Changes in Capitalism since the Second World War

Maurice Dobb

THIS has been the subject of a good deal of discussion in the Labour movement and in wider circles for some years; yet until quite recently (I think it is true to say) Marxists have contributed to this discussion little, if at all. Perhaps this was due to some kind of "perfectionism" —the feeling that it is undesirable to pronounce upon historical changes until one has the definitive answer and nothing less; perhaps it was due to some other reason. The following is an attempt to contribute to this discussion without believing that one has found the complete answer and without any pretence of covering the whole ground. (For example, except for an occasional side-glance, the international aspect, and in particular the imperialist contradictions of contemporary capitalism, are deliberately ignored.) The treatment of issues is rigorously selective, with the intention of focusing discussion upon some aspects of the matter to which Marxists (as well as others) seem to have paid relatively little attention hitherto.

Readers of *Marxism Today* may need no reminding that neo-Fabian writers have claimed that capitalism has either entered on a new and reformed stage that differs radically from the capitalism of the nineteenth century, or even has ceased to be capitalism and is already turning into something else. The latter claim is made by Mr. Crosland, who in the *New Fabian Essays* says: "It is now clear that capitalism is undergoing a metamorphosis into quite a different system and that this is rendering academic most of the traditional socialist analysis" (p. 35). The Socialist Union in its policy statement entitled *Twentieth Century Socialism* says that "the Welfare State, which is neither capitalism nor socialism, has been created" (p. 15). Mr. Strachey is a good deal more cautious than these others and contends merely that "a new and distinct stage of our extant economic system, namely capitalism, now exists in the advanced industrial communities", in which "the laws of development of the older stage of the system no longer fully apply to the new stage".[1]

Various reasons are adduced to justify this view; but three of them stand out as being of crucial importance. These are (i) the so-called "Managerial Revolution", (ii) the so-called "Income Revolution" of recent decades, (iii) the radically changed economic influence of the state especially since the Second World War. Let us examine these in turn to see whether they can be held, severally or jointly, to constitute an historical landmark, separating distinct periods, and explaining among other things the peculiar course of the trade cycle over the past twelve years.

"Managerial Revolution" and "Income Revolution"

Of these the first two, in my opinion, can be dismissed fairly quickly. The "Managerial Revolution" derives from a much-read and much-quoted book of that title by James Burnham, the burden of which was that power was already passing (during the inter-war period) out of the hands of capitalists, actuated in their policies by the traditional profit-motive, into the hands of a new class of salaried managers in charge of large industrial and financial corporations—managers who had a negligible stake, if any, in the ownership of the companies whose policies they controlled. This "revolution" was said to characterise all the most advanced countries of the world and to be rapidly extending its scope.

So far as it had a factual basis, this notion rested on the famous Berle and Means investigation of the late twenties into the ownership and control of the 200 largest non-financial corporations in U.S.A., with its revelation of the extensive divorce of ownership and control and the prevalence in these giant corporations of minority control (*de facto* control by persons

[1] John Strachey, *Contemporary Capitalism*, pp. 25-6.

owning no more than a small fraction of the share capital). But to say that there is a partial divorce of ownership and control is not to say that this divorce is anything like complete (there has always been a good deal of "absentee capitalism"), and to speak of "minority control" is not the same thing as saying that control is in the hands of *non*-capitalists, still less that these controllers form a distinct class. Actually a reworking of the Berle and Means material in a 1940 T.N.E.C. Memorandum has shown that the number of cases where control was in the hands of persons with a negligible shareholding interest was considerably smaller than had been previously supposed;[1] and Sweezy has shown[2] that Burnham is very far from having proved that his "managers" constitute a homogeneous social group, let alone a class. This whole question will receive fuller treatment in *Marxism Today* on another occasion; and it must suffice here to affirm the conviction that talk about "managerial revolution" is an historical fantasy and that such "minority control" or "managerial control" as has developed has not significantly altered the motivation and functioning of monopoly capitalism.

