

State Ownership, Workers' Control and Socialism

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IWC
Pamphlet 35

Price 12p

Published by The Institute for Workers' Control
Bertrand Russell House, Gamble Street, Nottingham NG7 4ET.
Telephone 0602-74504
Printed by The Russell Press Limited, Nottingham (TU)

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“When you inquire into the causes of the counter-revolutionary successes, there you are met on every hand with the ready reply that it was Mr. This or Citizen That who ‘betrayed the people’. Which reply may be very true or not, according to circumstances, but under no circumstances does it explain anything – not even how it came to pass that the “people” allowed themselves to be thus betrayed. And what poor chance stands a political party whose entire stock-in-trade consists in the knowledge of the solitary fact that Citizen So-and-So is not to be trusted.”

Frederich Engels, Germany: Revolution and Counter Revolution, p.10, London, 1936.

The conception of mankind's early socialists were perhaps to some degree naive, yet their simplicity had this virtue: the propositions they advanced were directly linked to the aims they sought to achieve. In later years the sophistication which comes with experience and a taste of power has produced a situation in which aims and methods, formerly coincident, are now, too often, in diametric opposition.

The founding socialists sought a better world founded on common ownership, equality and democracy. In this they saw the means to meet all man's material needs, to raise his personal and individual development to the greatest possible height.

Today, in the name of socialism, we see common ownership changed into state slavery, equality denounced as the barrier to the very socialism which it seeks as an aim, democracy abrogated and denied as incompatible with working class power. Nature, turned topsy turvy, denies itself. The times, it seems, indeed are out of joint. How has this come about?

The truth would seem to lie in three major directions. First, certain simplistic notions of the marxist founding fathers which left the way open to colossal errors amongst those who came after. Second the lunatic distortions of socialism involved in the attempt of a self perpetuating oligarchy to create a new moral world, by means of force and terror, within the boundaries of the Russian state. Third, the elevation of peculiarly Russian improvisations, mistakes and modes of

behaviour by persons in other countries who ought to have known better, into obligatory and universal norms of socialist behaviour.

Classical socialists held that the ending of private ownership of major productive resources was the pre-condition for a socialist society. From this their successors, and most notably those who controlled the Russian state after the Second Russian Revolution, have seemed to hold a mistaken corollary, namely, that in the absence of private capitalist ownership, state ownership might itself be equated with socialism. Who, in a heated polemic, has not been confronted with the argument that "since capitalism no longer exists in X Y or Z" this in itself represents complete proof that working class power, and with it socialism, had finally and irrefutably arrived in the territory concerned, wherever it might be.

In fact, the 20th century has provided ample evidence that it is possible for the working class to possess less political power, to enjoy less civil liberty, to exercise less control over the circumstances of its working life, to be, in every sense of the word, more "exploited" under regimes based on state ownership than under bourgeois democracy.¹

The Bolshevik tradition, whether in its degenerate stalinist form or in its more authentic trotskyist variety, has come so completely to dominate what passes for socialist thinking today that these facts are regarded by some as a refutation of the principles of socialism, by others as a cause to re-define socialism into some monstrous form more closely approximating the Russian and Eastern European norm. Both tendencies are equally in error.

Before the First World War there existed in the syndicalist, industrial unionist and De Leonist traditions, movements on an international scale which warned that the outcome of state socialism would be precisely something approximating what later emerged as the monstrous stalinist norm. The socialist movement was far from unaware of the dangers of a concentration of economic and political power within the hands of an all powerful state. Daniel De Leon, leader of the Socialist Labour Party of the USA, was the theoretician of the marxist movement who expressed this view most clearly.

