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Tenth Plenum of the E. C. C. I.

Full Report.

The Discussion on the Reports of Comrades Kuusinen and Manuilsky.

Fifth Session.

5th July 1929 (Morning).

Comrade VARGA:

Comrades, the main defect of the theses and also of Comrade Kuusinen's report was the analysis of the international situation. This analysis is too general, especially in regard to economics. Neither Comrade Kuusinen's report nor the theses paid sufficient attention to the concrete elements in the present situation.

Comrades, last year's most important point is certainly the revival of the Labour movement.

What we must first of all record and also lay down in the theses, is the fact that this revival of the Labour movement is taking place in the period of a general improvement in the world economy. The year 1928 shows — if we take production as the basis of our appreciation of the economic situation — an upward economic development. The work of the League of Nations*) is an index of the world production of foodstuffs and raw materials (it is difficult to deal with manufactured articles because of their diverse quality; but we can assume that production of manufactured goods runs parallel with production of raw materials). This index shows the following development:

1923	—	106	—	107
1924	—	108	—	110
1925	—	116	—	119
1926	—	117	—	120
1927	—	121	—	124
1928	—		—	125 (preliminary estimate)

Thus we witness a constant, steady growth of the volume of production. Generally speaking, consumption keeps pace

with production: with the exception of a few goods, there is no accumulation of stores; on the whole production and consumption run parallel.

I would like to make here a small digression. Comrades will be certainly interested to hear that, according to the figures of the League of Nations, the standard of production in the Soviet Union in 1926 was already higher compared with 1913, than that of capitalist Europe! There is no doubt that in the last years, 1928—29, the economic development of the Soviet Union has exceeded not only that of the capitalist world as a whole, but also especially that of the leading imperialist State, the United States.

I have here a big new work on the economic development in America in the last 7 years.*) It was compiled by a commission consisting of 15 members which embraces all the prominent figures in the American capitalist world. Hoover is its chairman, and among the members are: O. D. Young, chairman of the Reparations-Expert Commission, Rascoe, the head of the General Motors Company, and of course Green, president of the A.F. of Labour. This Commission gives the following figures for the increase of production in the last 6 years, 1922—1927:

Industry	per year	4	%
Transport	" "	4	%
Primary production on the whole	" "	2½	%
Especially for agric. produce	" "	1	%

It is clear that the present rate of the Soviet Union exceeds this rate by far! And this is not a temporary phenomenon, it

*) Memorandum on Production and Trade, 1913 and 1923—27, p. 8.

*) Recent Economic Changes in the United States. Report of the Committee on Recent Economic Changes of the Presidents Conference on Unemployment, Herbert Hoover, Chairman.

will repeat itself in the next years at an accelerated rate. Why? Because there is today a fundamental difference between capitalism and the present economy of the Soviet Union.

The definition of this fundamental difference is somewhat as follows: under capitalism limits are set to production by the consumption capacity of society under antagonistic distribution conditions. In the Soviet Union limits are set to consumption by the production capacity!

Under capitalism, the capitalist is compelled, owing to competition, which — as Lenin in his "Imperialism" — does not by any means cease also under monopolist capitalism, to enlarge the production apparatus more and more, diminishing at the same time the share of the workers in the wealth they produce. The result is — disproportion between the consumption and production capacity of capitalist society. Formerly, this found vent in periodical crises. Today, in the epoch of capitalist decline, this disproportion is almost chronic. If one compares production possibilities with production capacity, the market is becoming too narrow.

This problem does not exist in the Soviet Union. Why? If production were such as to create a surplus of means of consumption, we could immediately widen the market by raising wages, widen consumption capacity in accord with increased production possibilities. No difficulties would arise in this connection! We are still consuming less than desirable, because we do not possess as yet a sufficiently developed production apparatus to satisfy to a much greater extent all requirements. Comrades, I think that this difference is of considerable importance for propaganda among workers. We must point out that the present difficulties in the Soviet Union are not due to the socialist State economy, as the Social Democratic slanderers assert, but to the State of agriculture where private farming is still very prevalent. There are difficulties not because of Socialist economy, but rather because there is still not enough socialism in our agriculture!

I will now deal with the economic situation in 1929. We can record, on the whole, an upward development. In the leading capitalist country, the United States, there has been a regular boom in the last months! The last monthly report of the National City Bank issued in May, begins as follows:

"The month of April was a second record month for business. In the most important branches of industry, production has almost reached the limit of production capacity!"

A few weeks later, the steel trust announced that its production has exceeded the theoretical capacity! This is an unprecedented case in the post-war period! There is no doubt whatever that Canada is also experiencing a boom, and that in several South American countries the economic situation is very much improved. In Europe, a boom situation no doubt exists in France, Belgium and Sweden. But the most important thing is that even in Great Britain, the country of chronic crisis, a decided economic improvement is noticeable.

The output of coal has increased by 10% in the first five months compared with last year. In May, the output of iron and steel was by 10—12% larger than in 1928. Consumption of electricity and the electric industry show the same symptoms. Even foreign trade, export, which has shown a slump in the post-war period, has considerably increased this year. In the first five months, export amounted to 14 million pounds sterling more than last year. In May, the last month for which data are available, export was greater by 15% than in May 1928.

An improvement of the economic situation is certainly noticeable also in Germany. The economic situation there was complicated and impeded in the last months through the reaction of the reparation negotiations and the serious money or credit crisis which exists since April. But in spite of this, the output of coal, iron and steel is considerably larger than last year, and is constantly on the increase.

A few small countries, for instance, Poland, Roumania and some of the Balkan countries, where a serious economic crisis still prevails, constitute an exception. We can record in general that the economic situation has improved, and that the revival of the Labour movement has taken place on the basis of a general upward economic development.

But when we examine more closely in what countries and in what branches of industry the Labour movement was strongest, we find that this was the case in the branches and countries where the economic situation was worst.

According to countries, we witnessed the biggest struggles, in Germany and Poland; according to branches of industry, the biggest struggles were in the textile industry: in Poland, India, at present in Upper Silesia, and probably soon in Britain. The inference is: as the present boom in America and the improvement in the European economic situation is, as every boom, a temporary phenomenon, we can safely say that the rest of the year 1929 and the year 1930 will witness a further upward development of the Labour movement in the capitalist countries.

It goes without saying that this boom, the increase in the volume of production on a world scale, can by no means be considered as the end of the general capitalist crisis. At present, the sharpest form of this general crisis is the dissociation of the production apparatus from the workers, the fact that side by side with a big but idle production apparatus there are, in spite of a favourable economic situation, enormous numbers of permanently unemployed workers.

I have collected a few data re the extent of the utilisation of the production capacity in Germany at the beginning of 1929: textile industry — 71%, chemical industry — 61%, bootmaking industry — 60%, linen industry — 40%. In America, the motor-car industry has a theoretical capacity of 10 million per year, the actual output is perhaps one-half of this. The production capacity in the American bootmaking industry is 730 million pairs per year, and actual production 330 million pairs per year. Thus, you see what a gulf exists, between capacity and production in the boom year 1928—29. This disparity between production capacity and production will continue; rationalisation is leading to a further development of the production apparatus. Comrade Kuusinen is right in saying that not every rationalisation means enlargement of the production apparatus. But, in most cases renovation of the production apparatus and its enlargement are a feature of rationalisation, and we witness from year to year an enlargement of the production apparatus in all capitalist countries, even in branches of industry with a chronic crisis. I will give a few figures in regard to this.

Within these fundamental contradictions of present capitalism there are chronic recurring partial crises. 1) Coal crisis. According to the Memorandum*) of the League of Nations on the situation in the coal industry, the coal output of the world in 1928 was only bigger by 4% than in 1913, although the production-volume of foodstuffs and raw materials has increased by 28%. Thus, improved fuel technique has led to a relatively strong diminution of consumption and thereby to a chronic crisis. 2) Over-production of fuel-oil. None of the attempts made in America to limit the production of fuel-oil has led to any results. There is now a store of 650 million barrels of fuel-oil. The output of 3—4 years has been accumulated! 3) Chronic crises in the cotton industry. In this connection, I would like to point out that in spite of the chronic crisis between the middle of 1927 and the beginning of 1929, that is to say, during 18 months, the number of spindles in this industry has increased by half a million! The old textile countries, the United States and Britain have decreased their number of spindles by nearly 3 million, whereas the countries where the textile industry is new, have increased the number of spindles by 3½ million, in spite of the 8-year old crisis.**)

I will pass from these chronic partial crises to acute crises, to new crises which signalise the maturing of a general economic crisis! I think that these new crises should be laid down in the theses.

1) The new agrarian crisis: the for years latent and once more acute agrarian crisis! At the end of May the wheat price in Chicago fell to the pre-war level (it has risen a little since then). There is considerable alarm in American farming circles concerning the latest fall in the price of wheat, and help is demanded. We know that low corn prices and the precarious position of the American farmers in general, is one of the main reasons of the enormous profits of the American monopolies. Hence, the failure to introduce in America a law which would really help farmers, in spite of many promises and long negotiations. The measures demanded by the farmers, which are practically an imitation of the import-license-system which exists in Germany, were categorically rejected by Hoover at the bid-

*) Memorandum on the Coal Trade.

**) Memorandum on Production and Trade 1913 and 1923—27

ding of the big monopolies. The spokesmen of finance capital always give the same advice to the farmers: produce less! Two methods are used now in America against the agrarian crisis: an enormous fund of 500 million dollars is created out of State revenue for the development of the cooperative system and for the stabilisation of prices!! This means that finance capital wants to help the farmers at the expense of trade capital; or it wants at least to make it appear as if it is helping. Secondly, and this is more interesting, it is intended to do a big business in China with the American wheat surplus. The comrades are aware that 30 million people are starving in China and that several million have died of starvation. Hoover was impelled to send 3 experts to China who will have to report on the manner which the American surplus wheat can be sold or used as famine relief in China! It is typical of the "pretence" spirit in America that Hoover has appointed these three gentlemen not as American president but as president of the Red Cross in America. The three gentlemen went to China at the end of May and they are expected to send a report in three weeks time. This means that one wants to repeat what was attempted a few years ago in Soviet Russia with the "ARA", only with a different political result in China! The Americans will act as the benefactors of the Chinese people who give help to the starving. They will at the same time get rid somehow of the surplus wheat stores, but will also make a good business out of it and will participate to a greater extent than before in the exploitation of the Chinese people.

I think that we must lay down in the theses this new agrarian crisis, which will not be limited to wheat but is sure to spread to other cereals and is bound to lead after a little while automatically to an over-production of cattle!

2) Last year another phenomenon was the serious international credit crisis. The comrades are aware that on the American Exchange the rate of interest for loan capital has gone up in the meantime 20%, that all issuing banks in Europe were compelled to raise the bank rate, that a sharp struggle for gold is going on between the banks of issue and that in countries such as Germany and Poland, first-rate enterprises must pay 10-15% for credit. The credit crisis has its point of departure in the United States where the boom and speculation on the Exchange are demanding gigantic sums. One can see how strong the domination of the American money market is already in Europe. This great credit crisis is the signal that another economic crisis is maturing. We should lay this down in the theses.

The third feature of the crisis is unprecedented speculation on the Exchange in the United States and also in the other countries, which is bound to lead to a crash in the not far-distant future.

A crisis is also maturing in the motor-car industry, especially in America. Not only the production capacity, but actual production has increased to such an extent that it cannot but exceed consumption. In a word, there are ever so many concrete signs that the present American boom will come to an end before Europe and particularly the poor parts of Europe, will have gone into the boom. After this turn-about-face in the economic situation, there will be no doubt an enormous accentuation of labour struggles. I think it probable that in regard to this Britain will lead the way.

The British bourgeoisie has embarked on rationalisation on a large scale which is inevitably connected with an attack on the working class, especially on the traditional trade union privileges in industry (certain tasks can be performed only by members of a certain trade union) which are in the way of a rational distribution of tasks. The fact that the Labour Party is in office, is bound to sharpen these struggles: the bourgeoisie will demand of it support for rationalisation, while the workers will demand of it better labour conditions and higher wages. This must accentuate the struggle, provided our Party learns the art of manoeuvring.

I now come to the second part of my speech, the question of the standard-of-living. I have proposed in the presidium that the point in the theses which says that the standard-of-living of the workers has been lowered, be deleted. I stick to this proposal, and would like the comrades to consider it carefully.