Nor need the so-called "income revolution" detain us very long. The facts are now fairly familiar and accessible, and we need not spend time on analysing them in detail here. While the *post-tax* share in total income of the upper 1 per cent and 5 per cent of income-receivers[3] has fallen appreciably since 1938 in this country, and at the other end of the income-scale there has been a large reduction in the poverty-percentage (previously, in the inter-war years, kept high by unemployment), the share of wages in the national income has risen surprisingly little considering the increased strength of working class organisation during and since the war—by two or three points at most according to the current estimates. (What is often misleadingly quoted to show a sizable increase is the share of wages in *personal* incomes; but this omits undistributed profits which are evidently part of capitalists' income in a *class* sense and have risen considerably since the war). Moreover, it has to be borne in mind that the figures which show a fall in the upper income-brackets probably overstate the real position, since they do not take account of capital gains and expenditure from them (on which Mr. Kaldor's Minority Report of the Royal Commission on the Taxation of Profits and Income laid so much emphasis); nor do they take account of the growing post-war habit of charging substantial expenditures to "expense accounts".

Not only in this country but also in the U.S.A talk of an "income revolution" has been based on much-quoted figures of a fall in the share of total income received by the upper 5 per cent of income-receivers. The evidence for this has been effectively examined in a recent article,[4] and the examination need not be repeated here, except to point out that the author of that article stresses, (*a*) the importance of both tax-evasion and expense accounts as serious qualifications of the usually-quoted figures, (*b*) the fact that the share in total income of the lowest three-tenths of American income-receivers has actually declined.

State Monopoly Capitalism

We come to the third of the above-mentioned changes, which cannot be dismissed so easily: the increased economic influence of the state. This has a much more serious factual basis. There has clearly been a big extension of state

[1] Temporary National Economic Committee Memo. No. 29, 56-7, 104 seq. Cf. the present writer's comments on this and the Berle and Means study in his *Studies in the Development of Capitalism*, pp. 350-2. R. Bellamy in an article in the *Marxist Quarterly*, January 1957, pp. 27-8, implies some doubt as to the interpretation of the facts in this T.N.E.C. Memo., and relies instead on the argument that managers are at any rate actuated by the same profit-motivation as capitalists even if they are salaried. It is to be noted, however, that even R. A. Gordon (who is cited by R. Bellamy in this connection) quotes an investigation of his own into American business executives, showing that a quarter of them had shareholdings of $1 million or more each in their own companies and others besides these had quite substantial holdings. (*Business Leadership in the Large Corporations*, pp. 42-4).

[2] Paul Sweezy, *The Present as History*, pp. 45-6, 57-63.

[3] That is, of the top 1 per cent and 5 per cent of incomes received when individual incomes are arranged according to size with the highest incomes at the top of the list. According to estimates of Dudley Seers (in *Oxford Bulletin of Statistics*, July and August 1949) the share of the top 1 per cent (approximately 200,000 families) fell between 1938 and 1947 only from 19 to 17 per cent *before tax*, but from 14 to 11 per cent *after tax*. The pre-tax share of the top 25 per cent was approximately stable (58 per cent in 1938 and 55 in 1947), but as a post-tax share fell from 54 per cent to 48. As regards the *lower* half of all incomes, this scarcely rose at all pre-tax, and even in terms of post-tax income rose only from 27 per cent to 30 per cent.

[4] Gabriel Kolko, "The American 'Income Revolution'" in *Universities and Left Review*, No. 2, pp. 9-14.

monopoly capitalism since 1939—a development which I should personally regard as constituting a fairly crucial qualitative change so far as tendencies (which are by no means solely the product of the last two decades) towards state monopoly capitalism are concerned. Here again we must guard against exaggeration of this development—exaggeration to which neo-Fabian treatment of this question is prone; as for example the grotesque contention in Mr. Crosland's essay that the state "is now an independent intermediate power, dominating the economic life of the country . . . [and] this one change alone would justify the statement that the capitalist economy has now passed into history."[1] So far as direct control over production is concerned, there is relatively little (and less in U.S.A. and West Germany than in this country); the nationalised sector embracing no more than a fifth of all production and direct war-time controls having been liquidated in the course of the fifties (with one or two exceptions such as the modest powers to influence industrial location under the Development Areas Act). At the financial level, however, the influence of the state upon economic activity is considerably greater, in the shape of state *expenditure*, which has grown since before the war disproportionately to state ownership or control of the means of production. State influence over investment activity and hence the demand for capital goods is large enough to be quite an important factor here (not merely negatively through the Capital Issues Committee, but positively owing to the size of the investment expenditure of the nationalised sector and of central and local government, amounting during the fifties to nearly a half of gross investment, if housing is included). To this has to be added armaments expenditure (amounting to some 10 per cent of the national income). Evidently such expenditures have played an important part in maintaining the high level of industrial activity and employment that has been characteristic of the past twelve years. As I have said on a previous occasion:[2] "I think we have got to face it that these state capitalist tendencies have assured for capitalism a certain degree of stability that it did not possess in the inter-war period. . . . One can admit this without swallowing neo-Fabian fantasies about the 'American miracle' and a rejuvenated crisis-free capitalism."