According to John Reed, author of *Ten Days that Shook the World* Lenin was "a great admirer of De Leon, considering him the greatest of modern socialists . . . the only one who has added anything to socialist thought since Marx . . . It is Lenin's opinion that the Industrial 'State' as conceived by De Leon will ultimately have to be the form of government in Russia."²

In Britain, William Paul, a leading member of the De Leonist, Socialist Labour Party, member of the Communist Party of Great Britain from its foundation until his death in 1958, made this view very clear indeed in his book, *The State, its Origins and Functions*, published in 1917:

"The revolutionary Socialist denies that State ownership can end in anything other than a bureaucratic despotism. We have seen why the State cannot democratically control industry. Industry can only be democratically owned and controlled by the workers electing directly from their own ranks industrial administrative committees. Socialism will be fundamentally an industrial system; its constituencies will be of an industrial character. Thus those carrying on the social activities and industries of society will be directly represented in the local and

central industrial councils of social administration. In this way the powers of such delegates will flow upwards from those carrying on the work and conversant with the needs of the community. When the central administrative committee meets it will represent every sphere of social activity. Hence the capitalist political or geographical state will be replaced by the industrial administrative committee of socialism. The transition from the one social system to the other will be the *social revolution*. The political State throughout history has meant the government of *men* by ruling classes; the Republic of Socialism will be the government of *industry* administered on behalf of the whole community. The former meant the economic and political subjection of the many; the latter will mean the economic freedom of all – it will be therefore, a true democracy . . . Socialism will require no political State because there will be neither a privileged property class nor a downtrodden propertyless class; there will be no social disorder as a result, because there will be no clash of economic interests; there will be no need to create a power to make ‘order’. Thus, as Engels shows, *the State will die out*.³

“In the last analysis State ownership”, wrote Paul with remarkable prescience, “is more a means of controlling and regimenting the *workers* than of controlling *industry* . . . The attempt of the State to control industry is therefore the attempt of the ruling class to dominate Labour”.⁴

Paul was not in any sense a maverick operating outside the accepted territory of the socialist tradition. Whilst not expressing views in so extreme a form, Engels himself, in his *Anti-Duhring*, specifically warned against any vulgar equation of socialism with state ownership.

“ . . . since Bismarck adopted state ownership a certain spurious socialism has made its appearance here and there even degenerating into a kind of flunkeyism – which declares that *all* taking over by the state, even of the Bismarckian kind, is in itself socialistic. If, however, the taking over of the tobacco trade by the state was socialistic, Napoleon and Metternich would rank among the founders of socialism. If the Belgian state, for quite ordinary political and financial reasons, constructed its own main railways lines; if Bismarck . . . took over the main railway lines in Prussia, simply in order to be better able to organise and use them for war, to train the railway officials as the government’s voting cattle, and especially to secure a new source of revenue independent of parliamentary votes, – such actions were in no sense socialist measures. Otherwise the Royal Maritime Company, the Royal Porcelain Manufacture, and even the regimental tailors in the army, would be socialist institutions.”⁵

Indeed, following the tradition of Engels, one might point out that if all that was required for socialism was the ownership of property by a collective organism, and the administration of that property by a self reproducing oligarchical elite, then the Catholic Church has been a socialist institution for twenty centuries. If all that is required for socialism is production according to a plan, for use and not for profit, under the supervision of an authoritarian command structure, then the prison workshop is the proper prototype of a socialist community. The resemblance of many facets of Russian society to that norm are an adequate condemnation of the prison house socialism which has been the outcome of Stalin’s rule.

As far as the classical socialist are concerned, one must, in retrospect, admit that they grossly underestimated the difficulties of, what for ease of reference I will term, "plan rationality". The equation they were accustomed to make between state and social ownership, in the light of the 20th century experience, one can only term, simple minded.

To take the second point first. A classical formulation of the contradictions of capitalism and their solution will be found in Engels' *Anti-Duhring*.

