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## RESOLUTION ON THE RUSSIAN QUESTION

For many years the fact that in Russia the means of production were state property, was sufficient for the Fourth International to characterize the working-class as ruling class and the Russian state as a workers State.

Today, however, 1941, side by side with a tremendous but declining rate of industrial expansion in Russia, the working class has been reduced to a state of pauperization, slavery and degradation unequalled in modern Europe. The real wages of the workers are approximately one-half of what they were in 1913. A bureaucrat holds all economic and political power. To continue to call the Russian workers the ruling class is to make a statement without meaning.

Yet Trotsky never wavered from this position. It led him, the direct successor of Marx, Engels and Lenin, into calling upon the workers of Russia to be the best soldiers in an army that was, according to his own statement, acting as the tool of an imperialist power. The Workers Party, in refusing to accept this position, and in calling upon the Russian workers in this war to turn the guns in the opposite direction made a profound break not with all that we have thought on the Russian question, but with something far more important, with how we have thought about it. So profound a difference must convince the party that what we face is not a re-hash or manipulation of our previous ideas but a fundamental reevaluation of the method and equipment with which we previously approached the question. Unless this is absolutely and thoroughly done, the party will live in a state of continual uncertainty, confusion and recurrent conflict about our fundamental aims. This explains the scope and method of this resolution.

### 2. THE MARXIAN THEORY OF SOCIETY.

Marx rests his theory of society upon the technical level of the instruments of production under given historical circumstances. "Assume a particular state of development in the productive forces of man and you will get a particular form of commerce and consumption. Assume particular stages of development in production, commerce and consumption and you will have a corresponding social order, a corresponding organization of the family and of the ranks and classes, in a word, a corresponding civil society." These are Marx's own words. The purely historical, i.e., the chronological analysis of society places property first. The logical method of Marx examines the actual historical relations always as an expression of the logical analysis, which begins with the technical level of the instruments of production. This determines the relation of the people to each other and the division into classes, which then determine the relation of the classes to the instruments of production and the results of labor. These last usually expressed in laws, are the relations of property, which from his earliest writings, Marx always defined as an expression of the mode of production. This is the strict Marxian terminology and the strict Marxian sequence as can be seen from a casual reading of the Preface to the Critique of Political Economy and The Communist Manifesto.

Applying this method to Russia we find that in 1917 the technical level of production, unsupported by one or more powerful socialist states, compels a social relation of exploited wage-laborers and appropriating capitalists. In order to achieve the bourgeois-democratic revolution in 1917 the proletariat was compelled to seize power. But this seizure of political power was due chiefly to the incapacity of the ruling class and the conjunctural historical circumstances. The working class lacked the maturity in production of a proletariat which was a majority of the population and had been trained and disciplined by large-scale capitalism. All political power rests in the last analysis on and is determined by production relations. This was the reason for the insistence of Lenin and Trotsky that without the proletarian revolution on a world wide scale, the Russian proletariat was doomed to sink back to the position of wage-slaves, i.e., the restoration of Russia to capitalism. This is exactly what has happened. The whole society has turned itself slowly over and once more the working class has been pushed back into that submissive role in production which is determined by the low technical level of the productive forces judged on a national scale. The bureaucracy is completely master in the productive process and that is the bases of its political power.

No more convincing exposition of Marx's theory of a society resting on the technical level of production can be wished for.

### 3. THE THEORY OF CAPITALIST SOCIETY:

Contrary to expectation the role of managers of production has not been seized by members of the old ruling class. The definition of the class which is today master of Russia must rest on an analysis of the mode of production which now prevails. The historical conditions of capitalist production are as follows (1) the existence of the world market, (2) the existence of a class of "nominally free" wage-laborers, (3) the ownership or monopoly of the means of production by a class which rules production and disposes of the property, (4) Production by private persons for a free and uncertain market. Such a society produces a certain type of product, the capitalist commodity which has its own special commodity characteristics. The labor contained in it has the double aspect of both use-value and exchange-value. To use Marx's own words "all understanding of the facts depends upon this..." and any analysis of Russia which describes it as a society "unforeseen" by Marxists but yet omits a consideration of this and other aspects of the law of value is so inadequate as to be not only misleading but valueless. The law of value can be rejected. It cannot be ignored or allowed to go by defaults in a Marxist party.

