

boundedness' of the social order had been achieved, depended upon whether the emphasis was more upon mere 'order', or upon 'liberty', in the sense of guaranty and security of the individual. The choice depended, in the terminology of Radbruch, on whether law was viewed more as 'regulation' or as the source of 'rights'.<sup>1</sup> But quite apart from this antinomy, it was also the previously mentioned alternative between the formal and substantive legal ideals and the vigorous, economically conditioned revival of the latter, both in the upper and lower strata of the social hierarchy, that weakened the oppositionist tendencies of the lawyers as such. We shall discuss later just what technical devices authoritative powers have used to overcome resistance from within the judiciary.<sup>2</sup> Among the general ideological factors which account for the change in the lawyers' attitude, the disappearance of the belief in natural law has played a major role. If the legal profession of the present day manifests at all typical ideological affinities to various power groups, its members are inclined to stand on the side of 'order', which in practice means that they will take the side of the 'legitimate' authoritarian political power that happens to predominate at the given moment. In this respect, they differ from the lawyers of the English and French revolutionary periods and of the period of enlightenment in general. They differ also from those who had to act within the framework of patrimonial despotism or had been sitting in [German nineteenth-century] parliamentary bodies and municipal councils down to Prussia's 'circuit judges' parliament' of the 1860's.

<sup>1</sup> Cf. *Rechtsphilosophie* (1914 ed.); the terminology is no longer used, however, in the versions of 1932 and 1950. [Rheinstein's footnote.]

<sup>2</sup> This intended investigation was not carried out by Weber. [Rheinstein's footnote.]

Max Weber: The Interpretation of Social Reality

Ed. J. E. T. Eldridge

New York: Charles Scribner's Sons, 1971.

Max Weber

(C) Socialism<sup>1</sup>

SPEECH FOR THE GENERAL INFORMATION OF  
AUSTRIAN OFFICERS IN VIENNA, 1918

[Translated by D. Hytch]

As it is the first time that I have had the honour of addressing the Officer Corps of the Royal Imperial Army, you will understand that this is a somewhat embarrassing situation for me, principally because I am completely ignorant of the conditions, of the internal relations in the operation of the R.I.A., the conditions which are crucial for the exertion of influence by the officer corps on the troops also. It is obvious that the officer of the Reserve or the Civil Defence is always a dilettante, not only through his lack of scientific training at military school, but also through not being in constant touch with the whole internal nervous system of the organisation. Nevertheless, when one has spent periods of time within the German Army, as I have, in very different areas of Germany, repeatedly and over a number of years, I believe myself to have a sufficient notion of the relations between officers, N.C.O.'s and men to be able to see at least that this or that method of wielding influence is *possible*, or that this or that way is difficult or impossible. As far as the R.I.A. is concerned, of course, I have not the slightest idea of all this. If I have any idea whatsoever of the internal relations of the R.I.A., it is only one of colossal real difficulties which for me follow simply from the linguistic circumstances. Officers of the R.I.A. Reserve have tried on several occasions to explain to me how they manage to maintain contact with the men without any real knowledge of their language—that contact which is indispensable in order to exert any influence of any kind over the service. For myself, I can only speak from German conceptions, and I should like first to make some introductory observations about the way in which this exercising of influence proceeded in Germany.

These observations are made from a 'worm's-eye view'; that is, on my sometimes frequent journeys in Germany I had made it a rule, when the distances were not very great and when the work

<sup>1</sup> Source: *Gesammelte Aufsätze zur Soziologie und Sozialpolitik* (Tübingen: J. C. B. Mohr, 1924).

before me was not too arduous, always to travel third class, and thus in the course of time I came across many hundreds of people returning from or travelling to the front, just at the period when what was known as the task of education by the officers was introduced. So, without having had any motive for interrogating the men or inducing them to speak, I heard extraordinarily numerous opinions about the matter from the men's side. Moreover, these were invariably reliable men, for whom the officer's authority stood firm as a rock; only rarely were there also some who mentally adopted a somewhat different attitude. The point was always this, that the great difficulty of any education work had to be recognised very soon. There was one thing in particular: as soon as the suspicion arose among the men that it was in some way a matter of *party* politics being directly or indirectly promoted, irrespective of their nature, mistrust was always there among a great proportion of them. When they went on leave, they came into contact with men from their party, and then, naturally, it became difficult to maintain a real relationship of confidence in them. Moreover there was also this great difficulty: admittedly the men acknowledged the military expertise of the officer completely without reservation—I have never encountered anything else, although of course even in Germany there was abuse on occasion, sometimes to do with the staff, sometimes with something else, but military authority has never been fundamentally called into question—on the other hand one came across the feeling: 'Hm, when we receive instruction from the officers about the conditions of our private life and their consequences, the plain fact emerges that the officer still belongs to a different class from ours, and with the best will in the world it is impossible for him to put himself in our situation, at the machine or behind the plough, as completely as we do ourselves.' That was repeatedly expressed in a series of sometimes naive remarks, and I had the feeling that due to enlightenment being carried out in the wrong way the authority of the officer could perhaps suffer, even in the military sphere where it remains steadfast, because the men do not entirely accept authority where they claim they are on their own ground.

Now a further mistake which was often made, not now, but in earlier altercations with socialism. It has long been the practice, and with good reason, to start, as the party-political opponents of social democracy used to do, by reproaching the workers as

follows, with reference to trade union and party officials: 'They, in fact, are the people who live off the workers' pennies in the literal sense of the phrase, far more than the employers do.' To which every worker, of course, replies: 'Certainly these people live off my pennies. I pay them. But for that very reason I can rely on them, they are dependent on me, I know that they must represent my interests. I shan't change my mind on that. That's worth a few coppers.' Now people have rightly started by seeking in that way to discredit that class of intellectuals who are coining all over the place the watchwords, slogans and—you may say in solace—phrases which are being employed by all parties without exception, including, then, the parties of the left and the social democratic party. It is in my opinion especially to be welcomed that such a good position *vis-à-vis* the trade unions was adopted in Germany. You can, however, take any attitude you please towards the trade unions. They make their blunders too. Nevertheless this attitude towards the trade unions was intelligent from a military point of view: for they still represent something which is also characteristic of military units. Think what you like about strikes. They are usually a fight for interests, for wages; yet very often not only for wages, but also for ideals: for honour, as the workers understand it—and each man claims for himself that he knows what is to be understood by that. The feeling of honour, of fellowship, among comrades in one factory or in one and the same departments binds them together, and in the last analysis this is a feeling upon which, in another way, the solidarity of military units rests. And as there is absolutely no means of abolishing strikes—one can merely choose between openly recognised and secret organisations of this kind—I consider it well-advised also from the military point of view to take up a position on the basis of this fact: such is the situation, and as long as one can get on with the men and they do not endanger *military* interests, one comes to terms with them, as in fact has been the case in Germany. Those are my personal impressions.