"The fact (is) that the social organisation of production within the factory has developed to the point at which it has become incompatible with the anarchy of production which exists in society which exists alongside and above it." . . . "The proletariat seizes the state power and transforms the means of production in the first instance into state property. But in doing this, it puts an end to itself as the proletariat, it puts an end to all class differences and class antagonisms, it puts an end also to the state as the state." . . . "The seizure of the means of production by society puts an end to commodity production, and therewith to the domination of the product over the producer. Anarchy in social production is replaced by conscious organisation on a planned basis . . ." "man . . . now for the first time becomes the real conscious master of nature, because and in so far as he has become master of his own social organisation."⁶

Engels, one presumes without conscious intent, is guilty of a dangerous elision of terms in this text, one in which some three generations of marxist socialists have been accustomed to follow.

Engels refers to "the seizure of the means of production by *society*". "The proletariat seizes the *state power* and transforms the means of production . . . into state property." As a result "it puts an end to itself as the proletariat, it puts an end to all class antagonisms, it puts an end also to the state as the state." Let us examine these propositions briefly.

Firstly one cannot blandly equate "the state" and "society", at least not without becoming a reactionary apologist of the most contemptible order. Society is both more and less than the state. State property is administered by state (or para-state) officials and these must, in the nature of things, respond to a vertical hierarchy of command, at the top of which stand the governing organs of the state, whatever these may be. The persons involved in the administration of the state, are, by definition, atypical of society as a whole and by definition, in any form of society one can envisage, cannot be otherwise. Thus the nature and consequence of state or para-state property cannot be evaluated without reference to the political and social class interests the state exists to serve. State and social ownership are not the same, and state officialdom cannot be equated with society either.

Secondly, and in consequence of the line of argument thus advanced, the establishment of "state property" in the form envisaged by Engels does not at all enable the proletariat "to put an end to itself as a proletariat." The workers will presumably continue to receive a wage, to clock in every morning and clock out every afternoon, the nature of the work process will remain unchanged although the responsibility in the line of command will have shifted away from the in-

dividual or corporate capitalist entrepreneur towards the state as owner and administrator. Thus as far as the *workers* are concerned, whatever other changes will follow, the nature of their essential subordination to the immediate work process will remain unchanged. Nikolai Bukharin at least, amongst the founders of the Russian state, seems to have gained some awareness of this fact, "Were the commodity character of production to disappear (for instance) through the organisation of all world economy as one gigantic trust. . . . this would be capitalism no more, for the production of commodities would have disappeared; still less would it be *socialism*, for the power of one class over the other would have remained (and even grown stronger). Such an economic structure would most of all resemble a slave owning economy where the slave market is absent." And, elsewhere, in a similar connection, "A planned economy exists, an organised distribution, not only with regard to the connections and reciprocal relations between different branches of industry but also with regard to consumption. The slave in this society receives his share of the fodder, of the objects that are the product of the total labour. He may receive very little, but just the same crises will not take place."⁷

Thirdly, when Engels states that "Man . . . becomes the real conscious master of nature, because . . . he has become master of his own social organisation." This is normally taken to assume, what precisely has to be proved, and what indeed cannot be proved, that the state can be equated with society and that it is inconceivable that the state, as planner and arbiter of production, can, in a statised society, represent other than the will of the working population as a whole. Such a proposition, appears in the light of the experience of the 20th century, self evidently absurd. Indeed, in the light of Khrushchev's 20th Congress speech, one doubts whether even the hierarchic despots of the present Russian and East European regimes would seek to defend it.⁸

In short, whilst the line of argument in regard to critique may be upheld, the solutions proposed are found severely wanting.

