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The Austrian Bourgeoisie's Move Towards a Fascist Dictatorship and the Tasks of the Proletarian Counter-Attack

AFTER the armed conflicts of the workers with the fascists at San Lorenzo, preparations to establish an open fascist dictatorship in Austria were feverishly pushed forward. The fascist *Heimwehr*, declaring a holy war against "Marxists and Jews"—in reality, against the revolutionary proletariat—became the centre of all the bourgeois forces, which regarded the Heimwehr as the only saviours and liberators of Austria from the "terror" of the proletariat. Proposals were put forward for fundamental changes in the vaunted bourgeois democratic constitution, and its transformation into an open fascist dictatorship. All the bourgeois parties, groups and tendencies tried to outbid each other in declaring their agreement with the fascist programme and their readiness to enter the Heimwehr. The Peasant Union, numbering a hundred thousand members and affiliated to the "Christian Socialists," also joined the Heimwehr. The kulak-agrarian

Landesbund put forward a programme of fascist constitutional "reforms" (giving increased powers to the president of the Republic and his election by a plebiscite, the transformation of the *Bundesrat*, and therefore also of the *Nationalrat*, into economic bodies representative of organisations, alterations in the electoral law, etc.) and demanded that the Government should consider these proposals as a matter of urgency, within a week or two. All the bourgeois parties expressed their agreement with this fascist programme. The only question was how it should be brought into force. Some were for its introduction by means of the open overthrow of the Government; others, relying on the treachery and corruption of certain sections of the workers, were more inclined to bring it into force "constitutionally" in agreement with the social democrats, and then to beat down working-class resistance with the aid of the apparatus of "legal" authority. In order to alarm the social democratic leaders and

face them with the alternatives of the overthrow of the government or the immediate acceptance of fascist "reforms," the president of the Heimwehr published an ultimatum, in the form of an article, addressed nominally to the bourgeois groups which were still hesitating. This manifesto declared that the Heimwehr would not permit any compromises or half measures, that it "would not waste its strength in any petty parliamentary struggle"; that "if the present Government does not feel itself strong enough to undertake such tasks, it had better clear out" and hand over to "a strong Government." To give force to his ultimatum its author, Steidler, announced that on September 29 four columns of Heimwehr troops would march on Vienna. The rest of the game developed according to plan. The Streeruwitz Government, which had been working deliberately to introduce the fascist programme and had expressed its readiness to give urgent consideration to the proposal put forward by the Landesbund, had by then fulfilled its function of preparing the ground, and resigned. It was succeeded by the police president of Vienna, Schober, the executioner who had put down the July revolt in Vienna, with another member of the fascist staff as his assistant at the War Ministry.

WHAT path will the Austrian bourgeoisie follow in its approach to the establishment of an open fascist dictatorship in Austria? Will it be the path of "constitutionalism," of establishing the fascist regime through Parliament, in agreement with the social-democratic parliamentary minority? or will it be the open overthrow of the Government? Both methods are equally possible, but the "constitutional" method is more likely. This is indicated by the "special powers" given to Schober, who is openly welcomed by the fascist Heimwehr and secretly welcomed by the social-democrats, who are already conducting private negotiations with him. But to the Austrian proletariat it is a matter of indifference whether the noose is fastened round its neck in accordance with a paragraph of the constitution or in violation of the constitution. In both cases it is faced with the prospect of punitive expeditions and fascist terror, which will also fall on the social-democratic workers, and in both cases it is

faced with the *necessity* of carrying on a desperate armed struggle against the fascists.

WHAT, then, is the attitude of Austrian social democracy at the present critical moment, when the question of whether Austria is to become openly fascist is being decided? It is issuing declarations against the forcible overthrow of the Government, and thus helping the bourgeoisie to introduce fascism in a "constitutional" way, thus taking part in tying the noose round the neck of the working-class. It is sowing among the working masses the illusion that the fascist terror, the destruction of the workers' organisations, the extermination of the flower of the proletariat, unprecedented economic slavery and the complete abolition of political rights will only come about if the Government is overthrown. As everyone knows, Austrian social democracy is always advertising itself as the vehement defender of that "pure democracy" which they declare has existed in Austria since the war, and it has more than once declared that it would defend this "democracy" against all attacks to overthrow it. The *Arbeiter Zeitung* of September 19, replying to the Heimwehr ultimatum, wrote: "If an illegal attack is made on the constitution, if there is a *coup d'état* or fascist explosion, then we will defend the constitution, we will fight . . . Better a few days of fighting than decades of slavery." Such is the language used by "left" social democracy. But they only use these "left" phrases in order, by promising to fight *in the future*, to hold back the workers from fighting *now*; and at the same time as they were writing these "left" phrases, they have been and are systematically preparing the road for fascism in Austria, they have been and are systematically helping to disarm the proletariat and to arm the fascists.

First they helped to win the streets for the fascists. When the fascists began to organise open street demonstrations and marches, the workers of Vienna wanted to come out and fight against them. Realising the attitude of the workers, the social democrats began to manoeuvre. The former Chancellor Zeipel, in his speech at Frankfort, told how they had manoeuvred. They began by warning the Government that if the fascists held demonstrations they would organise counter-demonstrations, reckoning that in order to avoid bloodshed the Govern-

ment would prohibit both demonstrations. When the Government did not do this, they suggested to it, so to speak, that it should delimit the spheres of influence of social democracy and fascism. They proposed that the Government should allow the social democrats to demonstrate in Vienna, and the fascists to demonstrate in the provinces and in the villages. But the Government would not do this either. Then the social democrats passed on from manœuvres of pseudo-resistance to the fascist demonstrations to manœuvres in support of these demonstrations, manœuvres to break down the resistance of the working-class. When the fascists had strengthened their position, the social democrats themselves began to declare that the fascists were entitled to demonstrate. When the fascists announced at the end of August that they were organising a great demonstration at Lintz, the social democrats, in order to keep the workers quiet, issued a manifesto stating "This meeting of the Heimwehr is a shameful and unnecessary (!) provocation. Nevertheless, we must keep cool in all circumstances and *we must allow even our adversaries the unrestricted right to demonstrate.*" Thus the social democrats appeared in the rôle of defenders of the political rights and liberties of the fascists. At the present time whenever the fascists make any demonstration the social democrats call on the workers to remain quiet, to keep cool and to avoid any conflict. When the Heimwehr march of September 29 was announced, the Social Democratic Party issued a manifesto—"In accordance with the decision taken by the Party, we ask all comrades to pay no attention to the Heimwehr march of September 29. We expect that the working population of Lower Austria will follow the Party instructions with the strictest discipline."

IN exactly the same way the social democrats prepared the way for the introduction of the fascists into the factories. After the fight at San Lorenzo the social democratic mayor of Vienna, Zeitz, at a Party meeting spoke in favour of "freedom of opinion" for fascists in the factories—"If anyone came to me and said: you, as the social democratic head of the town, should prosecute someone or other for his views, and if he attempted to force me to take such action, I would immediately resign my position." The social democrats even were so shameless

as to vote for the earliest possible introduction of the law "against terrorism at the factories," which was intended to protect fascist strike-breakers. A speech by a Christian Socialist to the effect that, if the law was passed, the fascists would certainly show more restraint, was enough to induce the social democrats to hasten to vote for it. Eisler, a social democrat, stated in the Chamber that "In the new penal code now being prepared, there are paragraphs directed against terrorism at the factories . . . These paragraphs could be brought into force even before the adoption of the whole code, if the matter is considered urgent." The servile cringing of the social democrats in relation to the Heimwehr went so far that, when the "Christian Socialists" declared their agreement with the Heimwehr programme, one of the social democratic papers wrote—"It certainly does credit, in a way, to the Christian Socialist Party when it announces that it is prepared to go shoulder to shoulder with all those who, without distinction of political persuasions and creeds, are ready to work for the nation and the fatherland."

IT is clear from the foregoing what kind of resistance the Austrian Social Democratic Party—that model Party of the Second International—has been able and will be able to set up against the conversion of the vaunted Austrian constitution into fascism. When this question was first raised, the socialist *Arbeiter Zeitung* wrote that the social democrats "would not give way an inch on the social and political rights won by the proletariat." It wrote that it was quite willing to see the constitution changed, but only in the direction of greater democracy. In this declaration the person for whom it was intended could see that greater emphasis was laid on the first part of the statement than on the second, that it was to inform the bourgeoisie that the social democrats were prepared to take part in a revision of the constitution. Very soon after this the social democrats began to show their hands, explaining the idea of "democracy" which they were going to insist on, more and more on fascist lines. In connection with the fascist demand for the election of the president of the Republic by a plebiscite, the *Arbeiter Zeitung* contented itself with saying that it was "useless" (for whom?). In connection with the fascist demand that the Government should be appointed by the President of the Republic and

not chosen by parliament, the *Arbeiter Zeitung* made the cautious observation that "if the parliamentary majority is so split up that it is not in a position to form a Government, then in that case it is certainly unavoidable that the Government should be appointed by the President." Even on the question of making parliament a body representative of organisations, the *Arbeiter Zeitung* hastened to show its support for the fascist plan—"We social democrats are also of the opinion that representatives of the great class organisations should consider and amend draft laws of an economic nature, rather than that they should be decided upon by parliament. If for this purpose they want to assimilate the chamber of deputies with a state economic council of the type existing in Germany, no objection can be raised to this."

BUT the social democrats do not limit their activities to preparing the way for the fascist revision of the constitution. At the same time they have helped to put into power that "strong Government" which the fascists demanded and whose function it is to put through the "reform" of parliament in a constitutional way if possible, in an unconstitutional way if necessary. In secret negotiations with Schober, the social democrats gave their consent to the Vienna street police, formerly controlled by the municipality, being handed over to the control of the police president. When Schober declared that he would intervene whenever the slightest signs of revolt appeared, and crush the revolt with all the forces at his command, the social democratic paper *Abend* hastened to whitewash Schober in the eyes of the workers, and declared that Schober had issued this warning to the leaders of the Heimwehr, although it was perfectly obvious that the warning was addressed to the workers. And when finally Schober took over the Government on the invitation of the fascist organisations, that same social democratic newspaper wrote that the new Government had still to show what it intended to do, and advised Schober, the executioner of the Viennese workers, "to try to win the confidence of the working-class." The same double game has been played by the social democrats in connection with the other fascist member of the present Government, the War Minister, Wauguen. Publicly, in order to distract the attention of the workers, the official organ of the

social democrats warmly protested against the handing over of the Austrian army into the control of the fascist Wauguen. But at the same time as one of the Christian Socialists revealed, the social democratic mayor of Vienna, Zeitz, told him secretly that he would certainly not demand the dismissal of Wauguen.

It is apparent from this that there are no limits to the treachery of the Austrian "left" social democrats, and we can therefore be certain that the social democrats will put no obstacles in the way of the gradual introduction of fascism in Austria by means of legal parliamentary measures. We said above that fascism may be established in Austria either through parliament or by force. But we can say definitely that if the road to fascism was only defended by the social democratic party, fascism would not find it necessary to adopt violent measures to seize the State. But as we also said above, this by no means settles the question of civil war in Austria. The legalisation of fascism by parliament would in no way mean the peaceful establishment of a fascist dictatorship in Austria, for this question in the last resort is settled not in parliament, but in the street, in the fierce struggle of the proletariat against the bourgeoisie. Social democracy will capitulate to fascism all along the line. It itself is rapidly being transformed and has already been partly transformed into a social fascist party, turning its weapons not against the fascists but against the proletariat. But the Austrian proletariat is certainly not prepared to accept such a capitulation, and the fascists know this very well. For that reason they are preparing, without regard to the attitude of the social democrats, to beat down the proletariat in open warfare. An interview has already appeared in the Press showing that the fascists are preparing to beat down the proletariat of Vienna. It would appear that the demonstration march of the Heimwehr on Vienna had a limited object—to force a complete capitulation on the social democrats and on those bourgeois groups which show tendencies to enter into compromises with the social democrats. Afterwards, having taken the whole State apparatus of repression into their hands, the fascists will begin a definite military attack against their only real enemy, the proletariat. This must be clearly understood by all the workers whom the treacherous social democratic leaders are trying to delude with talk about the necessity of disarming the forces of both classes.

THE extreme sharpening of contradictions in Austria puts clearly before the Austrian proletariat the alternatives: the open fascist dictatorship of the bourgeoisie, or the proletarian dictatorship. The solution can only be found in the process of civil war. What will be the distribution of class forces in this war which is rapidly approaching? We said above that the whole of the bourgeoisie in Austria (and not only the Austrian bourgeoisie), with a full consciousness of its class interests, will enter this war on the side of the united forces of the fascists and the State apparatus of authority. This is absolutely clear. But a further question must be asked: What will be the line followed by the Austrian proletariat? The overwhelming majority of the Austrian proletariat bitterly hates fascism and not only because of the fact that it means the establishment of a regime of terror and the abolition of all political rights. The Austrian proletariat knows that fascism means *hunger*. The wages of the Austrian workers are extremely low, and the Austrian bourgeoisie is helping the fascists in every way, and is even itself entering the ranks of the fascist organisation, with the primary object of carrying out capitalist rationalisation at the expense of the working-class and of breaking down the workers' resistance to further reductions in wages, not to speak of defeating their struggle for higher wages and better conditions of work. The fascists have already penetrated the factories in the role of strike-breakers, and are openly demanding the disbanding of even the present social-pacifist, reformist trade unions. At the same time the bourgeoisie, supported by the fascists, are already taking measures to transfer the whole weight of the tax burden on to the working-class, and to raise still higher the prices of articles of general consumption. Not long ago, for example, the Ministry of Trade agreed to the demands put forward by the coal merchants for a considerable increase in coal prices. And the Kulak-fascist organisations put in the forefront of their programme higher prices for agricultural products and the stabilisation of high prices for grain. The Austrian workers know very well that fascism menaces them with unprecedented poverty, and for that reason the majority of the workers have an intense hatred of fascism. This hatred finds expression not only in such large scale conflicts as the armed fight between the

workers and the fascists at San Lorenzo, but literally every day in conflicts between the workers and the fascists at the factories and at meetings outside the factories. For these reasons the attempt to establish an open fascist dictatorship in Austria will inevitably lead to a determined revolutionary movement among the Austrian working masses. But the situation is particularly complicated in Austria by the fact that the social democrats, owing to their demagogic policy and their "left" phrases in the past, are still able to maintain their connections with the working-class, and are still able to lead a considerable section of the Austrian workers. This undoubtedly gives rise to demoralisation in the working-class, to its distraction from the real course of events, and at critical moments it paralyses its revolutionary energy. And one section of the workers, although a minority, drawn particularly from the unemployed, has definitely made a break with the social democratic party, and, seeing no way out of the terrible position in which it finds itself, has recently gone over into the arms of fascism.