Now I should like to turn to the subject upon which you have done me the honour of asking me to speak, and which is indeed one which it would take six months to deal with adequately—for it is customary to lecture at that length on such subjects to educated academic audiences—the position of socialism and attitudes towards it. Firstly I draw attention to the fact that there are

'socialists' of the most diverse kinds. There are people who call themselves socialists whom no socialist party member of whatever brand would ever recognise as such. All *parties* of purely socialist character are *democratic parties* nowadays.

I should like first, briefly, to examine this democratic character. What, then, is democracy at the present time? The point is very relevant to our subject. Today I can, indeed, only touch upon it briefly. Democracy can mean an infinite variety of things. *Per se* it means simply that no formal inequality of political rights exists between the individual classes of the population. Yet what different consequences that has! Under the old type of democracy, in the Swiss cantons of Uri, Schwyz, Unterwalden, Appenzel and Glarus, the entire population—in Appenzel the electorate is 12,000, in the others between 3,000 and 5,000—still assembles in a big square and there they vote, when discussion is over, by a show of hands, on everything from the election of the cantonal president to the passing of a new tax law or upon any question of administration. However, if you study the lists of the presidents who were elected under such an old-style Swiss democracy over fifty or sixty years, you will find that remarkably often they were the same men, or at least that certain families had control of these offices from time immemorial; that is, that although there was a democracy in law, this democracy was in fact run aristocratically, for the simple reason that not every artisan could take on an office like that of cantonal president without ruining himself professionally. He had to be 'superfluous' in the economic sense, and only a man of some wealth is that as a rule. Or he must be highly paid and given a pension. Democracy has only these alternatives: being run cheaply by the rich in titular office, or expensively by paid professional administrators. This latter, the evolution of a professional administration, has become the fate of all modern democracies in which titular office was inadequate, that is, in the great states. That is America's current position. In theory the situation there is similar to that in Switzerland. The president of the whole Union and a good proportion of state officials are elected, if not by state assemblies, then nevertheless by direct or indirect equal franchise. The president nominates the other officials of the Union. It has been found that the officials nominated by the president are on the whole far superior to those chosen by popular election, in terms of capability and above all of incorruptibility, because the

president and the party he leads are naturally held responsible by the electorate for seeing that the officials they nominate have at least in some degree the qualities the voter expects.

This American democracy—which rests on the principle that every four years, when the president changes, the 300,000 odd officials he has to nominate will change too, and that every four years all the governors of the individual states will change, and with them again many thousands of civil servants—this democracy is drawing to its end. It has been administration by dilettantes; for these civil servants appointed by the party were nominated according to the principle that they had rendered services to the party and were given their posts on that account. Few questions were asked about their qualifications; examinations and that sort of thing were until a short while ago formally unknown to American democracy. On the contrary, the point of view was often taken that the office had to go round from one to the other in rotation to some extent, so that everyone could get a slice of the cake.

I have talked to American workers about this on several occasions. The genuine American Yankee worker stands at a high level of wages and education. The pay of an American worker is higher than that of many an American university lecturer. These have all the trappings of bourgeois society, they appear in their top hats with their wives, who behave perhaps with somewhat less *savoir faire* and elegance but otherwise just like any other ladies, while the immigrants from Europe flood into the lower classes. When I sat, then, in company with such a worker and said to him: 'How can you let yourselves be ruled by these people who are put in office over you and who naturally make every bit as much money out of their position as possible, since they owe their post to the party and since they pay so much of the salary they draw in taxes to the party and then have to relinquish their office after four years without qualifying for a pension; how can you let yourselves be governed by this corrupt society which is notorious for robbing you of hundreds of millions?' I would find from time to time receive the characteristic reply which I will repeat word for word in all its poignancy: 'That doesn't matter, there's enough money for stealing and still enough left for the rest to earn—for us too. We keep an eye on these "professionals", these public servants, we're suspicious of them. But when a trained, qualified class takes office like they do in your country—they keep an eye on us.'

That was the decisive point for these people. The fear that such a bureaucracy as actually exists in Europe might come into being, a class of university educated, specially trained civil servants.

Now the time has, of course, long since come when even in America administration can no longer be carried on by dilettantes. Specialist civil services are growing at an enormous rate. The specialist examination was introduced; in theory it was at first obligatory only for certain more technical officials, but it quickly snowballed. There are already about 100,000 officials to be nominated by the president who can only be appointed when they have passed certain examinations. With that the first and most important step towards the reforming of the old democracy has been taken. And with that, too, the university in America has begun to play an entirely different role and the ethos of the universities has fundamentally changed also. For, and this is not always appreciated outside America, the American universities and the strata produced by them, not the war-mongers who exist in every country, were the originators of the war. When I was over there in 1904 the question American students put to me more than any other was, how are duels arranged in Germany and how do people go about getting scars. They thought it a chivalrous institution: they had to have this sport too. The serious aspect of it was that, particularly in my subject, literature was tailored to this mood: it was actually in the best works of the day that I came upon the following conclusion: 'It is fortunate that world economy is moving to a point at which it will be worth while ("a sound business view") to deprive one another of world trade by means of *warfare*; for then at last an end will come to the age in which we Americans have been undignified dollar-earners, then a warlike spirit and chivalry will rule the world once more.' They probably thought of modern warfare as being similar to the battle of Fontenoy, when the herald of the French cried to the enemy: 'Gentlemen of England, shoot first!' They thought of war as a kind of knightly sport which would re-establish class sensibility and refined feelings in place of this sordid money-grabbing. You see it: this caste judges America in just the same way as America is, in my experience, repeatedly judged in Germany, and—draws its own conclusions. The vital statesmen sprang from this caste. For America, this war will result in its emergence as a state with a large army, a corps of officers and a bureaucracy. At the time, I spoke to American

officers who were in very scant agreement with what was expected of them by American democracy. For instance, it happened that one day I was at the home of a colleague's daughter and the maid was away—maids could give two hours' notice over there. The two sons, who were naval cadets, happened to come in and their mother said: 'You must go out now and sweep snow, otherwise it will cost me a fine of 100 dollars a day.' The sons—they had just been with German naval officers—thought it no fit work for them, whereupon the mother said: 'If you won't do it, then I must.'

