

Marxism Re-Stated

Dr. KARL POLANYI

LAST week we tried to define Fascism in a revised Marxian terminology. This resulted in the following theses:—

Fascism arises out of the mutual incompatibility of Democracy and Capitalism in a fully developed industrial society.

Democracy tends to become the instrument of working-class influence. Capitalism remains the domain in which production is under the sole authority of property-owners. A deadlock is inevitable.

Suddenly society is threatened by a fateful interlocking of its political and its economic functions.

Political interference with Economics, economic interference with Politics becomes the rule. This perversion of functions results in a real loss both of political safety and of economic standards for all.

Either Democracy or Capitalism must go. Fascism is that solution of the deadlock which leaves Capitalism untouched.

The other solution is Socialism. Capitalism goes, Democracy remains.

Socialism is the extension of Democracy to the economic sphere. It is, therefore, essentially functional, Fascism is the opposite. Fascism means the short-circuiting of political, economic, and cultural functions in a minute ruling group of self-interested owners. Such a society cannot in the long run continue to exist.

Orthodox Objections

Current Marxian criticism would, probably, object that this formulation does not do full justice to the theory of class-interests and class-war. Why the fictitious battle between Democracy and Capitalism, since the issue itself is simple and clear? It is not the spectres of Democracy and Capitalism that are fighting each other, but the actual concrete forces of Capital and Labour, or, to put it quite plainly, the property-owning class and the working class. Capitalists are afraid that the workers will introduce Socialism and so they want to do away with the political power of the workers' parties. The class-war between capitalists and workers is disrupting society. Only one of two solutions is possible. Either the working class rules or the capitalist class. The one means Socialism, the other Capitalism. It is a question of power. Why all this talk about a functional perversion of Democracy and Capitalism and the establishing of a functional Democracy based on Socialist economics?

Thus the hypothetical Marxian commentator. He might even quote the chapter and verse of Karl Marx himself as a bludgeon. Yet he would be wrong. For his forms of expression indicate a misconstruction of some essential sociological facts and, most probably, also an inadequate understanding of the fundamental philosophic background of Marxism itself.

Hegel in Marx

This philosophic background is well known. It is dialectical. It consists in making use of the

thoroughly idealistic Hegelian method in terms of sociological realism. How could this be done? Especially, how in terms of an originally idealistic method could class-war be declared the *central* fact, and material interests the *ultimate* driving forces in human history? For Marx had not merely discovered the existence of class-war and class-interest. Linguet, Saint-Simon, Lorenz von Stein, and others had done that before him. What he maintained was something quite different. Of all the innumerable facts in society, he asserted that class-war was the central fact. Of all the warring forces in the historical life of mankind, he declared that class-interest was the decisive factor. And, infinitely more important than these statements, he insisted that the future of human society was bound up with the material interests of the industrial working class. He definitely proclaimed the poorest and least educated stratum of society to be the chosen leaders of mankind. This most astounding assertion is the great contribution of Karl Marx to human thought and philosophy. How could Hegel's dialectical method, outside of which his spirit consistently refused to move, lead to this sociological appraisal of the interests of working-class men? Emphatically it is the answer to this question which must supply us with the right definition of the full content of the Marxian idea of class war as well as of its intrinsic limitations.

From Ideality to Reality

Let us re-state the mental background of Marx's social theory in language as little technical as possible.

Human society as a whole stands under the law of development. In this process of development society proceeds to higher and higher forms of its total organization. If society is prevented from following out this law of growth it perishes. But no society actually passes away before it has fully developed all its potentialities. First and foremost amongst these is its faculty of increasing its total production. In production, if anywhere, progress serves the interests of society as a whole. At this point the purely ideal necessity of dialectical progress definitely links up with reality. For the greatest possible development of productive capacity implies the fullest use of the instruments of production actually in existence in society. Every change in the structure of society which either by technical or by organizational methods tends to increase the sum total of the goods produced is, thus, dialectically inevitable. But although "inevitable", how does it actually come to pass? How are the lifeless means of production caused to move towards higher perfection? Here again an essential link in the Marxian system supervenes. The human element enters. Tools are used, handled, and organized by men. It is the "Ruse of History" to make human beings into the conscious or unconscious instruments of the ultimate ends of mankind. It is class war which makes the inevitable actually happen.