The Marxian law of value, however, is merely an expression of a certain type of society. This society contrary to all other societies we have known and expect to know, makes the extraction of surplus labor (called in this instance surplus-value) the main aim of production. For Marx "the capitalist mode of production (is) (essentially) the production of surplus value, the absorption of surplus labor". This is crucial. "It must never be forgotten, that the production of this surplus-value - the the reconversion of a portion of it into capital, or accumulation, forms an indispensable part of this production of surplus value - is the immediate purpose and the

compelling motive of capitalist-production. It will not do to represent capitalist production as something which it is not, that is to say, as a production having for its immediate purpose the consumption of goods, or the production of means of enjoyment for capitalists. This would be overlooking the specific character of capitalist production, which reveals itself in its innermost essence." This is the main aim of production in Stalinist society, a capitalist society. All other societies produced for consumption and enjoyment.

All previous societies produced surplus-labor, but except in isolated instances, wants or use-values were the main purpose of production. It is only in a society where labor is free of all contact with the means of production, within the environment of the world market, that the contradiction between production for use and for surplus value dominates the whole society. Marx speaks of the difference between the use-value and the exchange-value of the commodity as the antithesis of the commodity. The contradictions and antagonisms of capitalistic society are merely embodiments of this antithesis, which is to be resolved in the synthesis of socialism, i.e. by the reuniting of the man of labor and the means of labor, and the abolition of the capitalist world market. International socialist society will produce surplus labor but it once more has as its sole aim the production of use-values.

Today this antithesis between production for use and production for surplus-labor can be seen nowhere so clearly as in Stalinist Russia. And that stamps this society as being of the same inner essence as capitalism. Up to 1928, the use-value of the commodity predominated to the limited extent that this was possible in a backward society in the environment of the world market. The industrial proletariat in that year lived, at the very least, up to the standard of 1913. The First-Year Plan predicated doubling of the subsistence of the working class by 1932. But from 1929 a decisive change began. The lowering of agricultural prices in the world market threw the Russian plan into chaos. The competition on the world market, in its modern form of imperialist war, compelled the bureaucracy to reorganize the plan to meet the threat of Japan, at heavy cost; and with the coming to power of Hitler and his announcement that the main enemy was Russia, the change in Stalinist production and in Stalinist society became more uncontrollable. The bureaucracy was compelled to continue the process of industrialization at feverish speed. Under such circumstances, in a backward country, with an immature working-class, the main aim of production inevitably must become the production of surplus-labor, for the sake of more production, for the sake of still more production. And all this at the cost of the working-class. This is the specific characteristic of a capitalist production. This economic necessity compelled an enormous increase in the repressive apparatus, the consolidation of the ruling bureaucracy by concrete privileges, honors and authority and the destruction of persons and ideology connected with the October Revolution. The necessity of anarchy, attempting to produce all that Russia needed within its own borders, resulted in further disruption of production, and the mounting indices of production as a consequence represented large uneconomic investment, thus increasing the strain upon the workers. Stakhanovism was a perfect expression of the qualitative change in Russian society. The climax came in 1936-1937 with the partial breakdown of the economy as exemplified by the charges

of Trotskyite sabotage in every branch of production. In the historical circumstances of Russia, the antithesis between the production of surplus value and use-value has reached a stage unknown in other capitalist economies. The state of world economy today precludes any thought of a cessation of this mode of production. The economic power of the bureaucracy precludes that this can be done otherwise than at the continued and growing expense of the working class. The system has developed in every essential of production into a capitalist system and the parasitic bureaucracy has been transformed into an exploiting capitalist class. Henceforward its law of motion must be the same as that of other capitalist societies. An approximate date for the completion of the process is 1936, the year of the Stalinist constitution.