WHAT will be the role of the peasantry in the civil war? At the present time the majority of the "middle" peasantry, not to speak of the Kulaks, are drawing closer to fascism. The Austrian social democrats declare that this is the natural result of the opposed class interests of the proletariat and the peasantry. This is a lie. If the majority of the Austrian peasantry, in the present period of sharp agrarian crisis, has succumbed to the influence of the kulaks and the priests and is seeking a solution of its troubles in the demagogic prescriptions offered it by the fascists, the blame for this lies only with the treachery of the social democrats. Even the ideological leader of Austrian Marxism, in his book "The Struggle for Land," exposed the secret of the present fascist tendencies among the Austrian peasantry. He shows the change which took place in the Austrian peasantry in 1919: "At the beginning of the revolution the peasantry were not counter-revolutionary. They were weary of the war, and were inclined towards republicanism, they were against imperialism, and plutocracy, and they were aiming at the abolition of property relations in the village." But the social democrats, who at that time were in power, did absolutely nothing for the peasantry. Even

Otto Bauer admits that the only law passed to improve the position of the peasantry was the law of 1919, dealing with the return to the peasants of the land taken from them after 1870 and the restoration of the rights to use land of which they had been deprived; and that this law was not due to the social democrats but to the Christian Socialists. There we have the real cause of the changed attitude of the Austrian peasantry, the cause of their opposition to the social democrats and to the proletariat led by social democracy; and it is this which has created the conditions for the rapid penetration of fascism among the peasantry. But if the masses of the working peasantry, and not only the poor peasantry, but also a considerable section of the middle peasantry, were now to find that the proletariat, having cast off social democratic control and relying on the lead of the Communist Party, was moving forward for a decisive revolutionary attack, and had become a powerful revolutionary factor in protecting the interests not only of the working-class but also of the exploited masses of the peasantry; if the proletariat were to show the poor and middle peasants another way out of their difficulties arising from the agrarian crisis; if the proletariat could turn their weapons against the landlords, the moneylenders and finance capital; then in the development of the civil war considerable sections of the Austrian peasantry might once more develop those revolutionary tendencies which they showed in 1919. It is noteworthy that even now, when the Peasant Union has openly joined the fascists, its leaders have to take account of the tendencies among the peasants and to use somewhat different language from that used by the fascist town bourgeoisie. In the Peasant Union's official paper we read: "We need and we demand from parliament the most urgent economic activity. The consideration of necessary reforms in the constitution should not delay this economic work. We will fight against any delay with all the weapons at our disposal. Our farms are suffering terribly from the impossibly low price of grain. The prices of meat are uncertain; and owing to the competition of foreign firms our vineyards cannot sell their products. We have also other troubles. This parliament must give us immediate and adequate assistance. We first want to be given the possibility to live and pay our taxes, and after that we will be ready to discuss con-

stitutional and other questions." Certainly this by no means signifies that the peasants are not prepared to support the fascists. But the article quoted makes it clear that to them the question of a fascist political regime is not such a question of principle as it is to the town bourgeoisie. It is true also that the economic demands which they put forward have a definite kulak character. But those middle peasants and poor peasants who are organised in the Peasants' Union (we are not referring, of course, to the kulaks) have put forward these kulak demands because they do not see and do not know any other way out of the agrarian crisis than the way suggested to them by the kulaks and the priests. But the revolutionary proletariat under the leadership of the Communist Party can show them another way out, and by this means can draw them to its side and lead them away from the path of clericalism and fascism.

IT is clear that the revolutionary prospects arising out of the approaching civil war in Austria would be extremely favourable if the Communist Party could succeed in winning the leadership of the proletarian struggle and eliminating the influence of the treacherous social democrats. The fundamental point in the whole situation is the winning of the leadership of the workers' movement by the Communist Party in the immediate future. Our Communist Party in Austria is very small and the working-class in Austria, which is now summoned to battle, is still to a considerable extent led by the social democratic party which is skilfully combining its old "left" phrases with definite social-fascist deeds. In order to win the leadership of the rising revolutionary movement in such difficult conditions, our Austrian comrades must establish the widest possible united front with the social democratic and non-party workers, with the object of exposing and eliminating the social democratic leaders in the course of the developing struggle. The Austrian social democratic party at its Congress at Lintz issued a programme which declared that if the existence of bourgeois democracy were to be menaced, the Party would come into the struggle for proletarian dictatorship in defence of democracy and the republic; and at the present time the official organ of Austrian social democracy, the *Arbeiter Zeitung*, writes that when the fascists attempt to seize the State, they

will summon the workers to a struggle "to the death." All of this, of course, is a shameless betrayal of the proletariat, which we have repeatedly exposed and which should now be still more vigorously exposed.

BUT a mere verbal exposure is not enough. We have now passed beyond the preparatory and propagandist period, and are living in the period of the sharp struggle of class against class. In Austria the period has been reached when this struggle is transformed into civil war. In such circumstances the exposure of the treacherous leaders must be carried out in the process of revolutionary mass struggle and on the basis of the lessons of this mass struggle. A considerable section of the social democratic workers has accepted in the past and still accepts the "left" phrases of their leaders as being seriously meant. For that reason our comrades must call upon the Austrian workers now to take the struggle into their own hands, and to begin the decisive fight, about which their leaders have babbled, in opposition to these leaders, who feed them only on promises of fighting *in the future*, while *in the present*, when the questions at issue are the throwing out of the fascists from the factories or the breaking up of fascist demonstrations, the leaders ceaselessly insist on "caution, discipline, no hasty measures. We must not give the State authorities any ground for charging us with having begun the fight." We must explain to the social democratic workers that these appeals to hold themselves back from the struggle expose the whole lying nature of the promises made by the leaders, and that these appeals lead in practice only to the paralysing of the proletarian struggle, and give time to the fascists to strengthen their position from day to day. Our comrades must explain to the social democratic workers that the Communists, although in a minority, are prepared to fight under all conditions as the revolutionary advance guard of the proletariat, to risk their lives and to support every real revolutionary struggle of the social democratic and non-party workers.

But in order to win the leadership of the movement our comrades must not only support the determined struggle of the social democratic workers against fascism, which they are carrying on against the wishes of their leaders; along with this they must also teach the workers revolutionary methods of struggle, they must

call on them to organise mass strikes and demonstrations, to throw the fascists out of the factories, to disarm immediately the fascist Heimwehr, the officers' corps, the gendarmerie, the police, and the reactionary sections of the army, and to arm the proletariat and organise the workers for self-defence. They should call on them to set up workers' committees, elected at the factories, to fight the fascists. And, finally, they should call on them to set up Soviets of workers' delegates in the factories and districts, with a general Soviet in Vienna, transforming these Soviets in the course of the struggle into organs of proletarian dictatorship. In order to popularise these slogans among the workers our comrades must organise meetings at the factories, and must also go to social democratic meetings and there put forward these slogans before the masses.

EVENTS in Austria are developing rapidly and if our Austrian comrades do not wish to trail along behind these events, they must immediately take the most energetic steps. The developing revolutionary situation in Austria, however, puts heavy demands not only on our small Austrian Party, but on all sections of the Comintern and particularly on the sections in the countries immediately bordering on Austria. The seizure of the State by the fascists in Austria will have an important international significance. Austrian fascism forms a bridge between the two fascist States of Italy and Hungary, on one hand, and between this fascist bloc and Bavaria, the centre of German fascism on the other. The establishment of fascism in Austria will mean the strengthening of the fascist movement also in Czecho-Slovakia, where Maszaryk is preparing the path for fascism just as the Austrian Marxists have done in Austria. A fascist regime in Austria, finally, will mean a considerable strengthening of the anti-Soviet front. The bourgeois countries surrounding Austria are fully aware of these facts, and for that reason, in spite of their conflicting interests in regard to Austria (Hungary and Italy, Czecho-Slovakia and Jugoslavia, and Germany), the bourgeoisie of all these countries is already making active preparations to support the fascists in Austria, for example, the leader of the German fascist "Steel Helmets" has already declared that his organisation will fight on the side of the Austrian

Heimwehr, if the German social democratic "Reichsbanner" attempts to help the Austrian social democratic "Schutzbund." The fascists of all these countries will hold out a helping hand to the Austrian fascists, and for that reason it is all the more essential that the Communists of all countries should give fraternal aid to the small Austrian Communist Party which is faced with such tremendous tasks. A conference of sections of the Comintern in countries bordering on Austria, together with the Austrian party, has already been held at Constance. This conference laid down not only what our Austrian comrades should do at the present time, but also what the neighbouring parties should undertake (help with personnel and finance for the Austrian Communists, raising of funds to support their struggle, the sending of workers'

delegations to Austria, etc.). The resolution adopted by the conference should be carried into effect immediately. There is no time to be lost. The sections of the Comintern are faced with mighty developments in Austria, which may give the stimulus for a new revolutionary wave in Central Europe, or on the other hand, in the event of our being unsuccessful, for the still more rapid spread of fascism in Europe. It would be a grievous crime if in such conditions the sections of the Comintern showed the same passivity as they showed at the time of the British general strike in 1926 and the Chinese revolution in 1927. But this must not happen and will not happen. The period which we have passed through since 1927 has not been without its effect on the Comintern.

The Twelfth Anniversary of the October Revolution

ON the occasion of each anniversary of the victorious October Revolution, the working class in every country feels impelled to take stock of its immediate situation and to examine the development of forces and relations since the first imperialist world war; to face the question of how its world historical tasks of bringing about Socialism and abolishing all class rule can and must be fulfilled. On the twelfth anniversary of the revolution, the Russian proletariat is faced with this question more sharply and more urgently than ever before.

Development in capitalist countries in the third period of post-war capitalism is characterised by a rapid intensification of class contradictions by the leftward development and radicalisation of the working-class, the increasingly fascist nature of the bourgeoisie and its social democratic allies, the growing militancy and revolutionary activity of the workers, the advance of fascism. We are in the midst of a wave of revolutionary advance.

These contradictions are not merely the expression of the process by which the hostile class forces are concentrated and, as it were, polarised in opposite camps. They indicate a change in the relation of class forces which is favourable to the proletariat. The bourgeoisie of the whole world is quite incapable of solving

even one of the important problems with which it is faced. The crisis which enveloped capitalism after the war is growing more acute, is assuming new and more aggravated forms.

The decline of Britain's position as a world power is irresistible. British capitalism cannot really overcome the crisis in its industrial life; still less can it keep pace with the industrial development of other more advanced capitalist countries. The difference between the financial requirements necessary to maintain economic and political power in the Empire and to maintain the spheres of influence, and the available financial resources, is growing greater from day to day.

The attempt to solve the colonial problem has also found capitalism incapable and powerless. Scarcely had it recovered from the blows inflicted by the Chinese peasants and workers when it was forced to meet the powerful attacks of the Indian workers in the past year, the struggle against imperialism also reached significant dimensions in the Arabian States and in Latin America, while China witnessed a new revolutionary advance. All these events show conclusively that the happy days of the peaceful exploitation of colonial and semi-colonial peoples have passed away.

The bourgeoisie is helpless and powerless

again, in regard to the peasant question. The contradiction between town and country is growing more acute, the position of the peasants in capitalist countries is becoming more and more wretched.

It is true that even in capitalist countries the forces of production are not at a standstill. Technique is progressing, new forms of organisation are being established, but this development merely serves to widen and to deepen all the internal and external contradictions and hostilities of world imperialism. In Germany, for example, technique is progressing, huge trusts are being formed and all branches of capitalist economy are being organised and concentrated; but the higher the level of technique reached, the greater the productivity of labour, the greater grows the wretchedness and poverty of the working-class, the more numerous becomes the army of "chronically" unemployed, of workers, that is, who are thrust for ever into unemployment and pauperism. Real wages are decreasing while exploitation is increasing tremendously. The so-called "social services" are being cut down, and the progressive development of the means of production is accompanied by the impoverishment of large numbers of the lower middle class and the increasing wretchedness and poverty of the working masses.

This development is proceeding more or less quickly in all capitalist countries. It inevitably gives rise to more bitter competition, to a more powerful desire to seize new markets and repartition the world, since the disproportion between the growth of the means of production and of productivity on the one side, and the development of the home market on the other, is growing greater and greater.

This sharpening of class contradictions leads to greater and more numerous economic struggles on the part of the workers, and it also changes the character of those struggles. As the change in class forces places ever narrower limits to the game that is being played by the reformists—a game in which both "rights" and "lefts" have their parts—the moment when the Communist Parties will win the support of the majority of the proletariat draws nearer. The economic struggles develop into political conflicts between capital and labour. Every economic struggle, even if of little importance, shows the tendency to change into a political

conflict with the triple alliance of employers, the State power, and the reformists.

Proceeding from that stage, the growth of this general resistance of the working-class is towards higher forms of political struggle until the stage of armed struggle is reached. The barricades in Berlin and Poland, the bloody encounters between workers and fascists in Austria, are all stages in the process of development.

In the bourgeois camp the development towards fascism is accelerated with every day. Formal democracy is losing all along the line, and the Labour Government has not yet found the time to restore it to its former position. Anti-trade union law in England and the unprecedented persecution of the Communist Party in France show the rate at which fascism is advancing in capitalist countries. Large fascist organisations are being established in France, Germany and the Danube countries, and they have found a social basis among the impoverished middle class and also, in part, among the poorest sections of the working-class. Still more important, these fascist organisations have obtained a firm footing in the State forces, the police and the army, and engage in terrorist activities against the proletariat before the actual fascist dictatorship is established.

Incapable of taking effective measures to overcome the crisis of capitalism which has, in many capitalist countries, reached a point at which social contradictions have brought about an acutely revolutionary situation (as in Austria), the bourgeoisie is trying to find a way out by means of new imperialist wars, and all over the world the capitalists are making preparations for a war against the Soviet Union.

Social democracy's part in this process is now quite clear. Events in Austria have removed the last doubt on this subject. In that small country, where the critical situation of capital has assumed a peculiarly sharp form, the Austrian bourgeoisie is passing forward to a definite decision, is arming at feverish speed to defeat the proletariat and to establish a fascist dictatorship. What part is being played in all this by the Austrian social democrats, famous for their left leadership, their Otto Bauers and Friedrich Adlers? By their attitude they fully bear out, beyond any possibility of dispute, the statements of the Sixth World Congress and the Tenth Plenum, that the social democrats are turning into social fascists. Austrian social democracy has not only

completely surrendered to Austrian fascism ; it is doing everything to facilitate the "bloodless" establishment of the fascist dictatorship. It deceives the workers by declaring that the *Heimwehr* is out to make a "putsch" against the Austrian bourgeoisie and its Government ; it deceives the workers as to the real part played by the Austrian Federal Army and the Austrian police in this change over to fascism. It is doing everything it can to restrain the workers from fighting against the threat of fascism ; it has agreed to the disarming of the working-class, beginning with the surrender of the workers' store of weapons to the fascist police. Austrian social democracy to-day is an active fighter in the camp of the fascist Austrian bourgeoisie, and its fight is directed against the Austrian working-class, which is firm in its determination to fight the advance of fascism and the fascist dictatorship.

In addition to all these shameful acts, social democracy has committed the crime of misleading the masses by declaring that a new era of peace between the nations and peace between the classes has been ushered in by the Labour Party's assumption of office in England. These social fascist slaves of the bourgeoisie, as they did in 1924, proclaim to the world that the MacDonald Government means the triumph of democracy in England and, by virtue of England's influence and example, in all other capitalist States as well. Does not the colonial problem assume quite other features because of the Labour Government ? Do not the agreements between the Labour Government and the Government of the U.S.A., the resumption of diplomatic relations between England and the Soviet Union mean that imperialist contradictions are growing weaker and the possibility of imperialist war on the Soviet Union growing less ?

