Larry Gambone: Recovering the Socialist Tradition

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With Engels, the dominant strain of the socialist movement came to identify "socialism" with the large-scale, centralized organization of production, state ownership and state planning.

Even Engels, however, considered these things only necessary conditions for socialism, not sufficient conditions. In Anti-Duhring, he took a dialectical approach to the nationalization of industry and central planning. Those were measures that the capitalists might take, acting through the state, to promote their own ends. The "Junker socialism" of Bismarck was essentially a case of capitalists acting through the state to manage capitalism and make it more profitable for themselves—another version of Gabriel Kolko’s "political capitalism." Such measures would become genuinely socialist only if the workers seized political and economic power and directed production themselves. Even for Engels, socialism was still defined primarily by the economic and political power of the working class, not by any particular form of organization.

Mises, in Socialism, took it a step further and treated "socialism" as directly equivalent to state ownership and central plan-
ning. This usage has become the dominant one; for example, a right-wing former coworker of mine, an organic farmer who hates big business, once described the cartelization of agriculture under the control of ADM and Monsanto as “socialism.”

But Larry Gambone, in “The Myth of Socialism as Statism,” attempts to recover the lost original meaning of socialism that has been buried under all those anachronistic accretions. Consider these examples:

- Thomas Spence – farm land and industry owned by join stock companies, all farmers and workers as voting shareholders.
- St. Simon – a system of voluntary corporations
- Ricardian Socialists – worker coops
- Owen – industrial coops and cooperative intentional communities
- Fourier – the Phlanistery – an intentional community
- Cabet – industry owned by the municipality (“commune” in French, hence commune-ism)
- Flora Tristan – worker coops
- Proudhon – worker coops financed by Peoples Bank – a kind of credit union that issued money.
- Greene – mutualist banking system allowing farmers and workers to own means of production.
- Lasalle – worker coops financed by the state – for which he was excoriated by Marx as a “state socialist”
- Marx – a “national system of cooperative production”
- Tucker — mutualist banking system allowing farmers and workers to own means of production.
- Dietzgen – cooperative production
- Knights of Labor – worker coops
- Parsons – workers ownership and control of production
- Vanderveldt – socialist society as a ‘giant cooperative’
- Socialist Labor Party – industry owned and run democratically thru the Socialist Industrial Unions
- Socialist Party USA – until late 1920’s emphasized workers control of production.
- CGT France, 1919 Program — mixed economy with large industry owned by stakeholder coops.
- IWW – democratically run through the industrial unions.
- Socialist Party of Canada, Socialist Party of Great Britain, 1904–05 program – common ownership, democratically run – both parties, to this very day, bitterly opposed to nationalization.
- SDP – Erfurt Program 1892 – Minimum program includes a mixed economy of state, cooperative and municipal industries. While often considered a state socialist document, in reality it does not give predominance to state ownership.

Marx is a mixed bag, certainly, but I always thought there was something suspiciously Proudhonian about somebody who could write *The Civil War in France*, or keep referring in the *Communist Manifesto* to the “associated producers.”
How petty bourgeois can you get? But in any case, even into the early twentieth century, a large section of the socialist movement viewed nationalization of the economy as simply a political umbrella under which the primary task of organizing the economy by the workers (through cooperatives, workers’ factory committees, syndicates, and the like) would take place.

The state did play a role in the Marxist parties of the Second International. But its role was not to nationalize industry and create a vast bureaucratic state socialist economy. Put simply, the workers parties were to be elected to the national government, and backed by the trade unions, cooperative movement and other popular organizations, would expropriate the big capitalist enterprises. Three things would then happen: 1. The expropriated enterprises handed over to the workers organizations, coops and municipalities. 2. The army and police disbanded and replaced by worker and municipal militias. 3. Political power decentralized to the cantonal and municipal level and direct democracy and federalism introduced. These three aspects are the famous “withering away of the state” that Marx and Engels talked about.

Even within the most stereotypically “syndicalist” movements, like the French CGT, there were large elements of small-scale cooperative production and market exchange. See, for example, Gambone’s pamphlet “Reform and Revolution: Moderates and Revolutionaries in the French CGT.”

As he sees it, the main reason for the increasingly statist emphasis of twentieth century “social democracy” was the politics of parliamentary compromise and cooptation by state capitalist interests: the Swopes and Rockefellers of the world, who were more than willing to work through the managerial state to stabilize capitalism, and guarantee the workers a better standard of living in exchange for industrial serfdom.

The first problem with this scenario was that the workers parties never got a majority in parliament. So they began to water-down their program and adopt a lot of the statist reformism of the liberal reformers. Due to the Iron Law of Oligarchy the parties themselves became sclerotic and conservative. Then WW1 intervened, splitting the workers parties into hostile factions. Finally, under the baleful influence of the Fabians, the Bolsheviks and the “success” of state capitalism in the belligerent nations, the definition of socialism began to change from one of democratic and worker ownership and control to nationalization and statism. The new post-war social democracy began to pretend that state ownership/control was economic democracy since the state was democratic. This, as we see from the list above, was not anything like the economic democracy envisaged by the previous generations of socialists and labor militants.