#### 4. The necessary movement of capital and its forms of manifestation.

That the laws inherent in capitalist production in Russia manifest themselves in unusual forms is obvious. But their unusualness in Russia is not unique. It is exceeded by the capitalism which Marx himself invented. To deduce the laws of capitalist production, Marx constructed a capitalism such as never existed and never could exist. In it labor, like every other commodity, was always sold at its value, the capitalist found on the market whatever he wished, consumption was always equated to production, fluctuations of prices there were none, no single capitalist enterprise advanced in front of the other in organic composition, unemployment and crisis were absent, all was in complete equilibrium; no capitalist could construct for himself a more ideal haven of peaceful accumulation. Yet this is the capitalism from which Marx drew his laws of motion, and even this capitalism Marx proved, was bound to collapse. From this abstraction, which was the frame in which he worked in Volumes I and II, Marx then turned and in Volume III showed the devastating manifestation of the law of motion in capitalist society as it actually was. Thus the very method on which Capital was constructed is a warning to all hasty and ill-based attempts to baptise societies as never before seen, from a consideration of their external forms of manifestation, and not from an analysis of their laws of motion.

Marx dealt extensively with the crisis of over-production but in 1886 Engels, in a preface to Capital, calmly stated that the decennial cycle of prosperity, overproduction and crises, seemed to have come to an end, leaving a permanent depression. A few years later he wrote that perhaps this prolonged stagnation was only the prelude to a general world wide crisis, but he was not certain. That the continued absence of the cycle of prosperity, overproduction and crisis invalidated the law of motion of capitalist society was obviously far from his thought. For Marx crisis was an expression of the contradictions inherent in the movement of capitalist society. The crisis would express itself in different forms but the contradictions of the capital relations would continue.

The "free and uncertain" market of "pure" capitalism has been abolished before now in a national society. Lenin in 1917, before the revolution, stated that the immense majority of the capitalists in Russia were not producing for the market at all but for the State which advanced them money. It was not commodity production, which, he explained, was production for a free and uncertain market: It was not "pure" capitalism (the quotes are his own) but "A special type of national economy." In

Germany today that process Lenin described is immensely more advanced than it was in Russia. It would be a perversion to assert that production in Germany is for a free and open market. It would be equally disastrous to see in this abolition of the traditionally free capitalist market, a basic change in the society. The law of motion is not thereby altered. To the contrary, it is the nature of the law of motion to abolish the free market. In Russia the commodity is no longer the product of private individuals. But it is, however, the law of capitalist production to abolish the private character of capital.. That Marx expected the revolution to occur before this was completed alters not one thing in his analysis of the movement of the society. The joint-stock company is "the abolition of capital as private property within the boundaries of capitalist production". The concentration of all available capital in the hands of the Bank of England "does away with the private character of capital and implies in itself, to that extent, the abolition of capital". The climax of this process is the ownership of all capital in the hands of the State. The bourgeoisie continues to draw dividends, but the drawing of dividends does not make a system capitalist. The dividends can be drawn from a Workers' State. It is the fact that the state acts as the entrepreneur and exploits the workers that is decisive. "Interest-bearing capital represents capital as ownership compared to capital as a function." And, still more clear, "The investing capitalist derives his claim to profits of enterprise and consequently the profit of enterprise itself, not from his ownership of capital, but from its production function as distinguished from its form, in which it is only inert property". Marx in scores of other places pointed out the distinction between production and property. It is one of his great contributions to economic theory.

But all this type of argument shows not only a complete incapacity to understand Russia, but a narrowness of view which will prevent any clear understanding of further developments in traditional capitalist society. Marx's definitions are both precise and sweeping. In all previous societies land was the main factor in production. In capitalist society the main factor is accumulated labor, within the environment of the world market. If the laborer controls the accumulated labor we have socialism. Wherever it controls him we have capitalism. "It is only the dominion of past, accumulated materialized labor over immediate living labor that stamps the accumulated labor with the character of Capital". Marx repeatedly wrote these definitions. The most famous of them, just as this last, applies literally to Stalinist society: "Capital is a definite interrelation in social production belonging to a definite historical formation of society. This interrelation expresses itself through a certain thing and gives to this thing a specific social character. Capital is not the sum of the material and produced means of production converted into capital and means of production by themselves are no more capital than gold or silver are money in themselves. Capital signifies the means of production monopolized by a certain part of society, the products and material requirements of labor made independent of labor-power in living human beings and antagonistic to them, and personified in capital by this antagonism". Such a society, whatever differences it may and must develop from classic capitalism, will move in a certain direction and in a certain way. That is the heart of the problem.