Whoever is unable to see what really lies behind these manœuvres, is utterly blind. The fact is that the Labour Government has not taken a single step to effect any real improvement in the conditions of the English working-class. On the contrary, under and indeed because of the Labour Government, the defeat of the textile workers and the reduction in their wages, was rendered possible. Under the Labour Government the workers in Bombay and the Arabs in Palestine were shot down. Under the Labour Government the measures of defence taken by

the imperialist British bourgeoisie against American imperialism's efforts at expansion, e.g., in Latin America, have been greatly augmented. Under the Labour Government the old social patriots, Henderson and Snowden, fought like lions to the applause of the whole British bourgeoisie, to get a larger share of Germany's tribute for British finance capital. What is the importance of the negotiations being carried on with the American Government ? They are an attempt, at the cost of surrendering for the time being, a position which was, in any case, no longer tenable, to win a breathing space in order to carry out rationalisation at the expense of the workers, which will make it possible to make better preparations for war against the U.S.A. in the future.

Nor, under the Labour Government, has any step been taken towards disarmament. What about British imperialism's war preparations in Persia, Afghanistan and China ? Has a single agent of British imperialism, engaged in making preparations for a military advance against the Soviet Union, been withdrawn ? Has the budget item for this purpose been reduced by a single shilling ? In point of fact, MacDonald and his brother slaves of the British bourgeoisie are managing their masters' business even better than the thick-headed ministers of the Chamberlain Government themselves. By their every art, these mercenaries of British imperialism confirm the assertion that reformism serves only the interests of the imperialist bourgeoisie : in the struggle against the working-class, in the development towards fascism and in the preparation of war against the Soviet Union.

On the twelfth anniversary of the proletarian revolution in Russia, the proletariat of the world is faced with the question : what is the path that must be taken if we are to reach emancipation ? The answer is quite clear. Where has the path of reformism led ? After the war the reformists, right and left, held the workers back from the proletarian revolution, from the seizure of power. "We cannot build Socialism on the ruins left by the war," said Kautsky and Otto Bauer, and they led the proletariat along the path of bourgeois democracy and industrial peace. They helped to rebuild and strengthen the shattered power of capitalism, they became the servants of imperialism and of imperialist war preparations. They were always at hand when it was necessary to inflict a defeat on the workers ; by their

policy they have given a social basis to fascism and they are well on the road towards placing workers' organisations at the disposal of fascism. And eleven years after the end of the war, what is the result? The restriction of all so-called democratic rights and the loss of the economic and social advantages, scanty though they were, which the workers had won in the early revolutionary times, the establishment of fascist dictatorships in a number of countries. What has become of "economic democracy"? The abolition of the freedom of association and the right to strike; the disabling of factory committees and the strangulation of industrial struggles, the impoverishment of the working-class and the uttermost exploitation in the factories; and to crown all this, the transformation of the trade unions into subsidiary organisations of the capitalist State's apparatus of force, directed against the workers.

Two years ago the social democrats used to point to Austria as the country in which political power could be won by democratic means, and where capitalism would grow into socialism by the same means. What about Austria to-day? If, at the last hour, the Austrian workers do not go forward to the overthrow of the bourgeoisie and to the establishment of the proletarian dictatorship—and the first and most essential condition for this is the overthrow of the social fascist traitors like Renner and Bauer—then the fascist dictatorship will be brought into being in Austria.

For the workers, the path of the reformists was one of political powerlessness and enslavement, the path of impoverishment at the end of which the bloody rods of fascism hang over the heads of the enslaved workers. This is Otto Bauer's way to socialism; and in the fateful days of the 1918 revolution he urged the Austrian workers, by all the tricks which he could command, along this peaceful social democratic road to socialism.

The other way, is the way that Lenin took.

In one country the proletariat, led by Lenin and the Bolshevik Party, took this other way, the way of proletarian revolution, of the overthrow of the bourgeoisie and the establishment of the proletarian dictatorship. The Russian proletariat buried its bourgeoisie among the ruins of the world war and on those ruins it established the socialist republic and is now building up its socialist economy.

It was unconscionably difficult, after the end of the civil war and over that huge land shattered by intervention and suffering from famine, to reconstruct and re-establish the almost completely destroyed industry and agriculture of the country; and it was a task that demanded great sacrifices. But during the second period which, in capitalist countries, witnessed the reconstruction of capitalist economy at the cost of the proletariat alone, while the social democrats helped to effect this reconstruction, Soviet Russia re-established and restored her productive forces until the pre-war level had been reached, and this was accompanied by a constant and growing improvement in the conditions of the working-class and of the poor and middle peasants, while the socialist elements in Soviet economy increased and private capitalism in industry and trade grew considerably smaller.

The socialist principle of planned production and the conscious regulation of market conditions marched irresistibly forwards and soon the time was reached when the proletariat of the Soviet Union, steeled in struggle, closely allied with the masses of poor and middle peasants, and led by the Bolshevik Party, confident of its objective, was able to raise the achievement of the October revolution by an entire historical stage.

In the third post-war period the working-class of the first proletarian State is well on the way towards achieving its task of overtaking and outdistancing other countries; but more than this, the Russian working-class is about to solve the problem, whose solution has been so long awaited—the problem of industrialising and collectivising the innumerable separate peasant holdings, of eliminating the historical contradiction between town and country, of reconstructing the whole national economy on the basis of socialist planning which shall embrace all branches of national economy and co-ordinate all the elements of economic life.

In capitalist countries, this third period has brought to the masses a great worsening in their conditions of life, the sweating system on the transmission belt of capitalist rationalisation, a decrease in real wages, an increase in "structural" unemployment, and restrictions in social insurance; in the Soviet Union the third period is characterised by the acceptance and realisation of the five-year plan, by the development of gigantic socialist works.

The five-year plan is more than a plan for building up socialism, in one country where, thanks to the heroism of the proletariat, the workers were freed from their exploiters and their social democratic assistants ; it is a living example of the truth of Marxism and Leninism, a signal of Communism's triumph over all its enemies.

This is the reason why the social fascist mercenaries of capital are doing everything in their power to minimise and to falsify the importance of the five-year plan and its concrete realisation and, when direct lies no longer serve their purpose in deceiving the world proletariat, they maintain complete silence as to the successes already achieved towards fulfilling the plan in the Soviet Union.

All the greater, in consequence, is the responsibility and importance of the task which faces the Communist Parties—that of demonstrating and explaining to the masses the tremendous work that Marxist thought is doing in this practical transformation of a whole national economy.

A knowledge of the most important objectives laid down in the five-year plan, the rate at which they are achieved, the difficulties which have to be overcome, the methods and manner by which the proletariat, led by the Bolshevik Party and fighting its open class enemies as well as the opportunist elements in its own camp, will overcome those difficulties—all this must be brought home to the class-conscious worker in every country.

Just a few facts and figures.

In the plan it is calculated that the value of the products of Soviet industry will increase in the five-year period from 18.3 to 43.2 milliard roubles, that 40 per cent. of the total annual agricultural production will be provided by the socialist sector, by the collective and Soviet farms, that by the use of tractors and machinery stations, individual peasant farms will be transformed into unified collective farms, etc., etc. These are facts which must become the common property of all workers interested in the victory of socialism. For the carrying out of the five-year plan in the Soviet Union is a cause that is vital to the world proletariat. It is an inseparable part of the proletarian revolution in all countries and of the struggles of the oppressed colonial peoples for emancipation.

The proletariat of the Soviet Union has, with

tremendous enthusiasm, accepted this plan for the total socialist reconstruction of economy and the workers will carry out the plan on the basis of the socialist competition. The first year of "control figures" is already past ; it exceeded all expectations and gave the lie to all the expectations entertained by Russia's enemies both within and outside the Soviet Union ; to all the weaknesses and vacillation in the C.P.S.U. and the Comintern. The workers of the Soviet Union achieved this success while they fought ruthlessly against their class enemies and against the more or less conscious enemies in their own camp ; and the world proletariat must now, as in the past, help to make the advance of the world vanguard of the proletariat as rapid and successful as possible. This is being done by the extension of the socialist competition to capitalist countries. In actual practice, this competition in capitalist countries will mean the extension and intensification of the class struggle against imperialism and social fascism, against the preparations for war on the U.S.S.R. and hard work in preparing for their own "October."

Twelve years have passed since the proletariat, in our country, seized and established power. In those years of struggle, sections of the Communist International have arisen and grown in every country, and they have drawn closer and closer to the masses and have learnt how to carry on a revolutionary fight.

To lead the masses in the fight, to win over the majority of the proletariat, to make the Communist Parties as active and energetic as possible—these are the orders of the day ; for capitalist rationalisation and the advance of fascism are arousing the growing resistance of the workers, and the beginning of the oncoming revolutionary wave is unmistakable ; the workers are turning more and more to Communism. They are growing to realise that the path of social democracy leads to social fascism and fascism and to new imperialist wars, while the path of Bolshevism leads to Socialism and Communism.

Not by the methods of "economic democracy" not by the blessings of "organised capitalism," whose heralds and bards mystify the workers with stories of collectivism without revolution, of the "peaceful growth" into socialism, but only and solely by the methods of revolutionary class struggle against the bourgeoisie and against

its fascist and social fascist supporters, can the workers be freed from the yoke of imperialism. And since the workers are growing to understand this and are carrying on the class struggle under the Communist Parties' leadership with increasing determination, the struggle against impoverishment and oppression, while the bourgeoisie, aided by the social democracy, tries to solve its insoluble contradictions by increased economic and political pressure on the working-class, going so far as to declare civil war against the proletariat, and to plot war against the Soviet Union, a further development and growth of this revolutionary wave is inevitable.

On the twelfth anniversary of the October revolution we can see the advancing waves of the

revolution, so often beaten back by the social democrats, approaching nearer and nearer, and spreading as they approach. Even where the forces of fascism and reaction have for the time being defeated the revolutionary forces, as in China, Italy and the Balkans, or where they are gathering for an attack, as in Poland, Austria and Czecho-Slovakia, matters are developing and heading for a crisis.

"Even counter-revolutionary soil is a soil for the revolution"—this applies to many capitalist countries to-day. On the anniversary of October no class-conscious worker will hesitate to answer the question—"The dictatorship of fascism, or the dictatorship of the proletariat?"

The League against Imperialism: Its Congress and its New Tasks

THE second congress of the League Against Imperialism, and in general the activity of the League as a non-party mass organisation whose function it is to unite organisations and individuals who desire to fight against imperialism, undoubtedly deserves special attention in the third period of imperialism's post-war crisis. The League Against Imperialism unites within itself the mass organisations of the imperialist countries (trade unions, political parties, non-party organisations, etc.) and the mass organisations of the colonial and semi-colonial countries, and also the oppressed nationalities of the imperialist countries (national-revolutionary organisations, trade unions, peasant organisations, etc.). At the same time a number of social reformist, nationalist and pacifist organisations in the imperialist countries have joined the League Against Imperialism: organisations which fight imperialism in words, but in deeds objectively and often even subjectively serve as tools and agents of imperialism. There have also entered the League a number of national reformist organisations in the colonial and semi-colonial countries, which are at the moment opposing imperialism, but whose opposition is weakening day by day as they draw nearer to imperialism and begin to fuse with it. The special value and significance of the League, particularly at the present time, consists just in this complex structure. The

special characteristic of the present third period is the fact that the rise of the revolutionary workers' movement in the imperialist countries is taking place at the same time as the rise of the national liberation movement in the most important colonial countries. The first of May in Berlin, the first of August demonstrations of the international proletariat, the strikes and development of the workers' struggle in Britain, the sharpening of the strike warfare in Germany and France, the strike of the tobacco workers in Bulgaria, the struggle of the miners in Rumania, the strike struggle in the United States, and the whole leftward movement of the working-class in the imperialist countries have been accompanied by similar movements in the colonial countries. We find a gigantic growth of strike warfare and of the national movement in India, a sharp crisis in the counter-revolutionary position and a rise of the working-class movement in China, armed uprisings of the fellaheen and the Bedouin masses in Palestine, and the growth of the national liberation struggle in Iraq, Transjordan, Syria and other Arabian countries, the crisis of the imperialist-fascist dictatorship in Egypt and the development of the national movement, a series of armed revolts in Latin America (Columbia and Venezuela) and the growth of an anti-imperialist movement, and the sharpening of negro problems in a number of countries, the armed

struggle of the rebel tribes in Morocco, etc., etc.). It is only the blind who do not see, and only the opportunists who do not want to understand, the wide perspectives opened out by the simultaneous rise of the revolutionary workers' movement, and of the national revolutionary movement. From this it follows that the League Against Imperialism, in these circumstances, can play a positive rôle in widening, uniting and organising the struggle against imperialism in the imperialist centres and in the colonial and semi-colonial countries. But the League can play this positive rôle only if it follows a correct political and organisational line. And the correct reorientation of the League is only possible on the basis of a correct evaluation of the League's former activities, on the basis of the necessary self-criticism of the results of its work, and on the basis of exposing the errors it has made in the past.

FROM BRUSSELS TO FRANKFORT

It is not an accident that the League Against Imperialism was formed, was organised and, we may add, began to develop just at the opening of the third period, in the tempestuous times of the rising Chinese revolution. The first congress of the League met in Brussels at the time when the Chinese revolution was pressing forward, when the Kuomintang, which later became the agent of imperialism and counter-revolution, was still united in an alliance with the Communist Party of China, when there still existed in China a wide national-revolutionary united front, although the cracks in it were rapidly widening. The chief characteristic of this period in the sphere of the national liberation movement was that both in the colonial and in the semi-colonial countries the separation of class forces was only beginning, and national reformism, under the influence of the successes of the Chinese revolution, in spite of its constant vacillations was still tending in the direction of the national revolutionary movement; in the bloc between national reformism and the revolutionary movement of the working and peasant masses, class differentiation had only just begun to develop. The national bourgeoisie still appeared as the leaders of the national liberation struggle in all the most important colonial and semi-colonial countries. But the struggle between the bourgeoisie and the proletariat for the leadership of the national

movement had begun to grow acute in China even at the time of the Brussels Congress. In India the workers' movement had already begun to decline after the great struggle of 1921 and 1922. In countries where the petty bourgeoisie headed the national liberation movement, as in Mexico, it was still playing a positive revolutionary rôle. At the same time, capitalism's attacks had already begun to produce signs of the leftward movement in the working-class (the Vienna revolt, the Sacco and Vanzetti demonstrations, etc.). In a number of European countries only the first fruits of rationalisation had appeared. The sharpening of all fundamental contradictions of imperialism was only in the first stage of its development. The process of the transformation of international social democracy into social fascism had not yet become fully evident. Responding to the pressure of the working masses, the Second International at its Marseilles congress had considered the colonial question, and had declared in words its support of the colonial revolution. MacDonald was still demanding that negotiations should be conducted with the Wuhan Government, and had not yet come out openly in his rôle as executioner of the colonial revolutionary movement. The wide petty-bourgeois masses in a number of imperialist countries were moving sharply to the left and had not yet been diverted in the direction of social fascism and fascism.

