
These Contemporers Have No Clues

**Disposing of the Idiom of Idiots: An Expose for Those Having
the Uaguist Idea of Spectacular and False Exposes of Capital**

"What am I supposed to do in a group of militants who expect me to leave in the cloakroom, I won't say a few ideas -- for my ideas would have led me to join the group -- but the dreams and desires which never leave me, the wish to live authentically and without restraint?"

Raoul Vaneigem

We are quite sure there are people [reading this] who are really disgusted with the world as it is, and who are looking for a theory of practice to transform it -- "socialism". There are also people who think they already know what socialism is.

As the quotation above indicates, we are not here to argue primarily over tactics and strategy. We do not have the same starting-point as the Left or many calling themselves Situationists or Anarchists, nor the same goals. We are traveling a different road altogether. We do not want to improve or correct the notion of their "socialism", but to overthrow it. In just the same way, we are not revolutionaries first of all because capitalist society is unjust, or inefficient, or wasteful, or even because we have no power within it, but because we can't live in it.

We imagine that many people are investigating socialism -- or already think of themselves as socialists -- because they, too, find capitalist society unlivable. But these motives are almost always lost in the shuffle, in the grey tide of "necessary" but somehow meaningless activity that makes up the political "life" of the aforementioned (henceforth referred to as "Vaguists") -- marching, "organizing", selling newspapers, criticizing and self-criticizing, attending lectures -- the moment all this activity is separated from the motive which began it; from the vague yearning for richness, creation, and adventure, and from the sense of being stifled and brutalized by the existing world, it becomes as surely alienated - as work in a capitalist office or auto-plant. Along with the reason that made him or her want to be a revolutionary, the Vagunist loses the key to understanding the present world, and hence to transforming it.

To begin with, the "socialism" espoused is at least 55 years out of date. It fails to come to grips with the problems that were already crucial at the time of the Russian and German revolutions which began in the last years of World War I. The teachers of this school are still capable of uttering such violences against theory and language as "socialist country". They still don't know the difference between "political economy" (not to mention "economics") and Marx's critique of political economy. They don't know the difference between the reformist movements of various subgroups of the working class in itself -- trade unions, national, religious, and ethnic minorities, women, gays, etc. -- and the class wide revolutionary movement of the proletarian class for itself. They don't know the difference between the nationalist struggles of the various "Third World" countries, and the communist revolution, or the difference between nationalizing capital and negating it. To put it simply: they don't know what socialism is. With such a starting point, it's no wonder that everything goes downhill from there. As "socialists", they literally "don't know what they're doing."

They don't know what socialism is because they don't know what capitalism is. Since socialism is the result of the determinate negation of capitalism, you can't understand the former if you don't understand the latter. Capitalist society is the society in which the predominant social relation of production is capital. Capital, or to express it from the side of the worker, wage-labor, is a social relation of production; "not a thing but a relation among human beings mediated by things." It is a particular

historical mode of the self-reproduction of the human race: it is something people do every day. Within this daily activity the conditions for socialist society have accumulated gradually and more or less unconsciously. The socialist movement, then, is the inner core of capitalist development: the self-negation of capital. It cannot be understood otherwise.

Once one realizes that self-alienation (self-selling) or wage-labor is the motor of capitalist society, it is immediately obvious that the so-called "socialist countries" are actually capitalist countries, because wage-labor is no less the dominant mode of life of the great majority there, who are thus still proletarians, than it is here. In those countries the State -- the bureaucratic ruling class -- owns all or most of the capital, i.e. appropriates and disposes of the surplus-value extracted from the labor of the vast majority. Further, these countries are necessarily part of the world market: their reproduction is necessarily conditioned by the relations and imperatives (international competition of capitals) which shape capitalist production elsewhere. Hence, we call these countries "state-capitalist".

This has nothing in common with a moralistic critique of these countries. The countries that are today state-capitalist could not have become anything else. For example, the Cuban revolution tried in its first two years to diversify production. But the U.S.-organized blockade and the vast debts consequently incurred to the USSR chained Cuba to almost exactly the kind of economic distortion it had had before -- sugar monoculture; a primarily one-crop colonial-plantation pattern. Only the ownership had changed. This is the inevitable fate of "revolutionary" movements confined to "National Liberation Struggles" -- the exchange of one imperialism for another.

From the global perspective, any one national economy appears little more than the victim of overwhelming forces beyond, a sobering fact that determines in advance the limits of its creative latitude. The naive romanticism of the early Castro years (so seductive to C. Wright Mills and other honest cheerleaders), Castro's "sincere hope" to find a "third path" that could somehow steer clear of the most repugnant pitfalls of the Eastern "socialist models" was doomed from the outset. And it is essential to understand, disregarding the hysterical barrage of demonology emitted from Radio Havana, that Cuba's primary antagonists

cannot be located in the personified villainy of anyone's direct, conscious intervention, but simply in the depersonalized, unsentimental, unconscious dynamics of the world market. As with Cuba, so with all the nationalist revolutions which borrow the disguise of "Marxism".

This objective reality deserves a response based **not on morality**, but in intelligence, which begins precisely **where morality ends**. What the guilty militants of the "support-group" Left in the developed countries have not yet understood is the silliness of their sacrifice, which is the central irony of all: namely, that the best thing we could do for the Third World is identically the best thing we could do for ourselves -- to greedily reach out for the revolutionary fruit which capitalism in its maturity, as modern "overdevelopment", through revolution in the "advanced" countries, alone can bring into view -- a process of practical expanded egoism which cannot begin until we stop the voyeuristic fixation on these "underprivileged souls", their valiant delusions, and their constricted world of possibilities without us.