I would like above all to make the following explanation: when I say the workers' standard-of-living was not lowered in the last year, this does not at all mean that the position of the workers has not become worse. We must not forget that there

is a difference between the position and the standard-of-living of the working class. The position of the working class has certainly become worse because exploitation has increased. Figures can be produced to prove this. The American book on the latest Changes in the American Economy*), which is certainly not pessimistic, gives the following figures:

The share of the workers — that is the wage share — in the increase of the value of raw material in the course of production was:

1922	44.8%
1923	42.7%
1925	40.1%
1927	39.3%

You see, it is a development which bears only one interpretation. I tried once myself to calculate approximately the surplus value share in the American industry according to the Marxian definition (i. e. $m = v$). It shows the same picture. Before the war it was 121% and has developed since then as follows:

1921	105%
1923	117%
1925	128%
1927	130%

It probably amounts today to about 135%. Thus, exploitation has increased. In this connection, it must be pointed out that the actual rate of exploitation is still higher because the profit share of trade capital — which constitutes a separate part of the surplus value of industrial capital — was not taken into consideration.

Moreover, comrades, work is more intense, more difficult, more tedious and more soul destroying. Today the worker must squeeze out of himself more labour power in one hour than a few years ago. Politically, the position of the workers has become worse. All this is certainly true! But, comrades, if one takes standard-of-living in the narrow sense, as calculated in the statistics of the whole world, i. e. if one takes standard-of-living as that what a normally employed worker (48-hour week) can buy for his wage, in this sense, no lowering has taken place. If anyone asserts this, he asserts something which is not true (interjection: What about the unemployed?) How can one prove this? I cannot marshal here before you the statistics of all the countries. I will select two countries: Britain, the country of chronic crisis, and Germany which is very much burdened by reparations. We have the following figures: In the course of 1928 the money wage of the British worker (after deduction of the small wage rises which took place) was lowered by 142,000 pounds sterling per week. This amounts to less than 1% of the total wage. Compared with this, the cost-of-living decreased: from June 1st, 1928 to June 1st, 1929 by 4 points, from 164 to 160, i. e. by 2½%. Thus, 1% reduction of the money wage and 2½% reduction of the cost-of-living.

According to the German official statistics, the weekly wage (according to tariff) of the workers has risen by 5%, 7% and 8% on an average in the various groups. Compared with this, the cost-of-living in the index has risen between May 1928 and May 1929 by 2.9 points, or 2%. This means a rise of the nominal wage from 5-8% compared with a rise in the cost-of-living index by 2% (interjection: Incomprehensible!). Are these figures falsified? They are bourgeois figures. They are falsified! but in what way are they falsified? Their basis is false, and according to them the wage is too high compared with the pre-war period. The cost-of-living index is also falsified, in the sense that too many cheap kinds of goods are used as a basis. But this falsification can only be made when the original index is drawn up. It is impossible to make falsifications again and again at every calculation of the then index figure which have a definite basis, — the elements are well known and can be controlled. Therefore, we can assume

*) Recent Economic Changes in the United States. Report of the Committee on Recent Economic Changes of the President's Conference on Unemployment, Herbert Hoover Chairman.

the index figures as correct for a period when the elements of the index are not changed. (Interjection: What role do wages play among the workers in general?) It is of course possible that the earnings of the worker decrease although the nominal per-hour wage increased. Naturally, moreover, comrades, it is clear that when we include mass unemployment as an element of the cost-of-living calculation, the standard of living must of course seem worse.

The question arises what can we practically do? We can say of course with Comrade Kuusinen that all these elements are part and parcel of the standard of living. We can say that we call standard of living what Engels called the position of the working class. To do so is our indisputable right.

The question must be considered from the viewpoint of propaganda and agitation. When a Communist worker says in discussion with a Social Democratic worker that the standard of living has been lowered, the Social Democratic worker will say to him: This is not so, just look at the statistics (Laughter). Then the Communist must say to the Social Democrat: If you please, we mean by standard of living something different from what you do. (Interjections.) I am willing to accept Comrade Kuusinen's formulation, and to say instead of "Lowering of the Standard of Living", "An absolute worsening of the position of the working class". I agree to this. But I am against confusion being brought into agitation and propaganda by an incorrect sentence.

I am coming now to the next part, the question of the new character of unemployment. I will give briefly the most important figures on this subject: throughout the last seven years which preceded the war, namely, from 1907—1913, a period which includes the serious crisis of 1907—1908, unemployment in Germany amounted to 2.4%; in the last six years it amounts to 11%. In Britain it amounted in the same years to 4½% and 12% on an average respectively. Thus we witness a considerable growth of unemployment which we cannot consider temporary. What are the new features of this unemployment? They are as follows: 1. Unemployment is, firstly, not the consequence of reduced production, it runs on the contrary, parallel with a considerable increase of production. 2. It does not disappear in a favourable economic situation as this was the case with the reserve army prior to the war. There is a boom today in America, but we do not hear a word about a shortage of labour anywhere. 3. The greatest unemployment is in the most highly developed capitalist countries, that is to say, in the United States, Britain and Germany. 4. This unemployment is partly disguised by the transference of wide sections of workers from the sphere of production to the sphere of consumption and distribution. As an example of this, I will give a few interesting figures. In Britain, half a million workers were transferred between 1923 and 1928 from the sphere of production to the sphere of distribution and consumption; the percentage of workers employed by industrial capital amounted in 1923 to 77% and in 1928 to 73%, i. e. 4% less, the number of workers not employed by industrial capital*) has decreased by 4%. 5. In the U.S.A. the number of workers employed by industrial capital producing value and surplus value, has even positively decreased in the last 8 years.

The American industry absorbed the following number of workers in the last four decades prior to 1919, that is to say, in 40 years. In the first decade, 150,000 workers per year, in the second decade 105,000 workers per year, in the third decade, 190,000 per year and in the fourth decade, 237,000 workers per year. But in the last 8 years it has thrown out 810,000 workers.

If you add to this that agriculture in America is being mechanised at a gigantic rate, and that therefore more workers are thrown out every year, you will have an idea what a decrease in the number of workers directly producing value and surplus value has taken place in America in the last years!

What is the cause of this phenomenon? The cause is that there are not enough capitalist outlets to absorb again the young generation of the working class and the workers who

were thrown out of work! This is one of the most important facts in the present period of capitalist crises. In the wealthiest country, the U.S.A., we see that the productive capacity per head has increased in the last years by 40%, whereas the number of workers employed in industry has decreased. Some comrades here have indulged in the joke of calling this definition a "Varga law". I cannot let that stand. I am a much too modest person to make a law. Secondly, eight years are a long time, but they are nevertheless not long enough to establish a law. I never spoke of a law, I merely spoke of a tendency. Moreover, it would be ludicrous to connect this definition with my name, because this fact has been established for more than 3 years in numerous American periodicals and books. I will read you what is said on this subject in an already-quoted work of the American capitalists:

"It has become clear that unemployment can be the result of increased industrial production capacity. Investigation seems to indicate that the time has come to turn constant attention not only towards the problem of cyclic unemployment, but also towards the new problem of technological unemployment. No one doubts that a new kind of unemployment exists in America."

I cannot go into theoretical matters here, but I would like to say that the assertion of some comrades that development in the direction of an absolute reduction of the number of workers employed in production is theoretically impossible, is contrary to the doctrines of Marx. I will give a quotation from the 3rd volume of "Capital":

"The increase of the absolute number of labourers, in spite of the relative decrease of the variable as compared with the constant capital, does not take place in all lines of production, and not uniformly in those in which it proceeds. In agriculture, the decrease of the element of living labour may be absolute."

Marx anticipates such a development for agriculture. There is no reason why a similar development should not take place also in industry. It is quite possible that the reduction of the number of employed workers as a consequence of rationalisation will be greater than the increase caused by the extension of outlets. What would this mean? Marx continues:

"A development of the productive forces which would diminish the absolute number of labourers, that is, which would enable the entire nation to accomplish its total production in a shorter time, would cause a revolution, because it would put the majority of the population upon the shelf."

We are in the epoch of revolution, and the fact that sections of workers are constantly thrown out of the process of production is an element of revolution. What does unemployment mean to the workers? It means that the workers' existence is constantly jeopardised. This fact means that on the one hand, ordinary economic labour struggles are made more difficult because the workers are afraid of being thrown out of work. But on the other hand, on a higher plane of the revolution, the mass of the unemployed is sure to develop into a formidable fighting force! We have experienced this in Hungary, prior to the dictatorship, when the unemployed constituted the shock troops of the Communist Party. How does the bourgeoisie react to this? It sees the danger; it knows what it is doing when, for instance, a million marks is paid out in unemployment benefit in Germany, and a similar sum in Britain. I can prophesy that in America, too, unemployment benefit will soon become a regular institution. A clever ideologist of the German bourgeoisie, Bonn, writes as follows in his book on rationalisation:

"A surplus should be got out of rationalisation to support the unemployed, because one cannot simply ignore millions of unemployed in a modern economic system. The modern organised workers do not starve in silence. Social catastrophes must be prevented by social institutions, or a barrier must be erected against them."

This ideologist of capitalist society realises how great the danger of unemployment is to capitalism. The fact that collections for the unemployed were taken up in Great Britain under the patronage of the King, that the keynote of the General Election campaign was the problem of unemployment, shows

*) This group of workers comprises: commerce, local and State Government, banking, insurance, hotels, restaurants, etc. Free professions.

that the bourgeoisie is fully aware of the dangers which unemployment implies.

Chronic mass unemployment creates the basis for a new type of privileged workers who place themselves entirely at the disposal of capitalism in order not to be thrown out of work; for instance, the technical emergency aid in Germany, the numerous detectives and company unions in America, the *Stahlhelm* and, in my opinion, also the lower functionaries of the A. D. G. B. and the trade unions in general who are working in enterprises. While prior to the war it was dangerous to be a trade union representative in an enterprise, today it is an insurance against unemployment, provided the functionary is not a Communist.

This is an important element in the Fascisation of Social Democracy.

Comrades, it is getting late, and I must desist speaking on the reparations question. But there is one thing which I want to say quite briefly. It is not enough to say, as this is done in the theses: the reparation question will become more acute after the Paris Conference. It will of course become more acute later on as the imperialist differences become more acute, but we must clearly say: the Young plan is an attempt at a compromise in regard to a very dangerous point of the imperialist differences. Secondly, it means an acceleration of Germany's going over to the Franco-British orientation and to the anti-Soviet front, it also means a link in the chain of the hushing up manoeuvres of the pacifists, which are going on now. It should be also pointed out that the May Day incidents in Berlin were closely connected with the reparation question; that the blood-bath was to a great extent caused by the desire of the German capitalists to bring pressure to bear on the reparation negotiations in Paris; they wanted to show how bad the state of affairs still is in Germany. This side of the question is very well put in Comrade Remmele's pamphlet. I think it should be included in the theses.

In conclusion, I would like to make one or two critical remarks on Comrade Kuusinen's report. He said: Over-estimation of technical progress is a Right deviation. I fail to understand this. In the estimation of a fact one can go wrong, the estimation can be an error, a stupidity or can show ignorance of the facts, but the fact itself of technical progress being estimated too low or too high, is neither a Left nor a Right deviation. The Right deviation begins only when someone over-estimates the consequences of technical progress for the stabilisation of capitalism. The Right deviation begins when someone imagines that the capitalist contradictions are lessened by technical progress, that stabilisation is consolidated thereby. This is a Right deviation.

(Interjection by Ulbricht: Are there such opportunist comrades?)

(Interjection by Heinz Neumann: On the contrary, one must see that the contradictions influence the technical progress.)

One should formulate this as follows: The wrong over-estimation of the influence of technical progress on the relation between the proletariat and capitalism, is a Right deviation, but technical progress has nothing to do with it.

Comrade Kuusinen has set peace industry against war industry, and after representing correctly the limit of the development of production under capitalism, as Marx has also beautifully worked out, he says: But in the war industry progress knows no bounds, it is not limited! My rejoinder to this is: there is not an industry today which could be said not to be a war industry; every industry is somehow connected with the war industry. And vice versa, there is no war industry without a general development of the industry of the country, there is no isolated war industry!

This is very important in connection with the industrialisation in the Soviet Union. Comrades, it is clear that pushing on industrialisation, as this has been done for years by the C. P. S. U., is necessary not only because industry is the foundation of socialism, but also because the progress of industrialisation is strengthening step by step the defensive capacity and the military strength of the Soviet Union. This is of enormous importance to us, to the revolutionary movement of the world. In regard to this point, comrades, the demonstration on August 1st is connected with the industrialisation of the Soviet Union.

Comrade SKRYPNIK (C. P. White Russia):

Comrades, the line of the VI. Congress of the Comintern has been fully borne out by events on all fundamental questions — the fascisation of Social-Democracy, the estimate of capitalist stabilisation, the evaluation of the development of the U. S. S. R., the problem of inter-relations between the Soviet Union and the capitalist world, the main tactical line of the Communist Parties and the working class. On all these questions, bitter fights have been waged during the past year in all Communist Parties, in some more, and in others less, and on these fights the Parties have been consolidated and strengthened.