By the time of the second congress of the League Against Imperialism at Frankfort in July, 1929, the whole international position had undergone a radical change. The Kuomintang had become the party of counter-revolution, the agent of imperialism in China. In India there was a rising revolutionary wave, but just precisely because of this the National Congress, the Swarajists, headed by Motilal Nehru, and the Ghandists, had moved sharply to the right, rejecting the slogan of independence and limiting their demands to dominion status; and meanwhile the workers' movement was developing enormous strength and assuming the leadership of the national revolution. National reformism in Korea, in the Philippines and in Indo-China had capitulated to imperialism. In Indonesia, Arabia and Egypt national reformism was moving sharply to the right, and seeking an approach to imperialism. In Tunis national reformism had been completely trans-

formed into the tool of imperialism. In Mexico the party of the petty-bourgeoisie had become the party of counter-revolution and the medium of imperialist influence. But at the same time, in Korea, in the Philippines, Indonesia, Indo-China and Persia, great strikes were developing, and peasant revolts in Colombia, Venezuela, Bolivia, and Persia. While the national reformists were moving to the right, the workers' and peasants' movement was developing, the struggle for leadership of the national movement was growing more acute, and the class contradictions in the colonial and semi-colonial countries were appearing in sharper forms. At the same time, all the fundamental contradictions of imperialism were deepening and becoming more acute. Imperialism's pressure on the colonies, the class struggle in the imperialist countries, the rivalries between the imperialists, the contradiction between imperialism and the U.S.S.R., had all become extremely sharp and menacing. International social democracy was developing more and more consciously into social fascism, and in a number of countries had assumed a definite social fascist form. Social democracy had come out openly in the rôle of executioner of the colonial revolution, and drew nearer to national reformism in the struggle against revolution in the colonial and semi-colonial countries. The parties of the Second International no longer even in words defended the U.S.S.R., but came out openly as agitators, propagandists and organisers of the coming war against the U.S.S.R. Considerable sections of the petty-bourgeoisie had passed over into the camp of social fascism and fascism.

Had these changes been unnoticed by the League Against Imperialism, had they remained without influence on it? It cannot be said that such was the case. At its Cologne session the General Council of the League decided to re-orientate the League's work primarily and principally on the basis of the revolutionary movement of the workers and peasants in the colonial and semi-colonial countries. Was this a correct decision? It most certainly was. But was this decision carried into effect with sufficient determination and persistence? The lessons of the Second congress of the League in Frankfort, the results of this congress, compel us to give a negative answer to this question.

RESULTS OF THE FRANKFORT CONGRESS

No one can deny that the Frankfort Congress of the League, even apart from its agitational and propagandist significance, played a positive rôle in certain connections. It met at the time when the Indian revolution was rising sharply, and it put the problems of the Indian revolution as one of the central points in its deliberations. It met at the moment of the provocative attack on the U.S.S.R., at the moment of the seizure of the Chinese Eastern Railway and the raging campaign of the Second International against the U.S.S.R. Beyond question, the League Congress followed a correct line on these issues, and had a certain significance in the work of mobilising the masses. The Congress met on the eve of the first of August demonstrations, when the international proletariat raised in a sharp form the issues of struggle against imperialism and against the preparations for war on the U.S.S.R., of the defence of the U.S.S.R. and the colonial revolution; it was therefore able to exercise a certain influence in the mobilisation of the masses for this campaign.

The second congress of the League was to a certain extent a battlefield of opposing political tendencies. The left wing of the Congress sharply criticised and exposed the treacherous rôle of the left social democrats, and in particular the part played by the representatives of the British Independent Labour Party, Maxton and Kirkwood. Gupta, the representative of the Indian National Congress, heard definite enough criticisms of the treachery of the Indian National Congress. The exposure of the true rôle of the national reformists in Indonesia must be recognised as both accurate and adequate. And in addition, the rôle of Poale Zion as the agent of British imperialism was shown up with sufficient clarity. The sentimental speeches of the pacifists were sharply enough attacked, and the treacherous rôle of the Dutch anarchists, who came out in opposition to the U.S.S.R. and to the armed struggle against imperialism, was just as sharply criticised as the attack made by the renegade Wynkoop group (Holland) against the colonial revolution. The treachery of the negro national reformist movement was shown up and exposed. The leading part in the theoretical conflicts which developed at the Congress was played by the representatives of the Chinese workers' movement; the Belgian Communists exposed the fascist character of the

leadership of the Flemish national movement, and the Latin American Communists exposed the treacheries and vacillations of the petty-bourgeois parties. The agenda and discussions at the Congress did not perhaps sufficiently reflect the tremendous and growing rôle of American imperialism, but the issue of the part played by the United States was at any rate raised.

We should be inclined to count among the positive results of the Congress the fact that it showed up and exposed the drawing together of social reformism, social imperialism and particularly the left wing, and national reformism. The representatives of the British Independent Labour Party, Maxton and Kirkwood, the Dutch left social democrat, Fimmen, the American bourgeois Baldwin, constituted a bloc with the representatives of national reformism, Gupta (Indian National Congress), Hatta (Indonesia), and Pickens (negro bourgeois). Unfortunately, this bloc was not exposed at the Congress itself, and the struggle against it was not carried on sufficiently openly, sharply and decisively on the floor of the Congress.

The changes in the composition of the League's executive and the strengthening of the influence of the revolutionary wing in the leadership must also be recognised as positive achievements.

SHORTCOMINGS OF THE CONGRESS

The shortcomings of the League Congress, and the opportunist errors which developed at it, were the result of the actual composition of the Congress. Because of its composition, the second Congress of the League did not reflect and was unable to reflect those immense social divisions which had developed and were developing in the colonial and semi-colonial countries.

The composition of the Congress did not correspond with the need that the League should base itself mainly on the colonial and semi-colonial countries. Out of 260 delegates only eighty-four came from colonial countries. It must be recognised as a most important defect that a certain part of the delegates representing colonial countries had not come directly from the colonial countries themselves. We do not want to deny that the revolutionary emigrants from colonial countries have a certain importance, but it must be realised that their import-

ance is incomparably less than that of the movement in the colonial countries themselves. The emigrants cannot play a decisive rôle by themselves. Moreover, among the delegates from the colonial countries the representatives of national reformist organisations were in the majority, and the workers' and peasants' organisations had an altogether insufficient representation. At the time when, in the colonial countries themselves, national reformism was moving to the right and drawing nearer to imperialism, when in many countries it had completely capitulated to imperialism, it was represented at the Congress by a considerable numerical majority over the representatives of workers' and peasants' organisations. At the time when, in the colonial and semi-colonial countries, the workers' and peasants' movement was rapidly developing, and the working-class was assuming the leadership of the national liberation movement, when the differentiation of class forces was being pushed forward more and more rapidly, this whole development was not reflected as it should have been at the Congress, except perhaps in so far as China was concerned. Except for some of the Latin American countries, where the League has its own mass organisation, the representatives of the national movement were selected and sent to the Congress by the central controlling bodies. The representatives of the reformist trade union movement, as a general rule, received their mandates from the upper organisations, from the executives. No attempts were made to get in touch with the lower mass organisations and through these to get delegates elected to the Congress. It must be recognised that in this connection the Communist Parties in the imperialist countries also did not make sufficient effort. This applies equally to the sections of the Youth International. In the trade unions and the mass organisations, insufficient preparations for the Congress were made from the standpoint of mobilising the masses, popularising anti-imperialist slogans, and bringing to the masses the slogans of the League and of the League Congress. The Congress was not preceded by a sufficiently wide international mass campaign, either in the imperialist countries or more particularly in the colonial and semi-colonial countries. The result was that the Congress was representative of the controlling organs of the bodies affiliated to the

League rather than of the masses who were united in these organisations. The result was also that Maxton, Kirkwood, Fimmen and others were able to speak in the name of the social democratic workers who were moving to the left, instead of these workers being able to overwhelm and expose them. The revolutionary movement in India and Indonesia had no direct representation at the Congress; the landlord and right national reformist, Gupta, represented even the organisations with left tendencies within the National Congress, while the workers' and peasants' organisations in India had practically no direct representation. It can be understood that police persecution and financial difficulties had also made it difficult for these organisations to send their representatives, but at the same time it was absolutely fantastic to try to throw the responsibility for their weak representation on to the workers' and peasants' organisations themselves. Even the delegates from the imperialist countries represented the controlling bodies of the organisations affiliated to the League rather than the masses in these organisations.

Owing to its composition, therefore, the Congress did not reflect the present position of the anti-imperialist movement in either the imperialist or the colonial countries. The preparations for the Congress were not carried out from the standpoint of an approach to the masses, of an exposure among the masses of social reformism, petty bourgeois pacifism and petty bourgeois nationalism. This was the essential cause of the serious opportunist errors made at the Congress.

POLITICAL ERRORS OF THE CONGRESS

We have already pointed out that the left wing at the Congress did positive work in exposing social reformism and national reformism. It is true that the manifesto adopted by the Congress, and also the political resolution, contained certain formulations which were not only incorrect, but were absolutely impermissible; they showed an incorrect and opportunist estimation of left social democracy and an altogether inadequate criticism of national reformism.

After an absolutely correct criticism of social democracy on the colonial question, and after a correct characterisation of the "Labour" Government and the "Labour" Party, the Congress manifesto runs—

"Left social democratic parties are for the most part indistinguishable from official social democracy. While the British Independent Labour Party contains elements which have a genuine sympathy and desire for the liberation of the colonial peoples, these elements must sharpen the struggle with the Right Wing, who, constituting a parliamentary majority of the party, give their solid support to the carrying out of an oppressive imperialist policy."

In the resolution on the general political situation, the same formulation is repeated. Thus the danger of "revolutionary" phraseology from the "left" social traitors is glossed over, and the "left" wing of the Independent Labour Party is put forward in the rôle of fighters against imperialism, and thereby it is suggested that it is possible for the lefts in the Independent Labour Party to play the part of real fighters against imperialism.

No comment or criticism is necessary. It is true that this part of the resolution was the result of a compromise. In principle, a compromise is perfectly permissible. But what is not permissible is a compromise on a question of principle, a compromise that gives a misleading and false political estimation of the position. The left social democrats are the worst enemies of the colonial peoples. The left social democrats are the most dangerous enemies of the colonial revolution. It is unthinkable that they should be given a certificate for upright conduct. These sentences in the resolution are lying, dangerous, opportunist and impermissible. The League attempted after the Congress to correct this error. When the official journal of the Independent Labour Party welcomed the shameful draft of an Anglo-Egyptian treaty, the British section of the League acted correctly in calling on the Chairman of that Party, Maxton, to denounce it. And when Maxton, after his anti-imperialist speeches at the Congress, refused to support the most elementary demands of the anti-imperialist struggle in relation to the Arab revolt in Palestine, when by his inaction he supported the bloody suppression of this revolt by the Labour Government, the British section expelled him from the League. But this does not alter the fact that the Congress had put forward an absolutely incorrect, lying and opportunist characterisation of the left social democrats. It is clear that this question must

be brought to the front throughout the whole League organisation. It is clear that a wide explanatory campaign in connection with the expulsion of Maxton must be carried out in all the League sections.

It cannot be disputed that the Congress gave a similarly weak and "diplomatic" characterisation of the rôle of the Indian National Congress. The passage in the resolution runs:—

"The bourgeoisie in India, as everywhere else, is co-operating with the British exploiters in their ruthless suppression of the peasant and labour movements in India. We welcome the heroic revolutionary struggle of the Indian workers and peasants for the betterment of their economic conditions and against British imperialism. We pledge all support to the Indian nationalist revolutionary movement, and to all elements which are fighting uncompromisingly for the overthrow of the biggest imperialist Power—British imperialism!"

Not a word about the treachery and perfidy of the Indian National Congress. It is clear that this section of the resolution can also hardly escape criticism. It does not bring out the essential fact, namely, the rejection by the Indian National Congress of the slogan of independence. There is not a word in the resolution about the Swarajists and Ghandists and their treacherous acts. We certainly do not expect, and we cannot expect, that the League should adopt Communist resolutions. But every revolutionary worker and peasant and every genuine revolutionary nationalist must repudiate the characterisation given by the Congress both to the Independent Labour Party (and thereby to left social reformism) and to the Indian National Congress (that is, national reformism).

THE TASKS AND METHODS BEFORE THE LEAGUE

If the League wants to become a permanent anti-imperialist mass organisation which is equal to the tasks before it, it must undertake and carry through the following tasks:—

It must find the way to reorientate itself, in actual practice and in the most sharp and decisive manner, on the revolutionary workers' and peasants' movement in the colonial and semi-colonial countries. The League must be built up on the revolutionary mass organisations in the colonies.

In the imperialist countries the League must turn towards the mass organisations of revolutionary workers. The separate national sections of the League must base themselves on those revolutionary mass organisations which are in fact carrying on a struggle against imperialism. Verbal acceptance and verbal support of the general aims of the League is absolutely insufficient. It is necessary to put life into the League organisations, and to transform them into active organisations which wage a ceaseless struggle against imperialism not only in platonic manifestoes but also in deeds.

In countries where the concrete situation demands it, the League must turn sharply towards the lower mass organisations. In national reformist organisations, and especially in the reformist trade unions of the colonial countries, control frequently lies in the hands of open traitors, capitulators or vacillating reformists, while at the same time the basic and even the district organisations still show revolutionary tendencies. The same situation is frequently to be found in the peasant organisations. In such cases the League must be able to get in touch with the lower organisations over the heads of their central bodies, it must be able to group and unite them around the League and give their work a revolutionary character, leading them into the fight against their treacherous central organisations.

At the present time, within the League Against Imperialism, social reformism, bourgeois pacifism, and national reformist organisations are to be found. Certain of the left social democrats of the type of Maxton, Fimmen, etc., have played and to some extent still play, a leading rôle in the League. Of the national reformists, Gupta (India) and Hatta (Indonesia) played a leading rôle at the Congress itself, and to a certain extent their influence determined the contents of the political resolution. No one contemplates the turning of the League from a non-party mass organisation into a Communist organisation. If the Information Bulletin of the Second International (July 20th), which was entirely devoted to the League Congress, tried to represent the League Against Imperialism as a Communist organisation, if the social democratic organisations supported this version, they thereby only succeeded in proving that they could be of service to the political police,

giving confirmation to the police description of the League. The League is not and must not become a Communist organisation. But this does not mean that the left wing of the League should not and will not strive to strengthen proletarian influence in the leadership of the League, to strengthen the influence of the revolutionary workers' organisations in the national sections of the League in imperialist countries, and to strengthen the influence of the revolutionary workers' and peasants' organisations in the colonial countries. But if the Brandler renegades of Communism weep over the "raging attacks on the left social democrats and on the opposition Communists" (*Against the Stream*, August 3rd), let them go on moaning and weeping. The task of the Communists, the task of the revolutionaries, is precisely to fight the influence of the left social democrats, of the treacherous capitulating national reformists, of the Communist renegades both on the left and on the right of the party, and to expose their true rôle, which is either directly or indirectly to support imperialism. The case of Maxton, who came forward at the Congress with thunder-

ing phrases against imperialism and a couple of weeks later refused to fight for the independence of Egypt and Arabia, shows that the time has come to raise the question of purging the League from elements which are obviously treacherous. It is clear, of course, that neither the struggle against the left social and national reformists, nor the purging of the League, can be carried out mechanically. It is clear that the revolutionary wing of the League must not put all together in one stable the social democrats and the national reformists, but must make a distinction between them. But the revolutionary wing of the League must preserve its own individuality.

If the League rebuilds its whole scheme of work and its whole organisation in the spirit of the tasks outlined above, if the League becomes the ideological and organisational centre for carrying out these tasks, it will be able to play a still more important and positive rôle in the struggle against imperialism and for the liberation of the colonial peoples, against new imperialist wars and for the defence of the U.S.S.R. and the colonial revolution.