There is nothing but capitalism in the world today, the world over. To many people on the Left, this realization is frightening: it makes them feel weak and all alone. They think they need a "giant" like Russia or Cuba or North Vietnam to back up "little me" in their assertion of socialism. To such people we say: if this is how you secretly feel, then it's time to let yourself feel that feeling, that weakness and aloneness, and to get through it. It's time all of us abandoned the crutches of belief in some external Savior, whether it be Christianity or "Marxism", and discovered our own real strength, its source and meaning.

As we said before, the trouble with Leftists is not that their original motive (which is not always conscious) is at fault, but that they lose track of this motive and of themselves, in alienated, pseudo-necessary activity (the "Cause"). They combat this or that result of capital -- racism, sexism, imperialism, war, poverty, injustice -- without ever understanding the real cause; the totality; the underlying dynamic and their place in it. Hence Leftist organizations spread confusion and cynicism under the guise of "struggling" and "raising consciousness". They are at best useless and at worst counterrevolutionary. For our part, we begin by asking: Why this feeling of suffocation, this feeling of being three-quarters dead, as if we were locked in one tiny room of a vast palace whose chambers and corridors we can glimpse through the barred windows, but cannot reach?

In the space of a few generations, the social praxis called "capitalism" has come to dominate the entire globe. In doing so it has developed the productive forces of society to an extent undreamed of only two centuries ago. It has increased the sum-total of human knowledge and skills a thousand fold, while at the same time engendering new needs and desires on the same scale. Historically speaking, capitalism was "progressive" -- it could expand and develop itself according to its own laws and cycles -- as long as it could employ these productive forces to its own end, the accumulation of capital. But since around 1914 capitalism has become, seen from the point of view of the world as a whole, for reasons we will try to explain, incapable of further real expansion and development. It has been able to perpetuate itself only through a catastrophic cycle of depression, war, and reconstruction, through wholesale devaluation and destruction of means of production, and their recreation in an increasingly distorted contradictory form. The knowledge and skills engendered by capitalist development are less and less employed to satisfy real human needs, and more and more strangled and turned back on themselves, until at the present time we face a situation in which the continued existence of capitalism threatens the continued existence of the human species.

Only a relatively small fraction of the existing productive forces are now being employed by capital. This is most immediately visible in the vast "surplus" population which is now being starved to death in the "Third World", and in the ghettos of the United States. At the same time, a greater-and-greater proportion of the employed labor force is assigned to tasks which have no usefulness except to Capital -- in sales, in clerical work, in arms production, in the maintenance of an immense parasitic state bureaucracy which grows ever larger and more vicious in order to regulate a tottering system. ¹ Production is cut back while demand increases. Workers are sped up at a savage pace while millions rot on welfare. We, a working class more educated, more skilled and more numerous than ever before, face a society that has created in us needs and desires that the society cannot satisfy, creativity that it cannot put to use. It is this vast potential, this yawning gap, between the real and the possible, that makes us revolutionaries. The famous "contradiction between the social forces and the social relations of production" is not so hard to understand. It is inside each one of us: each of us as a productive force is simultaneously developed and held back by the fetters

of the social relation of capital. Enormous frustration results. In order to realize our potential, to live to the full, we are more and more compelled to overthrow all existing conditions and create a new world. This is our real strength: our overwhelming individual and collective negativity in the face of this society, and our overwhelming passion for the new one which our unrealized powers could create.

But this is still only one side of the question; of the real movement we call socialism. The other side stems from the development of the world market. It stems from the fact that each one of our lives, the very flesh of our bodies and the smallest thing we use, depends for its reproduction on a worldwide network of production and exchange, involving virtually the entire world working class -- the fact of socialized production.

The highest and also the most basic self-interest of each of us is identical to the interest of our class as a whole, since our very lives depend upon and are broadly determined by the global production of that class. This synthesis of individual and collective self-interest is the material basis of socialism. Its practical truth will become visible as the global depression now opening deepens -- because in this depression our global self-production and exchange is starting to fall apart. Our class will be forced, if we want to save ourselves, to save world production by taking it into our own hands: by expropriating Capital worldwide.

Expropriating Capital, contrary to the ideology of Leninist and Social-Democratic "socialism", does not mean nationalizing Capital, or even nationalizing it "under workers' control", as if wage-labor could ever really be "under workers control". The bourgeois state cannot be "captured" by the working-class, as Marx long ago realized in the wake of the Paris Commune. It exists to facilitate the reproduction of Capital by mediating between capitalist sectional interests, by regulating the economy and by suppressing the proletariat. It is the representation of a "general interest" which does not exist: the only interest it represents is that of the national capital. To speak of the working class seizing the state is like speaking about the peaceful uses of a submachine-gun. Expropriating Capital means re-appropriating ourselves -- from being merely potential or actual human capital -- by means of expropriating all of constant Capital, all of the "dead labor" accumulated in the form of buildings, machines, and cultivated land by our class and by humanity throughout history. In the process, we and it cease to be Capital: we

overthrow that relation among us and between us and our production, and create new relations, communist relations.