Now for the second aspect of my critique of classical socialism. The crisis of capitalist society was seen to derive from the conflict between social production and private appropriation. To quote Engels again:

"Social organisation of production within the factory has developed to the point at which it has become incompatible with the anarchy of production in society which exists alongside and above it . . . "The seizure of the means of production by society puts an end to commodity production . . . Anarchy in social production is replaced by conscious organisation on a planned basis."⁹

Here again we have a simplistic elision of terms, which once again assumes precisely what it is that has to be proved. Society consists of not one, but many thousands, tens of thousands, hundreds of thousands, overall many millions, of productive and service enterprises. The establishment of rational relations between these myriad undertakings, each with the need to choose between complex and multiple product, component and raw material mixes, if it is to maximise returns represents a problem of great complexity.¹⁰ Indeed there is good reason to doubt, not least in the light of Russian and Czechoslovak experience, whether it is either possible or desirable to plan them from a single centre on the

lines which it would seem Engels proposed and subsequently Stalin, with disastrous results for the Russian people sought to carry out. Lenin, and the Russian Bolsheviks, without exception, taking their cues one presumes from Engels amongst others, grossly underestimated both the nature and the complexity of this problem. This economic ignorance and naivety was one prime cause of many features of "War communism" which brought the Russian Revolution to the brink of ruin during the first years of the Bolshevik regime. "You studied organisational problems of the German economy; syndicates, trusts, banks, take care of these problems in this country too". This is Iu Larin's report on how, on the day of the October Revolution, Lenin put him informally in charge of re-organising the Russian economy.'¹¹

As a corollary to this mistaken view, the existence of market forces became the Bolshevik equivalent of the Christian doctrine of original sin. To the extent that the infinitely large amount of precisely up-to-date information can never (even at a totally excessive cost) ever be available in any complex economy at any single plan centre, the controlled socialist market fulfils a useful and invaluable function, whereby the "plan works itself out, confronts reality and gets adjusted to it." Soviet mathematicians are reported as estimating that using only desk calculators, it would take some 30,000 million man years to produce an internally consistent plan for the Russian economy. An academician has claimed that even if one million high speed electronic computers were harnessed to that task optimal planning of the economy from the centre would still be beyond their capacity.¹² In the case of the far smaller economy of Czechoslovakia "experience has shown, the central planning bodies cannot be expected to know all the concrete conditions of production and marketing at every given moment, for Czechoslovakia now produces roughly a million and a half different types of manufactured goods".¹³ Lenin's view, that the management of a socialist economy would be a simple task since "accounting and control . . . have become extremely simplified under capitalism, being reduced to extremely simple operations which can be performed by any literate person; observation and note taking, the knowledge of the four arithmetical operations and issuing receipts"¹⁴ is undoubtedly shared by a large number of "revolutionary" socialists in the West. It remains nonsense, nonetheless.

The dangers which the planning problem might involve for a socialist community had been foreseen, nevertheless by Karl Kautsky, in what is perhaps the only piece of classical marxist writing devoted to the problem of organising production under socialism.

" . . . is it possible to accomplish all that, in a modern economic community? The task seems crushing unless one is going to regulate the needs of mankind by authority, according to a fixed and cut and dried scheme, to reduce them to a minimum and to apportion to each his share out barrack-like fashion. . . in other words to reduce modern civilised life to a much deeper level. Are we all then ready to stoop to a barrack or convict prison community? Certainly the problem is no light one. It is the most difficult problem of all which the proletarian government will have to deal with, and it will certainly give us many a hard nut to crack".¹⁵

Nothing, it would seem, could have been closer to the truth.

The nature of classical socialist thought on the ownership, conduct and planning of production in a socialist community was therefore, inadequate, over simplistic and in part responsible for the monstrosities which we have seen committed in the name of socialism in Russia and Eastern Europe. Yet this is by no means a sufficient, or even a primary cause, although it is a real and undeniable one, too frequently ignored altogether.

The second great cause of confusion has been a misunderstanding of the nature and significance of the regime which followed the Russian Revolutions of 1917, a regime which on balance has probably done far more to retard, than to advance, the cause of the socialist movement as a whole.

Firstly, it has been assumed that because the Second Russian Revolution was led by socialists who had, by whatever means, attained state power, that the society which resulted was in some sense a socialist one, and, as a result, an example, even a mandatory one, for others to follow.

