or bureaucratic control.

In addition to all of the points laid down by the Bolsheviks on the question of Soviets up to 1924 we must doubly emphasize the following point to help safe-guard worker's democracy against bureaucracy.

The Councils (and not the party or the bureaucrats or the "Secret Police") must have CONTROL of the ARMED MIGHT OF THE STATE.

The armed might of the state must be so organized that EACH SOVIET, each COUNCIL HAS ITS DEPOTS, and ITS CONTROL of ARMS.

The entire working class THROUGH THE ORGANIZED COUNCILS MUST CONTROL THE ARMS OF THE NATION. Not control from the top — but rank and file CONTROL.

Without an armed working class, controlling the arms, the safe-guarding of democracy in the period of Transition Economy is a questionable affair, because there is too much carry-over of bourgeois laws, methods, ideology, etc., and because the reorganization of production must reach a high level before these old forms can be wiped out completely.

Some will argue that this is an ultra-left position on the question of State power. Let the "guardians" of the working class quibble. We trust no one BUT THE WORKERS THEMSELVES. They will make mistakes. They will often misuse their newly won power. But they will make a thousand times less mistakes with this power than the self appointed guardians.

They will make a million times less mistakes than the exploiters who rule today.

THE DICTATORSHIP OF THE PROLETARIAT AND THE COUNCILS.

Most persons think that the Dictatorship of the Proletariat and Councils are the same. This is not true. The Councils represent only a part of the problem of the Dictatorship of the Proletariat, just as the Democratic or limited monarchical form of the capitalist state represents only a part of the problem of the dictatorship of the capitalists.

The dictatorship of the exploiters or the workers includes the question of productive relations, property relations, state power and the other vital avenues of control and domination of the mind and body of humans.

THE PARTY AND THE COUNCILS.

The dictatorship of the Party or of Stalinism is a warped form of the Dictatorship of the Proletariat; just like the Robespierre period or the Louis Bonaparte III Empire were "warped" forms of the dictatorship of the bourgeoisie, of the exploiters. The revolutionary Marxian Party must lead, must direct, must help guide TOWARD SOCIALISM, but this activity in theory and practice MUST BE CARRIED OUT THROUGH THE COUNCILS, where the Marxists will try to keep **ideological** control. The trade unions, which are separate from the Councils, and play a role of defending the workers' interests against the centralized state in the Transition period on the road to socialism, must have the right to strike for their economic demands if it is necessary to dislodge bureaucrats, etc.

DEMOCRACY AND DICTATORSHIP.

It is very difficult for minds taught "logic" to understand that as long as CLASSES EXIST there will be a state and that all states, no matter what their form may be, represent dictatorships. At the same time they represent democracy for the ruling class or for a part of that ruling class. The question of democracy cannot be separated from the question of CLASS RULE. The question of dictatorship cannot be

divorced from the question of classes in society.

But our distinction, the distinction of a Worker's COUNCIL government from all past states is the difference between the rule of the majority (THROUGH ARMED COUNCILS) and the rule of the exploiting minority. A standing army above the people is a product of an exploiter's state or a warped worker's state. A standing army, for border needs in a genuine Worker's Council State will be subordinated to the ARMED WORKING CLASS IN EACH AND EVERY COUNCIL.

ECONOMIC DEVELOPMENT AND COUNCILS

The content of the state is determined by the economic mode of production. And as historical materialists (and not economic determinists) point out, once this state has its development and becomes a powerful material factor, it plays a real role in social development — at given junctures even a decisive role — although not independent of the economic foundation but in relation to that structure.

Furthermore (when and where the workers take power) the level of economic development taken over from the exploiters will materially determine important aspects of the worker's Councils. Greater economic productivity, higher economic productive forces will assure a higher level of worker's democracy.

Where the Soviets have to contend with a low economic level when they seize power, and where the peasants are still in the majority, this material weight of the past will weigh heavily upon the development of worker's democracy — and will materially favor the bureaucrats.

Where the workers obtain a high productive level, where there is a majority of workers, as in the United States, the situation favors workers democracy and the struggle against the exploiters attempt to retain power, and against the bureaucrats who attempt to usurp the workers newly won power.

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