To understand the content of communist society, the nature of its social relations, we must first examine the capitalist relations from which it emerges. Production under capitalism is first and foremost production of capital and only secondarily production of actual goods, services, and means of production. Capitalism is capable of reproducing society on an expanded scale of material wealth and culture only so long as that reproduction is in keeping with the expanded reproduction of Capital itself. Hence, under capitalism, it is production which shapes consumption: profitability, not the enrichment of human life, is the criterion by which the direction of production is decided. As Marx put it, value dominates use-value. The value of a commodity, around which its price oscillates, is determined by the amount of labor-time socially necessary to produce it. This criterion has nothing to do with whether the commodity is in fact really useful, i.e., whether it is in fact really needed or desired by anybody (but the capitalist, for whom it is use value to exchange value). We are living in a world which is shaped by profitability and hence by the law of value: this world also shaped and continues to shape us as individuals. We sell our living labor, our lifetime, in order to be able to buy an equivalent quantity of the dead and living labor of other people. We exchange most of our lives for survival: our "leisure" time is merely the time necessary to reproduce our labor-power at its value. In our struggle for time in which to live, we constantly try to cut down the time necessary to reproduce ourselves at the same level: time spent driving, shopping, doing housework, going to the doctor, waiting in lines. But all we can find to fill the time is more objects and activities which cost money, for which we have to sell more time. Every time you bump your knees on the back of the seats in a theater, the law of value has struck again. (Profitability is the reason so many seats are crammed into so little space). Value is everywhere: it dominates us from cradle to grave. Its effect on us is incalculable.

The socialist revolution, then, implies the most far-reaching, profound transformation of human society ever experienced. The whole basis on which our world has been constructed for the last hundred and fifty years must be overthrown: all of the social relations by which it is reproduced must be totally transformed. Socialism is nothing less than the complete abolition of wage-labor, the commodity, the State and above all, value -

- the axis around which all of these relations revolve. Socialism is the conscious, worldwide collective mastering of all the productive powers the human race has developed since it began, their direct application to the satisfaction of human desire. Socialism means the adulthood of our species, the end of prehistory, the transition from unconscious self-production to conscious self-production; the collective planning of history; the design of our own evolution. The cosmos will be our canvas. We ourselves will be our work of art.

What would socialism look like? What is the new social relation by means of which we could transform our world? Marx called his answer "association" or "the associated producers". In his day, the conditions were not yet ripe and the revolutionary practice of the proletariat not yet advanced enough for him to be able to foresee it more closely. But the revolutionary waves of the first part of this century give us a hint of the historical answer of our class, in the form of the soviets or workers councils which spring up again and again to coordinate revolt and sometimes to begin managing social life for short periods. However, these two answers are one and the same: we see in the councils that have existed so far, in spite of all their weaknesses, embryonic forms of the association of producers. The councils would begin by linking up and aggressively occupying more and more social space, meanwhile organizing a coordinated military thrust -- a militia of armed workers -- to neutralize the remaining military power of the State. They would seize means of communication, extend internationally, and resume production step by step as they saw fit.

As our frustrated imagination and creativity build up within decaying capitalism like floodwater behind a dam, and as the necessary conditions ripen around us, it is now possible for us to imagine rigorously, and concretely, far more so than has been possible until now, the necessary features of communist social relations. Communist society can only be based on global social property, i.e., upon the fact that every "associate" is a co-owner of the entire world means of production. Only such participation in the management of world social production can give the individual control over his or her own life, the assurance that his or her needs will be satisfied, for, since the life of each is produced and determined in a global process, any more local organization would exclude part of his or her self, would thus exclude full self-determination. Who can determine our needs better than we can?

To realize this relation requires organization of the following kind: assemblies of all those involved in each place of production -- which will by no means be all or even most of the same people now working in them, nor will they remain the same kind of place very long -- and each place of residence, together sends delegates with specific instructions (imperative "mandates") to a city- or area-wide council, a regional council, and a world council. These delegates coordinate the decisions already made by their assemblies and have no separate power of their own. At the beginning it will be particularly important to ensure this, by insisting on the immediate recallability of any delegate who exceeds or violates the instructions given him/her. The tasks of coordinating social administration must become activities just like any other, without privilege or prestige: the delegates should rotate periodically, to help in demystifying and generalizing knowledge of these tasks, and to free the delegates to develop themselves in other directions. Becoming a politician or a bureaucrat is not something we would wish on anyone, nor is their continued existence something we wish for ourselves.

These councils at the local, regional and global levels are the organs of unified social self-management, superseding (*aufhebung*) the State while taking over its few useful functions and making them adequate to their new communist content, e.g., health, education, etc. They are unitary bodies, simultaneously legislative, executive and judicial. Their composition, numbers and geographical arrangement will change as society is transformed -- as the old cities are torn down and reconstructed in such a way as to fill them with air, light, and adventure; as the old factories and machines are redesigned so that their operation is a self-developing activity and a pleasure; as human beings move about their world freely, learning new skills, creating new wonders, tasting new enjoyments.

We want now to envisage just one aspect of the self-management process, and one possible implementation which would be consistent with the necessary concept of communist society (of the communist social relation of production).