This war will mean for America the evolution of a bureaucracy and with it opportunities of advancement for university circles (that is, of course, at the root of it as well), in short, it will result in the Europeanisation of America in at least the same measure as people have been talking about the Americanisation of Europe. In large states everywhere modern democracy is becoming a bureaucratized democracy. And it must be so: for it is replacing the aristocratic or other titular officials by a paid civil service. It is the same everywhere, it is the same within the parties too. This is inevitable, and is the first fact which socialism has to reckon with: the necessity for years of specialist training, for increasingly extensive specialisation and for administration by a specialist civil service trained in this manner. The modern economy cannot be run in any other way.

However, this inescapable universal bureaucratisation is, in particular, that which is concealed behind one of the most frequently quoted socialist slogans—the slogan of the 'separation of the worker from the tools of his trade'. What does that mean? The worker is, so we are told 'separated' from the material resources with which he produces, and on this separation rests the wage slavery in which he finds himself. In this they have in mind the fact that in the Middle Ages the worker was the owner of the technical tools with which he produced, while the modern worker, of course, neither does nor can own his tools whether the mine or factory in question is run by an employer or the state. They have in mind, further, that the artisan himself bought the raw materials which he processed, while that is not the case, and cannot be, with the paid worker of today; and that accordingly the product was in the Middle Ages, and is still, in places where crafts survive, at the disposal of the individual craftsman, who can sell it on the market

and turn it to his own profit; while in a large concern it is at the disposal not of the worker but of the owner of these tools of the trade, who again may be the state or a private employer. That is true, but the fact is by no means peculiar to the process of economic production. We encounter the same thing, for example, within the university. The old-time lecturer and university professor worked with the books and the technical resources which they procured or made for themselves; chemists, for instance, produced the things which were required by scientific industry. The mass of today's manpower within the modern university set-up, particularly the assistants in the big faculties, are on the contrary in precisely the same situation as any worker in this respect. They can be given notice at any time. Their rights in the domain of the faculty are no different from those of the worker in the domain of the factory. They must conduct themselves, just like the latter, in accordance with the regulations in force. They have no ownership of the materials or apparatus, machines, etc. which are used in a chemical, physical or biological faculty or a clinic; these are rather the property of the state, but are managed by the director of the department who levies charges for the purpose, while the assistant receives an income which does not fundamentally differ in amount from that of a trained worker.

We find just the same situation in the military sphere. The knight of olden days was the owner of his horse and his armour. He had to equip and provide for himself. The army constitution of the time was based on the principle of self-equipment. In both the cities of antiquity and the armies of the Middle Ages a man had to supply his own armour, lance and horse, and bring provisions. The modern army came into being with the establishment of the princely household, that is, when the soldier and the officer (who is indeed something other than another official, but who corresponds exactly to the official in this sense) ceased to own the tools of warfare. It is on this, indeed, that the solidarity of the modern army rests. This, too, is why it was for so long impossible for the Russian soldiers to get away from the trenches, because of the existence of this machinery of the officer corps, the quarter-master general and other officials, and everyone in the army knew that his whole existence, including his food, depended on the functioning of this machinery. They were all separated from the tools of war, just as the worker is from the tools of his trade. In a similar position to

that of the knight stood the official of the feudal era, that is, a vassal invested with high administrative and judicial rank. He bore the expense of administration and jurisdiction out of his own pocket and made levies accordingly. He was therefore in possession of the tools of administration. The modern state emerges when the prince takes it into his own control, appoints salaried officials and thereby brings about the 'separation' of the officials from the tools of their trade. Everywhere we find the same thing: the tools within the factory, the state administration, the army and the university faculties are concentrated by means of a bureaucratically constructed human machine in the hands of him who controls this machine. This is due partly to purely technical considerations, to the nature of modern tools—machines, guns, etc.—but partly simply to the greater efficiency of this kind of co-operation: to the development of 'discipline', army, office, shop-floor and factory discipline. In any event it is a serious mistake to think that this separation of the worker from the tools of his trade is something peculiar to industry and, moreover, to private industry. The basic state of affairs is unaltered when the person of the head of this machine changes, when, say, a state president or minister controls it instead of a private industrialist. The 'separation' from the means continues in any case. As long as there are mines, furnaces, railways, factories and machines, they will never be the property of an individual or of several individual workers in the sense in which the materials of a medieval craft were the property of one guild-master or of a local trade association or guild. That is out of the question because of the nature of present-day technology.

What, then, is socialism in relation to this fact? The world has, as I have said, various meanings. However, what one usually thinks of as the opposite of socialism is a private economic system, a state of affairs in which provision for economic need is in the hands of private employers and is so arranged that these employers procure for themselves the material resources, administrative staff and labour force by means of bills of sale and wage contracts, and that they then have the goods made and sell them on the market at their own economic risk and in the expectation of personal gain.

This system of private economy has furnished socialist theory with the slogan of the 'anarchy of production', because it leaves open the question of whether the personal interest of the individual employers in the turnover of their products (the profit interest)

functions in such a way that provision for those who need these goods is guaranteed.

It is historical fact that a change has come over the question of which of a society's needs are taken care of by business (i.e. privately) and which not privately, but socialistically, in the broadest sense of the word (i.e. by systematic organisation).

In the Middle Ages, for instance, republics such as Genoa had their great colonial wars in Cyprus conducted by limited share companies, the so-called 'Maconen'. They clubbed together to raise the necessary funds, hired mercenaries as appropriate, conquered all resistance, received the protection of the republic and naturally exploited the country, as plantation land or as an object of taxation, for their own purposes. Similarly the East India Company conquered India for England and exploited it for itself. The *condottiere* of the late Italian Renaissance period belonged in the same category. Like the last of them, Wallenstein, he recruited his army in his own name and out of his own capital, a proportion of the army's spoils went into his pocket, and of course he would stipulate that a certain sum be paid to him by the prince or king or emperor as a reward for his success and to cover his expenses. In a somewhat less autonomous fashion, the eighteenth-century colonel was still an employer who had to recruit and clothe troops for himself; sometimes, admittedly, he could draw on the prince's stores, but he always ran his unit largely at his own risk and for his own profit. The private management of warfare was, therefore, considered quite normal, which would seem monstrous to us today.