The historical roots of this development of state monopoly capitalism are complex, and I shall not try to discuss them here. In large part they consist in the international conflicts of imperialism. It is noteworthy that the earliest departures from nineteenth century liberal (or *laissez-faire*) notions of the state's function were prompted by considerations of imperialist rivalry, and that the biggest development of state monopoly capitalism was during the two world wars. Much of the preoccupation of Government economic policy since 1945 has been with the export drive and control over the foreign-exchange value of the pound and over capital movement abroad; and it is arguable that the continuance into peace-time of such a large degree of state intervention and such a high level of governmental expenditure is bound up with the cold war and "militarisation of the economy" At the same time I cannot help thinking that this development has also to be treated as a reaction to the *internal* contradictions of the system that exploded so strikingly (and for the stability of the system so dangerously) in the crisis of the nineteen-thirties. What seems clear at any rate is that a considerable section of the capitalist class, much as they would like some unemployment "to bring the unions to heel", are in mortal fear that capitalism would not survive a repetition of 1929. (Whether they have the power to prevent it, for all their resort to "Keynesian stabilisers", is quite another matter.)

"Internal Accumulation"

Another feature of post-war capitalism deserves mention as having considerable potential importance for the process of capital accumulation: although it is by no means sufficient to justify one in speaking about capitalism having reached a "new stage". This is the greatly increased importance of the accumulated reserves of the big corporations (corporate internal accumulation) which makes possible "internal financing" of a very high proportion of investment expenditure, without resort to the banks or to the capital market. As one might expect, the tendency is most pronounced in the U.S.A.; and one estimate, made by the economists of the National City Bank, is that, of the $150 billion of investment in modernising and enlarging plant and equipment in U.S.A. from 1946 to 1953 inclusive, as much as 64 per cent came from internal sources—i.e. from "receipts of the enterprises which had been accumulated and not distributed as dividends".[3] Although less developed in this country

[1] *New Fabian Essays*, p. 39.

[2] In the *Marxist Quarterly*, January 1957, p. 4.

[3] Adolf A. Berle Jnr., *The Twentieth-Century Capitalist Revolution*, pp. 25-6. Of the remaining 36 per cent of the total, one-half was raised by current borrowing, chiefly from banks, and the other half (no more than 18 per cent of the total) by issue of bonds or shares on the capital market.

than in America, this has become an important, if not major, factor in the investment activity of private industry (as is pointed out in the Labour Party's *Industry and Society*), and the growth of accumulated reserves of private companies to several times their previous size has been a striking feature of the post-war financial situation. For example, in recent years undistributed profits after tax have amounted to about a half of the gross trading profits of companies operating in the U.K. and represented a larger sum than "fixed investment at home" plus "increase in value of stocks".[1]

Now it does not at all follow that investment out of those accumulated reserves is a managerially sponsored enterprise uninfluenced by capitalist profit-motives. Nor does it necessarily follow that because they have built up these reserves big business will invest them in additions to real capital.[2] But their existence is likely to represent a strong pressure to invest in re-equipment and extension—a pressure increasing with their size. For this reason I think one can take it as being substantially true that such internal accumulation itself *breeds* investment (in the economists' sense). This, if true, has two main consequences.

Firstly, it will tend to encourage the expansion of the large monopolistic concerns, and hence accelerate the process of concentration. Secondly, it may give to a boom a greater momentum than it previously had, causing it to perpetuate itself for longer in face of minor obstacles until arrested by some major shock (by which I mean a shock to the profit-expectations on which the boom was built, whatever form this shock may take). This momentum is because high boom-profits cause swollen internal accumulation, and such accumulation gives an impetus to further investment which tends to sustain the boom: while at the same time the existence of such reserves means that the large monopoly concerns owning them have become virtually their own investment bankers and their investment policies are to this extent immune to the usual financial limits (state of the capital market, restrictions on bank-credit etc.).