The planning of world production proceeds as follows. Each local council draws up its proposed "bill of reproduction" for the plan period, say a year. This "bill of reproduction" (what used to be called a "bill of

consumption" in capitalist society) is a list of all the goods and services which are necessary to eat, give birth, rebuild housing and plant, create gardens and fields, make computers, and sausages, have festivals, and so forth -- it estimates what it will need for one year -- all that it wants/needs from world production that year. These "bills" are collected and coordinated by each of the regional councils, and then forwarded to the world council, which draws up a world bill of reproduction. This is easily translated (through the use of computerized, geographically-tagged, production-time unit-ed input-output matrices) into a world "bill of materials" and "process sheet", i.e. the total demand on the world means of production and the living-time of the world associated producers required for production that year. In each case where demand exceeds existing capacity, the world council proposes a solution; one of the usual three alternatives, or some specific mixture thereof:

(i) cut back consumption of the item in question,

(ii) produce new means of its production (expand capacity),

(iii) expand living-time devoted to its production. The resulting modified world bill of reproduction is then ratified or modified by the local councils. This process we call "omni-central planning".

The plan now exists in the form of an ensemble of delivery agreements (date, place, quantity, quality, etc.) between regional councils and, within regions, between local councils. It is not a set of commands from a single central planning authority, separated from direct feedback, as in state-capitalist planning (which has shown itself to be disastrously inefficient and quite impractical, even for complex, highly developed industrial nations like Russia -- the monstrous state bureaucracy and police that would be necessary to administrate single-centered planning on a world scale boggles the imagination.) Defaults on delivery can be adjudicated in the council of venue (council including delegates of both plaintiff and defendant councils), with damages awarded, if necessary, in the form of claims on the production-time of the council found responsible.

The plan can and must be revisable and updatable continuously and automatically, through ordering terminals in each locality -- even in each home or residential unit -- on-line to the world computer network (distributed processor network). Orders for goods and services would be

placed as the need/desire arises, without reference to the planned quantities. In the event that actual orders fall below plan-expectation for any item, the computer can automatically order a cutback in production at the facilities, perhaps scattered around the globe -- in the case of a robot plastics-factory controller, for example, or an automatic sprinkler system for a mile-long hothouse -- where it and its antecedent products are produced. In the event that actual demand exceeds supply, the computer can flash an order to facilities concerned, located through its input-output model, to step up production.

If any local council balked at this order, because of the extra claim on its members' living-time or for some other reason, this would override the order. In such a case, the world council or some delegated sub-group would decide. In case of further appeal of that decision, the authority of last resort, the world assembly -- that is, a worldwide electronic plebiscite of the entire association of producers, would decide. (The reason why a world body must take these decisions, and not some local body, is that production occurring locally affects the lives of people outside that locality all over the planet, for whom it is destined, and to allow local decisions' finality would set up thousands of momentary local dictatorships over other peoples' lives everywhere.)

The computer order-placing terminals would be part of a prime social utility, the communications center -- a unified social means of communication -- available to all in every locality. This communications center would comprise visual and graphics display screens and video/audio input/output terminals for:

- (i) access to the universal library banks, including audio/video minutes of all council meetings -- the "collective memory" of the human community;
- (ii) access to continuously monitored data on world production of all sorts, from steel to tulips;
- (iii) access to the world production simulator model to try out proposals for planning policies in advance, and ability to write and implement an alternative simulator in case of disagreement with the existing one(s);
- (iv) access to continuous monitoring of all council meetings in progress;

(v) video-telephone "conferencing" capability to call meetings with associates worldwide "without leaving one's own backyard";

(vi) access to visuals and data from other sources, such as weather satellites, chess-playing and gambling computers, and current broadcasting of all sorts, and means to make one's own broadcasts and programming.

This electronic social medium is thus clearly a means of social dialogue, as opposed to the present means of monologue. This little sketch is merely intended to demonstrate the bare bones of what socialist society in its early stages must look like. Bones do not move without the ligaments that connect them and the muscles, and nerves that articulate them, without the heart that animates and the brain that directs. But, just as we can derive the general form of a long-extinct animal from part of its rib-cage, we can begin to flesh out the body of socialist society from its necessary skeleton of basic production-relations: the new arrangements in collective and individual living. The transformation of such institutions as education, child care ("today schools are factories, tomorrow factories will be schools"), the explosion of new discoveries in every branch of science and technology, and the blossoming of the creativity so long separated from the means of social production and imprisoned within the narrow limits of "art".

We must now return from our brief venture-in-imagination beyond the bloodstained walls of class society, and consider our immediate future. The depression looms, as does ever-increasing government spending in police and military activity. The rulers of the world, the "executive committee of Capital", are now preparing for the two most important eventualities of the next decade -- world social revolution and world (nuclear) war. Since 1968 the class struggle all over the world has been unevenly but rapidly intensifying. There are few nations in the world that have not seen city-wide and countrywide general strikes, occupations, sabotage, and outright insurrection. The capitalist class is facing a working-class that, by and large, has not been weakened and demoralized by war and revolutionary defeat: that has grown up in a period of prosperity and has rebelled anyway: that is more than ever contemptuous of alienated work, authority, politics, patriotism, compulsive monogamous marriage and religion. Never has the disintegration of cultural and moral values of ideologies and credos, of hierarchies of duty

and expectation, spread so far and wide. We are on the verge of a worldwide depression-crisis. The fabric of society is so rotten that every attempt to mend it tears it still more. The capitalist class and its agents -- bureaucrats, managers, psychologists, generals, gurus, market researchers -- know this all too well. (Unlike most of the Left.) For this reason they are preparing the most sophisticated totalitarian state apparatuses in history, employing every method of social control and conditioning that the diseased brains of their pimps have been able to produce, including a good many that originated in Nazi Germany and Fascist Italy, besides the more recent arrivals like Low Intensity Operations, Behavior Modification, Aversion Therapy, Cognitive Conditioning, numerous psychedelic and hypnotic drugs, computerized dossiers, remote surveillance devices, electrode implantation, electroencephalographic mindreading, nerve gas, and professional counterinsurgency armies. This is the machine now being set up and tested piece by piece behind the peeling facade of liberal bourgeois democracy.