As to this, the nature of a revolution is determined by objective circumstances, not by the subjective wishes of the participants. The historic task of the Russian Revolution to date, as expressly formulated by the leaders of the Russian state, has been that of capital *accumulation*. This is a pre-capitalist rather than a post capitalist task. "Capital" wrote Marx, "comes into the world soiled with mire from top to toe, and oozing blood from every pore."¹⁶ No better epitaph for the fate of the Russian people, under the first Five Year Plans has yet been penned. Bolshevism, as embodied in the practice of the ruling elite of the Russian state is best to be understood as a 20th century, collectivist version, of the capitalist, individualist, protestant ethic. The modes of action and behaviour prescribed by such a code have little or nothing in common with socialism. The belief that they can in any way help others to build a socialist community can lead only to unparalleled disaster.

Secondly, and of comparable importance, many steps taken by the Bolshevik leaders of the Russian Revolution were based on a large degree of ignorance and misunderstanding regarding the problems they faced and their solution. Many, subsequently rationalised as obligatory socialist measures originated as hurried, if not frantic and desperate, improvisations, designed to meet the peculiar and specific problems of industrialising a very backward country under the rule of an essentially theocratic ruling elite. If advanced countries were as backward as Russia, which they are not; if theocratic rule had anything to do with socialism, which it has not; then the Russian experience might be of value as an example to follow. In fact its utility is limited to a series of warnings of what others ought, at all costs, not do, rather than the reverse.

The social roots of Russian bureaucratic rule in the years after 1917 have been clearly described by Engels in another connection and it would be beyond my power to add anything of great value to what he has to say:

"The division of society into an exploiting and an exploited class, a ruling and an oppressed class, was the necessary development of the low development of production hitherto. So long as the sum of social labour yielded a product which only slightly exceeded what was necessary for the bare

existence of all; so long, therefore, as all or almost all the time of the great majority of the members of society was absorbed in labour, so long was society necessarily divided into classes. Alongside this great majority exclusively absorbed in labour, there developed a class, freed from direct productive labour, which managed the general business of society; the direction of labour, affairs of state, justice, science, art and so forth. It is therefore the law of the division of labour which lies at the root of the division into classes. . . ”¹⁷ .

The justification of this state of affairs, advanced by the beneficiaries of the regime, is not a very sophisticated one. As one critic has pointed out “Where . . . Marxists declared that the property is socialist only because it is owned by a worker’s state, the Stalinists declared that the state is socialist simply because it owns the property. Marxists, without exception, repeated literally hundreds of thousands of times, that because the state is in the hands of the proletariat, *therefore*, the economy is proletarian . . . They never argued that because the economy is in the hands of the state, *therefore* the state is proletarian – never!” “Under Stalinism the workers have no political power (or even political rights) of any kind, and *therefore* no economic power of any kind, and *therefore* they do not ‘determine the conditions of production’ and *therefore* are no more the ruling class than were the slaves of Greek antiquity.” . . . It is “absurd, not to say criminal . . . (to argue) . . . that since it is so obviously not socialism, it must be performed some kind of capitalism – or, since it is obviously not capitalism, it must of necessity be some brand of workers’ or socialist regime.”¹⁸

The nature of stasised society thus arises from misunderstandings and weakness in classical socialist theory which reached horrifying and catastrophic proportions, because:

1. The tasks facing Russian society were pre-capitalist rather than post capitalist and as a result collective ownership became a means not of enthroning the working class in power but of excluding it from all power, in order to permit collective accumulation at an unprecedented rate and equally unprecedented cost in social cost of human suffering and degradation.
2. The political requirements of theocratic rule by a self-defined, self-perpetuating “Communist” ruling elite.
3. The shortage of trained, educated, leadership cadres, which in itself tended towards over-concentration in decision-making because of the limited number of capable (and politically acceptable) persons able to take control of a production process growing rapidly in volume.
4. The historical “inertia factor” which caused Russia under Lenin and under Stalin to maintain and extend the features of gross over-centralisation within the Russian state inherited from the Czar.