##### 5. The General Law of Capitalist Accumulation.

If the contradiction between use-value and exchange value is the pivot

of the Marxian political economy, its second distinctive character is, on Marx's own evaluation, his method of analyzing surplus value, i.e. surplus labor in the modern historical conditions. This he treats as an entity, and his deliberate refusal in theoretical analysis to take into consideration its subdivisions into industrial profit, commercial profit, interest, rent, taxes, etc., is a fundamental of his system. It would be presumptuous to attempt to state it in words other than his own. "With the advance of accumulation, therefore, the proportion of constant to variable capital changes. If it was originally say 1:1, it now becomes successively 2:1, 3:1, 4:1, 5:1, 7:1, 8:1, so that, as the capital increases, instead of  $\frac{1}{2}$  of its total value, only  $\frac{1}{3}$ ,  $\frac{1}{4}$ ,  $\frac{1}{5}$ ,  $\frac{1}{6}$ ,  $\frac{1}{8}$ , etc., is transformed into labor-power, and, on the other hand,  $\frac{2}{3}$ ,  $\frac{3}{4}$ ,  $\frac{4}{5}$ ,  $\frac{5}{6}$ ,  $\frac{7}{8}$  into means of production.....With the growth of the total capital, its variable constituent or the labor incorporated in it, also does increase, but in a constantly diminishing proportion".

The disproportion between constant and variable capital increases and, ultimately, such will be the strain on the worker to produce the necessary surplus that, as Marx says in one place, at a certain stage, if the laborer worked all 24 hours a day, and the capitalist took all the labor instead of merely the surplus over subsistence it still would not be sufficient. Here, in the process of production, and not in the process of circulation (the market) lies the fundamental contradiction of capitalist production. This is the basis of Marx's law of the falling rate of profit. "The fact that this analysis is made independently of the subdivisions of profit, which fall to the share of different categories of persons, shows in itself that this law, in its general workings, is independent of those subdivisions and of the mutual relations of the resulting categories of profit. The profit to which we are here referring is but another name for surplus-value itself, which is merely observed in its relation to the total capital, instead of its relation to the variable capital from which it arises. The fall in the rate of profit therefore expresses the falling relation of surplus-value itself to the total capital, and is for this reason independent of any division of this profit among various participants". Here is the key to the understanding of the growing crisis in Russia. Part of the annual product goes for necessary wages. Part of it goes to replace the constant capital used up. If as has been estimated the means of production have to be renewed every ten years then the workers have to produce, yearly, beside their wages one-tenth of a constantly increasing capital. The rest is the surplus labor. As the mass of capital increases the mass of surplus labor becomes proportionately less and less. The worker, with no control over the process of production, receives less and less of the product. At a certain stage, in order to make the decreasing mass of surplus value approximately adequate to its task, the capitalist has no alternative but to lower the wages and increase the exploitation of the worker. The worker resists. The capitalist class then is compelled to enslave him. Ultimately, says Engels, the worker will be driven to the level of a Chinese coolie. This is the inevitable enslavement of the worker which Marx prophesies so persistently. If today when we see the enslavement we begin to see it in a worker no longer "free", but attached to the factory as the slave or the serf was attached to the land, then the Party will have definitely left the road of Marxism for the most vicious and vulgar empiricism. It is on this movement in the direct process of production, that is based the theore-