What characterises the life of the Communist Parties of the past year? First of all, a bitter and desperate open struggle which the Right wingers have launched against the Comintern, elements who but a year ago were still in the Communist ranks and now are outside of the Comintern, conducting their treacherous work from without.

We are now confronted with the question of the conciliators who have changed their position.

In this connection I take the liberty to mention a very important point in the life of the Comintern which, in my opinion, should be pointed out. I mean the consolidation of the leadership of our Communist Parties. Prior to the VI. Congress we had in a number of Parties an actual bloc of various tendencies and fractions. The VI. Congress of the Comintern took a clear line of consolidation of the leadership, establishment of a firm and united Leninist leadership. Much and deep work has been accomplished during the past year in this respect. I should point out that as a result of the struggle in the Communist Party of Germany, some of the worn-out Right wingers and a considerable number of conciliators have been removed from the leadership of that Party. The Party has been consolidated on the Leninist positions of the VI. Congress and the unity of its leadership has been strengthened. The Communist Party of Czechoslovakia is making good progress in the working out of a united Leninist leadership.

Factionalism which in the course of years corroded the Communist Party of America, the organisation of all life and work of the Central Executive Committee according to a system of organised factional dualism, have been put a stop to and destroyed.

I should finally point out the changes which have taken place in the leadership of the Communist Party of Poland at the last Plenum of the Central Committee which mapped out a course of setting up new relationships within the Party, the destruction of the old factional policies and the possibility of consolidation of the leading elements in a Communist spirit, removing the most incorrigible factionalists and opportunists from their posts.

I am just thinking of the course we must follow in testing our leadership, working out correct lines, and the creation of a sound Leninist leadership of the proletarian Parties. I have just listened with the greatest attention and satisfaction to an account concerning a decision of the last Plenum of the Central Committee of the Communist Party of Poland. One of the oldest and most capable members of that Party, Comrade Kostcheva, formerly a member of the Polish Left Socialist Party, who many times deviated and made mistakes, etc., has now together with another member of the Central Committee of the C. P. P., Comrade Stefansky, taken a wrong position precisely on the question of the P. P. S., its split and the relationship between it, the Social Democratic Party of Poland, and fascism. Comrade Stefansky said for instance, that fascism eliminates all intermediary social-democratic organisations and therefore threatens to destroy the P. P. S.

The Communist Party of Poland recognised this mistake. Comrade Stefansky himself also recognised this mistake before the Executive, but he appears to have taken back the recognition.

I am interested in the conclusion drawn by the Polish Party to remove Comrade Kostcheva from the leadership and at the same time to undertake a profound criticism of the socialistic past of many of the leaders of the C. P. The Social-Democratic and Luxemburg past of many of the leaders of the C. P. P. has been well criticised already. But extensive work in this respect is still necessary among the members and sympathisers of the Communist Party. Such criticism is particularly necessary among the leaders of the Polish Party in relation to the prominent former members of the Left P. P. S. who time and again were guilty of Right opportunist mistakes and have now

taken a wrong position precisely on the question of the relationships between the P. P. S. and fascism. The Communist Party of Poland must, therefore, criticise their policy more deeply, make a study of the mistakes of the former leaders of the Left P. P. S., and see whether the roots of the mistakes of these people now belonging to the Communist Party do not really lead back to their past.

(Voice: Hear, hear.)

I remember how this year when **Brandler** and **Thalheimer** started their struggle against the Communist Party of Germany and mapped out their traitorous path, spoke of the restoration of the Spartacus organisation, endeavouring to counterpose Leninism by Spartacism, endeavouring to repeat the mistake of the Spartacists of the war period, the years of 1917—18—19. I should like to ask the German comrades — tell me comrades, have you studied the question of Spartacism? Have you thrashed out among the Party membership the questions of the historical mistakes of Spartacus? We cannot forget that at the first Congress of the Comintern, the foundation of the Communist International was nearly put off for a number of years, thanks to the resistance of the representative of the Spartacus Bund of Germany, — **Eberlein** — who is now quite a prominent figure among the conciliators.

What do you think, comrades, is it necessary or not to take up the experience of the German Spartacists which was then widely known in your movement and of which only few members of the German Party are now aware?

I listened very attentively to Comrade **Kolarov's** speech. I know the history of the Bulgarian Party, I know its good past. It has a fortunate past because very long ago, many decades ago, it split away from the Social Democrats, the present social-fascists. But if Comrade Kolarov wants to call the attention of the Bulgarian workers and Communists to the glorious traditions of the Bulgarian Party of the war days, I should like to hear him recalling the differences which then existed between the line of that Party and the Leninist line. You need not forget that this difference caused the big mistakes at the moment of the Zankov coup d'Etat.

I greatly respect our **Young Communist Leagues**. I know that they occupy excellent positions, that together with the Communist Parties they fight for a correct Leninist line. But I will read to you a passage from the programme of the Y. C. I. "The revolutionary banner, disgraced and betrayed by the Parties of the Second International was raised again by the proletarian youth together with the Bolsheviks". I must give due respect to the revolutionary youth of the war days which fought against social-imperialism. But this does not justify one in saying that the line of the proletarian revolution was restored during the war by the Young Communists "together with the Bolsheviks".

I think, comrades, that there is only one line, one truth, and that is Leninism. Any line going counter to it, or differing from it at any period in the history of its development may have most dangerous consequences. That is why it is absolutely necessary to approach the past history of our Parties from the point of view of their differences with and deviations from Leninism.

The principal line has been correctly outlined in Comrade **Manuilsky's** speech, and that is the struggle for the majority of the working class. We cannot do anything without that. We must examine the organisational status of many Parties from this viewpoint. I will point out for instance such an organisation as the Communist Party of **Western Ukraine** and several other Parties in countries where there are no considerable proletarian masses. In those countries our policy must be to proletarianise the Parties.

At the same time, we definitely know that a necessary condition for the capture of power, for decisive proletarian conflicts, the capture of the majority of the working class, is the neutralisation of the **peasantry**. Work amongst the broad masses of peasants, amongst the masses of rural toilers, has the object of neutralising these elements in the struggle of the proletariat for power. This is a fundamental task. The peasant problem is most acute in the countries which in the programme of the Comintern are classified as countries of the second category. In the countries where, side by side with great capitalist development, there are strong survivals of feudalism and serfdom, where there is a considerable agrarian peasant movement, where there are large masses of oppressed nationalities. From this view-

point, the proletariat of these countries, as the programme of the Comintern correctly says, is confronted with the task of leading the struggling peasantry and the national-revolutionary movements. This is the case in Czechoslovakia, Poland and Roumania. In these countries the task of the proletariat is not only to capture the majority of the working class, but also to lead and develop the revolutionary peasant movement, the national revolutionary movement. From this viewpoint we must now test the work of our Parties.

In this respect matters are not what they should be. For instance, in November 1928 the Polit-Bureau of the C. C. of the **Communist Party of Great Britain** discussed a series of questions among which was also the colonial question, and decided to copy the original theses of the Comintern and the amendments made by the British delegation and to distribute that material amongst the leading comrades in the centre and of the locals. What kind of amendments are these? The amendments were rejected by the Comintern. The theory of colonial de-colonisation was rejected. But instead of undertaking to make propaganda and to orientate the Party along the correct line of the VI Congress on the colonial question in general, the Party undertook to continue its discussion on the question of the amendments which the British Delegation introduced.

This means that the Communist Party of Great Britain did not have and does not as yet have a correct position on the colonial question.

Take for instance the mistakes discovered by the Comintern in the activities of the **Communist Party of Poland** expressed in insufficient work on the occasion of the Tenth Anniversary of the Polish Republic. For instance, the anti-Ukrainian pogroms in Lvov during the tenth anniversary of the national Polish-Ukrainian War found practically no echo in the C. P. P. Why? Are such omissions accidental? I think they are not accidental. The resolution of the C. C. of the C. P. P., which speaks of the importance of testing the old P. P. S. mistakes of some of the leaders of that time, give us the key to the question why our Polish Party was not active enough precisely on the national question, the point on which the Communist Party was the weakest.

Finally, a few words on the question of the forms of the movement. Our line is that of utilisation of all possible forms of the mass movement of the proletariat. In our opinion, these movements have to be guided, and in the process of guiding a basis has to be created for ourselves within them; at the same time the movements have to be developed into higher forms — isolated strikes into mass strikes, mass strikes into political strikes, political strikes into demonstrations, the final object being an armed uprising. I am confronted with the question of the tactics of the Communist Parties with regard to clashes resulting from individual mass actions. Our Communist Parties must, when occasion arises, deal with these questions. Of course, we are not a fire brigade to pour out tactical calmness through the fire hose to quench the revolutionary fervour of the masses. We must realise that the Social Democratic wisdom to the effect that we must not provoke the masses, that we must not incite them to premature action etc., must always be placed under a question mark. Of course, we are not living now in an immediate revolutionary situation, but in a period when the prelude to the revolutionary situation is developing, when the proletariat is starting a counter-offensive. We are accordingly confronted with the question of rousing the energy of the masses and organising our leadership of the masses in all forms of mass action and mass struggles of the proletariat. Of course, we cannot undertake now to issue calls for armed clashes, for armed conflicts and armed uprisings. This is not the chief task of the moment. The chief task now is the revolutionary organisation of the militant action of the broad masses of the working class.

But it seems to me that in order to be a real revolutionary leader of the proletarian masses in the forthcoming mass conflicts, an energetic struggle must be waged against legalism. What is legalism? It is to be accustomed to live within certain legal limits, within the bounds of definite laws, adapting oneself to the idea that neither buildings nor printing shops nor headquarters, nor money or legality must be risked. These legal habits constitute one of the gravest social-democratic notions, one of the most dangerous relics of social-democracy which shackle most of our Communist Parties. The struggle against legalism must be on the order of the day in all Communist Parties, especially in the Czechoslovakian, French and

other Parties. Wherever we already have a fairly broad mass movement and where we possess a multitude of old social-democratic survivals, where we have old traditions of legal work, it is necessary to organise illegal revolutionary nuclei, to organise an apparatus, an illegal Party apparatus, which would be able to displace the existing legal apparatus in case of fascist coup d'états and open warfare. That is the immediate organisational task confronting us to-day.

It seems to me, comrades, that the past year has fully and entirely confirmed the correctness of the line taken by the VI. Congress of the C. I.; this gives us full assurance that in pursuing this path henceforward, testing our ranks, testing our old traditions, fighting the remnants of legalism within us, fighting the Social Democracy, etc., we can organise our leadership, organise our Parties in the struggle, and enter the decisive final conflicts.

Comrade BELA KUN (Hungary):

Our Party, the C. P. of Hungary, has not been rightly criticised on the question of preparation for the International Day Against Imperialist War. Self-criticism is a useful thing not only after, but also before action. Nevertheless I do believe that we shall soon put right the mistakes for which we have been reproached.

Now as to the arguments of Comrade Varga. Comrade Kuusinen has left to Comrade Varga a fairly pleasant position. Comrade Kuusinen has almost conceded to Comrade Varga when he spoke about the question of the standard of living of the working class, identifying the conditions of the working class with its living standard. Comrade Varga simply wanted to impose upon us here the conception of the bourgeoisie and the Social Democracy about the question of the standard of living, to make us accept as the basis the very definitions which have the purpose of deceiving the working class. In so doing, he dealt with these questions not only from the standpoint of abstract statistics, but also in an absurdly abstract manner. Comrade Varga commits also quite a concrete methodological mistake in his treatment of statistical data. He spoke as though the average wages of the average worker and the standard of living of the working class were identical concepts. How did it happen? I will try to point it out. Let us take the numbers of the working class before the war as 100, and the rate of employment and of real wages equally as 100. Let us say that with these real wages it was possible to purchase an x quantity of commodities. Granted that in 1929 the numbers of the working class and the level of real wages remained the same (in reality, this was not the case, as there was a drop in the real wages). Yet if the rate of employment of the working class has dropped to 80%, it means that the x quantity of commodities purchasable by the real wages, has been reduced by 20%. Hence, the standard of living has been brought down by one-fifth, since the working class is composed not only of those employed, but also of the unemployed and semi-employed. And the worker, who in the majority of cases does not form his views upon the statistical materials of the bourgeoisie and the S. D., but rather upon the feeling of his stomach, will bear out the fact that the standard of living of the mass of the workers has naturally come down. Therefore, if we wish to arrive at the standard of living of the working class, we should not merely take as the basis simply the average real wages of the employed average worker, but we should rather take the sum total of the real wages of the employed members of the working class, i. e., the quantity of commodities purchasable by these real wages, and divide it into the whole of the working class. Only in this manner can we ascertain whether or not the standard of living of the working class has come down. Comrade Varga has committed a big methodological error in his treatment of the statistical material. But it is not only a statistical error; this methodological error in statistics leads also to a big theoretical error. If we take Comrade Varga's statement for our basis, we can only admit the relative destitution of the working class. Lenin, in his essay on the Romantic School of Economics, dealt sharply with those who delete the absolute destitution of the working class from the theoretical system of Marxism, substituting for it a doctrine of relative destitution. If Comrade Varga will but seriously reflect on this matter, he will not persist in his statistical methodological error.