The historic tragedy was not one without precedent.

“The worst thing that can befall a leader of an extreme party is to be compelled to take over a government in an epoch where the movement is not yet ripe for the domination of the class which he represents and for the realisation of the measures which that domination would imply. What he *can* do depends not upon his will but upon the sharpness of the clash of interests be-

tween the various classes, and upon the degree of development of the material means of existence, the relations of production and means of communication upon which the clash of interests of the classes is based every time. What he *ought* to do, what his party demands of him, again depend not upon him or upon the degree of development of the class struggle and its conditions. He is bound to his doctrines and the demands hitherto propounded which do not emanate from the inter-relations of the social classes at a given moment, or from the more or less accidental level of relations of production and means of communication, but from his more or less penetrating insight into the general result of the social and political movement. Thus he necessarily finds himself in a dilemma. What he *can* do is in contrast to all his actions as hitherto practised, to all his principles and to the present interests of his party; what he *ought* to do cannot be achieved. In a word, he is compelled to represent not his party or his class, but the class for whom conditions are ripe for domination. In the interests of the movement itself, he is compelled to defend the interests of an alien class, and to feed his own interests of that alien class are their own interests. Whoever puts himself in this awkward position is irrevocably lost.”¹⁹

The pragmatic experience of the socialist movement over the best part of a century teaches that the early socialists too easily equated society and the state. In a society in which production is organised in a military style, top-downward, command economy, society will soon begin to manifest all the more objectionable features of barrack life. In short, socialism means the administration of production by society, rather than the state. This must mean the minimisation, rather than the maximisation, of the state as agency, and the administration of the production process by the workers themselves. Socialism properly understood has less in common with Russian stasised economy than the Industrial Republic of De Leon, Connolly and the Industrial Workers of the World.

Another conclusion follows, if neither the Russian economy nor that of its satellites in Eastern Europe are to be seen as in any sense a model for the organisation of a socialist society, what then?²⁰

The creative development of marxist socialism in the last decades has been stifled for a number of reasons. For those who accepted the claim that the Russian state had become the “Fatherland of All the Toilers”, independent intellectual activity was both redundant and harmful, since all the essential problems had already been resolved, or were being resolved, in practice, in the laboratory of the world’s first socialist state. In such circumstances the communist “intellectual” could, by definition, be no other than a journalist glorifying Russian achievement in whichever field his expertise happened to lie. Those marxists who denied this proposition were too frequently involved in sterile biblical exegesis over the documents and fate of the Russian Revolution to contribute anything new and helpful to the discipline. Finally, creative thinking would have involved the intellectual endeavour to postulate, in the light of experience, new models, immune from the virus which in Russia and Eastern Europe struck socialism dead. Yet, in the canon of marxist orthodoxy, such activity was automatically condemned as “utopian”. In this author’s opinion this judgement was unfounded. Again, to quote a text of Engels’ on this point:

“The utopians, we saw, were utopians because they could be nothing else at a time when capitalist production was as yet so little developed. They necessarily had to construct the outlines of a new society out of their own heads, because within the old society the elements of the new were not as yet generally apparent; for the basic plan of the new edifice they could only appeal to reason, just because they could not as yet appeal to contemporary history.”²¹

Is it reasonable to accept this, or some other comparable canon of the founding fathers of socialism, as applicable, in the second half of the 20th century? Surely not. To project the ground plan for a socialist society, in 1885, at the time, 87 years ago, when this text was written, may indeed have been utopian. Yet today, we have 55 years of experience of the Russian state, around one quarter of a century of experience of statised economies in Eastern Europe and China, to say nothing of a quarter of a century of experience of Yugoslav self-management. We have practical experience of the operation of nationalised industry, which in most capitalist countries, extends over half a century at least. Further, whether we date the foundation of the modern workers movement from the foundation of the First International (1864) or the Second International (1889), we have around 100 years of experience of the mass labour movement on which to draw for knowledge and guidance. This was not so in 1885. It is no longer true to say that “for the basic plan they could only appeal to reason, just because they could not as yet appeal to contemporary history.” As to the latter we have if anything too much, and mostly of a tragic kind. Socialism, then, to be practical and credible, needs to base itself precisely on an examination and evaluation of the experience of contemporary history in the widest possible sense. Only in that way will it be possible to foresee the road and problems ahead. In short, the present situation demands that socialists have some very clear ideas regarding the new society, not only so that their views may be intellectually credible, but also so that they may be put into effect.