The depression and the ruling-class response to it necessitate the self-organization of our class as rapidly as possible to defend itself and to prepare the overthrow of the dominant production relations. At present, there are two convergent currents within the class, currents whose full meetings will push the struggle forward to a new level of intensity. The first is the minute, isolated scattering of self-consciously communist revolutionaries like ourselves, minute but growing more and more rapidly. The second current is the growth of spontaneous struggles and cross-sectoral alliances that have not yet achieved full consciousness of themselves, and so tend to dissolve back into the old patterns -- political parties, unions, racial, financial, ethnic and sexual separation. For example, black and white workers completely overcome their "racism" during a wildcat strike, then go home to segregated communities: truck drivers block the highways with company trucks one day, then vote for Buchanan the next.

Out of these two currents is emerging the communist "party". Not a political party organized along either/pluralistic, liberal lines nor a Leninist rigidly single-centered "combat party", the communist party is growing multi-centeredly out of groups of workers and unemployed thinking, discussing, reading, and fighting. The communist party is simply the theoretical and organizational expression of the communist movement at

a given stage of its development: it aims not to reform existing conditions but to overthrow them, not to participate in politics but to destroy politics, not to seize state power but to abolish state power. To this end, it agitates, creates linkups between different layers and sectors of the class, develops tactics and strategy for use by the class as a whole, refines the communist program and tries to prepare the class for generalized self-management. It does not speak for the class but for itself as part of the class. It rejects any compromise with localism, nationalism, or any kind of chauvinism, and attacks all ideologies and practices within the class that stand in the way of the communist movement, including the state-capitalist Left. It is bound together not by Leninist "iron discipline", that obscure instrument of social torture, but by common desire, by a deep-seated practical/critical accord and by delegated coordination. Instead of starting as one "party" which splits into innumerable squabbling splinters, it starts as many small organizations and groups and converges into fewer, larger ones. Its chief aim is to make itself unnecessary by facilitating in every way the self-organization of the whole class, the formation of the associated workers' councils and their seizure of social power. Within the councils, until the communist transformation is fully and irreversibly underway, it will continue to push for and accelerate that transformation; only then can it dissolve.

THE PRESENT CRISIS OF THE WORLD ECONOMY

The so-called "cycle" of capital ² has turned again.

A global depression is now opening. This puts world revolution back on the historical agenda for the first time in 60 years. Reformist practice is increasingly impracticable. Reformist organizations -- unions, labor parties, political parties -- dwindle, dissolve, become reactionary, or are destroyed by the capitalists themselves. Revolutionary practice becomes necessary (not in the gear and pulley sense, but subjectively/objectively necessary). Revolutionary organizations, and organizations which claim to be revolutionary, will sprout up everywhere, and grow.

Socialism is no utopia. Socialism can only be understood in terms of the latent form in which it already exists here and now, inside capitalism. As

capital develops, it turns small-scale production by isolated private individuals and families increasingly into large-scale production by groups of workers associated in factories, offices, etc.: the socialization of labor. Moreover, this large-scale production is increasingly no longer local production, but world production, based on a world division of labor, a world market. Increasingly, the lives of each of us come to depend upon an interconnected production carried on all around the world. This global social production is the basis of socialism. Capitalism itself develops it. But capitalism comes to a point where, if it is to continue, it can only tear down what it has built up, or rather, what we have built up as part of it. At a certain point, it becomes more profitable to invest in speculation and waste-production, to cannibalize already existing wealth, than to produce new wealth. Depressions occur, i.e., capitalism has to stop itself -- stop production. Wars occur; i.e., capital has to destroy some of itself physically, buildings, machines, and workers. Then socialism becomes a practical necessity for us. Then we have to rescue the social production we have built up under capitalism -- to rescue our lives -- by ending capitalism itself. We have to take over the means of production ourselves, ending them as capital -- as the private property of groups of capitalists or, in countries miscalled "communist", as state property (state capital) -- and begin them as the social property of the worldwide class of producers. We say "producers" and not "proletariat" or "working-class" because we would no longer be "wage workers", proletarians, when we socially own and plan the use of the means of production, which would then also no longer be capital, but self-expanding use-value now freed from the fetters of self-expanding exchange-value.

WHY DEPRESSIONS HAPPEN

The deepest tendency of capital is to increase the productivity of labor. That is, capitalists set up means of production which take less and less direct labor time to produce a growing quantity of objects. Capitalists do this because of the short-run profit-advantages it gives them. Under capitalism, the growth of productivity does not necessarily mean that individuals work shorter hours. But obviously this increase in productivity has a latent advantage for humanity as a whole (in liberating time from necessary labor), independent of the question of capitalist profitability. This latent advantage can only be realized in and as socialism.