Capitalist Rationalisation and the Standard of Living of the Anglo-American Proletariat

By N. Nasonov

AT the Tenth Plenum of the E.C.C.I., Comrade Varga came forward with the assertion that the real wages of the working class (his statement referred to "those who are in constant employment") are not falling, but are rising. Varga does not deny the fact that the relative position of the working-class is worsening, that is, that its share of the total product is declining. But no one could deny this latter fact, for even the official American statistics confirm the fact of the declining share of the total product taken by the working-class from as far back as 1904.*

*"The share of the working class in the products of industry is declining. In 1925 the total wages in industrial enterprises were only 40.1 per cent. of the total value created in the process of manufacture. Only once in the previous 25 years was the proportion of wages less than 41.5 per cent. In 1919 it was as high as 42.2 per cent., and in 1921 44.7 per cent." (American Labour Year Book for 1928).

Varga seeks to prove that the real wages of those workers who are constantly employed are rising; moreover, he identifies the standard of living of the working-class with real wages.

Even apart from the fact that Varga accepts bourgeois statistics with regard to the level of real wages, he takes as indicating the standard of living of the working-class in general the position of that limited and relatively small section of the working-class which is in constant employment.

Certain trade union fakers in the American Federation of Labour explain the high standard of living of the American worker in comparison with the European worker as due to the policy of industrial peace and the rejection of strike tactics. Singing the praises of rationalisation, the American reformists "demonstrate" to the

workers that their position is improving as a result of capitalist rationalisation.

The dispute which took place in the British House of Commons on the question of the working-class standard of living is very illuminating. Not long before the general election, Churchill asserted that during the time of the Conservative Government the standard of living of the working-class population had risen by 4.5 per cent. The Labour Party representative, Snowden, in the heat of his polemic against his political rival, declared that not only money wages, but also real wages were falling.

But the leaders of British trade unionism could not swallow a statement of that kind. The Trades Union Congress hastened to show, or rather to argue, that the index of the cost of living and of wages "corrects the impression that wages are falling with such sharpness." The Trades Union Congress could not deny that wages were falling, but only attempted to deny the rate at which they were falling. The index adopted by the Trades Union Congress does not take into account piece work wages, which are spreading very rapidly in Britain; and it takes as the index for 1928 the index for March, 1928, in which month wages actually touched their highest point in that year. Citrine entered into the dispute, but even he could not deny that wages were falling, and only attempted to prove that "in the history of the last seven years of terrible depression there is no more impressive fact than the success of the Trade Union Movement in maintaining the standard of living and conditions of the working-class."

In view of these facts, the standpoint of the Communist Varga, who seeks to prove an increase in real wages, is all the more extraordinary. This error of Varga's is closely connected with his former over-estimation of the rôle of technical progress in the present stage of capitalist rationalisation.

THE "TECHNICAL REVOLUTION" IN AMERICA

If Varga had tried to show merely the existence of some technical progress in America in spite of the American monopolies and trusts, there would have been no need to challenge his statement. Such progress is the result of the unequal development of capitalism. Lenin speaks of the decaying tendency under imperialism only as the ruling tendency. In other words, in spite of the general tendency to decay, in a number of

countries or sections of industry technical progress is perfectly possible. And in fact we have such progress in America, a country where capitalism is still developing, although the rate of development is already slowing down.

But Varga goes further. According to Marx technical progress does not result in an absolute decline of variable capital; but Varga maintains that technical developments bring about an absolute diminution of variable capital. Marx regarded fixed capital, the growth of fixed capital (buildings, machinery, etc.) as the real indication of the growth of productive forces. He says (*Capital*, I., 666) :—

"This gratuitous service of past labour, when seized and filled with a soul by living labour, increases with the advancing stages of accumulation."

Varga, on the other hand, takes as an indication of the growth of productive forces the total value of the product.

Moreover, the data regarding fixed capital, that is, buildings and machines, actually indicate that the tempo of development of American capitalism is on the decline. The official statistics put forward by the Hoover Commission on Economic Changes in America gives the following figures (in million sq. feet of the construction of new factory buildings over a number of years :—

1915	....	64	1921	....	36
1916	....	97	1922	....	66
1917	....	109	1923	....	62
1918	....	181	1924	....	41
1919	....	153	1925	....	59
1920	....	128	1926	....	68

The construction of new factory buildings, therefore, showed a sharp decline soon after the war, once more demonstrating that war contracts were the basis of the rapid development of American industry.

It may be objected that the growth of productive forces might all the same have taken place by the introduction of new machines which made it necessary to construct new factory buildings; but the Hoover Commission states in its report that the value of machinery produced is in direct proportion to the growth of factory construction. Recent data put forward by American economists also indicate that the rate of development is slowing down. Even the Hoover Commission itself, composed as it was of leading representatives of the American

industrial and financial world, saw no indication of the tendencies which Varga tries to discover.

In the first section of the report, under the heading "Features of the period 1922 to 1929," we find the following :—

"It is in the great acceleration of production rather than in structural changes that we find the key to the understanding of our recent expansion. In the course of the present enquiry we have repeatedly found as the most obvious feature of the period from 1922 to 1927 that an intensification of activity was taking place rather than any fundamental change. . . . Every generation is accustomed to believe that it is on the threshold of a new economic era, an era of fundamental change, but the more the committee continued its investigation, the more clear it became to it that the new factor in this period is, in the main, the repetition in the new industries of that original development which had occurred in the older industries."

Thus the Hoover Commission denies the existence of a technical revolution. Varga may ask : where then can we look for the explanation of the rise in the physical volume of production in conjunction with the decline in the number of employed workers ? The answer is, that the cause of the expansion in the total value of production lies in the exceptional intensification of labour and the brutal exploitation of labour in the present period. The intensification of labour is the characteristic tendency of this period, which is called by the capitalist apologists the epoch of prosperity. The actual course of capitalist rationalisation has consisted precisely in the creation of conditions making possible the intensification of labour. It is worth while to consider the chief data, which are absolutely convincing in this connection.

Between 1919 and 1925 production per worker had increased by 37 per cent., although between 1914 and 1919 the value of production per worker had remained unchanged. The American Labour Year Book for 1927 shows that it was only after 1921 that the chief increase in output per worker took place. Wherein then lies the secret of this sharp increase in output per worker ? There has been considerable discussion on this question among American economists. Most of them, it is true, were not inclined to explain the growth of the total value of production, simultaneously with the decline in the number of workers employed, as being

due to the intensification of labour ; but even they also did not accept the idea of a technical revolution, and explained the process as being due to the scientific organisation of labour, the elimination of waste, and so on. For example, Sumner Schlichter, a well-known American economist, after citing a mass of data contradicting the belief in a technical revolution, writes—

"The following causes seem to give a more correct explanation (1) standardisation of movement, (2) improvement of machines and methods, (3) higher organisation of management, (4) higher organisation of labour."

The American Labour Year Book of 1928, in the chapter more directly relating to the question under discussion, puts forward one of the most conclusive facts proving the intensification of labour :—

"From 1919, in most branches of industry, there has been a great increase in total production and a rise in output per head, rather than any increase in the horse-power of prime movers. Total figures for manufacturing industry during the last six years (1919 to 1925) show a 30 per cent. increase in total production (value created in the process of manufacture), a 40 per cent. increase in output per worker, and only a 22 per cent. increase in the horse-power of prime movers."

The increase in production was therefore mainly at the expense of human muscle and human energy. Rationalisation in America has meant an intensified exploitation of labour and an economy of constant capital. The American economists indirectly admit this fact. The *United States Daily*, an official Government organ, commenting on the work of the Hoover Commission, says, "nevertheless industry showed no development of new productive processes during the period" (i.e., from 1922 to 1927). Wesley Mitchell, a professor at Columbia University, writes that "technical progress in the United States was in the first place progress in the direction of greater economy in production" (*New York Times*, May 12th, 1929). Dexter Kimball, a member of the Council of American Engineers and a Doctor of Cornelius University, also declares that rationalisation and technical progress showed their main development during the war. Capitalist rationalisation means above everything else the intensification of labour and economy in constant capital. Capitalist rationalisation produces "order," regulates labour time and makes production

more intense. Together with the regulation of labour time the number of workers is also reduced. But in this there is nothing new, for as Marx says (*Capital*, I., p. 697) :—

“It is the absolute interest of every capitalist to press a given quality of labour out of a smaller, rather than a greater number of labourers, if the cost is about the same. . . . The more extended the scale of production, the stronger this motive. Its force increases with the accumulation of capital. We have seen that the development of the capitalist mode of production and of the productive power of labour—at once the cause and effect of accumulation—enables the capitalist, with the same outlay of variable capital, to set in action more labour by greater exploitation (extensive or intensive) of each individual labour-power.”

An absolute decline in the number of workers does not therefore involve a reduction in the volume of labour. For that reason the reduction in the number of workers in America over a certain period is not a new feature, and does not alter Marx's thesis of the relative decline of variable capital. Varga, trying to discover a “law of structural unemployment,” is quite unable to establish his assertion of a technical revolution, and for that reason it is necessary to find the cause of the development in the intensification of labour and the economy of constant capital.

ATTACKS ON THE AMERICAN WORKERS

The standard of living of the American working-class might be expected to show a decline if only because of the fact that the workers are receiving a less total of wages for an increasing volume of labour. The total amount of wages is declining, and this is not compensated by the decline in retail prices. Rubinstein, in his book on the Contradictions of American Imperialism, writes as follows :—

“The index of the total pay-rolls paid to industrial workers in March, 1928, was 6.7 per cent. lower than in March, 1927, and 9 per cent. lower than in 1923. (It must be noted that even in the industrial revival of 1925, there was a decline in the total pay-rolls amounting to 2.4 per cent. since 1923, indicating an annual reduction of 269 million dollars.) In the State of New York alone, the total pay-rolls fell during last year by 2 million dollars a week, which, as the local

Department of Labour states, must be reflected in the purchasing power of the public.”

This by itself shows that the intensification of labour was not accompanied by any corresponding increase in wages ; while it should be clear that the intensification of labour requires an equivalent increase in the amount paid for it. E. P. Cathcart, a professor at Glasgow University, states in his book, *The Human Factor in Industry* (London, 1928), that the amount of energy used up by the worker during the period of his work is the decisive factor in determining the food required for the maintenance of his labour power. We must turn to the recent past in order to understand more clearly the struggle of the working-class in America for its standard of living.

The high standard of living of the American workers was necessarily a characteristic feature of American development. Karl Kautsky, when he was still a Marxist, explained this excellently in his well-known pamphlet “American and Russian Workers.” The accumulation of capital taking place under favourable conditions was not accompanied by a sufficient increase in the free labour forces available. The agricultural crisis of the period around 1910 put an end to the rise in wages. Kautsky was right in stating in 1907 that the “golden age” of the American working-class within the framework of capitalism lay not ahead but in the past. In 1911 and 1912 a crisis developed in America, producing the development of reformism and of the influence of the Socialist Party. The war saved America. In the development of its war industries America once again came up against a shortage of labour supply, while the number of workers actually increased. The post-war crisis compelled the American capitalists to reorganise their methods of exploitation. And for this reason they reorganised the wages system.

The data issued by the Bureau of Industrial Conferences—the direct organ of industry—include the following figures : Between 1920 and 1921 the hourly wages paid had been reduced by 14 per cent., and between 1920 and 1922 by 19 per cent. According to the estimate made by Schlichter, who has been referred to above, average wages fell by 20 to 25 per cent. But during this period wholesale prices for industrial products fell by 31 per cent., and prices of agricultural products showed a similar

fall. The number of unemployed reach 3½ million. It would appear that the capitalists would have been compelled to reduce wages still more ; but at the time they were forced to find other means towards the same end. Schlichter writes :—

“Two chief factors explain the relatively small reduction of wages. The first was the fear of revolts by the workers. During the war trade union membership had increased by 88 per cent. In 1919 the number of workers involved in strikes had reached unheard-of dimensions—more than 4 millions. The fear of working-class resistance was heightened by the belief that a considerable section of the American workers might follow the radical leaders. This fear was increased by the general strike at Seattle (where a Soviet of workers’ delegates was formed) and in Winnipeg (in defence of the nationalised railways) among the hitherto conservative railway unions. Propaganda for the formation of a national civil guard was carried on by eminent politicians and even by Gompers and his lieutenants, who skilfully put forward conservative trade unionism as a bulwark against radicalism” (*New Republic*, Feb., 1928).

In such conditions the capitalists were unable to reduce wages in an open form. It was not without reason that America passed through the so-called “red hysteria” during these years. It was not without reason that the alarmed bourgeoisie once in the course of two days arrested 70,000 radically inclined workers.

The bourgeois fear of the resistance of the workers and of the Russian Soviet revolution was the cause of the maintenance of the workers’ standard of living. In certain branches of industry the hourly rate of wages rose ; the hourly rate of real wages rose between 1914 and 1928 by 35 per cent. and two-thirds of this increase took place before 1920. But it is self-evident that the increase in the hourly rate of wages is no proof of an increase of the total wages received by the workers, for it is usual, where hourly rates have been introduced, to find a less regular employment of labour. From 1923 real wages have not been rising. A number of bourgeois economists make the most heroic efforts to prove a rise in real wages, for example, Professor Douglas, who now attempts to show that wages have risen, while in 1921 and again in 1925 this same professor proved that real wages were decreasing. Douglas does not

produce sufficient data to show that his first statements were incorrect. The Ministry of Labour statistics show that the purchasing power of the hourly wages paid had risen by 1924 from 20 to 28 per cent. since 1913. The data contained in the 1928 report of the Federal Council of the Christian Churches proves that real wages fell by 1½ per cent. during the previous six or seven years, owing to the rise in the cost of living. We have already quoted above the index of wages which proves the decline in the amount of wages paid. And the cost of living was rising. Schlichter considers that the cost of living has risen by 3 per cent. since 1923. The official index of the cost of living confirms that prices are rising. It is not necessary to refer to the well-known fact that retail prices are rising in spite of the fall in wholesale prices. Within the wages system itself great changes have also been taking place. Approximately one-half of the total number of American workers have been put on to piece and premium systems of wages.

“But the widerscope that piece-wage gives to individuality, tends to develop on the one hand that individuality, and with it the sense of liberty, independence, and self-control of the labourers, on the other, their competition one with another. Piece work has, therefore, a tendency, while raising individual wages above the average, to lower this average itself.” (Marx, *Capital*, I., p. 607).

By means of this piece work premium system of wages the capitalists have raised the intensity of labour to an immeasurable extent, and by means of temporarily raising the wages of a section of the working-class have brought about the necessary conditions for an open reduction in the standard of living of the working-class as a whole. The last eight months have shown a monthly decline in wages, among the miners, among the textile workers (by 10 per cent.), in the clothing industry, and other industries. At the same time, in certain branches of industry an increase of wages has taken place. In the building trades the wages paid to members of trade unions rose by 13.4 per cent. since 1923, and on the railways there was an increase of 4.4 per cent. between 1923 and 1925. If we take into consideration the fact that these branches of industry employ about one-half of the total number of workers in manufacturing industry, it is clear that this increase, in view of the lowering of the total sum paid in wages, means a

very considerable reduction of wages in other branches of industry. On the railways the increase in wages took place at the same time as rationalisation, which, in distinction from its effects in other branches of industry, increased the proportion of skilled workers employed while it decreased the number of unskilled. The raising of wages on the railways meant only the raising of wages for the aristocracy of the workers. How are we to account for the increased wages in the building industry? In this industry for the most part simple physical labour is employed, and the increase in wages paid to the building workers indicates the weakening labour power of the American working-class. The builders in America are the physical flower of the working-class. Recruits for the building industry used to be the tall, strong workers from the villages of Finland, Italy, Jugo-Slavia and Latvia. Owing to the restrictions put on immigration this source of supply of strong labour has been dried up, and rationalisation is producing greater and greater decay in the physical strength of the working-class: and for these reasons it is not so easy to find builders on the American labour market.