On the other hand, no medieval town or guild would ever have thought it conceivable that the town's corn supply or the guild's indispensable raw materials, which had to be imported for the craftsmen's work, could simply be left to free trade. On the contrary, from the days of antiquity, on a large scale in Rome, and throughout the Middle Ages it was the business of the town, not of free trade which was only supplementary. Roughly as now, in the days of wartime economy, co-operation—'nationalisation' as it is popularly called today—exists between broad branches of the economy.

What characterises our current situation is this, that private economy, bound up with private bureaucratic organisation and hence with the separation of the worker from the tools of his

trade, dominates the sphere of *industrial* production which has never before in history borne these two characteristics together on such a scale; and this process coincides with the establishment of mechanical production within the factory, thus with a local accumulation of labour on the same premises, enslavement to the machine and common working discipline within the machine-shop or pit. It is the discipline which lends the contemporary mode of 'separation' of worker from materials its particular stamp.

This situation, this factory *discipline*, gave birth to modern socialism. Socialism of the most diverse types has existed everywhere, at every period and in every country of the earth. Modern socialism in its uniqueness is only possible on this basis.

This subjection to working discipline is so extraordinarily marked for the industrial worker because, in contrast to, say, a slave plantation or a socrage-farm, modern industry functions on the basis of an extraordinarily keen process of *selection*. A modern factory proprietor does not employ just any worker, just because he might work for a low wage. Rather he puts the man at the machine on piece-wages and says: 'All right, now work, I shall see how much you earn; and if the man does not prove himself capable of earning a certain minimum wage he is told: 'We are sorry, you are not suited to this occupation, we cannot use you'. He is dismissed because the machine is not working to capacity unless the man in front of it knows how to utilise it fully. Everywhere it is the same, or similar. Every modern concern, in contrast to those of antiquity which employed slave labour, where the lord was bound to the slaves he owned—if one of them died, it was a capital loss for him—rests on the principle of selection, and this selection on the other hand is intensified to the extreme by competition between employers, which constrains the individual employer to certain maximum wages: the inherent necessity of the worker's earnings corresponds to the inherent necessity of the discipline.

If the worker goes to the employer today and says: 'We cannot live on these wages and you could pay us more', in nine out of ten cases—I mean in peacetime and in those branches where there is really fierce competition—the employer is in a position to show the workers from his books that it is impossible; my competitor pays such and such wages; if I pay you even only so much more, all the profit I could pay to the shareholders disappears from my

books, I could not carry on the business, for I would get no credit from the bank. Thereby he is very often just stating the naked truth. There is the additional point that under the pressure of competition profitability depends on as much human labour as possible being eliminated by labour-saving machines, and especially the highest-paid variety who cost the business most. Hence skilled workers must be replaced by unskilled workers or workers trained directly at the machine. This process is inevitable and is continually occurring.

Socialism terms all this the 'domination of men by matter', which means the domination of the end (supply meeting demand) by the means. It recognises that, while in the past there were individuals who could be held responsible for the fate of the client, bondsman or slave, this is impossible today. Therefore it attacks not individuals but the organisation of production as such. Any educated socialist will absolutely decline to hold an individual employer responsible for the worker's destined fate, but he will say it is inherent in the system, in the plight into which all parties, employer and employed, find themselves driven.

What, then, in positive terms, is socialism relative to this system? In the broadest sense of the phrase, it is what is also frequently termed 'collective economy': an economy which is firstly without profit, and without a situation in which private businessmen direct production at their own risk. Instead, the economy would be in the hands of officials of a people's combine which would assume control along lines which I shall discuss presently. Secondly, there would be in consequence no so-called anarchy of production, i.e. competition among employers. There is at this time, especially in Germany, much talk about our being, as a result of the war, already actually in the middle of the evolution of such a 'collective economy'. In view of this let it be briefly pointed out that the organised economy of a particular people could be based, in the manner of its organisation, on two essentially different principles: firstly, what is nowadays called nationalisation, with which all those gentlemen who work in the war industries are doubtless acquainted. It rests on the collaboration of the amalgamated firms in a particular field with state officials, be they civil or military. Supplies of raw materials, procurement of credit, prices, and the market can thus to a large extent be systematically regulated, and there can be state participation in the profits and in the policy

decisions of these syndicates. It is thought that the employer would then be inspected by these officials, and production governed by the state. We should then have 'true', 'real' socialism, or be heading towards it. In Germany there is widespread scepticism about this theory. I do not propose to discuss how it works in wartime. However, anyone who can do sums knows that the economy could not be carried on in peacetime as it is now if we are not to go to our ruin, and that in peacetime this kind of nationalisation, i.e. the compulsory syndication of the firms of each branch of industry and the participation of the state in these syndicates with a share in the profits in exchange for the concession of extensive rights of control, would mean in reality not the control of industry by the state but the control of the state by industry; and that in a most disagreeable manner. Within the syndicates the representatives of the state would sit at a table with the industrialists whose knowledge of the trade, commercial training, and degree of self-interest would be far in excess of their own. In parliament, however, would sit the representatives of the workers who would demand that those state representatives must ensure high wages on the one hand and low prices on the other; for, they would say, they had the power to do it. Then again, in order not to ruin its finances, the state, which would be sharing in the profit and loss of such a syndicate, would naturally have an interest in high prices and low wages. And finally the private members of the syndicates would expect the state to guarantee the profitability of their concerns. In the eyes of the workers, therefore, such a state would appear to be a class state in the most literal sense of the phrase, and I doubt whether that is politically desirable; I am even more dubious whether it would be sensible to represent this state of affairs now to the workers as really 'true' socialism, which certainly seems a temptingly obvious suggestion. For the workers would very soon find out that the lot of a miner is not affected in the slightest by whether the pit is privately or state-owned! The life of a worker in the coal-mines of the Saar is just the same as in a private mining company: if the pit is badly run, i.e. is not very profitable, then things are bad for the men too. The difference, however, is that to strike against the state is impossible, hence that under this kind of state socialism the dependence of the worker is quite substantially increased. That is one of the reasons why social democracy generally rejects this nationalisation of the economy,

this form of socialism. It is a consortium of syndicates. The decisive factor is, as before, profit; the question of what is earned by the individual industrialists who have joined forces in the syndicate and of whom one is now the treasurer continues to determine the lines along which the economy is run. And the distressing thing would be that, while at present the political and private industrial administrations (of syndicates, banks, and giant concerns) stand side by side as separate bodies, and therefore industrial power can still be curbed by political power, the two administrations would then be one body with common interests and could no longer be checked. In any event, profit would not be done away with as the guiding light of production. The state as such, however, would then have to bear in addition the hatred of workers, which is at present directed at the employers.