tical certainty of the collapse of capitalist production. The competition on the World market, the enormous expenses of an exploiting society, with its military apparatus, bureaucracy, clergy, police, etc., the decreasing productivity of the individual laborer, the millions who do work, which can only be called work "under a miserable mode of production", all this compels such a society to make surplus labor and surplus labor alone, the compelling force of production. Thus at a certain stage, as in Germany, in 1932, the magnificent productive apparatus stands crippled. Such is the size of the means of production and the organic composition of capital, that the enormous quantity of surplus-labor necessary for the progressive functioning of a capitalist society cannot be produced. The "functioning capital" available to make this productive apparatus work is too little. It appears to be a plethora of capital but Marx says this "so called plethora of capital" is always a capital whose mass does not atone for the fall in the rate of profit. Capitalist production comes to a standstill first and foremost because the system demands that surplus labor be produced, and sufficient surplus-labor cannot be produced. The contradiction between use-value and exchange value has reached its apotheosis. The troubles of the market are merely the reverse side, the result of the contradictions in production.

An identical process of production in Russia moves inevitably to a similar result. The laws of capitalist production, always immanent in an isolated Workers State and more so in a backward economy, have been forced into action, in the environment of the world market. The organic composition of capital in Russia mounts with the growth of industrialization. Year by year, however, the mass of surplus labor must grow proportionately less and less. Marx worked out his final theory of accumulation on the basis of the total social capital in the country and denied that this altered the economic and historical characteristics of the society. The expenses of an exploiting class within the environment of the world market, the privileges necessary to differentiate the classes, a vast military apparatus, increasing degradation and slavery of the worker, the lowering of his individual productivity at a stage when it needs to be increased, all these features of Russia are rooted in the capital-wage labor relation and the world-market environment. The advantages that Russia alone enjoyed in 1928, contraliation of the means of production, capacity to plan, have today been swamped by the disadvantages of the quest for surplus labor. To its traditionally capitalist troubles the bureaucracy adds one of its own, an excessive waste due to the bureaucratic administration. But Stalin today, like Hitler, contends essentially with the falling relation of the mass of surplus value to the total social capital. That is the economic basis of the constantly growing persecution of the workers by the bureaucracy. The bureaucracy is no worse than any other ruling class. It behaves as it does because it must. This is the law of notion of Stalinist society. Ultimately the productive apparatus of Russia will stand as impotent as Germany's in 1932, and for the same reason, its incapacity to produce the necessary surplus labor which is the compelling motive of production for any modern class society. The struggle in Russia is not over consumption, as Trotsky thought, but over production, and the Stalinist state is organized nine-tenths, not for stealing, but for production. The party must make this clear in all its propaganda and agitation and correct this serious error.

This is the reply to all who see some new type of society superseding capitalism, and solving its contradictions. All of these theories are distinguished by their absence of economic analysis, or the flimsiness of their assumptions. If the party should adopt the same empirical method in its own analysis, it will completely emasculate its own capacity to answer and destroy the arguments of those who herald the managerial society, the "new" Fascist order, the garrison State, etc. This theory is the heritage that Marx left for the proletarian movement. And it is here that we must be clear or be always in confusion.