This by no means implies that monopoly capitalism has thereby grown immune to the traditional profit-incentives governing investment, still less to the normal crisis-tendencies inherent in the anarchy of capitalist production and the tendency of productive capacity to outrun demand. But it may mean that the investment policy of capitalist industry (at least of the large concerns) is more influenced than formerly by long-term considerations and less affected by short-term changes in profit expectations. Thus it may serve somewhat to "distort" the normal course of the cycle of trade and productive activity by elongating the boom-phase, and hence serve as a *contributory* factor, at least, in explaining the surprising prolongation of the post-war boom in the capitalist world (*e.g.* it may help to explain it *in conjunction* with a factor in the situation that I shall mention later). One may note in passing that if it helps to elongate the boom phase it may also contribute to making the crisis and depression phase, when this comes, all the sharper and/or more prolonged; but that is another story.

To my mind it is this prolongation of the post-war boom for twelve years (broken only by minor recessions in 1948-9 and in 1952 in this country—1953-4 in the U.S.A.) that we essentially need to explain; and it is accordingly around this question that my remarks in the remainder of this article will be centred. In explaining what has occurred over the past twelve years the size of Government expenditures, including armament expenditure, is evidently of very great importance. In the period of the Korean War it was no doubt the dominant influence. So also in the early post-war years the influence of pent-up demand resulting from war-time shortages, absence of repairs and wholesale destruction was an important one. In the article already mentioned I suggested reasons for thinking, however, that the level of Government expenditures cannot provide the whole of the explanation (perhaps even not the major part of it). As for the so-called pent-up demand arising out of war-time conditions and war-time devastation, this must have played a rapidly diminishing role in sustaining industrial activity in the course of the nineteen-fifties. What needs explaining, particularly over the last three or four years (i.e. since the recovery from the American recession of 1953-4), is the persistent boom of *private* investment (i.e. investment by private industry in modernisation and extension of capacity) alike in this country, in West Germany

[1] *Economic Survey 1957* (H.M.S.O.), p. 24.

[2] They may use these reserves to buy up *existing* assets or even hold Government bonds with them (temporarily at any rate). But the capitalist class as a *whole* cannot go on buying up existing assets—although the monopoly capitalists may buy them from other capitalists, thus concentrating ownership in the hands of the former, but in the process transferring money-balances into the hands of the latter. And any large-scale purchase of bonds by companies (holding their reserves in this form) will tend to raise their price and depress bond-yields, thus making them an unremunerative form of asset-holding—unless this happens to coincide with large new issues of bonds by the Government.

and in North America, in face of a "tapering-off" of previously mounting armament expenditures and in face of rising interest rates and credit stringency. This fact is the more remarkable and cries out the more insistently for explanation, since all that we learned both from theory and from experience in the inter-war period leads us to expect from monopoly capitalism, the more it develops, a mounting degree of excess capacity of plant and equipment and a tendency to stagnation in investment and rate of growth.[1]

A Period of Technical Innovation

Any Marxist analysis would be incomplete without an examination of changes in technique and in the productive forces. Indeed, one could say that this should be the starting point of any analysis, since the productive forces are (in Stalin's well known phrase) the "most mobile element" in the mode of production. To this, accordingly, I want now to turn, with special reference to the problem just stated at the end of the last paragraph.

About the time of the First World War there occurred a series of changes in productive techniques to which the label of "mass production" has been loosely attached. In such changes American industry, then in an expanding phase, took the lead; and after the war and in the course of the twenties British industry (at least, some branches of it) followed rather slowly and inadequately in its wake. With such changes were evidently connected the large increases in labour productivity that were characteristic of American industry in the 1920s (leading to current talk about "technological unemployment") and also the smaller, but none the less significant, rises in British productivity in the middle and late twenties and also (curiously enough) in the thirties. "Mass production" was associated with the increasing use of electricity as a motive-power, and was connected (at least indirectly) with the rise of the new industries of the inter-war period, such as electrical engineering, plastics, motors and aircraft, and with crucial developments in the chemical industry.

I think that economic historians of the future may well look back on this as a threshold-stage of the "automation" of the 1950s. Originating (it would seem) in the movement towards increased standardisation both of productive equipment and of products, it developed into a serialisation of machines and processes so as to reduce handling by human beings to a minimum and to enable successive stages in production to be arranged along a moving assembly-belt or conveyor. But although handling was reduced to a minimum, the worker continued to exercise detailed control and to perform himself most of the productive operations (e.g. on a motor-car assembly line). It was a logical, but revolutionary, next step beyond this for automation to transfer even detailed control over productive operations to the machine, by utilising modern advances in electronics (some of them war-time products) to provide complex "feed-back" mechanisms.