To my mind, the question of the social-fascist evolution of the Social Democracy is to-day just as important and urgent as the question of elucidating the role of the so-called "pure democracy" during the time of the first fights of the Communist International. All the more so since fascism in its various guises, during the third period of the post-war crisis, has played almost the same role in the revolutionary development as was played in the first period, in the period of the immediate revolutionary situation, by the famous "pure democracy", i. e., by bourgeois democracy pure and simple. It is therefore no accident that on the question of social fascism there is now in the Labour movement a centrist wing, a centrist group, as it existed then on the question of "Democracy versus Dictatorship". What was said and done then by Hilferding, Crispian, Bauer, etc., on the question of "Democracy versus Dictatorship", is said and done to-day by the Rights and the conciliators, by all the opportunistic elements which are either still to be found in the ranks of the Communist International or are already outside. The centrists of those days raised the idea of a metaphysical democracy as against the dictatorship, regardless of the class content of democracy and dictatorship, while they really defended the interests of capital. The centrists of to-day within and without the Communist International are representing bourgeois democracy and fascism as two contrasting things that are mutually exclusive.

Thus the centrists of to-day virtually recognise the existence of "pure democracy", the same as Kautsky and Bauer recognised "pure democracy" in those days. The opportunistic elements deny the possibility of social-fascism; they deny even the possibility of the evolution of social democracy in the direction of social-fascism, precisely because they misrepresent the democracy of the bourgeoisie as a non-class democracy. It is declared by the German conciliators in their famous platform:

"It is un-Marxian to put down all the repressive measures of the bourgeois State against the proletariat as fascism, and every participation of the social democracy in such repressive measures as social fascism."

True, no one thinks of branding all repressive measures as fascism, no more than one would brand every participation of the social democracy in the repressive measures at any time as social-fascism. Noske in 1919 was as yet no social-fascist; although he was already a qualified assassin of the workers, nevertheless he was only a budding social-fascist. For the fascist development of the social democracy, its evolution into social-fascism, is only a product of subsequent post-war developments. This evolution started — as we can see to-day — already during the war; but it became enlarged and unfolded only in the third, post-war period of capitalism when pure "democracy" as a system proved inadequate to put down the revolutionary working class. The Brandlerites write in their organ "Against the Stream":

"But fascism gains ground only when the bayonet becomes independent and when its point is turned also against bourgeois parliamentarism. Yet this is no gradual "transition" in the course of which parliamentarism becomes transformed into its very opposite, but it constitutes rather a jump, practically a coup d'Etat."

What the conciliators have not uttered, is said here by Thalheimer (he is probably the author of the article). The underlying idea of both theses coincides.

At the III Congress of the Communist International the following was said by Lenin in his famous speech on the tactics of the R. C. P.:

"I am quoting," said Lenin, "what Engels wrote in his letter to Bebel on December 2nd, 1884: 'The "pure democracy" in a moment of revolution may serve as the last saving anchor of the whole of the bourgeois, even of the feudal economy. Thus, the united feudal-bureaucratic mass (March-September, 1848) reinforced the Liberals in order to keep down the revolutionary masses. At any rate, our only enemy on the day of the crisis and on the day after, is the united reaction rallied around the "pure democracy"."

This is what Lenin said. On the grounds of this thesis, before dealing with the evolution of social democracy into social-fascism, we must examine the question of the transformation of democracy into fascism. Thalheimer and his fellow-

thinkers exclude the possibility of the transformation of democracy into Fascism. We are demonstrating — and this I am trying to show — the possibility, nay, even the necessity of the transformation of democracy into fascism. Only in this manner can we arrive at a general formulation of social-fascism.

The first question is the following: why at the moment of the extreme crisis, in the years 1917/18/19, at the time of the immediate revolutionary situation, the "pure democracy" proved the saving anchor of capitalist economy and the crystallising point of the whole reaction, as pointed out by Engels and Lenin? Because: 1. In a number of countries the bourgeois-democratic revolution after the war was not yet completed. In the countries of the newest democracy, in the countries of Middle and South Europe, a number of bourgeois-democratic demands and problems was still unsolved. In the countries of the "oldest democracy" (England, France, etc.), in the eyes of the large masses of the people, the restoration of democracy meant the discarding of the war time measures. For this reason the "pure democracy" was a suitable means to keep down the revolutionary trend of the working masses. The working masses, in the countries of the "newest" as well as of the "oldest" democracy, considered the democracy desirable. 2. The bourgeoisie, as the result of the economic crisis, of the war and of the difficulties of demobilisation, was tremendously weakened. It recognised for the time being the "pure" democracy, as pointed out by Lenin, to be the method for maintaining its domination, the means of maintaining the capitalist system of exploitation.

In a number of cases the bourgeoisie went even further in its manoeuvring. We recollect how under certain circumstances the bourgeoisie was prepared for a time, as a manoeuvre, to recognise the Soviets. We recollect the time of the Kronstadt mutiny when Miljukov's slogan was: "Soviets without Bolsheviks". Even the Mensheviks gave out the slogan: "Soviets without Bolsheviks". In Austria the bourgeoisie for a time even recognised the Soviets as a means towards maintaining the rule of the bourgeoisie. (A voice: "Also in Germany.") Yes, also in Germany. 3. The so-called "pure democracy" was then put up in opposition to the proletarian dictatorship as the only means, and above all, as the means against the newly formed Communist Parties and against the proletarian dictatorship in the Soviet Union. (Manuilsky: "What is pure democracy?") Pure democracy, as everybody knows, does not exist. When I speak of "pure democracy" I use the inverted commas, because the "pure democracy" is the cloak for the class character of bourgeois democracy. This has already been established by Engels. The chief exponent of so-called "pure democracy" which really means bourgeois democracy, was the social democracy. We can clearly see the function of this pure democracy, which is to keep down the revolutionary working class.

I believe it will be no pessimism if I say that the bourgeoisie vanquished us in 1918—19 in a number of capitalist countries. This meant the victory of the bourgeoisie by means of "pure democracy", with the aid of the social democracy, through keeping down the working class during the first revolutionary period. Then came the consolidation of the State apparatus of the bourgeoisie, and its relative stabilisation, but at the same time came the consolidation of the Communist Party, and in the first place, the consolidation of the Soviet Union. This was also accompanied by the decline of democracy. A large section of the artisans, the intellectuals, and the petty-bourgeoisie, went over into the camp of fascism. At that time came the new intensification in the third post-war period, both in some countries as well as on an international scale. Then came the intensification of the essential, central antagonisms of the new pre-war period, so to speak. The period marked by these features was the period of the transformation of democracy into fascism. This process has not yet been completed. This process is yet in its infancy in a number of countries. It would be a big mistake to confuse the beginning with the end in this process of fascistisation. This process is still going on, and in various forms in the different countries; and these "national" distinctions should be very much taken into consideration.

At the time of the VI World Congress a whole treatise was written by Thalheimer on the character of fascism, in which he drew a parallel between Bonapartism and fascism.

He raised the thesis that there was no possibility of democracy evolving into fascism and of social democracy evolving

into social-fascism. Hence, the idea of the Rights and conciliators is this: democracy, parliamentarism, social democracy on the one hand, and fascism, fascist corporations and fascist mass organisations on the other hand, are two different systems in principle. I must reiterate that this thesis coincides with Kautsky's assertion about the existence of classless democracy. He maintains that the democracy is not the means of domination used by the bourgeoisie, but something differing in principle from fascism. Therefore, in common with Thalheimer, he sees a difference of principle in the class content as between bourgeois parliamentarism and fascism on the one hand, and social democracy and social-fascism on the other hand. The opportunism of Thalheimer and his friends excludes the possibility of the transformation of the democratic repressive elements into fascism. This, however, means not only a negation of Marxism as a theory, but elementary ignorance in regard to the actual fascist developments in Europe, and primarily in Italy. In a book entitled "Substance and Origin of the Fascist State", the following was written by Professor von Beckerath:

"Mussolini poured out upon his audience (at the inaugural meeting of his fascist bands in Milan) a cornucopia of syndicalist demands: the convening of a constituent assembly that was to be in the nature of a branch of an international body of that character: the proclamation of a republic; far-reaching decentralisation and autonomy for provinces and communities; abolition of the senate, the aristocracy, compulsory military service; the proclamation of freedom of assembly and press; the dissolution of limited liability companies, the elimination of speculation by banks and stock exchanges; the confiscation of unearned increment, the land to the workers, the syndicalisation of the means of transportation and the public utilities. It was the very opposite of what Fascism was going to accomplish afterwards. Yet on one point it remained true to its pledge: the demand of reorganising the economy by means of trade corporations."

Thus, the bourgeois professor teaches the learned "Marxist" Thalheimer about the possibility of democracy becoming transformed into fascism. Yet Mussolini did not even subsequently give up all democracy and syndicalism. Beckerath writes that a fascist meeting of workers had sent greetings to the workers of Dalmine who had seized a factory and had raised over it the flag of the syndicalist union.

The "socialist" features of Mussolini's fascism have gradually faded away. Nevertheless, for a long time fascism maintained its double face, on the one hand against capitalism, and on the other hand against the insurgent proletariat. As against those who deny the fascist development of social democracy, I urge that Mussolini's fascism, even in its second stage of development, has carried on agitation and propaganda against capitalism not less, but rather more than is done today by Wels, Hilferding, MacDonald or Leo Blum.

The peculiarity of the Italian system of fascism, considered from the standpoint of ideology, consists primarily in its syndicalist origin. It has been nurtured not by democratic socialism, but by anarcho-syndicalism. And herein is one of the differences between classic fascism and social-fascism. Not democratic socialism, not social democracy, but rather anarcho-syndicalism, which has certain anti-democratic traits, with its famous "ideology of trade corporations", has placed its peculiar ideological stamp upon the Italian fascism. It has stated its anti-democratism, or rather its break with the liberal idea of the State, much more clearly than this is done by the social-fascist system today. Comrade Manuilsky's formulation of fascism is correct, but incomplete. The fascist state is not only a system of extreme centralised state violence; fascism, by its very ideological origin, implies a break with the liberal idea of the state, it signifies the prevalence of the executive authority over the legislative, it means social demagoguery in order to extend the basis of the bourgeois dictatorship. (A voice: "This is a juridical formulation.") It is not only a juridical one. A substantial element in the concept of fascism which should not be ignored is the social demagoguery due to the effort of fascism — naturally, in the interest of the big bourgeoisie — to rely upon the large strata of the petty-bourgeoisie, upon the declassed elements of the working class, upon the intelligentsia, and upon the peasantry. Fascism is no "pure" bourgeois militarist terror, but a terror based upon the large masses by

means of social demagogy. (Manuilsky: "Is this the only amendment you wish to introduce?") To my mind, the system of corporations does not constitute the inseparable part of fascism that many imagine it to be. (A voice: "Absolutely".)

The system of corporations is a substantial feature of fascist agitation, but no inseparable component part of the system. Mussolini ruled for a long time by "parliamentary means" even when he was already ruling in fascist manner, and his system of corporations even today, as may be pointed out by all the Italian comrades, still remains on paper.

Now as to the development of social democracy into social-fascism. Italian fascism, as I have already said, has dropped its democratic phraseology relatively sooner than the social-fascists in other countries. It has done this because the working class in Italy was led not by the social-democratic, but by the syndicalist elements. Another reason was that Mussolini and fascism in Italy did not rely primarily upon the workers, but rather upon the petty-bourgeois and peasant elements who have already become disappointed in democracy. Mussolini's alliance with the big bourgeoisie was not so close at first as is today the alliance of the social democracy in Germany with the big bourgeoisie and with trustified capital. Some of our Italian comrades have evolved upon these specific traits of Italian fascism a theory of "Exceptionalism", and they say that fascism is an "exclusive" Italian product like macaroni or the famous Frascati wine. Some comrades draw even a fundamental distinction between democracy and fascism. Comrades, we the Hungarian communists have also made similar mistakes previously, some years ago, when we conceived democracy as against fascism in a form that was practically erroneous. The Hungarian Prime Minister, who is not so foolish in questions of real politics, said some time ago the following, in a programme speech on the fascisation of Hungary: "In my opinion these two principles (the corporation system and democracy) supplement and strengthen each other." He who resorts to repressive measures against the working class, even if he talks about "two principles", knows full well that the corporation system and democracy are equally the coercive forms of the bourgeoisie for the oppression of the proletariat, and that they are not only uncontradictory, but rather supplement and strengthen each other. The element of social-demagogy in fascism can even be strengthened by means of certain democratic methods; the persuasive power of social demagogy can only be enhanced through the democratic elements. Hence it stands to reason that the sham democracy of the social democracy in no way excludes its evolution towards fascism.