## 6. The Theory of Imperialism.

Modern imperialism is a quest for markets in an attempt to check the always declining relation of surplus value to the total social capital. So that Lenin, following Marx, bases his theory of imperialism on production and not on circulation. The circulation process of capital, however, is important for one understanding of a particular manifestation of imperialism. In Volume II Marx repeats in almost every chapter that the capitalist has to set aside some capital year after year until it is large enough for the purpose of reorganizing his enterprise on the necessary scale. Individual capitals may accumulate quickly. What is important is the total accumulation in regard to the social capital as a whole. This mass of surplus labor, embodied in money capital and waiting until it is large enough, forms a substantial part of the capital in the hands of banks, and as capitalist production develops it becomes larger and larger. This money-capital also increases as capital is withdrawn from the production of commodities through its incapacity to produce profits. This is the money-capital of which Lenin writes. But all imperialism was not necessarily of the particular type Lenin analysed. Japan and Russia were not, as he said, "modern, up-to-date finance-capital", but, as he explained, their military power, their domination of colonial territories, their plunder of China, etc., made them imperialist. By 1914 imperialism was therefore a struggle for all or any kind of territory, for the sake of the territory and in order to prevent rivals getting hold of it. This was done to control raw materials, to export capital, to expand the commodity-market, for strategic purposes, in fact for any purpose which would contribute to the increase of surplus value. That is the obvious economic basis of Stalinist imperialism. Like Hitlerism it will seize fixed capital or agrarian territory, tin-mines or strategic ports and transport man-power. Within its own borders the bureaucracy mercilessly exploits the subject nationalities. Should it emerge victorious in the coming war, it will share in all the grabbings of its partners, and for the same reason. Trotsky's idea that the bureaucracy seeks foreign territory merely to expand its power, prestige and revenues lays the emphasis on the consumption of the bureaucracy. That is false. The "greed" of the capitalist class is a result of the process of production, and the greed of the bureaucracy has the same roots. With a productivity of labor as low as it is in Russia, and the overhead expenses of an exploiting society within the environment of the world market as large as they are, equal to that of the most highly developed capitalist states, it is not possible for the bureaucracy to escape the same fundamental problems of production as an advanced capitalist state, and to move towards the same attempts at solution.



## 7. Fascism

If the relations of production in Russia are capitalist then the state is Fascist. Fascism is a mass petty-bourgeois movement but the Fascist state is not a mass petty-bourgeois state. It is the political reflection of the drive towards complete centralization of production which distinguishes all national economies today.

Finance-capital and inter-locking directorates are a result of the growing concentration of capital and the increasing socialization of production. The contradiction between this socialization and the appropriation of the product for the benefit of a few, drives the few into a position where to survive they must act as one, against the workers and against the external bourgeoisie.

The Fascist state has deeper economic roots than we have hitherto acknowledged. In this respect the development of Russia is a sign-post as to the future of capitalist society. In 1878 Engels (and Marx approved) made a statement of the most profound significance for the modern world: that the growing socialization of production would compel the capitalists to treat the productive forces as social forces, so far as that was possible within the framework of capitalist relations. How far is that possible? Today life and Marx's Capital teach us the probable extent and limits of this process. Marx treated in Volume I the direct process of production and all the essentials of his doctrine are contained in that volume. In the next volume he treated circulation, as part of the process of production, but as "secondary" and supplementary to production. The "one fundamental condition" of the capitalist mode of production, the sale and purchase of labor-power he tells us himself that he abstracted from circulation and treated in Volume I. The in Volume III, his abstract analysis complete, he for the first time, and only late in the volume, subdivided surplus-value into profit, interest, rent, etc.. Today the capitalist class, impelled to treat the productive forces as social forces, so far has left the property relations intact but the group in control manipulates the surplus value more and more as a whole. Less and less capital is apportioned to production by competition. In Germany today capital is consciously directed to different branches of production. The process will continue. The Capitalist abolish the free market and shape circulation as far as possible to their own purposes, rationing every commodity including labor-power. But the one fundamental condition of capitalist production, the sale and purchase of labor-power, and the process of production, (Volume I) that they cannot alter without destroying themselves. Lenin (in the last two pages of Imperialism as early as 1916, saw that with the increasing socialization of production "private economic relations and private property relations constitute a shell which is no longer suitable for its contents, a shell which must of necessity begin to decay if its destruction is postponed by artificial means". The Communist Manifesto of the Third International was written around the same thesis in the most pronounced form.

If Russia today has differences with a capitalist economy where the private property relations have decayed and production is nationalized, these points are not to be detailed for their own sake as being different. Nobody denies their difference. What is to be proved is that these differences alter the law of motion of the society. And this cannot be done, because the contradictions of the society are rooted in the class relations of production which are identical and determine

all other relations. What was formerly private and uncontrolled by the very development of capitalist production becomes more and more state-controlled.