If we reject the statised society on the Russian model, what conclusions may we deduce regarding the edifice we wish to build?

1. The industrial Republic will call for the vesting of plant in the workforce rather than in the state, with specific guidelines regarding control and operation laid down in binding constitutional legislation of the state. Ownership might be vested in plant, enterprise or industry according to the scale of industry, national circumstances and tradition.
2. That in any constitutional scheme there should be provisions for the direct representation in both legislative chamber and government, of workers, by regard to their share in the productive process, either by numbers, or by share in the Gross National Product, or some suitable mix of these and/or other, appropriate, related factors.
3. That inasmuch as workers possess a short term interest to maximise their immediate cash income, and a longer term interest to see the enterprise and economy which provides their income prosper, and since these two interests may well conflict, then each ought to be represented separately and not subsumed within the overwhelming weight of the secret police and a bureaucratic state. The first interest should be represented via free and independent trade unions

with both the *right* to strike and the *duty* to bargain. The second through direct representation to plant, enterprise and industry workers councils.

4. That inasmuch as the wishes of the working population, and thus *their interests*, cannot be known, unless they possess the capacity to be freely expressed, socialism must be based on the free-est and fullest democracy. The socialist criticism of bourgeois democracy is not that it provides too much liberty, but rather too little. This involves the need for socialists to study the problem of bureaucracy in mass organisation and most especially the fashions in which this may be minimised and prevented from emerging as an independent and deciding force. At the present time there exists little or no *socialist* literature on this point. It should become the major task of socialist sociologists to examine this problem in a scientific fashion instead of resorting to the vulgar mystification and an evasion which has too frequently been the rule in the past.

5. Given the infinite range of data required to manage a modern, complex, industrial society, it is neither possible, nor is it desirable, to govern *all* decision making from a single centre.

Consequentially we have to seek to reconcile global planning with a measure of free initiative for market forces within the same economy. To resort to a mythical “free” market in this regard would be as foolish as to flee from the market into the arms of stalinist command economy. The rules of *capitalist* market economy, which seek to maximise return on invested capital, and of a *socialist* market which seeks to maximise a whole range of different things in accord with both the desires of the state planners and the various working collectives, must be very different. Very little work has been done in this field and there is a crying need for much more work in the future.²²

If one looks at the experience of the socialist movement over the last century there is not a lot of helpful literature which shows how to build a socialist society. There is a great deal of experiences and literature which shows how the job should not, in fact, be done. Perhaps if we have the courage to face up to it, the one set of evidence can be as useful as the other.

Maybe we are not so badly off as it seemed.

FOOTNOTES

1. Thus in December, 1971, the Polish government reduced wages and increased prices, in the weeks before Xmas. In the ensuing revolt, according to *official figures*, 45 people were killed and 1,165 injured. (Edward Gierek General Secretary, Communist Party – Poland, 7/2/1972, quoted *The Guardian*, London, 8/2/72). Under “Socialism”, the Polish Government killed and wounded in one series of riots, more of its own citizens, than British capitalism has killed and wounded in Britain during the last 100 years.