It is even possible to outline the path along which social democracy marches towards fascism, becoming transformed into the latter. The first factor is the change in the social basis of social democracy, in the social composition of the social-democratic parties. The present labour bureaucracy in the social-democratic parties is no longer the same as before the war. Michels and others have written very interestingly about the labour bureaucracy of the pre-war period. But if we bear further in mind that the labour bureaucracy today is no longer confined to the friendly societies and trade unions, but is already participating in the state apparatus, then we may see an important change in the structure of the labour bureaucracy, its complete fusion with the apparatus of the bourgeois state. We have before us the open orientation of the social democracy upon the labour bureaucracy on an international scale; its competition with the petty-bourgeois parties for petty-bourgeois support; the growing role of the unions of petty officials, and so forth. We also find a change in the attitude of the social democracy in the agrarian question. All the social democratic parties have adopted agrarian programmes of a Kulak nature. According to Otto Bauer, the land shall be given to the peasant who manages his farm the best. The German social democrats, too, have adopted a kulak orientation, whereas the kulak in the German and Austrian village does not belong to the democratic element.

The German social democracy, at the Görlitz Conference, has clearly shown its repudiation of class character when it declared itself a "people's party". This was the first step of the social democracy in the transition from people's party to people's dictatorship, which is now preached by Gryzinski, Wels, and the others. But it is even more interesting to observe a quite common feature between Italian fascism and the

German social-fascism of the social democracy. According to the fascist ideology the workers and the capitalists are equally "producers". What does economic democracy mean in this connection? Economic democracy implies then the "community of producers", i. e. of the workers and the capitalists, the community of labour leading to social-fascism. This idea of the workers and the capitalists being equal producers leads to an important change of position by the social democracy on the question of coalition policies. It is still described by Brandler, Thalheimer, etc., even today as "coalition policy". Yet the coalition policy of today is no longer what it used to be. It now relies already upon "economic democracy" and upon the ideology of the unity between workers and employers. The process of the evolution of social democracy into social-fascism is not yet complete, nevertheless the social democracy, even organisationally, is adapting itself to this evolution on a far-reaching scale. A case in point is the abolition of any inner Party democracy in the social-democratic parties. This has its origin not only in the fusion with the capitalist state apparatus and in the fusion of the trade union apparatus with the capitalist economic apparatus, but also in the fact that the S.P. in Germany possesses now its own huge capitalist enterprises. I recollect, in this connection, the data published in a certain journal from which it follows that the A. D. G. B., besides various labour banks, etc., is running, for instance, a building enterprise which employs over 23,000 workers. There are also many other enterprises of this kind. Thus, on the one hand, there is personal unity between the bankers and the social democrats, and on the other hand, an economic fusion with trustified capital. All this might be summed up in saying that the social-democratic and reformist ideology is dying out while social-fascism takes its place. The social democracy used to be a reformist, i. e. a bad labour party; it fought for reforms, not as by-products of the revolutionary struggle as we do, but as means for the reformation of the capitalist system; nevertheless it did fight for reforms in the pre-war period. These reforms it considered as aims, but also as achievements of the class struggle; it still associated the reforms with the struggle of classes. Today the reforms are not traced to the class struggle, but are based upon the "duties" of the bourgeoisie, upon the "duties" of capitalist private property, upon the "duties" of monopoly capital. The slogan of feudal socialism was: "noblesse oblige"; the slogan of the economic democracy of Naphtali, Tarnow and Co. is: the monopoly possession of capital obliges. One should only add that the social democracy not only refuses to fight for the daily demands of the workers, but even opposes them. Thus, the coalition policy of social democracy today implies not only participation, but also partnership in the business of the bourgeoisie. This constitutes a substantial feature in the evolution of social democracy towards social-fascism.

I shall now deal briefly — as I have little time at my disposal — with the question of the difference between social-fascism and fascism. It would be necessary to define whether social-fascism is only a step towards fascism, or if it is a separate phenomenon. At all events, there are still insufficient facts, the evolution of social democracy towards social-fascism has not yet sufficiently advanced to enable us to determine whether social-fascism constitutes a special and final form of fascisation in a number of countries, or if it constitutes a step towards the complete development of fascism also in countries like Germany, Poland, Roumania, etc., which are on the road towards fascisation. Whatever may be said by the Rights and Conciliators, the Italian development is no argument against the possibility for the social democracy to evolve into pure fascism. We have seen how Italian syndicalism has developed into fascism; how Italian trade unionists and social democrats like D'Arragona and Rigola are directly and openly at the service of Mussolini; how Right and Left Russian social revolutionaries in the emigrant press have gone down to fascism. The possibility is not excluded, therefore, that in the course of development the social democracies of Germany, England, Poland, France, and other countries might follow the same road. It might be said, with certain reservations, that the pure type of fascism has developed out of social-fascism in those countries where the development of monopoly capital has been more advanced, as was the case in Italy.

Therefore, in our judgment about the development of social-fascism we should not blind our eyes to the fact that the

bourgeoisie is trying to bring about the fascisation of the working class not only through the social democracy, but also in a direct manner, so to speak, as it was the case in Poland, where by the side of the P. P. S. we find at work the Jaworowski Party and the fascist mass organisations contributing to the fascisation of the working class; or as we see in Hungary, where by the side of the social-fascist official social democracy there are various fragments of the social-democratic party influencing the working class in the direction of fascism. If there is a sham fight between the social democracy and these open fascist organisations, it is by no means a fight between two principles, but rather a clash between two methods of fascisation. It is to a certain extent a fight over the question of the scope of social demagogy. The relationship between social democracy and fascism in the third period has the following distinction as compared with the preceding period: the bourgeoisie used to invoke the service, now of the social democracy, now of fascism, in order to maintain its system of capitalist exploitation, in order to keep down the working class. Today this development has reached a new stage; the "pure democracy" is becoming more and more impregnated with fascist elements, the boundary line between fascism and social democracy as the exponent of democracy is becoming gradually obliterated, while social democracy develops into social fascism as the exponent and servant of the fascist dictatorship of the bourgeoisie.

Thus we arrive at something like a precise — even if only approximative — formulation of social-fascism:

In the period of the upsetting of the stabilisation which was relatively established by the bourgeoisie through its ruling apparatus, while the working class is becoming radicalised and the Communist Parties grow in strength, — in such a period the social democracy proves to be no longer the suitable method for the maintenance of the dictatorship of the bourgeoisie, of monopoly capital. Monopoly capital — especially before the new war — is on the look-out for new methods of domination, which assume various fascist or semi-fascist features in the different countries, while masked under various forms of democracy, so as gradually to transform democracy into fascism. The evolution of the bourgeoisie is followed by the former exponent of "pure democracy", the reformist social democracy, which becomes a means for the open dictatorship of capital, i. e. it becomes transformed into social-fascism. The social democracy is anxious to persuade the bourgeoisie that it still needs the help of social democracy for the salvation of monopoly capital. Under the new circumstances, in the period of the upsetting of the stabilisation, social-fascism pursues its old aim by new methods. The aim is still, to save capitalism. In this stage of development there is the decline of social-fascism, which becomes partly transformed into the social-demagogic element, and partly into the element of the mass violence of fascism.

This I do not yet consider to be a quite precise formulation. Nevertheless I do believe that the Theses ought to be amplified upon the basis of this formulation, in order to furnish a clear line of policy to the Sections of the Communist International on the question of social-fascism.

As regards tactical conclusions, I believe that in the present stage of development of social-fascism we have to be prepared rather for armed clashes with fascism and its social-fascist organisations, more than ever before. This does not mean to say that we should toy with the idea of armed insurrection, disregarding the advice of Lenin. But we should exert all our efforts to create the defence organisations of the proletariat in the form of mass organisations, and to strengthen the existing self-defence organisations, in order to defend the proletariat against fascism, in order that the Italian experience might not be repeated. It means that we should pursue our mass activity primarily in the factories, doing our utmost to increase the defensive ability of the proletariat against social-fascism. Naturally, we ought to be prepared for illegality, not in the sense of completely going underground, but in the sense of putting at least a section of the cadres upon a conspirative footing. In this period of the emergence of new revolutionary mass fights we should do our utmost to combat the social democracy, and in the first place, the Left wing of the social democracy.

Comrade J. R. CAMPBELL (Great Britain):

Comrades, the resolution before the Plenum, in its analysis of the events which have transpired since the VI. World Congress, definitively liquidates those misunderstandings and misrepresentations of the meaning of the third period, which were widely spread among all Sections of the C. I. and which formed the basis for the platform of the Rights and of the conciliators.

There is no doubt whatever that the basic economic contradiction of capitalism in the present period, the disparity between the growing powers of production and the world market is increasing. The hopes that were raised two or three years ago by certain bourgeois economists and by the Social Democrats that capitalism would be able to diminish these contradictions have remained absolutely unfulfilled.

Everywhere, we see a strengthening of the basic economic contradiction between the growing powers of production and the relatively shrinking world market.

In two countries, however, we saw, after the VI. Congress attempts to develop a theory of exceptionalism. We had in the United States of America an attempt to argue that American imperialism was still so strong and so progressive, still so able to win huge super-profits, that the intensification of the class struggle did not exist in America, and that therefore the new tactics which were necessary for other countries of the world, were not necessary for the United States of America. The C. I. did right in repudiating this theory and in putting the American comrades on the right line.

In Great Britain, however, we had developed a theory of exceptionalism of a different kind. Here we had it suggested that because of the age of British industry, because of the deadweight of financial burdens which it carries, because of the scattered nature of its productive units, and because of the different financial policy it had pursued since the termination of the war, we had it suggested that British industry was not in a position to carry through a comprehensive technical rationalisation; and that while, in other countries, there might be a rationalisation drive, leading to an increase of total national production over pre-war level, that such a development was excluded in Great Britain.

The other side of that theory was presented by a certain number of the delegates to the VI. Congress, who opposed the Colonial Resolution and argued to the effect that British capitalism was pursuing a deliberate policy of letting down its basic industries in Great Britain, and was concentrating on a policy of deliberately industrialising the British colonies. The World Congress decisively eliminated that deviation on the part of British comrades. But in my opinion it did not sufficiently notice that that point of view was part of a general point of view with regard to the possibility of rationalisation in the British economic system. I think it is time for the E. C. C. I. to note that the same characteristic rationalisation drive and the same improvement in production which it noted in general for all countries, during the VI. World Congress, is also true of Britain at the present day. We know that at present there are all signs, even in the preliminary stage of rationalisation, of a certain recovery in British exporting industries, in the iron and steel, and in the shipbuilding industries. We have British coal and steel beginning to press back in certain markets American coal and steel, and therefore we cannot any longer draw a picture of unrationalised British capitalism being steadily driven back by its rationalised competitors in every market. This rationalisation process does not of course mean a softening, but means, on the contrary, an intensification of the class struggle in England. Every step in this process of rationalisation will undoubtedly mean increasing pressure on the workers and will also call forth increasing resistance, because in no country of the world are the craft traditions of the workers so strong as in Great Britain, and in no country will the drive for speeding up of production produce a sharper reaction than in Great Britain.

Here, however, we must quarrel somewhat with Comrade Varga with regard to a specific feature of his analysis of the rationalisation process in Great Britain. Varga writes:

"I said that what is now happening is an organised diminution of loan capital's share in profits, to make in-

dustrial capital again profitable. What happened in Germany, and on the European continent generally, through inflation — the liberation of industrial undertakings from their old debts — is now proceeding in an organised fashion in England."

I think that while it is true that the financial capitalists who have given big loans to industry, have been prepared in certain recent measures of reorganisation to exchange those loans for a first call on the profits, nevertheless, that is not a general feature of the rationalisation in England. Indeed, one of the features of rationalisation in the iron and steel industries is the extent to which the reorganised undertakings have taken over, without writing down the responsibility for the financial obligation previously incurred.

I think that this is a very important point because English industry is starting its rationalisation drive right at the commencement, burdened by a heavy load of loan capital. and that means, to make the process of rationalisation effective, there will have to be the most extreme pressure on the working class in the industries in England which are now commencing rationalisation. Nor does the rationalisation process mean a diminution on the pressure on the colonies. On the contrary, I believe, that the more English industry rationalises itself the more the question of markets will become acute, the more it will endeavour to put barriers in the way of the independent industrialisation of the colonies, particularly India. The more the colonial struggle develops, the more it will use methods of repression.