To quote the authority of Dr. Lilley:

> "It is only in the post-war period—and largely as a result of technical advances initiated during the war—that it has become possible to apply automation to technical processes in general. And so, despite a pre-history that goes back a generation or more, automation as something of general solid significance belongs to the last five or ten years—and even more to the future. Its effects are most noticeable in two main fields, which were nearly unaffected before 1945—in engineering production and in clerical work."[2]

This is not the place to enter upon a full-dress discussion of the probable economic effects of automation — e.g. effects on different strata of the working class (possible narrowing of the sphere of the semi-skilled machine-operator as well as of the older type of skilled craftsman, in favour of maintenance staff, machine-setters, technician-supervisers of machines and the like), upon methods of wage-payment (reversion to time-rates), on multiple shift round-the-clock working, and upon the ratio of capital-costs to wage-costs (the Marxian "composition of capital" in *value* terms). In a work of my own, published just after the war,[3] I made a tentative (and no doubt inadequate) attempt to analyse some of the potential effects of the new technical methods of the earlier pre-automation phase of innovation, two of which may have some relevance in our present context: namely, their tendency to make output rigid in face of changes in demand, and to cause technical innovation to take the form of revolutionary "jumps" (involving, as it increasingly tends to do, large-scale scrapping and dismantling and rebuilding of complex industrial units), instead of the gradual bit-by-bit process of innovation of nineteenth century capitalism. What I think can hardly be denied is that we have been living in a period of quite revolutionary technical change, in which the productive forces have been undergoing a fairly crucial transformation, or a qualitative "leap". If this is so, it can hardly be

[1] See, for example, J. Steindl, *Maturity and Stagnation in American Capitalism*.

[2] S. Lilley, *Automation and Social Progress*, p. 15.

[3] *Studies in the Development of Capitalism*, pp. 358-370.

without some fairly profound effects upon the productive relations and the general functioning of capitalism. Perhaps it would not be incorrect to connect these changes in the productive forces (if indirectly) with those accelerated tendencies to state monopoly capitalism of which we have spoken.

Hitherto, in discussing automation, we have tended to focus attention on its labour-displacing effect—its eventual tendency to swell once again the industrial reserve army on a bigger scale than the "technological unemployment" so much talked of in the twenties. This will no doubt be an important feature of these changes in the long-term perspective; just as large increases in productive capacity will be the eventual result of the investment boom of recent years. What, however, we have tended to overlook, in focusing attention on these longer-term results, is that an important *immediate* effect of technological innovation may be to give a boost to investment, and hence keep the boom level of activity going (with its inflationary pressures and full employment) by increasing the demand for capital goods of all kinds, constructional materials, steel etc. (products of Marx's Department I). What I am suggesting is that the investment possibilities afforded by this technical revolution may provide the explanation that we are seeking for the surprising persistence of the investment boom since the end of the Korean War.

Technical Change and Investment Boom

There may be two reasons why this rather obvious explanation has not been seized upon before, and why some may still be inclined to reject it. Firstly, we usually associate monopoly capitalism with restriction of output and even sabotage of technical progress, and it seems to go against the grain to suggest that the mere existence of technical possibilities for innovation can be a reason for such innovation being put into effect. "Fear of productive capacity" is an ever-present anxiety of monopoly capitalism and monopolies have shown that they have the power to obstruct and retard development. What we have to remember, however, is that (as Lenin insisted) monopoly does not supersede and exclude competition *between* monopolies, but only changes its form; and this very rivalry may well compel businesses to undertake innovations, if anarchically and unevenly, once it has become clear that someone will start setting the pace. And if our earlier proposition be true, that the existence of large accumulated reserves exerts a pressure to find investment outlets, it may not be at all surprising that a period of technical discovery should be a period of relatively high investment.

The second possible reason is a more theoretical one. Hitherto we have tended (as pointed out by John Eaton in the last number) to give to the theory of crisis a somewhat crude under-consumption twist; and in talking of the tendency of productive capacity to outrun consuming power, to identify consuming power with *personal* consumption (V + the consumed part of S, in Marx's notation). The same bias is unfortunately to be found in the section on crisis-theory in the new Soviet *Political Economy Textbook*.[1] This is to concentrate attention exclusively upon the market for Department II (producing consumer goods), and to ignore the fact that investment *while it is occurring* creates a market for the products of Department I (capital goods—machines, building materials etc.), and by enlarging employment and profits in this sector may have the further effect of enlarging the market for Department II as well. True, the products of Department I that this investment is calling forth, unless they are all devoted to the expansion of Department I itself must eventually result in an enlargement of productive capacity in the consumer goods industries and hence pile up a problem of over-production in that sector, unless personal consumption (V + consumed part of S) is equivalently increased. But that is a longer-term problem, and we are talking now of the more immediate, short-term effect of investment while it is occurring.