2. Report to the National Executive of the Socialist Labour Party of the U.S.A.. 4th May 1918, quoted Arnold Peterson *Marxism versus Soviet Despotism*, p. 17, New York, 1964. On this see also Arthur Ransome, *Six Weeks in Russia in 1919*, pp. 80-81, London, 1919.
3. William Paul, *The State: It's Origins and Functions*, pp. 197-198, Glasgow 1917. Emphasis in original.
4. *Ibid.* p. 196.
5. Fredrick Engels, *Anti-Duhring*, pp. 305-306, London 1934.
6. Engels, *Anti-Duhring*, pp. 304, 308, 311. It is worthy of note that Engels qualified his prognostication, indicating that "Man becomes the real conscious master of nature", only "insofar" as he has become master of his own social organisation". My emphasis.
7. N. Bukharin, *Imperialism and World Economy*, p. 157, London, 1930. *Communist International*, 1928, Nos. 33-34, p. 2063. Bukharin one suspects was making an oblique reference to the prospects for Russian society.
8. But Engels seems to have had doubts, witness the qualifying clause, "insofar as he had become", see note 6, above. For a contemporary source: *The Action Programme of the Communist Party of Czechoslovakia*, 1968, states, "The basic aim of the party in the development of the economy is the steady growth of the standard of living". However it continues, "this was done at the expense of the development of agriculture and the consumer goods industry, the development of production of building material, trade, services and non-productive basic assets, particularly in housing construction". Stripped of verbiage this constitutes an admission that working class living standards were deliberately sacrificed to capital accumulation.
9. *Ibid.* pp. 304, 311. I have chosen to use Engels to illustrate my points largely for ease of reference. That an ample supply of equally illustrative texts can be found throughout the marxist canon, will not, I think, be a matter of serious debate.
10. For it must be conceded that if socialism proves unable to surpass the return rendered from the application of human labour achieved by capitalism, then it is, by its own criteria, not an advance over capitalist society, but a regression. I am indebted to my friend Bruno Rizzi of Verona for this point.
11. Quoted, Leon Smolinski, Leon Smolinski, *Planning without Theory*, 1917-1967, in *Survey*, London, July, 1967, p. 110. Original in *Narodnee Knoziaistvo*, 1918, no. 11, p. 16.
12. *Izvestiya*, 6.12.1964, Smolinski, pp. 126-127. There is of course a whole literature bearing on this subject.
13. Ota Sik, *Economic Planning and Management in Czechoslovakia*. Duplicated text from the Institute of Economics, Czechoslovak Academy of Sciences. In addition every one of these 1,500,000 different items can be manufactured in many different ways with the use of radically different

component and raw material mixes.

14. Quoted Smolinski, p. 113. This was no isolated aberration. Thus, on another occasion "Capitalist culture has created large scale production, factories, railways, the postal service, telephones, etc., and on this basis the great majority of functions of the old 'state power' have become so simplified and can be reduced to such simple operations of registration, filing and checking that they will be quite within the reach of every literate person . . ." V. I. Lenin, *The State and Revolution in Collected Works*, Volume XXI, p. 184, London, 1934.
15. Karl Kautsky, *On the Morrow of the Social Revolution*, p. 24. London, 1909.
16. Karl Mark, *Capital*, Volume 1, p. 843, London, 1928.
17. Friedrich Engels, *Anti-Duhring*, p. 309, London 1934.
18. Max Shachtman, *The Bureaucratic Revolution*, pp. 236, 276-277. New York, 1962.
19. The reference is to Thomas Munzer, Friedrich Engels, *The Peasant War in Germany*, pp. 135-136, London 1927.
20. It is not the purpose of this paper to discuss the undoubted relevance of the Yugoslav experience to this problem. The Yugoslav model however owes many of its features to specifically Yugoslav conditions not to be found in the advanced industrial economies of Western Europe.
21. Friedrich Engels, *Anti-Duhring*, p. 292.
22. On this, Jan Vanek, *The Economics of Workers Management: a Yugoslav Case Study*, Allen and Unwin, London, 1972. Jaroslav Vanek, *The Participatory Economy*, Cornell, 1971.

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