It is from there, where Marx placed his basic contradictions, that all capitalist troubles spring. More and more capitalist society, in Engels' phrase, will capitulate to the necessity for planning of the invading socialist society. We must be prepared for strange transformations. But as long as wage-labor exists, the capitalist class will have what Engels called not more than the "technical elements" of a solution. "Technically", Hitler and Stalin have control of the means of production and are able to do anything. In reality the social relations of production inside the country in the environment of the world market make them merely vain fighters against the general current of world economy. It is this economic necessity of organizing production as a whole (the invading socialist society) but yet the interests of a few, (the old capitalist society) that finds political expression in Fascism. Whatever the method, capitalist economy forces the formation of the totalitarian state owing to the needs of production.

## 8. Socialism.

The antithesis of Stalinist society and capitalistic society being the same, the solution of their contradictions is the same. It can be stated in a sentence. The workers must take control of the process of production on a national and international scale; this achieved, automatically, according to the technical development and the relation with the world market, use values will begin to predominate. But with reasonable speed the same must take place on an international scale. or the quest for surplus-labor in the world as a whole will drag down the socialist state, unless it commands an exceptionally well-developed and extensive area. "We live" said Lenin "not in a state but in a system of states". The consequences of this transformation will be:

1. The individual development of the laborer. It is on this that Marx depends with unwearying insistence for the higher productivity of labor which will be characteristic of the new society. "Variable Capital" will now, and only now meet "constant Capital" in co-ordination. In no sphere has our party been so guilty as in its utter neglect of this phase of production during the last ten years. The necessary expansion of production will take place and be maintained in socialist society through the fact that the material and intellectual advantages of society, now the prerogative of a few, will be the prerogative of all, and this for Marx, means the certainty of an enormous development, not in the worker getting more to eat, but primarily as an agent in the process of production. The creative capacity of the workers, the joy in labor and service, hitherto seen only in the process of revolution, will be applied for the first time to production by the emancipated working class. That is the only way to solve the antithesis between use-value and exchange value. To presume that Stalinist society has solved it is a monstrous absurdity. The degradation of the Russian worker is an economic fact. Man is the greatest of all productive forces, and once his potentialities are released, the era of human freedom will begin. "Its fundamental premise is the shortening of the working day". Until then society will be increasingly like Russia and Germany, and plunging to destruction.

2. This release of the workers for creative labor in production will be immensely encouraged by the entry into productive labor of the millions of idlers and unproductive laborers who infest modern society the bourgeoisie, the lawyers, the publicity men, the distributors, domestic servants, agitators, storm-troppers, police, etc.. All will be trained and placed in productive labor. They are the overwhelming overhead expenses of a class society, in Russia as well as in Germany.

3. Production will be for social needs and not for millions of non-productive consumers in army, navy, air-force, and their useless and criminal expenditure. The international division of labor will become a source not of enormous expenditure and anarchy, but a source of cooperation and continuous advance.

It is necessary to emphasize this today. For if it were understood some of the notions now prevalent in the party could not exist. The idea that if the bourgeoisie should nationalize production and property, the hope for Socialism is a Utopia, that is a misunderstanding of the contradictions of capitalism which must be driven out of our movement. Such a transformation will solve nothing. The three points outlined above will be as far from realization as ever. A new society begins when the workers take power or when the world market is abolished by the domination of one capitalist state which would be an unseparable barbarism. Marxism knows no other "new" society far less any progressive new society. Either the emancipation of labor or increasing barbarism.

Only in the most abstract sense can state-property be said to be a higher form, as monopoly capitalism was a higher form than pre-monopoly capitalism. Today we have reached a turning point. The pauperization of the worker, which was formerly relative, is now on a world scale, absolute. Today in the most advanced capitalist societies, he is on his way to slavery. In its present stage, capitalism, whatever its form, except in a few areas and for declining periods, can no longer maintain the worker even in the conditions of his previous slavery. Without the proletarian revolution the state-property form can be the vehicle of barbarism and the destruction of human society. Such terms as higher and lower forms have no meaning in the concrete circumstances. It is not the form of property but the social relations of production which are decisive. Today if the working class is master the form is progressive. If it is not, the form is reactionary. "In bourgeois society living labor is but a means to increase accumulated labor. In Communist society accumulated labor is but a means to widen, to enrich, to promote the existence of the laborer." Any society today, in which the aim is not to promote the existence of the laborer is doomed to crisis and disorder and will go always closer to barbarism until the workers take power. That is all there is to Marx, and as he himself states on an understanding of this, all comprehension of the facts depends.