But this incessant increasing of productivity by capital reacts back on capital itself. It constantly diminishes the value of all the existing means of production, because it makes it cost less labor-time to re-produce (to produce anew those means of production than it cost originally to produce them.

But only in a situation of near perfect competition are individual capitalists forced to recognize this devaluation. Then it appears to them as a decline in their rate of profit. After all, if I invest an amount of dollars equivalent to a value C in my machinery, I expect the going rate of return on the value of my initial investment. If that value C dwindles to c due to productivity increases throughout society -- increases I may know nothing about, changes made by other private individuals in their private property over which I have no control -- I have no way of knowing this, unless it comes to me in the form of price-cuts by my direct competitors. And even if someone were to inform me, I'd be infuriated. The very idea that some of my capital could vanish into thin air without any action on my part! Why that's - robbery!! Any accountant or group of stockholders would have a hemorrhage over this kind of "evaporation" of assets. No, if I invested an amount C in my fixed capital, I expect the going rate of return on the value of my investment, say S/C . If the value of my fixed capital drops to c due to productivity increases (i.e., to this techno-depreciation) ³, and consequently my return drops from S to s , due to price cuts I am forced to make to meet competition, I will see this as a fall in my rate of return from S/C to s/C , even though I'm really making the same rate of profit as before; $s/c = S/C$.

If competition is imperfect, however, as it is increasingly as capital develops further, as a result of successful competition itself, with the centralization and oligopolization of capital, the forced recognition of the self-depreciation of capital increasingly comes to an end. Then a capitalist will, in pricing his product, charge an amount for "wear and tear" depreciation on his machinery at its full original value, i.e., based on C instead of c . Thus the price of his commodities further deviates upward systematically from their values. The value of his means of production which no longer exists, which has been wiped out by general improvements in social productivity, namely the amount $C-c$, is still present in his pricing structures in the form of physical depreciation charges on what are now nonexistent assets. It is a fictitious value: $C-c=fv$, his fictitious-value is capitalistically indistinguishable from the real

value, and is realized through the sale of the overpriced commodities no less than is their real value, and it compounds its value at the same rate of profit as the real value. That is, fictitious value becomes self-expanding fictitious value: fictitious capital. The ever-growing accumulation of fictitious capital means that capital on paper grows faster than the real productive value it represents. That is, demand outgrows supply. Profit is a right to demand hard goods and services. Titles to profit payments, even if they first take the form of stock certificates, loan contracts, bonds, bills of exchange, etc., must be convertible into hard cash if they are to have any value and therefore are, like hard cash, titles to demand payment in hard goods. Now, real capital supplies real goods at the same time that it demands other real goods of equal value to what it supplied. Fictitious capital, on the contrary, posits no equivalent in value of hard goods to the expanding right to demand hard goods which it gives to its owner. Fictitious profits demand without supplying. Thus, effective demand in general increasingly outgrows supply in general as fictitious capital grows. Thus, inflation (general rise of prices) results. This brings about a dialectical "unity of opposites" which the formalist and empiricist bourgeois "supply-and-demand" economists are at a loss to comprehend. From the point of view of the capitalists, it looks like overproduction because of the difficulty of selling all they produce at their prices. From the point of view of consumers, it looks like prices are too high, i.e., what would be the result of shortages, undersupply, underproduction). Thus also, credit expansion and accelerating growth of debt in order to make possible the "buying back" of the produced commodities, i.e., in order to realize the turnover of capital. Debt expansion leads to liquidity crisis (high interest, "tight money": not enough money around to pay off all the fictitious demand for payment); liquidity crisis leads to a stock market collapse and to bankruptcies (through default on debt payments), single bankruptcies lead to chain reactions of bankruptcies (due to the breaking of a chain of payments) and chain-reactions of bankruptcies lead to depression currently disguised as "a worldwide economic slowdown" (massive layoffs, sudden high unemployment; stoppage of much of production; finally "deflation" -- a general fall in prices due to decreased effective demand resulting from high unemployment). The accumulation of fictitious capital, therefore of "fictitious" effective demand, gives rise to another "unity of opposites" which befuddles the bourgeois economists; the apparent overthrow of the Phillips relation; the simultaneous rise of prices and unemployment, which they call "stagflation". What actually happens is that the Phillips curve shifts to the right due to a factor of

demand independent of the effective demand created by employment -- fictitious capital, by name.).

Accumulation of fictitious capital is just a disguised (repressed) form of the tendency of the general rate of profit to fall, a tendency which earlier in capitalist development can lead to depression even in its direct form due to disinvestment (i.e., withdrawal of investment leading to apparent overproduction). There is only one solution to the crisis: the destruction of fictitious capital. The system has to bash and thrash itself around blindly until it beats a sufficient amount of fictitious capital out of itself. This self-destruction of a part of capital has three major forms. The first is depressionary deflation; a general price collapse which reasserts the fall of the rate of profit disguised by fictitious-value accumulation, wipes out paper value of stocks, small investors, and savings. The second is inter-capitalist war, a process which simultaneously destroys real and fictitious capital, both constant and variable (i.e., workers). The third is expropriation of capital. This has two sub-forms. One is state expropriation; or nationalization, the formation of state-capital. Every depression results in a flurry of state-capitalization due to bankruptcies of essential heavy industry, etc. Italy, France, Britain, etc., already have much state-owned capital as a result of previous depressions (not to mention the fully state-owned national capitals of the pure bureaucratic state capitalist countries like Russia). The other is communist expropriation: the takeover of the means of production by the (ex-)proletariat; the freely associated producers, i.e., social revolution.