Taking industry as a whole, we can say that wages in England (if we take the standard of life to mean purchasing power) are only a few points below that of pre-war. But is it fair to take the question of the standard of life and separate that question from the intensity of labour and the wastage of the workers' labour power? It is true that the standard of life in terms of goods that it can purchase, is only a few points lower. But it is equally true that the intensification of labour is such that the same amount of goods which enabled the worker to reproduce his labour power in pre-war days will not enable him to reproduce it at the present day. Therefore I think that we should not give in to Comrade Varga by making any definition which would obscure this point.

Now a word on the **General Election in England** and its aftermath. We have been described here as swimming against the stream during the General Election. In the resolution on the trade union question, for the first time we read about a depression amongst the English working class since the end of the General Strike. I think for the first time in the Comintern since 1926 it has been acknowledged that there was a depression in England following the General Strike, and that the English Party was swimming against the stream. Hitherto it has been represented that there was a steady swing of the masses towards the English Party and only the stupidity and the mistakes of the leaders of the English Party prevented them from reaping the full results. I think that we have got to take into account that there were great objective difficulties before the Party in England.

Nevertheless we cannot possibly deny the fact that the Party in the last few years has lagged behind events, has committed blunders, and therefore obtained worse results after the General Election than would have been the case if it had pursued a correct policy even in the difficult objective situation. I think that the basic reason for that was that the Party was slow to recognise the consolidation of the bureaucracy after the miners' lockout and to draw the necessary conclusions.

I think it was a grave defect that our Party was unable in the middle of 1927 to change its line and to come out sharper in the leadership of economic struggles and in political opposition to the Labour Party.

There is no doubt whatsoever that since we did change our line that many of the old habits of working remained. We worked for eight years inside the Labour Party. In the process of our work we often degenerated from a Communist standpoint to a Left Social Democratic standpoint. After the policy was changed, the impression of the great strength of the Labour Party still dominated our Party leaders and caused many

vacillations with regard to the fight against the Labour Party. We did not sufficiently realise that the new policy did not mean a surface change, but a complete ideological revolution within the Party with regard to the old methods of work, the old methods of agitation, its attitude towards the Left Social Democrats and so on. And in those circumstances, many Right mistakes occurred. The drive for the new policy was not made sufficiently strong. Mistakes were made with regard to our approach to the Left Social Democrats as in the Cook-Maxton movement. But we also found in England, as we always find when the line is changed from a Right wing to a correct policy, some comrades who went to the other extreme. As a consequence we had to acknowledge in the period under review not merely Right deviations in England but very serious sectarian deviations with regard to the national Left Wing movement and with regard to the application of the united front from below.

The IX. Plenum resolution, on the basis of which we changed our line, left many tactical problems unsolved, and as a consequence of that we had to grope our way to the solution of those problems, sometimes going too far to the Right, other times going too far to the Left. Nevertheless we are prepared to say that the English Executive Committee has made and is making a genuine attempt to carry through a completely Leninist policy in England.

The MacDonald Government is now revealing itself more than any worker outside the Communist Party believed as a government of reaction. There is no doubt that we will see an early development in the Labour Party of a pseudo-Left opposition to MacDonald. The pseudo-Left opposition, which remained quiet and supported MacDonald during the election, will now emerge with its Left phrases. Therefore, any deviations in the English Party to the Right at the present moment when this pseudo-Left opposition is developing inside the Labour Party will have the saddest possible consequences for the future of the Communist Party. But equally dangerous in this period will be our inability to distinguish between Left Social Democratic leaders and the Left Social Democratic workers, and neglect to take proper steps on the basis of the united front from below to pull the Left Social Democratic workers away from these leaders.

I will conclude by outlining what I believe to be the lines on which the fight of the English Party should proceed in the months ahead. In the first place I think we have got to mobilise and educate the whole Party to take the lead in the great economic struggles which are now developing in England at the present time.

Secondly, I believe that we have got to conduct a strenuous fight against the MacDonald Government, linking up the political struggles with the economic struggles and contesting every bye-election that takes place under the Labour Government.

Thirdly, we have got to bring home to the masses of the British workers the role of the Labour Party in preparing war, and organise them to fight against the Labour Party.

Fourthly, we have got to give more attention to the workers in the colonies, not only in our general agitation, but also by day to day organisational assistance. The English Party, despite its many mistakes, has endeavoured to mobilise the workers with regard to assisting our comrades in India. Nevertheless, the Party has not done enough, either to render direct assistance to India or to mobilise the masses of the workers against the colonial policy of the capitalist class, including the Labour Government.

Fifthly, we have to carry through such a reorganisation of the Party apparatus that will turn our face towards the large factories and increase our influence there, so that we will be able to lead the real mass struggle against the MacDonald Government.

Lastly, we must make a serious attempt at the political mobilisation of the mass of the workers around the question of the establishment, under our Party's influence, of a daily paper which will be a powerful weapon against this regime of MacDonald, a powerful weapon for winning the masses of the British Working class to our side.

Comrade TEODOROVITCH (Communist Fraction in the Peasant International):

Comrades, Two comrades have spoken here of the rural question. Comrade Varga said a few words concerning the farming situation and Comrade Skripnik mentioned the state of affairs in the work among the peasants. But in my opinion, we cannot be contented with what Comrade Varga or Comrade Skripnik said.

Comrade Varga spoke of the agrarian crisis. Of course, there is an agrarian crisis, but it is not the crisis alone that we are concerned with. The crisis is a passing phenomenon, and we must deal with agriculture in general. We are concerned with the fundamental process of the lagging behind of agriculture, and the efforts of capitalist society to overcome this backwardness by its own means. Therefore, inasmuch as Comrade Varga's estimate, as far as the concrete crisis goes, is absolutely correct, I deem it necessary to include it in the text of the Resolution. But I should like more than that. I think that in the paragraph concerning the accentuation of the fundamental contradictions of capitalism a few words should be said characterising the basic and central process taking place in agriculture. We must be grateful to Comrade Skripnik for having reminded us of the need of working among the peasants. But he spoiled his speech by the fact that he advocated the neutralisation of the peasants. If one does not speak of the neutralisation of the middle peasants, i. e. a section of the peasants, but speaks of the neutralisation of the peasantry, as Comrade Skripnik did, it is clear that the whole of the peasantry is meant. But the neutralisation of the whole of the peasantry is not a bolshevist idea.

The American Communists probably remember that on the eve of the VI. Congress of our International, there was a most interesting discussion carried on in the American Press, amongst bourgeois agriculturists. In that discussion such shining lights of bourgeois science as Norse, Blank, Hibbard, Stein, Warwick, and other took part. The discussion was summed up best by Norse. He said that now for the first time in its history agriculture is going through a period which fully recalls the great industrial revolution of the end of the 18th century. The present revolution is that of discovering such forms of organisation of agriculture as would tremendously decrease the cost of production, diminish the value of the product and bring to the farmer a surplus profit. But for this, it is necessary most energetically to provide agriculture with the best machinery and equipment and to invest large sums of capital in it. Such is the position of the bourgeoisie as expressed by such experts as Norse.

The depression in agriculture sweeps the weakest elements out of the rural areas. Large numbers of people come to the towns, that is, we see "painful and terrific" (Marx) expropriation of certain sections of the peasantry. Conversely, the upper stratum of the rural areas possessing capital for the purchase of machinery and mechanisation of agriculture emerges more or less prosperously from the crisis of the relative over-production by means of lowering the cost value of the unit of the product, for, as Marx said, "the employment of constant capital is always cheaper than that of variable capital" (Volume 3, page 806) or as he says elsewhere "the relatively greater use of past labour compared to living labour, signifies an increase in the productivity of social labour." (page 807.) I therefore think that this "painful and terrific" process of expropriation of the peasantry, which by the way must be made use of not for their "neutralisation" but for the creation of reserves for the proletariat, cannot be omitted in such full theses as those we are now considering.

If we turn from the typical relations developing in America to the relations prevailing all over Europe and elsewhere, we find that with different variations and nuances the same processes and tendencies are to be observed in agriculture everywhere. We find that attempts are made at finding the ways and means of reducing the cost of production in agriculture to a minimum, so that on this basis the flow of differential rent into the pockets of the landlords may be renewed. Differential rent is the difference between the individual cost of production and the cost of production which regulates the price. In order to increase rent it is necessary to lower the individual cost of production, once the regulating price cannot be raised. From this four moments arise characteristic of agriculture. Firstly, there is the line of the so-called "Stolypin Reforms", i. e. a

policy of creating "commodity producers" who are to settle the problem of the reconstruction of bourgeois agriculture. Secondly, there is the united front policy. The commodity-producing farmer is not satisfied with being united with the commodity producing landlord. He wants to win over the impoverished peasants so as to counterpose the farming interests to the town interests as a whole and to put a stop to the backwardness in rural organisation as compared with the towns. Thirdly, there is the policy of cheap credit for agriculture. Fourthly, there is the policy of co-operation, which of course develops in all countries in the interests of the upper strata of rural societies.

Thus, one of the most characteristic features of the present moment is the attempt of the agrarian bourgeoisie, big and small, to guarantee to agriculture a maximum accumulation on its own; but capital accumulated in industry is also beginning to be sunk in agriculture, true as yet to a very small degree because the bourgeoisie derives enormous profits from industry and capital is but slowly transfused to agriculture.

If we should now examine all countries in turn we should find that there is not a single country in which no attempts are made in one form or another to realise the four measures indicated above. In Norway for example, there is a peasant movement under the battle cry "Down with the auctions". What happens is that the fall in prices does not enable the peasant to pay his debts, to repay the credit granted to him to enlarge his farm in order to meet the war demand. Non-payment leads to the sale of the land. In Germany a united front is being set up to fight for tariffs, credit, etc. In Poland all kinds of Stolypin reforms are resorted to. In Yugoslavia we see the same thing. In Czechoslovakia there is a struggle for a united front. Even in far India certain attempts are made to pass some of the Stolypin ideas etc., etc.

It is no wonder that this gives rise to a radicalisation of the peasantry, the peasants who gain nothing from any of the four schemes. It is a radicalisation of the mass of poor and middle peasants.

The fundamental contradictions characteristic of the present phase of capitalism give rise to this very fact of radicalisation of the peasantry. If Comrade Barbé referred here to Poland, he should know that this is not the only example. Comrade Boshkovitch spoke in the International Peasant Council of similar phenomena in Yugoslavia. Everywhere there is a radicalisation of the working class backed by a leftward surge of the peasantry subjected to a process of painful and terrific exploitation, to use Marx's terms. It is this moment that should be mentioned as being a moment in which the leading role belongs to the working class, in which its radicalisation determines the radicalisation of the peasantry. At the same time we cannot for a moment forget Lenin's postulate which is fundamental for us Communists, that only with the peasant reserves, only by supplementing the proletarian revolution by the peasant war can the proletariat guarantee its victory.

Comrade KOPLINIG (Austria):

The activity of the Austrian Party has been criticised very sharply here. I take this criticism to be proper. It corresponds also to the self-criticism exercised by the Central Committee in its last Plenary meeting. Nevertheless, I must say that the things said about Austria were altogether too negative, that in my opinion the importance of Austria has not been properly set out in view of the fact that in Austria there is an immediate fascist danger. The process of fascisation in Austria has advanced very far. A particularly striking token of this process, next to the fascisation of the state apparatus and the evolution of social democracy in the direction of social-fascism, is the rapid development of an open fascist mass movement. The Austrian Heimwehr today represents already a fascist mass movement. The number of militarily organised and partly armed men in the Heimwehr is roughly estimated at 100,000. The Heimwehr units are mostly made up of petty-bourgeois, peasant and bourgeois elements, but in one district like Upper Styria, a highly important industrial district, the Heimwehr includes also quite considerable working class elements. At first the movement was confined to the provinces. Today it extends already to Vienna. On September 17 a great march of the Heimwehr will take place in Vienna, for which feverish preparations are being made.

One can see also a palpable process of fascisation going on within the bourgeois parties which openly identify themselves with the fascist Heimwehr. Bearing in mind the situation as a whole, one may be prepared to see some big events in Austria this Autumn. Our Central Committee at its last meeting has dealt very minutely with these questions. We are of the opinion that in the event of intensification of class fights, or of a direct danger of war, the possibility is not excluded that even a fascist coup d'etat from above may be prepared by the Government and carried out with the aid of the Heimwehr and support of the social democracy.