The wages of agricultural workers, who in America number some five millions, have not kept pace, according to the official index, with the index of the cost of living. Marx stated that the wages of agricultural workers represented the minimum wage which could satisfy the needs of existence. Is it not clear that the reduction of this minimum wage, accompanied by an increased intensification of labour, means a general reduction in the standard of living of the working class as a whole? The immense technical changes in agriculture are bringing about an absolute reduction in variable capital, transforming a part of the agricultural population into a mobile army, which to use the expression used by Marx, constitutes capitalism's light infantry, which it flings now to one point and now to another, in accordance with its needs.

The radio industry, the confectionery trades, the electrical industry, and a number of others, employ exclusively this "light infantry" of capital. In these branches of industry, it is usual for workers to be taken on before holidays, to be compelled to work fourteen hours a day, and to be sacked after the holidays, while the wages paid are extremely low. Finally, it must be noted that in the total amount of wages paid the salaries paid to directors, engineers and

the whole administrative staff are included; and it is even usual to include the bonuses paid to the higher technical staff.

The intensification of labour was carried through by smashing those trade unions which showed resistance (as for example, the Miners' Union) and with the help of the treacheries of the trade union leaders and the whole trade union apparatus. Company unions were created, and State pressure was brought to bear on the workers in unprecedented forms.

In order to complete the picture we must refer to some of the special methods of labour exploitation. Light industry, in particular, exists on the basis of cheap labour drawn from the "light infantry" referred to above. In America 3 million workers receive more than 42 dollars a week, but 16 millions receive less than 25 dollars a week. This 25 dollars a week represents the basic average minimum for the maintenance of life. In the Southern States, however, at the present time about one million workers are earning less than 20 dollars a week, with a longer working day and with the same degree of intensity as in the North. The Southern workers thus receive less than the wages required for the renewal of their labour power. The strikes in the Southern States and the events at Gastonia are fundamentally the struggle to maintain the *minimum* living standard of wages. Further evidence of the declining standard of living of the workers is given by such facts as the increase in the numbers of workers suffering from tuberculosis, the increase in child mortality, and the falling birth-rate; and in the towns the figures are higher than the average figures for the whole country.*

Unemployment in America is reaching record heights. At the present time a large number of the young old men, that is, workers between thirty and forty, are not able to keep pace with the intensity of work. At the gates of the Ford

*The birth rate in 1928 was 19.7 per thousand of the population in comparison with 20.7 in 1927. The general death rate increased from 11.4 per thousand in 1927 to 12.3 per thousand in 1928. Infantile mortality rose from 64.6 per thousand in 1927 to 68 per thousand in 1928. In comparison with these general figures, in the State of New York infantile mortality rose from 59.4 per cent. in 1927 to 64.5 per cent in 1928. The general death rate in New York State increased from 12.3 per cent. in 1927 to 13.1 per cent. in 1928. It should be noted that the farmers in the State of New York are considerably more wealthy than in other States, and that therefore the rise in the death rate in New York City must be considerably higher than in the State of New York as a whole.

factory warning notice has been put up that workers over forty are not taken on.

The American working-class is on the average considerably younger in its composition than the European. There are no social insurance or sickness benefits, and the increasing irregularity of employment, brings sharply before the workers the prospect of an old age for which no provision has been made. The workers are compelled to deduct the necessary sums from their budget of expenditure, and to put them up for their old age. That is the cause of the increased income of life insurance societies and of the increased deposits in savings banks. That is the reason for the fact that shares in a number of banks are being more widely distributed among small shareholders. It is this fact which has led to the increased savings of the working-class being regarded as a dangerous symptom; for these increased savings are not the result of prosperity, but of

adversity. Unemployment in the United States ranges between three and five millions. A considerable number of workers are also suffering from unemployment of an intermittent character; many branches of industry are not working a full week.

Capitalism is making use of the most healthy and the strongest section of the proletariat, and with their aid is breaking down the resistance of the rest of the workers; while at the same time it is undermining and wearing away the strength of the working-class as a whole. But the intensity of exploitation has its limits, and this will compel the capitalists to pass on to open attacks along the whole front, to further reductions in the workers' standard of living. In America at the present time we are on the eve of immense proletarian struggles, the warning rumblings of which have already been heard in the heroic strike struggle in Gastonia.

(To be concluded in the next number.)

The Fight against Opportunism in the Sections of the Comintern

LENIN taught that open and fearless criticism was essential for the health of the party. In the British Communist Party the sickness of Right deviation has shown great intensity owing to the disregard of this essential rule laid down by Lenin. The Party has frequently conducted its criticism with extreme caution; it has been afraid of exposing its errors and shortcomings before the masses, and it has shown a desire not to disturb good comradely relations by the open exposure of concrete evildoers. The political harm arising from the half-hearted and delayed exposure of mistakes has not been realised. The opportunist deviations which have been tolerated have led to a divergence between the words and the deeds of the Party. Excellent resolutions have been accepted, but in practice things have remained very much as they were. It is precisely this attitude which has led the Executive to interpret the new line "as being mainly a changed electoral tactic." This is the expression used in the resolution of the Central Committee of the British Party, which was adopted in connection with the decisions of the Tenth Plenum of the E.C.C.I. Such a formulation of the new lines was prac-

tically equivalent to the refusal to accept the new line, inasmuch as the debasement of revolutionary tactics to the level of a parliamentary struggle would be to dilute and weaken them. It is clear that the main tendency in the policy of industrial peace, the policy of the triple-alliance of MacDonald, Bevin and Mond, is to take all vital questions away from the "competence" of the masses, to cover them up behind a series of parliamentary, government, and semi-government relations, and to bury everything within their own narrow circle. The bourgeoisie and the bourgeois "Labour" Party are making every effort to localise and strangle the class struggle—beginning with its most elementary form, that is, strikes—and to bring it into the so-called customary and legal limits. The opportunist emasculation of the new line has done great harm to the Party, which it cannot make good by mere resolutions. It is necessary to fight and liquidate the Right deviation in practice.

It is not necessary to look far to find examples. Let us take the question of a Communist daily paper. A paper is a collective organiser for the Party and such a collective organiser is all the more needed because it is

necessary to correct the Right errors in the leadership, because the Party is faced with the difficult problem of proletarianising the Party leadership and putting life into the whole Party organisations. Not only has there been no wide campaign for a daily workers' paper which does not sell itself to the capitalists like the *Daily Herald*, but there is not yet a clear recognition of the fact that a daily newspaper is the most urgent political task of the whole British proletariat. In the minds of the Party members, even of certain leading comrades, there still exists a very deep opportunist conception as to the conditions of the Party's work in the Third Period. Take for example Comrade Graham's observations. In the *Workers' Life* of September 6th, 1929, he wrote:—

"The crusaders against the Right danger reduce things to an absurdity by saying that the falling off in sales of *Workers' Life* is simply a result of the Right mistakes and the failure to adopt the new line earlier. It was almost generally recognised that the sharpening of our struggle against Social Democracy, etc., by the adoption of the new line would have as its immediate effect that of temporarily assisting those forces of the Third Period that make for the Party's isolation from the workers. It was acknowledged that we should enter a period of greater difficulties, greater tests for the Party membership, and a desertion from our ranks of weaklings and quaverers. This has been borne out in fact. Leftists always cover up their fundamental social-democratic pessimism by fits of fantastic optimism."

These lines were written at the time when the Party should have been intensifying the opposition of the masses to the MacDonaldites, in order that every worker should have felt the pressing need for his own daily newspaper. To conclude that only opportunism will guarantee a wide circulation and connection with the masses is a curious "law" of the Third Period, in effect meaning that the Communists have no influence on the workers. Comrade Graham's conception of the new line is that it is a line of holding back from participation in the revolutionary struggle among the lower strata among the masses. Is it possible to conceive any more incredibly "Right" caricature of Bolshevism?

It is impossible to fight for a daily workers' newspaper among the non-party masses if one holds such views. "No task is more important for the class-conscious workers than to understand the significance of their own movement and to get to know it accurately." Lenin never ceased to preach this truth. Every spark of discontent among the workers, and still more every actual strike, has the kernel of revolution in it and may be developed to the stage in which it passes into a revolutionary battle. And this is so particularly at a time when capitalism, assuming a "Labour" mask, is trying to strangle the class struggle with its rationalisation, with its police-labour "peace in industry," and its "heroic deeds" in the imperialist arena. If the significance of the new line is that the workers cannot begin to understand it, then certainly it is no use to develop the struggle and the work of the Party, and to force our way into the factories and strengthen our position there; but on the contrary the only thing to do is to wrap ourselves up in Right-sectarian dressing gowns, and shelter ourselves behind phrases which pretend to be Marxian, but are in fact purely opportunist.

But if the Third period means the development of revolutionary battles and the growth of revolutionary spirit among the masses, then it is necessary to wage a resolute fight against vacillation and vacillators—those vacillators who talk of the vacillations of the rank and file workers. Then it is necessary, not in words but in deeds, to put the Party's main weight on the factory and pit groups, and with this in view to reorganise the whole activity and leadership of the Party. The position in the factories is the measure of the Party's whole activity, the indication of how far the new line is really applied. It is necessary for each small group of Communists in the factories to understand *their own* political rôle, to understand that, for the Party, they are by no means mere payers of membership dues and carriers of loads. They must realise that they are the essential links, the representatives of the advance guard among the masses of the working class; that they must day after day expose the anti-Soviet rogueries of the bourgeois Labour Government; they must expose capital's attacks on the working class with the help of this government and the trade union

bureaucrats; they must expose the imperialist machine. And because of this, the Party must equip them with everything that is needed for their daily fight and work. Every organisational move by the Party should be at the same time a real class unification and a part of the education of the proletariat. The factory groups—both in the Party distribution of work and in the eyes of the masses—must become the most important and vital cells of the Party organism.

Self-criticism in the Party must be turned, in the first instance, in this direction. If in connection with the demand for the definite proletarianisation of the Central Committee any attempts are made to suggest that this would lower the political capacity of the Central Committee, these attempts merely reflect a complete misunderstanding of the position. The people who make this objection evidently believe that politics consist in the knowledge of how to write an article, to make a diplomatic speech with "Left" phrases, and so forth, and not in the knowledge of how to encourage and develop revolutionary tendencies in the class struggle, making their appearance in the first place in the factories. The person who holds the view that everyone has been guilty of Right mistakes, and that therefore the new line can be carried out only on the basis that no one is more Left than his neighbour, also does not help the Party. From this standpoint it would follow that self-criticism is a harmful operation, a struggle about personalities for the sake of personal interests, and not a correction of the Party's errors by increasing the independent activity of the Party membership. This view puts good relations between persons above good relations to principles. The leadership of a proletarian party is certainly not a hereditary office. There are no people, especially in a Party which has not passed through open revolutionary battles, who cannot be replaced. Leaders are created and tested by the mass movement and real leaders learn from the masses and do not only teach the masses. Bad leaders are distinguished from Bolsheviks by the fact that they gloss over their mistakes and do not attempt to draw from these mistakes political lessons for the Party, and for the masses of the working class; they excuse their errors on the ground that the membership is inactive and does not pay sufficient attention to circulars. Another

objection raised is that our enemies may learn our defects and use them against us. This is a common objection to open self-criticism. But consider where this leads. Without open and fearless self-criticism the Party cannot be cured of its opportunist sickness and of the harmful views of the Right deviators. It is these sicknesses, and not the fact that they are being cured, which give strength to our enemies. When some lackey of the bourgeoisie is in a position at any moment to take out of his desk some testimonial from the Communists—let us say Cook—as a valiant fighter for the Indian revolutionaries—or some recognition of the existence in Britain of "special conditions" which make the working class safe for the bourgeoisie, such a position is a thousand times worse than if our enemies know that we are conquering our weaknesses by an open fight against them. In order that our Party should act as a unit and be welded together as a united advance guard, every member of the Party must feel that he is directly and fully taking part in the life of the Party. When it is pointed out that on Red Day in South Wales, where we have some sixty or seventy groups in factories and pits, and a half-dozen meetings took place at the places of work, this is an indication of how necessary it is to test all the links of the leadership, all the links of the organisation, and all the methods of work. It is impossible just to meet this by saying that the members of the Party have not really understood the imminence of the danger of imperialist war. We must dig deeper than that. And we must also consider the extremely weak part played by the Workers' Legion in the anti-war campaign. The whole mechanism of the Party and its most important basic organisations suffer from the lack of any close connections with the main centre of the workers' movement, that is, the factory. The theoretical level of the Party membership will only be raised when the Communists' work in the factory or in the pit becomes the question for theoretical discussion, when the Party newspaper puts the questions of the mass struggle sharply and in a concrete form, with the firm determination to fight for a particular point, and ceases to cover up its inculcation of passivity in practice by the excessive use of exclamation marks.

The British working class is passing

through a critical stage, and for this reason the self-criticism of the Party should become the self-criticism of the working class. British capitalism is urgently striving to beat its rivals through rationalisation. The power of the pound sterling in the world is nearing its end. It is hardly able to maintain its value in gold in the face of the victorious American dollar. On the other hand, British capitalism has not enough capital to carry out such a reconstruction of industry as would enable it to compete with American capitalism and to maintain sufficient exports to the colonies. The Snowdens may gain some insignificant advantages for British capitalism by haggling on the imperialist market. But just for that reason they cannot bargain (even as a bargain!) with the capitalists to secure the dropping of their demand for a wage-cut in Lancashire. The rule of the aristocracy and bureaucracy in the British working class movement is drawing to a close, and woe to those Communists who take Belfast as a real reflection of the working class movement. In justification of opportunist sins and the avoidance of self-criticism

reference is made to British "tradition." A Communist must not bow down before these traditions, but must *break* them with all the determination of the revolutionary proletariat. The working class is moving to the Left, and the Labour Party, the Trade Unions, the Cooks and the Maxtons are slinking away. They are screwing up the nuts on the bolts which link them with capitalism, because now more than ever before the proletariat is looking for the way out of its difficulties without their aid, and they want to block up the path. The task of the Communist Party is to help the working class to know itself, and to substitute for capitalist rationalisation the rationalisation of its own class struggle against capitalism.

The Central Committee of the British Party has already taken the first serious step in this direction. But the Party must not rest contented with this. It is through discussion that the British Party must approach its Congress as the advance guard of the rising revolutionary movement.

"Notes of an Economist" in the Light of the Results of the First Year of the Five Year Plan

The "Crisis" of Soviet Economy as viewed by the Opportunists, and the Facts of Economic Development

EXACTLY a year ago, on the eve of the 1928-29 economic year that, is, the first year of the five-year period, Comrade Bucharin published a great article dealing with the root problems of our economic life. In this article he gave *his* idea and *his* estimation of the processes taking place in the economic life of the country. Starting off on the basis of the general economic difficulties, he noted the special complexity and difficulty of the tasks of the reconstruction period, and asserted that our complicated economic problems had not been sufficiently worked out. On these grounds Bucharin claimed the right to "doubt" the correctness of the Party's economic policy and the possibility of surmounting the difficulties with which we were faced in the process of socialist construction.