## 9. Political Conclusions.

On the basis of the above analysis certain political conclusions follow automatically. They are:

a) No defense of Russia under any circumstances.

The first condition for working out a long term policy about Russia is to define the economic nature of the society and the historic character of the bureaucracy. It is bourgeois, and therefore has no rights over the struggles of the workers for their democratic rights. The struggle for socialism is the struggle for democracy, before, or after, the expropriation of the bureaucracy. The bureaucracy in Russia has to be expropriated, driven away from its stranglehold over the process and the means of production. To do this the proletariat mobilizes all the poor and all the oppressed, of Russia. It is prepared without hesitation to restore private property to those peasants who wish it. It rejects a united front with Kerensky and all his scores of followers in Russia who ask the proletariat to fight for them so that they may each get a factory for themselves. With Mensheviks, and with any section of the working class movement, or any other section of society it forms a united front for what it considers to be working-class demands, and for nothing else; it forms these on its own conditions and the revolutionary proletariat keeps its hands free and makes or breaks these attempts at united action as it sees fit in the interests of the struggle for power. Nothing in Marxism compels the proletariat to form a united front with any group at any time except it thinks to the advantage of the proletariat to do so in its struggle for power.

b) Dennunciation of the C.P. as the agent of a Fascist power.

It appears that in the minds of some this excludes a United Front with the C.P. on a specific issue. The contention is not only stupid but dangerous. A United Front is formed with a section of American workers mainly on their intentions against the American bourgeoisie, or the world bourgeoisie, not on account of its belief in Stalinism. If it is not to be formed with them because the C.P. is the agent of a reactionary bureaucracy which is the enemy of the workers and of socialism; that excludes the United Front with the C.P. for all those who do not believe that the working-class is still the ruling-class in Russia. In the case of Browder whom the American government attacked for obvious reasons, the party will offer a United Front. If the C.P. however, had called for a mass protest against the War in 1939, then with our present policy the party should have refused. But even that refusal is not definitive. For according to the temper of the American proletariat the strength of the party, the stage of development or disintegration of the CP the strength of the bourgeoisie, the party may even under similar circumstance, decided even to support a specific anti-war action by the CP even though the call was dictated originally by the interests of the Russian bureaucracy. The sophistry which indulges in superficial arguments of the above type must be rigorously rejected. It would be most dangerous for the party if it allowed itself to be driven into considering the United Front as a collection of fixed laws, instead of a tactical orientation within given circumstance toward a fixed goal.

c) Propaganda for Socialism.

The party must make it a first task, in its press, and all other propaganda and agitation to preach the necessity of socialism, to explain that no modern society of any kind offers any solution to the problems of modern society, except a society in which the workers hold power. It must with special vigour denounce and expose the idea that Fascism Managerial Society, or bureaucratic state-socialism, are in any concrete sense progressive societies or even could be, and it must do this by

challenging their proponents on the fundamental economic categories and analysis of Marx.

d) The Party must initiate a serious study of Marxian economics, and devote a section of the New International regularly to studies in Capital, The Critique of Political Economy, etc.. Many of the important points in Capital are still controversial, but it is certain that the development of society offers this generation an opportunity to elucidate by an observation of life many of the problems which were objects merely of speculation by previous theoreticians. This must be the basis of our theoretical work in future. It is as an example of what we have to do, and how we have to do it, that this resolution has been written. Whatever our conclusions, the uncertainty of the present and the crisis of the future demand that we solidly establish our fundamentals. If even we shall decide to abandon the Marxian law of value in the analysis of any modern society, then we should know exactly and concretely why. For it is only from there that we could develop a new method, as will be necessary for any new society.

September 19, 1941  
Submitted to the Second National  
Convention of the Workers Party.

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