Lenin on "Productive Consumption"

In this connection it is worth quoting Lenin's argument against the Narodniks in the first chapter of his *Development of Capitalism in Russia*, now available in English for the first time. Lenin here stresses that demand for commodities must *not* be identified with personal consumption; that there is also what is termed *productive consumption*, representing demand for capital goods, products of Department I, and arising from expenditure by capitalist firms on machinery, buildings, raw materials and components etc. Moreover, the latter can and does increase *faster* than the former; and to this extent productive consumption (= investment) is "independent" of personal consumption, even if this be a limited form of "independence". While this "independence" must not be exaggerated, it does mean that investment and hence the productive activity of Department I are not *limited* by personal consumption (V + consumed part of S) in the sense of having to keep in step with it: indeed, Lenin stressed, it is a basic characteristic of capitalism

1 See especially p. 263 of the English translation of the second edition.

that Department I tends to grow faster than Department II.

> "Thus the growth of the home market for capitalism is, to a certain extent 'independent' of the growth of personal consumption, taking place in greater measure on account of productive consumption . . . The development of production chiefly on account of means of production seems paradoxical and undoubtedly constitutes a contradiction. It is real 'production for production's sake'—the expansion of production without a corresponding expansion of consumption. But it is a contradiction, not of doctrine, but of actual life . . . [and] corresponds to the very nature of capitalism."[1]

The same idea, it may be noted, is expressed even more sharply in his booklet, *A Characterisation of Economic Romanticism* (pp. 62-4), in the passage cited by John Eaton in the last number of *Marxism Today*.

To summarise: what I am suggesting is that a period of abnormal technological innovation, by opening up a whole new sphere of investment for accumulated capital (for a time) and hence an expanding demand for products of Department I, may constitute just such an expansion of "the home market" as Lenin was speaking of. When this is combined with the high level of Government spending and the internal accumulation of funds by large companies of which we have spoken, this seems capable of explaining well enough what has been happening during the present decade. In the quite exceptional technological situation of the mid-twentieth century, it should not be at all surprising to Marxists (granted that their theory is a fully rounded one) if the normal course of the cycle is somewhat distorted, in the sense of being replaced by a longer cycle having a more prolonged upward phase, as compared with the nineteenth-century type of cycle on which our thinking has previously been based.

But to say this is *not* to say, of course, that the upward phase can go on indefinitely, as some neo-Fabians would like to have it, converting a novel "phase" (which I think we have to recognise it as being) into a quite new "stage". Nor does it mean that contradictions have been surmounted—merely that for the time being they have changed their form of expression (there are plenty of contradictions in an inflationary situation and phase, as we can now see—but we have not hitherto given enough attention, perhaps, to analysing them). At the time of writing there are signs that the American investment boom is "flattening out" at least; and in this country the drastic deflationary measures of September seem likely to cause investment to turn downward. Whether this down-turn will prove only temporary or permanent and cumulative, the facts of the coming months alone can tell. It would be wrong to deduce an answer from *a priori* reasoning, and misleading to rely too much on analogies with past situations—much as one is tempted to see parallels between some recent events and 1929.

[1] *Development of Capitalism in Russia*, English edition 1957, pp. 32, 33-4.

On Dogmatism and Revisionism

Wladyslaw Gomulka

(Extracts from his report "Key Problems of Party Policy" given at the 9th Plenum of the Central Committee of the Polish United Workers' Party, on May 15th, 1957.)

Unity of the Party and the Principles of Democratic Centralism

THE strength of the Party is made up of many elements. The first essential condition of the strength of the Party is unity in its ranks. The Party can only fulfil its great and difficult tasks, lead the working class and the masses of the people, and guide socialist construction, when it is inspired by one will and one aim, when its ranks are disciplined and closely knit. The necessity for the unity of the Party becomes greater the greater the difficulties that face it in its day to day activity.

The unity of the Party cannot be a mechanical, blind unity, based on obedience in carrying out orders. Such mechanical unity would not bind the members of the Party into a united Party organisation, would not represent the strength of the Party, but rather its weakness. Such unity resembles the unity of a heap of sand. The unity of the Party must be a conscious unity, must stem from the will, convic-