To be concluded

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The right to tell the precise truth is the beginning of National liberty. The tradition of liberty is at the centre of the specifically English contribution to the world's political growth.

leaders of the gap between the workers and the management. Hence the demand for "trained business administrators", apparently appointed by the management, and without any consultation with the workers. These gentlemen met with a sharp rebuff at the Hastings Conference of the Labour Party; but it remains painfully evident that the functional principle has not yet been grasped by the very people whose economic emancipation depends upon it. They must learn, we would hope at not too great a price, that our functional, as distinct from our financial, life is essential to national salvation. Once fully seized of this, they will know with certainty that our functional organization must be a unity and not, as industry is today, a duality. Worse, a warring duality. There can, of course, be no unity during the continuance of the wage system.

And so we return to our search for brains essential to function. Brains hard to find in a system septic to death with the falsities and cruelties of profiteering.

To appreciate the type of mind requisite to the discharge of functional duties it were well, perhaps, to recall our definition of function. It is the method or process necessary to secure the economic stability of the community. And since this is essential to the well-being of the nation, it follows that function, being the material instrument, must take priority over all other interests. Nothing must stand in its way.

From the ploughing to the harvest, from the shearing to the weaving, from the mining to the foundry, and in all stages to the consumer, it is the things that count far above pieces of money or bits of paper. Function knows only the realities; the forms that surround those realities are of minor importance. Function comes into its kingdom when economic scarcity dies. And dead it surely is.

Yet another aspect of this problem may be noted. There are many trades and occupations of doubtful economic value. Merely because some business brings in a profit, it by no means follows that such a business adds to our economic strength. It may be the exact contrary; the profits thus secured might have been diverted from better uses. Function, with its mandate to ensure and improve our economic position, must scrutinize closely every claim of every business even to exist. Bond Street may go; or it may be extended to every shopping centre in the country.

Confronted with problems such as these, "business brains" would wilt and shrivel. Obviously a new type of administrator must be called to authority. He will have no interests to serve save only those of his function, to which he will be as faithful as a priest to his church, a soldier to his army, a policeman to his force. He will represent a unity and not a duality. He will be one of a fellowship, chosen by his fellowship, and recalled, if needs must, by the same fellowship. His salary will be reasonable, but not so large as socially to separate him from his colleagues. In addition to an expert knowledge of his work, he must know how to deal with his fellows. He will have responsibility, but he must know how to behave in conference. Not only in conference with his immediate colleagues but with his opposite numbers in a dozen other functional groups. He will establish his position, not by domineering, not by discreet co-operation with the ranks higher up, but by a wise understanding of the possibilities of functional organization. If, by study and thought, he realizes the meaning to all mankind of the new régime, how can he help being a faithful servant and a loyal comrade? But the way winds ever higher and the road is stony. And many are called, but few are chosen.

Marxism Re-Stated

Dr. KARL POLANYI

Last week we published the first half of this article, in which our contributor, Dr. Karl Polanyi, tried to re-state Marxian sociology with a view to the correct interpretation of class war and the power issue. Class struggle, he explained, is a necessary part or factor of the present crisis, but its implications can easily be misunderstood.

Why Does the "Inevitable" Happen?

Classes are groups of human beings whose position in relation to the productive process is similar. A change in society as a whole will necessarily affect the position of every group. The material standards of each group depending upon their position in production, any change in the system of production will naturally benefit one or another of them. The group, the interests of which are adversely affected by the change, will try to oppose it. But there will be other groups in society whose interests will be served by the change or who have nothing to lose by it. *It is a group of this latter kind which will make the inevitable actually happen.* It makes society move in the direction in which the objective historical situation allows it to move. A fuller use of newly discovered possibilities of organizing pro-

duction in manufacture, and of organizing distribution for ever-widening markets, made bourgeois revolutions irresistible in the seventeenth and eighteenth centuries. It was in the general interest of mankind that the owners of machinery should be free to use it just as they wished. Today it is the rationally planned and co-ordinated use of machinery by society as a whole which would most increase production. There is one group in society which has nothing to lose by this change, and that group is the working classes. If the workers wish for this change, their will must prove irresistible. And they must desire it, for society as a whole must decay and perish unless they do so. The human part of the mechanism bringing this about is psychological. When society as a whole suffers, the working class, being under command, must suffer most. They have only their chains to

lose; but a world to save. For "The world the proletariat has to win" is but our world saved from destruction.