The first and greatest justification for this "doubt," in Buacharin's opinion, is the fact that

"we ourselves (i.e., the Party) have not sufficiently recognised the peculiar characteristics of the reconstruction period, and have not carried through the necessary re-grouping of our forces, or to be more exact, we have not carried it through in the degree, in the tempo, and with the energy, demanded by the actual course of things." But, he argues, these general causes, which sow the seeds of doubt and distrust in the Party's lead in economic questions, are complicated by the presence of a number of supplementary factors, which not only do not dispel this doubt but even increase it.

First Comrade Bucharin notes that "the growth of our economy and the undoubted development of socialism are accompanied by a peculiar form of 'crisis' which, in spite of the absolute differences between our growth and capitalist development, in a way reflect the crises of capitalism, though as it were in a

distorting mirror ; and although he puts the word "crisis" as applied to Soviet economy in inverted commas, Bucharin makes it clear from the whole of his further treatment that these crises, in their essence, in their content, are in no way different from the crises (without inverted commas) of capitalism. Both our crises and capitalist crises, according to Bucharin "check the process of reproduction, and produce disturbances in the economic balance of forces and faulty relations between the elements of reproduction (including here also the factor of demand)."

He continues to the effect that the disturbance of the fundamental economic relations within the country may "produce a re-grouping of the classes which will be extremely unfavourable for the proletariat." The disturbance of the fundamental economic proportions between the branches of industry, according to Bucharin, will have as its counterpart "the disturbance of the political balance of forces in the country." It is perfectly true that all this would certainly be enough to justify Bucharin in his doubts as to the correctness of the Party's economic line, *if* his description of our economic situation were not an absurd caricature of the actual position ; *if* the process of our economic development were really accompanied by crises interfering with the course of reproduction ; *if* our economic policy were really leading to the disturbance of the political balance of forces in the country, by which phrase Comrade Bucharin means the weakening of the union between the working-class and the peasantry ; *if*, in a word, the real position were not exactly the opposite of the position described by Bucharin.

We have now passed through the first year of the five-year period, and are entering upon the second year. We are therefore in a position, on the basis of all the necessary data, to see how far Bucharin's doubts as to the correctness of the Party's economic policy are justified. Is it a fact that the year 1928-29 brought about a check to the process of reproduction ? Is it a fact that the fundamental economic relations in the country were disturbed in such a way as to produce a re-grouping of the classes which was unfavourable for the proletariat ? Is it a fact that the political balance of forces in the country was disturbed in such a way as to threaten the union of the working-class with the peasantry ? These are questions which are of absolutely

fundamental importance. On the answer to these questions depends, in the literal sense of the word, the fate of the whole of our socialist construction, and no Communist can run away from answering such questions. These are questions which need straightforward, clear and unambiguous answers. What then were the results of the first year of the five-year period, at the beginning of which Bucharin put forward such pessimistic forecasts ?

Total production in the industries covered by the plan rose by $23\frac{1}{2}$ to 24 per cent. in comparison with the previous year (1927-28), exceeding by 2 to $2\frac{1}{2}$ per cent. the figures fixed in the plan. Capital construction, as shown by preliminary figures, will have been carried out in accordance with the plan, except with regard to certain items where the delay in construction was not caused by any lack of building materials or lack of finance, but by reasons of a technical character.

The *qualitative* results in last year's work were only slightly less satisfactory—the rise in the productivity of labour and the decrease of manufacturing costs. Preliminary data show that the plan was not completely carried out in regard to the productivity of labour (there was an increase of 15 to 16 per cent. against the 17 per cent. laid down in the plan). In lowering the manufacturing costs of industrial products full success was also not achieved (the reduction was from $4\frac{1}{2}$ to 5 per cent., as against 7 per cent. fixed in the plan). The rise in the nominal rate of wages also slightly exceeded the rise foreseen in the plan. Nevertheless although there were some *qualitative* shortcomings in our industrial work, the result of the past economic year in industry cannot be considered insignificant, nor can they be taken to indicate any check to the process of reproduction and any danger in the fulfilment of the five-years' plan as a whole. As we shall see further, the results of industrial activity in 1928-29 have made it possible to forecast such a tempo of development for the second year of the five-years' period, that there will be a considerable improvement over and above the improvement expected according to the plan.

Definite progress during 1928-29 is also to be observed in agriculture. The sown area as a whole rose by 5 to 6 per cent., and the sown area of individual farms rose by 1.8 per cent. These figures in their summary total form hide the most important and fundamental process which

has taken place in agriculture. The increase in the sown area during last year in the individual sector of agriculture (that is on the separate peasant farms), shows a significant increase in the area under cultivation on the small and medium-sized farms, while there has been a substantial reduction in the sown area of the kulak farms.

the character of the relations between the working-class and the peasantry. We are therefore fully entitled to say that the result of the Party's policy in the villages has been the further strengthening of the poor peasantry as the allies of the working-class, the further strengthening of the union between the working-class and the poor and middle elements of the peasantry,

SOWN AREA ACCORDING TO SOCIAL GROUPS, 1928-1929, PERCENTAGE INCREASE OVER PREVIOUS YEAR.

Region.	Farms without working animals.	Farms with one working animal.	Farms with two working animals.	Farms with three working animals.
Ukraine	+10.3	+ 0.9	+ 4.7	- 11.3
Southern Caucasus	+ 8.5	+ 3.2	- 1.3	- 8.7
" " (spring sowings)	+ 6.8	+ 6.1	- 1.4	- 5.5
Lower Volga	+22.4	+ 7.4	+ 2.9	- 2.7
" " (spring sowings)	+29.3	+ 8.9	+ 6.1	+ 0.3
Central Region	+ 2.1	—	+ 2.7	- 10.4
" " (spring sowings)	+ 1.9	—	+ 2.6	- 8.4
Crimea	+13.4	+ 4.9	- 6.5	- 13.0
" (spring sowings)	+35.2	+15.2	+12.7	+ 2.6
Bashkir Republic	+10.5	+ 5.4	- 2.7	- 9.9
" " (spring sowings)	+28.9	+14.1	+ 7.7	- 3.3

In the total figures, the rise in the area under cultivation on the small and middle groups of farms conceals the reduction in the sown area on the kulak farms, which is brought out in the figures given in the table. And this must be noted as one of the most important achievements, as one of the most definite proofs of the correctness of the Party's policy in the villages.

What do these results signify in the sphere of agriculture? How can they be taken to indicate any disturbance of the process of reproduction, any disturbance of the political balance of forces in the country? The course of reproduction was in fact checked, but it was checked precisely on the kulak farms on the countryside. It was precisely this check to kulak accumulation which made possible such an increase in the area of the small and medium farms, which in fact resulted in an undoubted "plus," and not only an economic "plus" (that is, in the growth of the area under cultivation), but also a political "plus" (the strengthening of the union between the working-class and the peasantry).

The dynamics of the area under cultivation in different social groups is a definite indication of

together with the further sharpening of the struggle against the kulaks, who are the carriers and embodiment of capitalism in the village.

Motion in any direction presupposes a disturbance of the existing balance of forces, and in the changed relations between the various groups in the village there is undoubtedly a "disturbance of the political balance of forces in the country"; but who dare assert that this disturbance has not been a gain for socialist construction, for the strengthening of proletarian dictatorship? Only a man who is aimlessly wandering in the forests, only a man who has lost all ability to analyse the complicated class relations of the town and particularly of the village, only such a man could take the diminishing power of the kulaks as a sign of "a check to the process of reproduction" over the whole of agriculture, and the sharpening of the struggle with the kulaks, and their gradual removal from the country's economic life, as "a re-grouping of class forces which is extremely unfavourable for the proletariat."

Finally, the most important progress in the

course of the last economic year has taken place in the sphere of the "collectivisation" of agriculture. The extremely optimistic estimates in this connection have actually been exceeded. According to the plan, an increase in the sown area of the collective farms was anticipated amounting to 112 per cent. ; in fact, the increase was over 330 per cent. In 1927 there were 11,306 collective farms in the whole of the Soviet Union ; at October 1st, 1928, there were 21,394 ; and on June 1st, 1929, the number exceeded 35,000. During the same period the sown area of the Soviet farms arose by 143 per cent., which also is in excess of the figure laid down in the plan. Moreover, fifty fully-mechanised arable farms were organised ; these farms are the largest in the whole world. We must also take into account the extension of contracting for the sale of products, which also considerably exceeded the figure laid down in the plan ; the growth of seed-sorting establishments, etc., etc.

The general picture of last year's results in the sphere of agriculture is therefore sufficiently clear. But how can this picture be taken as having anything in common with Bucharin's suggestions as a "check to the process of reproduction" and a "re-grouping of class forces unfavourable to the proletariat ?" The growth of production in our national economy, and especially in its socialised sector, have been higher than anticipated according to the plan ; and there has been a corresponding growth in transport activity. The total traffic in 1928-29 amounted to 175 million ton-kilometres against the 165 million ton-kilometres provided for in the plan.

The budget also shows an increase over the figures laid down in the plan ; the total was 7,925,000,000 roubles against 7,231,000,000 roubles according to the plan ; and the year 1928-29 also showed a further considerable increase in the socialised sector of trade.

Such are the preliminary figures for the last economic year. In these figures where do we see anything approaching to the "crises" of capitalism, which, according to Bucharin, are being reflected in our economy, though "in a distorting mirror" ? We have only to bear in mind the character of capitalist crises, and how they arise, in order to realise how completely divergent from the facts is any assertion that our economic difficulties have a "crisis" character.

In a capitalist crisis the normal trade turnover is affected ; the market is over-filled with goods which cannot be sold ; the factories and works are manufacturing for stock and are compelled to go slow, to limit their output and frequently to close down altogether ; the reserve army of labour is increased by new tens and hundreds of thousands of unemployed, mercilessly thrown on to the streets ; one bankruptcy follows another, and thousands of small employers are thrown into the propertyless proletariat ; the whole process of reproduction is checked, production is severely restricted, and it is a long time before the country, overwhelmed by the crisis, is able to put things right and gradually to overcome its misfortunes. In such circumstances the country only very slowly and cautiously begins to heal the wounds it has received ; until a new wave of prosperity wipes out the memory of the past and pushes the country forward once again into the mad pursuit of success and easy profits, while these in turn produce, with fatal certainty, new crises and new heavy economic disasters.

What is there in common between this normal picture of a capitalist crisis and the difficulties through which our economic life is passing ? Where are the checks to the process of reproduction, which are so characteristic of capitalism in periods of crisis ? How can anyone talk of the decline in production in our case, when the rushing torrent of our economic life is demanding a constantly increasing tempo of development, a more intensified process of production and reproduction, and when the most optimistic estimates in the sphere of production are actually far exceeded in practice ?

No one can deny or fail to perceive the very great difficulties which we have to overcome in carrying out our economic development at a tempo unknown in the history of capitalism. In this swift progress it is inevitable that we should find certain sections of our national economy backward and lagging behind, delaying and making more difficult the realisation of the high tempo of development which we have set ourselves to achieve. But these disproportions, these disturbances in the balance of forces in the country's economic life, are as different from capitalist crises as heaven is from earth. And this is so if only because of the fact that in capitalism the frontiers, the limits of development are set by effective demand, that is,

demand which has the money to buy its needs while with us the only limits of production are the productive capacity of our industries and the level reached in our technical development.

Here we may note in passing that it would be undoubtedly a mistake to suppose that "in the whole dynamics of the developing contradictions between production and distribution, between the growth of production and the relations of distribution, there is already included the struggle between the classes, clothed in economic categories." It would most undoubtedly be a mistake, because such a statement of the position, by its very incompleteness and its abstract formulation, would narrow down and limit the content of the class struggle and at the same time would give it something of a fatalist character. On the other hand, Bucharin's remark is quite correct, that it would be absurd to object to the Marxian formula of reproduction on the ground that it "ignores the problem of the classes"; but it would be nonsensical and the greatest possible error to try to limit the whole content of the class struggle by bringing it within this formula.

The Marxian formula of reproduction shows the conditions of capitalist production and reproduction and the course of development of capitalist contradictions in their most abstract form. But just as life is richer, more varied and more distinct than abstractions and formulae, so the process of capitalist production and reproduction and the process of the development of capitalist contradictions and of the class struggle are richer, more distinct and more varied than the formulae of reproduction. To suppose that the class struggle is entirely contained in the formula of reproduction is to under-estimate the class struggle, to under-estimate its influence on the whole process of production and reproduction. This is so if only—because of the fact that the Marxian formula deals with the *value* of labour power, and not with its *price*. But in its concrete form the struggle concerns wages, the *price* of labour power. And variations of the price of labour power from its value, whether above it or below it, have a fundamental influence on the whole process of production and reproduction.

This applies with equal force to the conditions of production and reproduction within the Soviet system of economy. To suppose that we are already in a position to elaborate formulae

of reproduction which cover fully the whole of the class struggle and all contradictions between production and demand, would be a most grievous political error. For in fact this would mean nothing else than to ignore the influence on the course of production and reproduction of those harmful factors which artificially lower and reduce the productive capacity of our factories, which artificially, exploiting our backward conditions and to some extent also our carelessness, create and strengthen the disproportions in the development of separate branches of industry. It would amount to ignoring the influence of the kulak who conceals grain and by this act alone brings his own class influence to bear on the whole course of production and reproduction. It would amount to the ignoring of the influence of the Nepman, who carries on his speculations on the basis of the shortage of products and by this means hampers and makes more difficult the course of production and reproduction. In other words, it would amount to the under-estimation of the class struggle, the under-estimation of the influence of our class enemies on the whole course of the country's economic life. It is from such an under-estimation of the class struggle that we get, as a result, the demand to hold back the tempo of socialisation in agriculture and to allow a certain licence to the capitalist elements within the country, and finally the demand to abandon the accelerated tempo with which the Party is industrialising the country.

THE METHODS OF SOCIALIST CONSTRUCTION AND THE THEORY OF THE BALANCE OF FORCES IN OUR NATIONAL ECONOMY

As we showed above, the rapid tempo of development of our economy as a whole is accompanied by a certain lagging behind of particular branches of industry, and this slows down the tempo and makes more difficult the maintenance of a high rate of development. At the same time, it creates a certain lack of proportion between the various branches of our national economy. Those branches of economy which are lagging behind throw a heavy burden on the other branches, holding back and making more difficult their further development and thereby the further development of our national economy as a whole. For example, the position of the steel industry shows this, limiting the

development of the whole of our economy, and of agricultural machine construction in particular ; and we find the same position with the non-ferrous metal industry, which limits the development of the electrical industry ; then again, the backwardness of those branches of agriculture which supply raw materials for industry hampers those sections of industry which depend on them for their raw materials ; and, finally, the backwardness of grain cultivation makes it more difficult to maintain a supply of food products for the towns and industrial centres, and limits our export possibilities, and thereby our import possibilities.

We must, of course, point out that a number of those disproportions which are making themselves felt particularly in the reconstruction period have been inherited by us from capitalism. Such are, for example, the disproportions between industry and agriculture, between the output of iron and non-ferrous metals, and the backwardness of the chemical industry and the use of its products in the country. And it would be the greatest nonsense to suppose that these disproportions would be immediately eliminated by making even the most excellent plan. We must fight the Trotskyist conceptions of the rule and possibilities of plan-making; he tries to make out that our ability or non-ability to plan correctly is responsible for the existence of these disproportions in our national economy, or at any rate the possibility of eliminating them immediately.