The political and economic background for this open fascist course, insofar as the bourgeoisie is concerned, lies in a number of circumstances. First, there is a constant and undiminishing economic crisis in Austria and persistent unemployment; the situation is further aggravated by the new rise in the cost-of-living which leads to new wage fights. Yet the fascist preparations in Austria are closely associated, above all, with the war preparations of the capitalist state. From published documents it transpired that the Heimwehr is closely associated with fascism in Italy and Hungary, from where it gets also financial backing. It has been ascertained further that the increased activity of the Austrian Heimwehr is taking place in connection with the aspirations of German imperialism. The leader of the Heimwehr, Major Papst, the murderer of Rosa Luxembourg, maintains very intimate relations with the heads of the German army, while the arms are supplied to the Heimwehr both by the Austrian Government as well as from Germany. One should not underestimate the importance of a fascist Austria to the policy of encircling the Soviet Union.

An important fact, and for the bourgeoisie a reason for the adoption of the fascist military methods, is the peculiar correlation of the classes in Austria. There are few countries with such a distinct two-Party Parliamentary system as in Austria, where the social democracy wields such a predominant influence over the masses. On the other hand, there is a great contradiction between the organisational strength of the S. D. P. and the character and forms of the radicalisation process going on among the workers, as was revealed, for instance, in the July revolt. Since the July revolt we may clearly see the beginning of a fresh rise in the radicalisation process among the masses of the workers. We have seen a number of political strikes as the answer to the fascist provocations, while the fights in Austria are developing to a very high level and the activity of the working class is beginning to unfold itself, above all, in the factories and workshops. Herein, precisely lies the weakness of the Communist Party, which has failed to strike root in the factories, and has, therefore, been unable to exercise a leading influence in these fights. There are all the postulates to assume a greater scope of these fights in the near future. The fresh rise in the cost of living, the increased house rents, the rationalisation offensive, all these things will lead to new fights in the factories, and in connection with the political situation, they may be turned into grave political mass fights, and it will depend a great deal upon the extent to which the C. P. will wield a leading influence in these fights.

Of particular importance to an appraisal of the situation is the role of the social democracy in Austria. In this connection I should like to say something about the role of the Right elements in our Party. At the last delegate conference in Vienna, the Rights got up and declared that we were overestimating the fascist danger. To them there was no fascist danger at all. They put the question thus: the bourgeoisie must not necessarily resort to fascism, it had two possibilities, either fascism or social democracy. They took fascism to be a contrast to social democracy, and it was their opinion that in Austria just now the development of bourgeois democracy was in progress. This is also the standpoint of the Rights in Germany, like Brandler, Thalheimer and the rest. They fail to see the fact that in Austria the social democracy is evolving into social-fascism. Here we find a peculiar subdivision of labour with which Comrade Kuusinen has already dealt in his report.

This sub-division of labour was particularly noticeable in connection with the fascist demonstrations, when the social-democratic party through the republican Schutzbund joined the police in affording protection to the fascist demonstrations, while the Republican Schutzbund was particularly utilised to crush the resistance of the workers to the fascist provocations. The Austrian social democracy, which is now resorting to the

trick of exposing the fascist preparations for civil war, is itself systematically engaged in disarming the workers. There are also cases of undisguised collaboration between the social democrats and the fascists, e. g. at Klagenfurt a joint demonstration was held by the Republican Schutzbund and the fascist Heimwehr under the slogan of annexation of Austria to Germany. Even more clearly can we see the collaboration of the social democrats with the fascist bourgeois bloc on questions of economic policy, e. g. the protection of tenants, wage fights, etc. In our opinion there is really no contradiction between the perspective of a possible open fascist coup d'etat and the proper appraisal of the social-fascist role of the social democracy. It is merely a question of the pace of the evolution of the S. D. P. in Austria into open social-fascism, and of the pace of intensification of the class fights, as this will determine the manner in which the undisguised fascist dictatorship is to be evolved in Austria.

A few words on the activity of the Austrian Party. At its 10th Congress the Party took a definite turning in the whole of its political activity, liquidating its former, partly incorrect, policy which lacked independence. At any rate, even after the Party Congress there were some deviations and mistakes. This was reflected in the insufficiently aggressive character of our fight against fascism and against social democracy, in a partly legalistic attitude towards the state apparatus, which was revealed also in connection with the recent action in connection with the tenant question. It was further revealed in the insufficient co-ordination of the fight against fascism with the economic questions of the working class, and above all, also in the defects and shortcomings of our activity in the trade unions. These defects have been put right by the C. C., and thoroughgoing self-criticism was exercised, which is now going on throughout the ranks of the Party. I believe the general line of the Party to be correct, but it has not yet been sufficiently brought out in the practical work of the Party. This turn in the Party's policy is not effected quickly enough; the pace is too slow, the contradiction is too great between the objective situation and the tasks of the Party on the one hand and the weakness of the Party on the other hand, so that the Party frequently lags behind the masses in its activity. It is not quite correct to say that the last strikes have taken place without any influence by the Communist Party. It is true that the Party did not lead in this movement, that the Party has lagged behind the masses in the development of its activity. The cause of this lay in the fact that the Party has not entrenched itself in the factories, where the activity of the Austrian workers has reached its strongest development. A cardinal obstacle to our work is the strong social-democratic tradition, the social-democratic ideology which still lingers in our Party, in our membership. The process of the struggle against the Right opportunist and Liquidatory groups and tendencies has not yet been completed.

A very important question is the renovation of the cadres of officials in the Party, particularly in the factories. Our old cadres are rather stiff, they have partly spent all their years in unprincipled factional squabbles, and are unable to carry out this turn in our policy.

The Party is now carrying on a sharp campaign to overcome these weak points in connection with the preparations for August 1st. Nevertheless, I believe it to be wrong to say that the activity of our Party since the VI. World Congress has had no influence upon the radicalisation process among the workers. Such a view would be too pessimistic. As a matter of fact, we may point to some successes in the struggle against fascism. I allude to the anti-fascist day which has been carried out in Austria. I allude, further, to the National Anti-fascist Congress and to other actions which have taken place. All this was bound to have its effect upon the movements in the factories. At any rate, we ought to say that also here the activity has frequently followed the line of least resistance. The formation of the Anti-fascist committees did not everywhere take place in the factories, but frequently only on a local scale, so that these committees did not play the role in the fight that was necessary. All in all, the successes are certainly insufficient, and what is particularly important, the Party did not lead in the individual fights in the factories. This constitutes a great weakness which it is the main task of the Austrian Party to overcome. Nevertheless, we are by no means pessimistic in contemplating the general situation in Austria and the develop-

ment prospects of the C. P. The objective postulates are favourable. If the Party sticks to its present line of policy, while carrying out its practical work accordingly — and this it will do — then we shall certainly make headway.

Comrade REIMANN (Czechoslovakia):

The Czechoslovakian Delegation has made up its mind on the political Theses and is in agreement with the line laid down therein. Nevertheless we believe it would be necessary to amend these Theses on a number of questions. In the first place, I believe it would be necessary here to raise the question of **fascism**, which has actually become today a very decisive question for all the Communist Parties. We are witnessing in Czechoslovakia during the last year a rapid development of the fascist organisations; to this should be added the transition of the social democrats to social-fascism. A special problem confronting the Czech Party is the question on which side the fascist front is going to develop. Our Party Congress has answered this question in the sense that fascism is going to develop, above all from the so-called Left bourgeois wing in Czechoslovakia, that the Left bourgeoisie is one of the most important factors of fascisation and fascism in Czechoslovakia. This is a problem of general international importance. How does it happen that the "left" bourgeoisie plays a tremendous rôle in the fascisation process in a whole number of countries? I believe, above all, it is because fascism is compelled to appear under various guises; because in those countries where big democratic illusions are still in existence among the masses, it is compelled to adapt itself to these mass illusions in order to develop the fascist dictatorship upon the grounds of these illusions of the masses. At a certain stage of development the democratic illusions become transformed into fascist illusions. This is a question of tremendous importance to our judgement about fascism, the reason being that the danger of democratic illusions in the process of the development of fascism has not been and is not sufficiently realised by a number of our Parties. The crudest example of this we had in the case of the Pilsudsky stroke in Poland. But similar illusions were entertained also after the forming of the Maniu Government in Roumania, which had equally made use of the democratic illusions to establish the fascist dictatorship. And there are still a good many Communists who fail to see through the democratic disguise of fascism. There were illusions in our ranks even in regard to the Maniu Government. I have here an article by Comrade **Rafailovitch** which appeared in the "Red Trade Union International" after the Maniu coup d'état in which the Maniu Government was appraised as follows:

"Yet in one respect it may be said that the regime is going to be relaxed, even if only in the sense of relative relaxation, by the new Government."

The second decisive question is that fascism does not uniformly develop, but rather assumes different forms in the different countries. For instance, in Czechoslovakia fascism develops chiefly through the Left bourgeoisie which is closely associated politically with the social democracy. Yet we have in Czechoslovakia also other avenues for the development of fascism, above all through the Czech Agrarians. Thus we see a partial differentiation among the individual elements of the bourgeoisie which is developing in the direction of fascism. At the same time, fascisation is the direction in which the whole bourgeoisie is developing, while the bourgeoisie introduces fascism to the masses only in such forms as correspond to the respective social strata. A special form assumed by fascism to oppose the masses of the workers is that of social fascism. I believe it ought to be pointed out that the rôle and development towards fascism varies in the different countries; that fascism advances in the different countries along different lines, and in countries with a strong social-democratic movement, it advances along the line of social fascism, which is nothing but a bastard brand of fascism. Only by elucidating this point can we do away with such notions as were entertained, for instance, by Comrade **Stefanski** in the Polish Party, to the effect that fascism was a contrast to social democracy and was compelled to "eradicate the latter". This is wrong. The social democracy is only a tendency in the fascist front. Only by realising this and by so putting the question shall we draw the proper perspective.

The third question is the prospect of overcoming fascism. Here we have an interesting Right platform in Czechoslovakia. The Ecer people, a menshevik group of renegades, admit that the development in Czechoslovakia leads towards fascism, but they say that this should be combated only upon the basis of restoration of "democratic liberty", upon the basis of bourgeois democracy. Hence this Plenum has to decide the question in what way fascism should be overcome. It should be clearly stated that the road to overcome fascism can be found only in the fight for the proletarian dictatorship.

Another question which we believe equally to be little touched upon in the Theses is the agrarian question. I believe we have not yet arrived at an adequate analysis of the specific changes which have taken place in the rural districts during the Third period, notwithstanding the fact that these changes happen to play a tremendous rôle, because during the Third period there are tremendous modifications taking place in the class structure precisely in the rural districts.

The following changes in the social structure of rural economy may be enumerated: 1. a growth in the specific weight and rôle of the rural proletariat. The growth of this rôle has been demonstrated by the fact that recently there was a wave of fights by agricultural workers in the different countries, while the most formidable fights of the agricultural workers occurred in Czechoslovakia. I believe the Communist Parties should orientate themselves upon the agricultural workers, and upon the fact that in connection with the introduction of capitalist rationalisation in the rural districts the radicalisation of the masses of rural workers is proceeding at a rapid pace. 2. It ought to be realised that the capitalist rationalisation will entail the accelerated disintegration of the petty-peasant and middle peasant elements, thus creating the postulates for the approachment of these elements to the fighting front of the proletariat, and that, therefore, we should more consistently follow the line of developing the class struggle in the village. We ought to realise that the Communist Parties have committed Right mistakes in the agrarian question by raising slogans for the agricultural population in which they did not follow the line of the intensification of the class struggle, but rather presumed the existence of a uniform social structure in the village without any distinct class differentiation.

In Czechoslovakia, the struggle against the Liquidators on the agrarian question has been of tremendous significance, while in other countries this question has played a less important rôle in the struggle against the Rights. It is, therefore, essential to give international value to the Czech experience in this respect. I am going to quote from the platform which was published by **Julek's** paper. Here we find, for instance, such a slogan: "A revision of the land reform, particularly a revision of the distribution of appanages". Thus, the Liquidators want to reform again the bourgeois land reform. Another slogan of this kind: "Distribution of forests among communities and self-governing bodies." A characteristic slogan. While we are observing generally in the present period a strengthening of the elements of state capitalism, the Liquidators advocate the distribution of forests among the different communities and local self-governing bodies, which means in other words to members of the capitalist state, strengthening in this manner the basis of state capitalism. There are yet other slogans to be found here, e. g. the slogan of "cheap credits to poor and middle peasants". Instead of this, the line ought to be taken of developing the class struggle on the question of the annulment of debts. I am mentioning these things because I am under the impression that these wrong slogans may exist in a number of Communist Parties where the agrarian question has not been discussed. I refer here, among other things, to the election programme drawn up by the Communist Party in Holland for the present elections. Here I find a slogan somewhat to the following effect: "The granting of credits and mortgages at reasonable interest to petty and middle peasants and to gardeners." This is unquestionably a big mistake committed by our Dutch comrades. It shows that the question of our agrarian demands has not been sufficiently clarified in the Communist International. I am, therefore, of the opinion that the question of a special programme of action dealing with our agrarian demands should be elucidated by the Plenum.