The contrary principle to this, in the last-named respect, could only be embodied by something like a consumer organisation, which would ask: which needs are to be catered for within this area of state economy? You are probably aware that numerous consumer associations, especially in Belgium, have gone over to founding their own factories. If this were extended and put in the hands of a state organisation, it would be a totally and fundamentally different kind of socialism—a consumer socialism. However, no one as yet has the slightest notion of where its leaders are to come from, nor where the interested parties might be found to bring it into being in the first place; for experience has shown that consumers as such are only to a very limited extent capable of organisation. People with a definite commercial interest can be very easily united when they are shown that by this union they obtain a profit or guaranteed profitability; this is what makes possible the creation of a socialism of industrialists such as is represented by nationalisation. On the other hand it is extraordinarily difficult to unite people who have nothing more in common with one another than their desire to purchase, or to maintain themselves, because the whole situation of the purchaser stands in the way of socialisation; even the present starvation, in Germany at least, has not, or only with great difficulty, brought the housewives of the mass of the population to accept war canteen meals, which everyone found tasty and excellently prepared, instead of their own amateurish home cooking, although they were far cheaper.

Having said this, I come finally to the kind of socialism to which the major socialist parties as they are today, i.e. the social-democratic parties, are committed in their programmes. The document which lays the foundation of this socialism is the Communist Manifesto of the year 1847, published and distributed in January 1848 by Karl Marx and Friedrich Engels. This document, however strongly we may reject it in its critical theses (at least I do), is in its way a work of scholarship of the highest order. That cannot be denied, neither may one deny it, because nobody believes one and it is impossible to deny it with a clear conscience. Even in the theses we nowadays reject, it is an imaginative error which politically has had very far-reaching and perhaps not always pleasant consequences, but which has brought very stimulating results for scholarship, more so than many a work of dull correctness. One thing must be said at the outset about the Communist Manifesto: it refrains, in intention if not always in practice, from moralising. It simply does not occur to the authors of the Communist Manifesto, at least according to their contention (in reality they were men of very strong feelings who by no means always adhered to it) to raise a hue and cry about the baseness and wickedness of the world. Neither do they think it their task to say: such and such institutions in the world should be arranged differently, namely in such and such a way. Rather the Communist Manifesto is a prophetic document; it prophesies the fall of the private industrial, or capitalistic, as they say, organisation of society and the replacement of this society first, as a transitional stage, by a proletarian dictatorship. However, beyond this transitional stage lies the actual ultimate hope: the proletariat cannot free itself from servitude without putting an end to all dominion of man over man. That is the real prophecy, the core of the manifesto, without which it would never have been written: the proletariat, the working masses will first, through their leaders, seize political power; but this is a transitional stage which will lead to an 'association of individuals', as it is known: this is, then, the final situation.

What this association will look like the Communist Manifesto omits to say, as do all the programmes of all the socialist parties. We are informed that we cannot know that. It can only be stated that our present society is doomed, it will fall by the laws of nature, it will be relieved in the first place by a proletarian dictatorship.



of crises. Because employers compete with one another (and here comes an important but very involved discussion in the classic socialist texts, which I must spare you) it is inevitable that periods of overproduction will recur which are dispelled by bankruptcies, collapses and so-called 'depressions'. By the law of economics—Marx only hinted at it in the Communist Manifesto; however, it has since become a minutely elaborated theory—these periods follow one another at fixed intervals. There has, in fact, been approximate regularity of occurrence of such crises for nearly a century. Even the leading scholars of our subject are not yet completely in agreement on the reasons for this, therefore it would be quite out of the question to discuss it here at the moment.

Now classic socialism pinned its hopes on these crises. It hoped above all that they, by their very nature, would increase in destructive power and intensity, producing a terrifying mood of revolution, that they would accumulate and increase and eventually create such a climate that the preservation of the existing economic system would no longer be attempted even in non-proletarian circles.

This hope has been essentially given up today. For while the danger of a crisis admittedly has not entirely disappeared, its relative importance has diminished now that businessmen have progressed from ruthless competition to syndication, i.e. since they began to eliminate competition to a large extent by the regulation of prices and turnover, and, furthermore, now that the great banks, e.g. the German Reichsbank, have advanced to a point where, by the regulation of credit concessions, they see to it that periods of over-speculation also occur in more sparse measure than before. Thus, while we cannot say it 'has not been fulfilled', this third hope of the Communist Manifesto and its successors has somewhat radically shifted in its presuppositions.

The very high hopes which were placed in the collapse of bourgeois society in the Communist Manifesto have therefore been replaced by very much more sober expectations. Firstly, there is the theory that socialism will come of its own accord by evolution, because economic production is becoming increasingly 'socialised'. What is meant by this is that share companies with salaried managers will take the place of the actual individual employers, and that national, communal and trust firms will be set up which will no longer be founded, as before, on the risk and

profit of a single, or indeed any, private employer. This is to the point, though it must be added that a share company very often conceals one or several finance magnates who control the general meeting: every shareholder knows that shortly before the annual general meeting he will receive a communication from his bank asking him to make over his voting right to them, if he does not wish to go and vote himself, which is pointless for him in the face of a capital of millions of crowns. Above all, however, this kind of socialisation means on the one hand the spread of officialdom, of specialist, commercially or technically trained clerks, but on the other, the propagation of men of private means, i.e. a class who just draw dividends and interest, without doing mental work for it, as the employer does, but who, with all their financial interests, are committed to the capitalist system. Public and trust concerns, however, are strongly and quite exclusively dominated by the official, not the worker, who has more difficulty in achieving anything by strike action here than against private employers. It is the dictatorship of the official, not that of the worker which for the present at any rate, is on the advance.