What then should be the policy of the working-class in view of the actual economic situation? According to Bucharin, "in order to achieve the most favourable course (that is, the most lacking in crises) of socialist reproduction and the systematic growth of socialism, and therefore the relations between the class forces in the country which are most favourable for the proletariat, it is necessary to arrive at more correct combinations between the basic elements of our national economy—to make them "balance," to create the conditions of a progressive economic balance of forces."

Beyond question, it is necessary to bring about more correct relations between the basic elements of our national economy. But that is not in question. There is no dispute or difference of opinion with regard to this. It is a self-evident point. Differences of opinion only arise when the question is raised of *how* we are

to bring this about, *how* we are to create such a balance.

In view of the existence of serious disproportions between the levels of development of separate branches of industry, any attempt to produce a balance of forces within the limits of a single year's plan can only be successful either by adopting super-industrial plans of development or by giving way in practice to reactionary anti-industrialist tendencies (securing the balance of forces by keeping all branches of industry down to the level of the backward ones).

And it is precisely this second method which is proposed by Bucharin when he examines the position of the building materials industry in 1928-29 and deduces from it his own conclusions in connection with the plan of capital construction. Bucharin takes the fact that there is a shortage of building materials as a direct reason for limiting the volume of capital construction and consequently for lowering the tempo of industrialisation. Speaking of the "irrational" way in which the plan was put together, Bucharin says "It is impossible to build 'present' factories with 'future' bricks." He asks "How in fact can we build if 20 per cent. of the building materials required are not in existence? And is it not possible to adopt more accurate estimates and programmes, taking into account real timber and iron and not ethereal and imaginary materials?"

Seeing the shortage of 20 per cent. of the materials required for construction, and having been hypnotised by the idea of economic balance, Bucharin finds a solution of the question in connection with the shortage of building materials along the cowardly line of cutting down the programme of construction to such a level that it can be met by "real" timber, iron and bricks, and not "ethereal," "imaginary" and "future" bricks. As is known, the Party did not follow this path. And not because it calculated on building factories and works out of "future" bricks and "imaginary" pieces of timber. But because, striving to attain the maximum possible tempo of industrialisation, the Party did not regard the idea of economic balance as a kind of fetish, but as an instrument for active policy, for bringing active influence to bear on the whole course of economic development. It saw the necessity of interfering actively in the process of economic development, in order to beat back and overcome all the difficulties lying

in the path of socialist construction. By intensifying production in the backward branches of industry, with a corresponding policy of capital investment in these branches, by making the greatest possible economies in the materials of which there was a shortage, and where possible substituting for them other materials, by simplifying the form of construction, etc., the Party was able to carry out completely the volume of capital construction which Bucharin considered was inadequately provided for as far as building materials were concerned, and was therefore unreal, fantastic and economically absurd.

Bucharin asserted that it was impossible to put together a programme of construction which exceeded the limits of the building materials actually available. In this way he made the whole plan and programme of construction directly dependent on the *existing* quantity of bricks, timber and iron. It does not seem to have entered Bucharin's head that the relation between demand and supply is not only one-sided, but is mutual, and that if a definite programme of construction is adopted, it is possible in conformity with it to *widen* the limits set by the existing quantity of building materials, both by increasing the production of these materials and by a more rational use of those available.

Bucharin writes "Any shirking of this most important and fundamental task (to preserve the balance of forces) is a capitulation to the petty bourgeois elements, a reincarnation of the historical slogans of petty-bourgeois indecision 'perhaps,' 'never mind,' and 'somehow or other.'" Bucharin does not understand that it is just his conception of "the balance of economic forces" that is "a capitulation to petty bourgeois elements, which more than anything else is afraid of difficulties and responsibilities and tries to live according to the principles "don't touch me and I won't touch you," and if things don't balance, then everything is lost!

The most adequate answer to all these "doubts" of Bucharin, the most convincing refutation of his "analysis," is certainly the fact that the programme of capital construction laid down in the plan was actually carried out in practice. Refusing to capitulate to petty bourgeois ideology, decisively overcoming petty bourgeois timidity, the Party, by raising the output of the backward sections of the building materials industry and by rationalising the use of

these building materials, was able not only to carry out the plan laid down for our industrial development, but to create the conditions for a new move forward in 1929-30, on a scale which we were not able to imagine a year previously. A rise of the total industrial output by 32 to 35 per cent., a reduction in the cost of manufacture by 9½ to 10 per cent., a rise in the output per worker of 23½ per cent., and an investment equivalent to over £300,000,000 in capital construction—such are the developments which have been made possible by the whole of our former policy and practice of industrialisation. And they have been made possible just precisely by that construction during 1928-29 which Bucharin described as unreal, irrational and fantastic. Such actual developments of construction would be absolutely impossible if the Party had followed Bucharin's precepts, and had turned aside from the path of industrialisation upon which it had entered and capitulated to petty bourgeois ideology and petty bourgeois timidity, building up socialism not with a firm and confident hand, but with weakness, unbelief scepticism and doubt.

Bucharin also asserted that the preliminary plans for the annual increase of capital construction (39.6 per cent.) were absolutely fantastic. In fact, the capital construction in 1929-30 will be double what it was in the previous year, and will exceed the figure laid down in the plan by no less than 40 per cent. As regards the dynamics of capital construction over the five-years' period, corrections have had to be made on the basis of experience, not in the direction of lowering the figures indicated for the early years of the five-year period, but in the direction of very substantial increases in the later years. And we can be quite confident that even the capital construction planned for the second year, which was described by Bucharin as "fantastic," will be considerably exceeded in actual practice.

In this connection it is particularly important to note that in spite of the growth of capital construction, the output of building materials, so far as the preliminary figures show, will be considerably greater than they were in the previous year. To take, for example, the position of timber and stone, we shall actually have a certain surplus of supply over demand. The supply of bricks will only be 1 to 1½ per cent. below the amount required. The shortage

of cement will be compensated by a surplus in lime ; and the shortage of iron will be met to some extent by the surplus of timber.

This actual state of things may be astounding to those who thought of the economic position along the lines of Bucharin's "Notes of an Economist." But the state of affairs is absolutely natural, because the difficulties in the way of our development have to be overcome just in the process of development, by pushing forward and forcing the development of the backward sections in our national economy. We have not overcome the difficulty in connection with the supply of building materials by cutting down our capital construction in the year 1928-29, but on the contrary by carrying it out fully precisely in the building materials industry ; and this applies similarly and to an equal extent to all the other disproportions in the development of our national economy. We have achieved a certain "balance" between the demand and the supply of iron and steel, not by cutting down our programme of machine construction, but by forcing the development of the iron and steel industry, giving it, in view of the absolute needs and requirements of industrialisation, *additional* help, demanding from it the maximum possible utilisation of all its productive resources, while at the same time giving it the necessary allocations for capital construction, reconstruction and rationalisation.

These remarks apply equally to the disproportionate development between agriculture and industry. Nothing could be more dangerous than to bring about an "economic balance" by holding back industry to the same rate as the development of agriculture. To surmount the backwardness of agriculture means in the first place to overcome its very backward agronomic and technical methods, to overcome its separation and individuality, to overcome its antiquated social structure. And this makes it absolutely necessary for industry to develop at a maximum tempo those branches whose products are necessary for agriculture. It should be noted that Bucharin completely fails to understand this when he writes that "in its essence this crisis (in the collection of grain) has been due to an incorrect policy with regard to prices, and to the extreme lowness of the relative prices for grain and other agricultural products." In fact, the fundamental cause of the grain crisis was the backward level of the technical develop-

ment of agriculture, the backwardness in agricultural methods, and the scattered and broken-up form of agriculture as a whole. It was precisely for these reasons that agriculture was unable to develop at the same rate as industry, the technical level of which was incomparably higher than that of agriculture. The relatively low level of prices for grain and other agricultural products were only a factor in deepening the disproportion, only sharpening it, they were only a secondary factor influencing the low rate of development in grain cultivation.

But it is certainly not accidental that Bucharin puts the question in this form, that he gives such a description of the difficulties in grain collection and of their causes. For in his opinion the central point in the difficulties referred to is not the low technical development and the backwardness of agricultural methods, not the separation and pettiness of agriculture, but the insufficient extent to which the individual peasants have been encouraged and stimulated to extend their cultivation. In analysing the dynamics of the area under cultivation in 1928-29 according to the social groups of the peasantry, we have been able to show how false such a conception is in relation to reality. The area under cultivation in the poor and middle sections of the peasantry showed a substantial increase in every case ; but at the same time this increase by no means provides the solution of the problem of grain supply, and does not overcome our difficulties in this connection.

The root cause of the backwardness of agriculture is, we must repeat, the low level of its development ; and it is only possible to eliminate this cause of backwardness by forcing the development of those branches of industry which supply the products needed by agriculture—the agricultural machine industry, the tractor construction industry, the chemical fertiliser industry, and electrification. It is these industries which are in a position to carry out a fundamental reconstruction in the material and technical basis of agriculture, and to create conditions which will make it possible to overcome its separation and individuality, and to bring about its strengthening and its socialisation.

That is why it is reactionary and extremely erroneous to attempt to establish "an economic balance" on the basis of the backwardness of agriculture, For this would mean nothing but

acceptance of backward development, and capitulation to the individual property ideology of the peasantry.

The demand for "economic balance" between the different elements of national economy is transformed into a reactionary and dangerous idea, if the idea of balance is regarded not as one of the factors in the course of our economic development, representing the position of the different elements of economy and by that means showing in which direction the working-class must direct its forces in order to create the most favourable conditions and to bring about the highest possible tempo in the development of industrialisation and socialist construction; but as a kind of fetish to which must be subordinated both industrialisation and socialist construction. And as we have already shown by the example of the building materials supply, the adoption of the principle of balance by Bucharin had precisely this effect.

Our actual experience during last year has given us all that was needed to test Bucharin's "doubts" as to the correctness of the Party's economic policy, and his forecast as to the character and conditions of our economic development in the immediate future. What Bucharin considered as unreal and fantastic only a year ago has now been fully carried out. What Bucharin only a year ago thought was a fantastic illusion is to-day not only real, but even inadequate. What Bucharin only a year ago considered to be an indication of economic unreasonableness and economic futility, to-day appears as decisive and overwhelming evidence against him. All that Bucharin put forward a year ago about "a re-grouping of class forces extremely unfavourable for the proletariat, as a necessary result of the Party's economic policy,

has been refuted. In practice we find a further consolidation of working-class forces, a further strengthening of the poor peasantry as its allies in the village, and a further strengthening of its union with the middle peasantry, with an intensification of the campaign against the kulak and the capitalist elements of the towns.

The normal process of reproduction has not only not been checked, but by the overcoming of immense difficulties we shall carry out and surpass the estimates laid down in the plan. In the sphere of agriculture, on the basis of the growth of our industrial capacity, definite progress has been observed in the direction of raising the agricultural level and transforming it into collective agriculture. In the sphere of capital construction, the carrying out of the work laid down in the plan has made it possible to bring about a new and unprecedented rise in production. In a word, in spite of all gloomy forecasts, 1928-29 was a year in which we have made progress, and considerable progress, towards socialism, in which we have further strengthened the union with the poor and middle peasantry, and in which there has been a decisive move forward in the sphere of transforming agriculture on to a collective basis. Putting forward the slogan of fighting against petty bourgeois ideology and petty bourgeois timidity, Bucharin himself fell a victim, and capitulated to petty bourgeois ideology in his conception of the idea of economic balance, and the balancing of forces on the basis of the most backward section. In fact Bucharin has been the defender of that very petty bourgeois timidity which works on the principles of "perhaps," "never mind," even "somehow or other."

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To the C.C. and Members of the C.P. of Sweden

1. After hearing the report and information from the delegation of the E.C.C.I. on the situation in the C.P. of Sweden, the Presidium of the E.C.C.I. declares that, as indisputable facts show, the agreement of the majority of the Polit-Bureau of the C.P. of Sweden with the political line of the Open Letter of the E.C.C.I. represents a manoeuvre aimed at helping it to mislead the Party masses regarding their actual intentions. The majority of the Polit-Bureau has adhered to the line of the Open Letter only in words, while in practice it has sabotaged the letter and organised a struggle against the Comintern. The Presidium declares that in its recent actions (stifling of the discussion, calling of the Congress for November 16th against the expressed instructions of the Open Letter) the majority of the Polit-Bureau, whose line, during the drafting of the Open Letter, deviated from the line of the Comintern in a number of most important questions, has been following a very dangerous course, the continuation of which must inevitably lead it outside of the Communist International. The actions of the majority of the Polit-Bureau (defence of Kilbom's anti-Comintern article, the charge that the Comintern has given an incorrect estimation of the Party and the mistakes of the majority, persecution against the Youth League, etc.), are the first steps of a method which has been employed by Höglund, Ruth Fischer, Brandler, Lovestone and others in their struggle against the resolutions of the Comintern. As is known, these people have landed outside of the Communist movement in the swamp of social-fascism. The Presidium condemns in the sharpest terms the methods of the majority of the Polit-Bureau of the C.P.S. and calls upon all members of the Party to carry on a determined struggle for the carrying out of the resolutions and Open Letter of the E.C.C.I., against the danger of split and for the solidarity and unity of the Party.

2. While the Presidium declares that there has not yet been any *de facto* discussion on the

basis of the Open Letter and that such a discussion cannot be carried on in a sufficiently fundamental manner before November 15th, it cancels the decision of the C.C. regarding the calling of the Party Congress for November 16th, on the basis of Paragraph 34 of the Statutes of the Comintern, because it means a step towards splitting the Party. The Presidium turns to all Party organisations with the demand that they should not elect any representative to a Party Congress called by the majority of the C.C. in contradiction to the statutes of the Comintern—without the agreement of the Executive. By inadequate preparation and hasty calling of the Conference, the majority of the C.C. will prevent the members of the Party from gaining a clear understanding of all Party questions, and hopes in this manner to turn a section of the Party against the resolutions of the Comintern. Where this course leads has been clearly shown to all members of the C.P. of Sweden by the example of Höglund. Therefore, the Presidium requests that the Party Congress, as stated in the Open Letter, should not be called until after a thorough discussion.

3. For guaranteeing a property Party discussion, the Presidium calls for: (a) Publication in all Party papers of all documents and articles of the Comintern relating to the Swedish Party, as well as all statements, articles, etc., of the delegation of the E.C.C.I. (b) Establishment of the necessary conditions for normal Party discussion, above all, the ensuring of the press discussion in accordance with the instructions of the Open Letter (publication of articles by comrades of the Minority, publication of the resolutions of all Party organisations, allowing of reporters and co-reporters at Party meetings, etc.). These measures hold good for all Party publications. (c) Guarantee of the right of the Y.C.L. of Sweden to defend the line of the Comintern and the Open Letter in the Party and in its press. Condemnation of former League members who have left the Youth League because

of the politically correct struggle of the Y.C.L.

4. In case of failure to carry out these resolutions of the Presidium by the majority of the Polit-Bureau, the Presidium charges the

delegation with adopting all necessary measures for assuring the conduct of the Party discussion and the carrying out of the instructions contained in the Open Letter.