THE CONCEPT OF A FINAL CRISIS

There is reason to believe that the depression-crisis now opening is a final crisis for capitalism, i.e., that no capitalist recovery from this crisis is possible -- the only alternatives being "socialism or barbarism"; a new society, or "the mutual ruin of the contending classes" through war. The presentation of this evidence involves the discussion of the recovery process and the various modes of recovery, their necessary conditions, and inquiry as to whether those conditions exist today.

In a passage of the Grundrisse which may turn out to be a virtual scenario for the last 100 years and for the period that is approaching, Marx lays out his conception of the "final crisis":

"... Hence the highest development of productive power together with the greatest expansion of existing wealth will coincide with depreciation of capital, degradation of the labourer, and a most straitened exhaustion of his vital powers. These contradictions lead to explosions, cataclysms, crises, in which by momentaneous suspension of labor and annihilation of a great portion of capital the latter is violently reduced to the point where it can go on. These contradictions, of course, lead to explosions, crises, in which momentary suspension of all labour and annihilation of a great part of the capital violently lead it back to the point where it is enabled to go on fully employing its productive powers without committing suicide. Yet, these regularly recurring catastrophes lead to their repetition on a higher scale, and finally to its violent overthrow." ⁴

The initial recovery from a depression is possible only because, as a result of the catastrophic deflation of the preceding "crash" phase, means of production -- workers and machinery -- are purchasable to capitalist at prices below their socially necessary cost of reproduction. This means that previously produced wealth is consumed (and not reproduced), i.e., cannibalized: *the disappearance, selling off, exhaustion and loss of cash reserves, savings, retirement funds, stocks, bonds, college funds, first mortgages, food reserves, second cars, home ownerships, business ownerships, sole proprietorships slipping away to banks or stockholders, mergers and acquisitions cheaply consume debt.* As these (*social and personal*) reserves are exhausted, a leveling off of recovery, below pre-depression levels of production, and thereafter a new decline will occur, unless an outside source of fresh real wealth is available for free or at prices below those corresponding to the loss of value. This necessity has been met previously through (1) looting of a pre-capitalist hinterland ("colonization", etc.); (2) looting of the productive wealth of other capitalist nations through successful intercapitalist war and redivision of the world market; (3) discovery of new lodes of natural wealth -- gold, oil, etc. (looting of nature).

This time around, however, there is no pre-capitalist hinterland left to loot. The completion of the globalization of Capital begins its decadence. In some ways the situation of the whole world today corresponds to that of one nation, Nazi Germany in the immediate aftermath of the last Great Depression. "Land-locked" in terms of colonies to loot, i.e., shut out of the imperialist plunder of the "hinterland"; with an enormous war reparations

debt corresponding to the huge inflationary drain on real (reproductive) production which fictitious capital now represents for us, Germany went into a hyper-inflation. Starting in 1923, a phenomenon which now appears is being reproduced on a world scale.

The incredible degradations of Nazism were no accident. The vast slave labor concentration camps and plants, the working-to-death of slave workers, the extermination of those slaves who could not work, the looting of Europe by the Nazi armies, the cannibalization of every corpse down to gold fillings, hair, skin itself, were expressions of the economic necessity of capital in crisis. *Today, the camps are forming on the streets as many lose jobs, then homes, and employment insurance. Without an address, even food stamps are lost. They are cast to the throwaway pile, the camp of excess.*

Those "believers" in the ideology of anti-Semitism as an explanation -- ideology which has been a convenient obscurantist aspect -- make the reductionist mistake of failing to examine the dominant social -relations of a given period globally, i.e., as a totality, they content themselves with mere fragmentary explanations. Instead of seeing in anti-Semitism and mass-hysteria a "necessary" manipulation by German ruling class to transform a portion of the population into slaves, without appearing arbitrary they try to satisfy themselves with culturalist or genetical exegetics, pointing to some special bestiality supposedly particular to the German "race". This is a delusion and foolish naiveté. *It is an exhibition of the same "bestial" trait they suggest in "the German" makeup.*

They are underestimating what their own rulers and peers are capable of, if we fail to ensure that a higher necessity self-consciously intervene and realize itself: communist necessity. The bourgeoisie has already assembled the means of turning the world into one big concentration camp. Trial runs have already begun in Brazil and elsewhere -- in the U.S. itself.

Several government organs and agencies in the U.S. work towards that end, notably the L.E.A.A. (Law Enforcement Assistance Administration). With their \$910 million budget for 1974 (\$63 million in 1969) LEAA mainly focuses on anti-riot control, anti-insurgency programs, central computer dossier banks, and superseding the coordination of local police departments. The LEAA's civilian branch, A.E.L.E. (Americans for Effective

Law Enforcement), is supposed to fight organized crime. What remains to be discussed, though, is its huge counter-insurgency planning imposed over and above all supposedly autonomous major police departments around the country, (the "nationalization" of the police) as well as its common programs with agencies like the National Institute of Mental Health and the Department of Corrections. The strategy of the bourgeoisie is far from being unilateral though; at the same time as they plan repressive conditioning, they promote self-conditioning or cognitive (stimuli) conditioning, i.e., local control.