Secondly there is the hope that the machine, as it causes the old specialists, the skilled craftsman and those highly skilled workers who filled the old English trade unions, to be replaced, by unskilled workers and makes anyone capable of working at a machine, will bring about such unity in the working class that the old division into discrete professions will come to an end, and the consciousness of this unity will become overwhelming and benefit the struggle against the propertied classes. The answer to that is not quite straightforward. It is correct that the machine endeavours to replace to a very extensive degree the highly paid and skilled workers, for naturally every industry is seeking to introduce precisely such machines as will replace those workers who are hardest to come by. The most prodigiously increasing group in industry today are the so-called 'trained' workers, i.e. not the skilled workers who under the old scheme followed a particular course of instruction, but those who are put directly at the machine and there trained in the use of it. Even so they are often still specialists to a considerable extent. Several years go by, for example, before a trained weaver reaches the highest degree of learning, i.e. makes the fullest use of the machine for the employer and earns the highest wage for himself. Admittedly, the

typical normal training period for some categories of workers is substantially less than for that cited here. Nevertheless, while this increase in trained workers means a noticeable decline in professional specialisation, it does not mean the end of it. And on the other side professional specialisation and the need for specialist education is growing at all levels in industry above that of the workers, down to the foreman and the overseer, and the relative number of persons belonging to this class is growing at the same time. It is true to say that they, too, are 'wage slaves', but mostly not on piece-wages or weekly wages, but a fixed salary. And above all, the worker naturally hates the foreman who is perpetually breathing down his neck, far more than the industrialist, and the industrialist in turn more than the shareholder, although the shareholder is the one who really draws his income without working, while the industrialist has to do very arduous intellectual work, and the foreman stands far closer still to the worker. That is something which occurs in the army too: in general it is the corporal who attracts the strongest resentment, or at least is likely to do so, as far as I have been able to observe. In any case the evolution of the whole class system is far from being unequivocally proletarian.

And finally there is the argument based on the increasing standardisation of production. Everything everywhere seems to be striving—and war in particular requires it supremely—towards increasing uniformity and interchangeability of products, and more and more extensive schematisation of businesses. The old, free, pioneer spirit of the bourgeois businessman of the past now holds sway, they say, only in the highest circle of employers, and even here it is permanently on the decline. Consequently, so the argument runs, there is a constantly growing possibility of managing this production even without having the specific business qualities which bourgeois society maintains as indispensable for management. This would be especially true of syndicates and trusts, which have a huge administrative staff instead of individual employers. This is again very true: but again only with the same reservation, that the importance of a class is also enhanced by this standardisation, namely that of the administrative class, whom I have frequently mentioned, who have to be educated in a quite definite way, and who, therefore (this by way of being complementary) have a definite class character. It is no coincidence that

everywhere we see commercial high schools, trade schools and technical schools springing up like mushrooms out of the earth. At least in Germany, this is due in part to the desire to join a students' association at these schools, get scars on the face, become capable of giving satisfaction and therefore of being an officer in the reserves, and later on in the office have a preferential chance of the hand of the boss's daughter: i.e. a desire to be assimilated into the classes of so-called 'society'. Nothing is further from this class than solidarity with the proletariat, from whom, indeed, they endeavour rather to differentiate themselves increasingly. In varying degrees, but noticeably, the same is true of many sub-classes among these clerks. They all strive at least for similar class qualities, be it for themselves or for their children. A *uniform* trend to proletarianisation is not in evidence today.

Be that as it may, these arguments show at any rate that the old revolutionary hope of catastrophe, which gave the Communist Manifesto its compelling power, has given way to an evolutionistic view, i.e. a view of the gradual growth of the old economy with its enormous competitive concerns into a controlled economy, whether it is controlled by civil servants or by syndicates with the participation of civil servants. This, and no longer the fusion of individual employers by competition and crises, now emerges as the preliminary to the real socialist, rulerless society. This evolutionistic mood, which expects from this slow transformation a development to the socialist society of the future, was in fact in the thought of the trade unions before the war and had for many socialist intellectuals taken the place of the old catastrophe theory. From there the familiar conclusions have been drawn. The so-called 'revisionism' arose. At least some of its own leaders were aware what a grave step it was to take from the masses the faith in the sudden arrival of a blissful future which was given them by a gospel which told them, like the early Christians: Salvation may come tonight. A creed such as the Communist Manifesto and the later theory of catastrophe can be dethroned, but it is then very difficult to replace it with another. Meanwhile, development has long since left this discussion behind in the struggle with the old orthodoxy which arose out of moral doubts about the orthodox faith. The struggle became mixed up with the question of whether, and how far, social democracy as a party should indulge in 'practical politics' in the sense that they would form coalitions

with bourgeois parties, have a share in politically responsible government by taking over ministerial posts, and thereby endeavour to improve the present lot of the workers; or whether that would be 'treachery to the class' and political heresy, as the confirmed politician of catastrophe naturally would have to view it. Meanwhile, however, other questions of principle have arisen, and on these opinions are divided. Let us suppose that via a gradual evolution, i.e. a general syndication, standardisation and bureaucratisation, the economy were to take on such a form that at some point it would be technically possible for a means of control to be introduced which would take the place of the private industrial economy of today and hence of private ownership of the means of production, and completely eliminate the employer. Who would then be the one to take over the command of this new economy? On this point the Communist Manifesto remained resolutely silent, or rather it expressed itself very ambiguously.

What will that 'association' it speaks of look like? What, in particular, can socialism show in the way of germ cells of such organisations, in case the opportunity should ever come its way of seizing power and governing as it pleases? In the German Reich, and probably everywhere, it has two categories of organisations. Firstly, the political party of social democracy with its members of parliament, the editors, party officials and shop stewards, it employs, and the local and central groups, by whom these people are elected or employed. Secondly, the trade unions. Each of these two organisations can assume a revolutionary as well as an evolutionistic character. And opinions are divided about which character they have and which is destined and desired for them for the future.

X Taking the hope of revolution as our starting point, we find two mutually opposed views. The first was that of ordinary Marxism, based on the old tradition of the Communist Manifesto. It placed all its expectations in the political dictatorship of the proletariat and thought it necessary to look chiefly to the political party organisation, inevitably tailored to the election campaign, as the vehicle of it. The party, or a political dictator with its support, was to seize political power and by this means the new organisation of society was to come about.