Self-Interest and Leadership

Thus, the answer to our questions is:—

Class struggle is a central fact because the development of the means of production lies in the interests of the whole of society and the mechanism of class war assures this development.

Class interests are the ultimate driving force because they are that part of social reality which make the inevitable actually happen.

Only the working class can lead society actually to Socialism, because they are the only group in the productive process who have nothing to lose by this change.

To anybody who reads these statements carefully, one thing must become plain. That is, that Marx never thought of class war or class interest as the ultimate realities. For him the truth of his system depended on the reasons making class war a central fact in history, and on the reasons owing to which class interests actually become an ultimate driving force. Just as Marx refused to join in the view that the dominant position of the mediæval church was merely due to self-interested trickery and to the humbugging of the people by the clergy, he also refused to put down economic class-rule to the fiendish egotism of the persons benefiting by it. There is no magic quality in the interests of a group of persons that would cause masses of other people with opposing interests to follow the lead of that group. To postulate such a quality would imply the utterly unscientific attempt to explain history by a miraculously successful fraud. Neither the interests of the ruling classes nor the interests of those whom they rule have anything of this quality of cheap magic. It is not the force of their own interests that makes a group successful. Indeed, the secret of success lies rather in the measure in which the groups are able to represent—by including in their own—the interests of others than themselves. To achieve this inclusion they will, in effect, often have to adapt their own interests to those of the wider groups which they aspire to lead. This is very greatly facilitated by the fact that the greatest part of society has commonly no "interests" in happenings at all. The mass of the smaller middle class and peasantry are more or less uninterested in whether society is Socialist or Capitalist. The one thing they are, and most emphatically, interested in, is that it should be either one or the other. They are inclined to follow the working class if the working class leads towards Socialism and adapt its own interests to theirs in order actually to be able to lead. But the indifferent masses are also prepared to follow the lead of the capitalists if they feel that there is no other way out of a fatal deadlock.

Then Fascism comes in.

Classes and the Crisis

The limitations of the theory of class war in Marx are, therefore, the following:—

Class war is not an ultimate reality. The ultimate reality is the interest of society as a whole. This interest is served by the maximum development of the means of production. Class interest is effective only in so far as it tends in an objective

situation towards a definite solution of the problem of organizing the means of production.

Class interest is a motive power in society only in so far as, in an objective historical situation, it represents the interests of the whole of society. A class is capable of leadership only as far as its own interests coincide, in a concrete situation, with the interests of the whole, or, as far as it is able to adapt its interests so as to include in them the interests of the others to a sufficient degree.

Class war and class interest enter, more or less, into every historic situation by which the whole of society is affected. *But they are only a part or factor of this situation.* The essential thing is to understand how and why they enter into the situation.

The Price of Leadership

At present the immediate interests of society as a whole are affected thus:—

Democracy and Capitalism, *i.e.*, the existing political and economic system, have reached a deadlock, because they have become the instruments of two different classes of opposing interests. But the threat of disruption comes not from these opposing interests. It comes from the deadlock. The distinction is vital. The forces springing into action in order to avoid the deadlock are infinitely stronger than the forces of the opposing interests which cause the deadlock. Incidentally, this accounts for the cataclysmic vehemence of the social upheavals of our time.

Yet beyond and above these limitations of the idea of class interest one thing emerges with the utmost clarity. This is the real meaning of leadership.

Mankind has come to an impasse. Fascism resolves it at the cost of a moral and material retrogression. Socialism is the way out by an advance towards a Functional Democracy.

A great initiative is needed. Failure or success depends upon the recognition of the central truth that it is not by following their own immediate material interests that the working classes can prove their capacity for leadership, but by adapting their own interests to the interests of the indifferent masses in order to be able to lead society as a whole.

The fullest understanding of the nature of the present crisis is of paramount importance. If a revision of Marxism is necessary for this purpose, the task should neither be shirked nor delayed.

Kensington Gardens

*Dully they wander underneath the trees,
Their clothes the colour of mud.*

*They lie upon the sodden earth,
The empty sky sunken in their eyes.*

*Unneeded, unregarded, here
Where the well-fed, well-bred children of the
middle-classes play,
In stale cigarette-smoke their lives drift away.*

PHILIP HENDERSON