The essence of local control could easily be mistaken for generalized self-management by naive people looking for autonomy and self-determination abstractly, i.e. without grasping the fact that the autonomy of the social individual can only become a reality worldwide as the expression of the organized proletariat superseding capital.

Local control, then, depends on implicitly naive and explicitly anarchoid or nationalist elements (*again, the "Vaguest"*) in order to promote the heteronomic central organizing the state needs to fight revolution. According to local or community control programs, all neighborhoods, communities, etc., are dependent on the state for allocation of limited amounts of credits, improvements of all sorts, which means these so called "autonomous" communities compete with each other for state allocations. The result, as you can easily deduce, is state-councilism or, in other words, the most advanced form of recuperation.

The outcome of this crisis, short of world communist revolution, can only be a system of competing national state-capitals. But the tendency to catastrophic instability of such a system is high. All the competition that would disappear at the domestic level would only reappear more fiercely at the level of international competition. Short of communist revolution, world nuclear war (and with it the virtual extinction of the human species) is the likely outcome of this - the highest and most intense form of the competition of capitals.

The task of class-wide self-organizing, of creating strategy and programs for that self-organizing, has become the first necessity for our survival, individual and collective. There are no atomistic, individual solutions. We survive through social relations. The social relations we have survived through up to now, capital, has begun to self-destruct. Only by creating a

new social relation worldwide will we survive. The alternative is the slow or more rapid extinction of the human race. The creation of revolutionary organizations is the first step in the production of this new social relation.

WE ARE NOTHING...

We see ourselves as one group among a small but growing number who are contributing to the theory and practice of the communist movement and hence to the self-consciousness of our class. Our aim at present is not to grow bigger as a nucleus but to stimulate the formation of new nuclei which are in regular communication and critical agreement with our own and with each other. We are willing to further this process by talking with you, by giving you access to our fund of information and experience: in doing this, we in turn will learn from you and be enriched by your activity.

We disdain to conceal our aims and tendencies: we openly declare that our ends can only be attained by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a communist revolution!

BUT WE MUST BE EVERYTHING!!

CATALYSIS

P.O. Box 1213
Berkeley, California 94701 U.S.A.

NOTES

1 For 1975 there will be 800,000 new jobs, all created by the Federal Government.

2 It is actually a helix; never a simple return.

3 The composition of capital is to be understood in a twofold sense. On the one hand the value composition of capital, i.e., the (value) relation between the value of means of production and the (value) of living labor. On the other hand the technical composition of capital, i.e., the specific relation between the mass of the non-living means of production, and the mass of living labor, necessary to operate (set in motion) those means of production. The correlation between value and technical composition of capital is called organic composition of capital.

4 Karl Marx, Grundrisse: Introduction to the Critique of Political Economy; Penguin Books, Inc. (Middlesex, England); page 750.

SUGGESTED READING

On Capitalism and Communism:

Eclipse and Re-emergence of the Communist Movement by Barrot and Martin
(Black & Red; Detroit, MI.).

Contribution to a Critique of Political Economy by Karl Marx.

Wage Labor & Capital by Karl Marx.

Society of the Spectacle by Guy Debord (Black and Red; Detroit, MI.).

On the State:

The German Ideology by Karl Marx and Frederick Engels.

Marxism & Philosophy by Karl Korsch (Modern Reader).

On Subjective Conditions:

Treatise on Living for the Use of the Young Generation by Raoul Vaneigem (available as The Revolution of Everyday Life).

The Mass Psychology of Fascism by Wilhelm Reich (Noonday Press).

The Right to Be Greedy by For Ourselves (free web download from Lust for Life).

On Revolutionary History:

Workers Councils by Anton Pannekoek (New Space Books; Chicago, Illinois).

La Gauche Allemande ed. by Invariance/La Vieille Taupe (B.P. 133-83170, Brignoles, France).

The Stillborn Revolution by Werner Angress.

The Spanish Collective edited by Sam Dolgoff.

Origin of the Movement for Workers Councils in Germany by Meier (Workers' Voice, c/o 74 Park Road South, Birkenhead, Cheshire, England).

1905 by Leon Trotsky.

The Civil War in France by Karl Marx.

Strike by Jeremy Brecher (Straight Arrow Press).

The Unknown Revolution by Voline (Black & Red; Detroit, MI.).

On the Critique of Political Economy:

Marx and Keynes by Paul Mattick (Porter Sargent; Boston, Mass).

Socialism or Fascism? by Lyn Marcus (in Strategy for Socialism #1, National Caucus of Labor Committees, New York).

The Accumulation of Capital by Rosa Luxembour.

Anti-Kritik by Rosa Luxembour.

Grundrisse by Karl Marx.

Capital by Karl Marx.

Originally published 4-Oct-1974 as "TOO LITTLE TOO LATE: A Critique of the East Bay Socialist School"

(e)published with italicized editions by

Lust *for* **Life**

**PO Box 22466
Milwaukie, OR. 97223 U.S.A.
rasputin@teleport.com**

v0.1: 12-May-2003 (part 1 of 2 parts)
v0.2: 23-June-2003 (complete but w/o graphics)
v0.23: 29-June-2003 (complete but w/o graphics)