The opponents, against whom this revolutionary line turned, were firstly those trade unions which were nothing more than trade unions in the old English sense, that is, which had no interest

in these plans for the future because they seemed a long way off, but which wanted chiefly to struggle about the working conditions which made life possible for them and their children: high wages, short working hours, protection of the workers etc. This radical political Marxism turned against this kind of trade unionism on the one hand. On the other it opposed that which has been called 'Millerandism' since Millerand became a minister in France, and which is the exclusively parliamentary form of socialism's policy of compromise. That, they say, is a policy which ends in the leaders being more interested in their ministerial portfolios and the lower leaders being more interested in getting an official position than in revolution; revolutionary spirit would thus be killed. Beside the 'radical', 'orthodox' line, in the old sense, a new one has appeared in the course of the last decade which is known as 'syndicalism', from syndicat, the French term for the trade-union. Just as the old radicalism wants the revolutionary interpretation of the aim of the political party organisation, so syndicalism wants the revolutionary interpretation of the trade unions. Its starting-point is this: it is to be not political dictatorship, not the political leaders, and not the officials who are appointed by these political leaders, but the trade unions and their federation who, when the great moment has come, will take the control of the economy into their own hands via so-called 'action directe'. Syndicalism originates in a somewhat strict view of the class character of the movement. The working class is to be the vehicle of the final liberation. However, all the politicians who hang about the capital cities and merely inquire how this and that ministry is doing or what chance this and that parliamentary trend has, are people with political interests and not comrades. Behind their interest in the constituency there are always the interests of editors and private officials who wish to profit from the number of votes gained. Syndicalism rejects all these interests which are bound up with the modern parliamentary electoral system. Only the real working class, which is organised in the trade unions, can create the new society. Away with the professional politicians who live for and, literally, off politics and not for the creation of a new economic society. The typical measures of the syndicalists are the general strike and terror. The general strike: of which they hope that (by the sudden paralysis of all production) those involved, in particular the employers, will be driven to renounce their management of the

factories and place it in the hands of committees to be formed by the trade unions. Terror: which some preach openly, some secretly, and some reject—opinions diverge here—and which this organisation is to strike into the ranks of the crucial ruling classes in order to paralyse them politically as well. The syndicalism is, of course, a brand of socialism which is a quite ruthless opponent of any kind of army organisation, for every kind gives rise to interested parties, right down to the N.C.O.; even the soldier, who at the moment at least is dependent for his food on the functioning of the military and state machines, is therefore partially interested in the actual failure of the general strike, and is an obstacle to it at the least. Its opponents are, firstly, all political socialist parties which are active in parliament. Parliament could be used by the syndicalists at the most as a platform from which they could continue to announce, under the protection of parliamentary immunity, that the general strike will come and must come, in order to incite the masses to revolutionary fervour. Even this distracts syndicalism from its real task and is therefore dubious. However, seriously to practise politics in parliament is not merely nonsense but from this point of view simply objectionable. Also among their opponents are, of course, all the evolutionists of every variety. Even if they are trade unionists who just want to lead campaigns to improve working conditions: on the contrary, the syndicalists must argue, the poorer the wages, the longer the working hours, the worse the circumstances in general, the greater is the chance of a general strike. Or if they are the evolutionists of party politics, who say the state today is growing into socialism because of increasing democratisation (for which the syndicalists have the greatest abhorrence) they prefer tsarism. To the syndicalists this is, at the least, gross self-deception. The critical question is this: where do the syndicalists hope to get the manpower to take charge of production? For it would of course be a grave error to think that even a highly trained worker, even if he has been at his job for years and knows the working conditions perfectly, therefore understands the workings of the factory as such, since the management of all modern factories is based entirely on calculation, market research, knowledge of demand and technical schooling: all things which need increasingly to be practised by specialists, and with which the trade unionists, the real workers, have absolutely no opportunity to become acquainted. Therefore,

whether they like it or not, they too will have to fall back on non-workers, on ideologists from the intellectual classes. And, indeed, it is remarkable that—in flat contradiction of the dictum that salvation can only come from the real workers uniting in the trade union federation and not from politicians or any outsiders—within the syndicalist movement, whose principal flock before the war was in France and Italy, there is a vast number of learned intellectuals. What are they looking for in it? It is the romance of the general strike and the romance of the hope of revolution as such which fascinates them. One can tell by looking at them that they are romantics who have not matured emotionally or have taken a dislike to everyday life and its demands and who therefore languish for the great revolutionary miracle—and the opportunity to feel powerful. Naturally there are men of organisational ability amongst them. Only the question is whether the workers would subject themselves to their dictatorship. Certainly, in wartime, with the incredible upheavals it brings with it, taking into account what the workers go through, especially under the effect of hunger, the mass of the workers may be stirred by syndicalist ideas and, if they have weapons to hand, they may seize power under the leadership of such intellectuals, if the political and military collapse of a state affords them the opportunity. However, I cannot see the manpower for the running of production in peacetime either in the trade union members themselves or among the syndicalist intellectuals. The great experiment now is—Russia. The difficulty is this: that today we cannot look in over the border there to find out how the management of production is being carried on in reality. From what one hears, it happens this way: the Bolshevik government, which is known to consist of intellectuals, some of whom studied here in Vienna and in Germany and among whom there are very few Russians, has now gone over to the reintroduction in those factories which are working at all—to per cent of peacetime production, according to social-democratic reports—of a piece-wage system, for the reason that output would suffer otherwise. They leave the industrialists at the head of the concerns, because they alone have the expert knowledge, and pay them very considerable subventions. Furthermore, they have reverted to paying officers' salaries to officers of the old regime, because they need an army and have realised that is impossible without trained officers. Whether these officers, when they once

again have the troops in hand, will continue to put up with government by these intellectuals, seems doubtful to me. For the moment, of course, they have had to do so. And finally, by the withdrawal of the bread card, they have forced part of the bureaucracy to work for them. However, in the long term the state machinery and economy cannot be run in this way and the experiment is as yet not very encouraging.

The astonishing thing is that this organisation has functioned as long as it has. It has been able to do so because it is a military dictatorship, not, it is true, of generals, but of corporals, and because the war-weary soldiers returning from the front saw eye to eye with the land-hungry farmers, used to agrarian communism; or the soldiers with their weapons took possession of the villages by force and there made levies, and shot down anyone who came too near them. It is the only large-scale experiment with a 'proletarian dictatorship' that has been made to date, and we can give an assurance in all sincerity that on the German side the discussions in Brest-Litovsk were carried on in the most loyal manner, in the hope of achieving real peace with these people. This happened for different reasons: those who stood as interested parties on the basis of bourgeois society were in favour because they said, for Heaven's sake, let's let them carry out their experiment, it's bound to flop and then it will be a warning; and the rest of us were in favour because we said, if this experiment were to succeed and we were to see that culture is possible on this basis, then we would be converted.

The one who prevented that was Mr Trotsky, who would not be content to carry out this experiment in his own house and to put his hopes in the fact that it would mean, if it succeeded, propaganda for socialism unparalleled in the whole world. With the typical vanity of the Russian man of letters he wanted more, and hoped by means of verbal action and the misuse of such words as 'peace' and 'self-determination' to unleash civil war in Germany. He was, however, so ill-informed as not to know that at least two-thirds of the German army is recruited from the country and a further one-sixth from the petit bourgeois, for whom it would be a real pleasure to bash the workers, or anyone else who wanted to start such revolutions, on the jaw. There is no making peace with fanatics, one can only make them harmless, and that was the import of the ultimatum and the forced peace at Brest. Every

socialist must realise this, and I do not know any, of whatever line, who does not, inwardly at least, realise it.

When one gets into discussion with socialists of today and wishes to proceed objectively—and that is intelligent on its own—there are, in the contemporary situation, two questions to put to them: what is their attitude towards evolutionism? i.e. to the idea which is a fundamental tenet of what is nowadays regarded as orthodox Marxism, that society and its economic system is evolving strictly according to the laws of nature, in degrees of age as it were, and that therefore a socialist society can never come about anywhere until bourgeois society has reached full maturity; this, even in socialist opinion, is not yet the case anywhere, for there are still small farmers and craftsmen; what, then, is the attitude of the socialists concerned to this basic evolutionistic tenet? And then it will emerge that, outside Russia at least, they all take the same position, i.e. they all, even the most radical of them, expect a *bourgeois* social order, *not* one run by the proletariat, to come about as the only possible result of a revolution, because as yet there is nowhere where the times are ripe for the latter. It is hoped simply that the social order will be in some particulars a few steps nearer to that final stage from which, it is expected, the transition to the socialist order of the future will one day result.

If he is guided by his conscience, every honest socialist intellectual will have to reply thus. As a result there is indeed a broad class of social democrats within Russia, the so-called *Menschewiks*, who take the point of view that this Bolshevik experiment of grafting a socialist order on to the current state of bourgeois society from above is not only folly, it is a violation of the Marxist dogma. The terrible mutual hatred between the two factions is due to this charge of heresy against the dogma.

Now if the overwhelming majority of the leaders, at least all the ones I have ever known, take this evolutionistic position, this of course justifies the question: what, in these circumstances, particularly in wartime, is a revolution supposed to achieve, from their own point of view? It may bring civil war and with it perhaps victory for the Entente, but not a socialist society; moreover it can and will, produce in the ruins of the state a regiment of interested parties from the peasantry and the petit bourgeois, that is, the most radical opponents of *any* kind of socialism; and, above all, it

would bring immense destruction of capital and disorganisation, i.e. retrogression of the social development demanded by Marxism, which presupposes the increasing saturation of the economy with capital. It should, however, be borne in mind that the West European *farmer* thinks differently from the Russian farmer living in his agrarian communism. There the crucial point is the land question, which does not come into it here. The German farmer at least is an individualist nowadays and clings to his inheritance and his soil. He will hardly let himself be driven from it. He will sooner ally himself with the landed proprietor than with the radical-socialist worker, if he believes himself threatened.

From the point of view of socialist hopes for the future, then, the prospects of a wartime revolution are now the worst imaginable, even if it were to succeed. The most it could possibly bring would be for the political constitution to approach the form desired by democracy, which would remove it from socialism by the economically reactionary consequences which would necessarily attend it. No socialist can in all honesty deny that either.

The second question is the attitude towards *peace*. We are all aware that radical socialism today has among the masses become fused with pacifist leanings, with the desire that peace be reached as soon as possible. Now it is established, and every leader of radical, i.e. really revolutionary social democracy, will have, if asked, to concede it honestly: for him, the *leader*, peace is *not* the crucial factor on which all depends. If we have the choice—he will have to say, if he is unreservedly open—between another three years' war and then revolution on the one hand and immediate peace *without* revolution on the other, then of course we are in favour of the three years' war. Let him reconcile his fanaticism and his conscience. The question is, however, whether the majority of the troops who have to stand out in the field, including the socialists, are of the same opinion as these leaders who dictate this sort of thing to them. And of course it is only right and completely in good faith if they are compelled to show their colours. It is established and conceded that Trotsky did *not* want peace. No socialist I know disputes that any longer today. But the same applies to the radical leaders of every country as well. Given the choice, they would *not* want peace above all either but, if it would benefit revolution, i.e. civil war, they would choose war. War in the interest of revolution, *although* in their own opinion (I repeat

this revolution *cannot* lead to a socialist society, but at the most—this is the only hope—to a 'higher form of development', from a socialist standpoint, of bourgeois society, which would be somewhat nearer (how much, it is impossible to say) than that of today to the socialist society that will arrive sometime in the future. Precisely this hope is indeed, for the reason I have given, extremely dubious.

A discussion with convinced socialists and revolutionaries is always an awkward affair. In my experience one can never convince them. One can only coerce them into showing their colours to their own adherents, on the one hand on the question of peace, and on the other on the question of what revolution is actually supposed to bring, i.e. on the question of evolution by stages, which is to the present day a tenet of true Marxism and has only been rejected in Russia by a firmly established sect there who thought Russia could omit these West European stages of development. This is a totally upright way to proceed, and the only effective or possible one as well. For it is my opinion that there is no means of getting rid of socialist conviction and socialist hopes. Any working class will recurrently be socialist in some sense or other. The only question is whether this socialism will be such that it can be tolerated, from the point of view of the national interest and at present in particular from the point of view of military interests. No regime, not even a proletarian one, like that of the commune in Paris or now that of the Bolsheviks, has ever got by without martial law in cases where the foundations of its discipline were endangered. This Trotsky conceded with laudable honesty. But the surer the feeling among the troops that only the *objective* interests in the maintenance of discipline, and *not* party or class interests, determine the behaviour of the military courts, i.e. that only the *objectively* inevitable in war occurs, the more steadfast military authority will remain.