Another question I should like to raise here is the **national question**. The same as in the agrarian question, a number of profound changes are to be observed in the Third Period. In

regard to the national question we have to observe that a change has taken place in the internal structure of those capitalist countries in which national minorities are oppressed.

In Czechoslovakia, upon the basis of the Third Period, there is collaboration of the bourgeoisie of the different nationalities which previously used to compete with each other. This co-operation of the bourgeoisie of different nationalities is based on their common imperialist expansion interests on the one hand, and on the other hand on their common oppression of the proletariat and the toiling elements. The second question is: does the co-operation of the bourgeoisie of different nationalities in Czechoslovakia do away with national oppression? On the contrary, it is becoming even more intense. The bourgeois solution of the national question in the present period is effected upon the basis of collaboration of the bourgeoisie of different nations under the hegemony of the so-called state nation. At the same time the national oppression of the toilers of the oppressed peoples is increased. This is the bourgeois solution of the national question in the Third Period. In recent months we saw how the League of Nations was seriously dealing with the minority problem. This happened because the national question, which we have so far inadequately dealt with, constitutes today the basis for the development of big imperialist conflicts and for the intensification of the international imperialist contradictions. The national question today is an important lever of the imperialist war danger. We ought to observe that number of formal modifications have been affected in the statutes of the League of Nations as regards the treatment of national minorities. This implies no change in the policy of national oppression, but a better basis for an understanding among the different imperialist powers on the question of the national minorities in order to achieve a uniform stand against the Soviet Union.

Now one more question to which but a single sentence is given in the Theses. I refer to the role of the "Left" wing of social fascism, of the "Left" social democracy. Upon the basis of the Third Period a profound change has ensued which consists in that the left social democracy has entered on the process of its internal disintegration. In a number of countries there were during the Second Period compact left social democratic parties, e. g. in Austria, in Switzerland, and also the German social democracy in Czechoslovakia. Does such a compact left social democratic party exist today? No, there is none. We have to observe that this disposes of an important obstacle on

the road of the development of the working masses in the direction of Communism. In this connection a very important role is attached to the Liquidation of the Right elements. Their role is illustrated by the example we find in the government press of Czechoslovakia. Thus in connection with our Party crisis, there were published several articles in "Venkov" in which the idea was broached that the social democracy should not directly take over the Liquidators, as it was necessary to form a Communist Party independent of Moscow's influence. If the Liquidators were to join directly the social democracy, this purpose could not be achieved. This means that in connection with the disintegration of the left social democracy the bourgeoisie wants to create new auxiliary groups, and that the Liquidators are to play this role.

In conclusion, a few questions of an inner Party character. Our delegation has made up its mind on these questions. Firstly, the Swedish question, which has been very seriously discussed at this Plenum. After examining the documents we must say that the different Right deviations in the Swedish Party have already evolved into a distinct opportunistic line, that the controversy is already about decisive questions, above all, about the question of the appraisal of Swedish imperialism. The position of the majority in this question vividly resembles the discussion which has taken place also in Czechoslovakia. We believe a very sharp attitude should be taken towards this tendency, because it gives expression to an opportunistic line of policy. We know that since the VI. World Congress the Comintern has taken a tremendous step in the struggle against the Rights and the Conciliators. We are, however, of the opinion that this process of development has not yet terminated, that there are still a number of elements in the Comintern which either fail to understand even today the line of the VI World Congress, or they even reject it. We believe also the English question is going to play a big role in this connection because this process of clarification in regard to the right elements has also been carried out in our English Party, and this was reflected in the weakness of the C. P. G. B. in the General Election.

We, therefore, believe it necessary that the present Executive should give further clarification on the situation in the sections, thereby rendering possible the further consistent development of the line of the VI Congress in the struggle against the Right danger.

Sixth Session.

5th July 1929 (Everning).

Comrade KHITAROV (Young Communist International):

Comrades, I can declare not only in my own name, but also in the name of the Presidium of the Y. C. I. that we are generally in agreement with the Theses on Item I of the agenda, as well as with the reports made on this subject. We particularly welcome the resolute manner in which Comrade Kuusinen has dealt with some prejudices which are still in existence in the C. I. For instance, on the question of rationalisation Comrade Kuusinen has very properly and very resolutely corrected the mistake which was once permitted in the Comintern on this question. The same as regards the question of stabilisation. Everyone ought to admit that this term has been abused to a high degree. Partly a fetish has been made of stabilisation, and when Comrade Kuusinen helps to do away with this fetishism by his remarks on the question of stabilisation, by his proposal to adopt the term of temporary equilibrium as a substitute, it certainly constitutes a big step forward for the Comintern.

I should like, however, to point out a defect in Comrade Kuusinen's report consisting in that he has said extraordinarily little about the situation in England, and that he has almost failed to deal with the problem of the British Labour Government and its prospects. It seems to me that Comrade Kuusinen has made a little concession to Comrade Varga in dealing with the question of the standard of living of the working class. If I understood him rightly, it was said by Comrade Kuusinen that we can only speak of a relative lowering of the standard of living of the working class, that it would be wrong to speak of an absolute lowering of the standard of living,

and that we can speak only about relative stabilisation. I believe we can and ought to speak about the absolute lowering of the standard of living of the working class, and in this connection we ought to bear in mind the intensification of the process* of labour with which Comrade Kuusinen himself has dealt fairly fully. It is quite obvious that if the worker exerts more power for less remuneration, his position becomes worse, so that this question of "waste of labour power" is absolutely and directly connected with the question of the standard of living. Obviously, we may speak of an absolute lowering of the standard of living of the workers. We ought to get complete clarity on this question, under no circumstances allowing Comrade Varga to develop his deviating theories. Besides, Comrade Varga has given us a fairly rounded conception of the present world situation. He will yet have occasion to speak of the question of reparations. I am sorry that I shall no longer be entitled to speak on this point, but we have already listened to Comrade Varga's ideas when the draft Theses were discussed in the Presidium of the Comintern; it was then asserted by Comrade Varga that in connection with the Young Plan, we might expect an adjustment of the differences among the leading imperialist powers. According to Comrade Varga's idea the Young Plan implies an adjustment of the differences. This idea about the adjustment of differences through the Young Plan, and of raising the standard of living of the workers, is a matter from which we should draw the necessary consequences. I do not know whether Comrade Varga is going to do it, but we must clear up this matter.

Now with regard to Comrade Manuilsky's report. In his report the general line was properly drawn, nevertheless I should like to say that in this report there was a serious lack of criticism, for it dealt very uncritically with the situation and the defects in the individual Parties. Comrade Manuilsky did not take the trouble to examine more closely the experiences of the Parties since the VI. World Congress. Our Parties have now reached a stage in their development when they need a different kind of assistance on the part of the Comintern. Of course, they should be reminded about our decisions, our tactics, about the necessity of winning a majority of the working class, etc., but apart from these general truths one must endeavour to examine a little more concretely the situation in the individual Parties, in order to encourage them in their work by such an analysis. This has not been done in Comrade Manuilsky's report, and I consider this a great defect.

Neither can I understand why Comrade Manuilsky has not said a word about the situation in the C. P. S. U. about the new opposition from the Right and about the individual members who have taken part in this opposition.

If we consider the situation in the individual Parties, we must come to the conclusion that Comrade Manuilsky has omitted a good many things. Let us take for instance Germany, the C. P. G., which is no doubt the strongest Section of the Comintern next to the C. P. S. U. The situation in this Party is marked by an almost uninterrupted upward development since the last big advance of the Right last autumn. The German Party has not only given the quietus to the Right and the conciliators, it has also made progress in all spheres. There are many facts to prove this, and the recent May incidents in Berlin are another sign of it. Whoever attempted to represent the May struggles in Berlin as a defeat of the Party, would immediately land in the camp of the opportunists, if not in that of avowed renegades. It must be clear to every Communist that the May struggles were a victory for our Party, because this was the first time after many years that the German Party has openly acted against the bourgeois state power and has not shrunk from a collision between the masses and this state power. We must not allow any confusion of ideas in this respect. The German Party has big successes to its credit, but it has also many weak points of most of which it is itself aware, but which it will take very long to overcome. When carrying through the main tactic, and at the recent factory council elections, the Party had to come to the conclusion that there was a considerable amount of opposition among the lower and middle functionaries. Considerable sections of the membership have not yet understood this tactic, although they are genuinely in favour of the new line, are voting for it and mean to support the leaders. This is a case when it must be clearly pointed out how these weak points can be put right. This is incumbent on our Plenum, and it certainly should have been mentioned.

The same applies to the question of the British Party. Although the British question was discussed in both reports, it was not done thoroughly. Comrade Kuusinen merely said that he is not very disappointed about the result of the General Election, and Comrade Manuilsky only raised the question of the composition of the Polit-Bureau. It seems to me that the British question should be treated a little more thoroughly instead of raising immediately the question of the Polit-Bureau. This question should really come last, after a clear political analysis has been made. But such an analysis was not given here. I am not one of those who in connection with any non-success of a Party, are ready to attack it with: "What have you been doing", "Didn't we always say so", "What opportunists you are after all", etc., etc. But I have already spoken in the Presidium on this question of the British Party in January on the occasion of the British Party Congress, when the Y. C. I. Executive was united on this question and criticised sharply the line and tactic of the Party Executive, and when we expressed our uneasiness concerning the issue of the General Election in Great Britain in view of this state of affairs. We are determined to speak here once more on this question, only with the intention of helping the Party to come out of this situation. I think that the result of the General Election in Great Britain is very unsatisfactory, and I think that this is the right view to take. Comrade Campbell said here in his speech: thank God that the Comintern has at last realised that we, in Britain, have to swim against the stream. He wanted to explain the

weak points of the British Party by these words. One must not put the wrong interpretation on these words. In a certain sense, the British Party must swim against the stream, because the majority of British workers are for the time being still believing in the Labour Party and are voting for it. But the British Party has certainly not to swim against the stream in the sense that there is no Left development in the British working class. On the contrary, the British workers are in the midst of a radicalisation process, especially since the General Strike, and Comrade Campbell himself had to admit in his report at the session of the Polit-Secretariat that the British Party has not done enough to further this Left development among the British workers. This is the main point. One should not talk so much about "swimming against the stream", one should rather concern oneself about what has been done to further the differentiation process among British workers and to utilise this process for the consolidation and extension of our influence and our Party organisations. I assert that this differentiation process has progressed, that we should have had in this work considerably more open followers than the number of workers who were on our side in the General Election.

But official optimism reigns supreme in the British Party, an optimism which can be immediately converted into pessimism, an optimism which makes the British comrades say: the Labour Party started its career with 44,000 votes, and we have polled 50,000, and there will be a time when we shall also poll 8,000,000 votes. I must say that such an attitude shows failure to understand what is going on. The Labour Party secured these votes 40 years ago. When the Communist Party, 11 years after the world war, after the great political experiences during that period, after the experience of the General Strike and after the Party leading a Minority Movement in Britain which embraced nearly a million workers, polls only 50,000 votes, this is a result which gives one furiously to think. Personally, I think the reason is that the British Party has not been educating the masses who are under its influence in a right and proper way. For these masses have voted for MacDonald, Maxton and Cook instead of voting for our Party. Many more than 50,000 could have voted for our Party. It is by no means an opportunist deviation to expect the British Party to have obtained not 50,000, but a hundred thousand or even several hundred thousand votes. We already had that number of followers and led them in the political struggle. I think the reason is that the British Party Executive has not fully understood the new line, and this is the case even today. As long as we have this state of affairs among our British comrades, the British C. P. will not make progress with its development.

It is just beginning to dawn on the Party, but nothing much is done in the Executive. When Comrade Campbell comes forward and declares that they had to carry on a big struggle against comrades who represented Left views, and when he does not say a single word here in what Right "deviations" consisted, one can see at once that the Party Executive does not understand things as they should be understood.

My time is short, and I can only deal very briefly with the other questions. Comrade Manuilsky has also mentioned the Polish question, but how? He only said that the struggle in Poland is not based on principle. How can one speak like this about a Party which had not only to go through class struggles, but has also experienced lately an enormous development within its ranks. The decisions of the last Plenum of the Polish Party indicate an important turning point in the policy of the Party. Development on a large scale has taken place, but Comrade Manuilsky does not mention it, he says just like last year: struggle not based on principle. One cannot really deal like this with questions which concern such an important Party.

As to the general situation in the Parties, one must say that the Communist International has achieved fine results in regard to the application of the line of the VI. World Congress. It has made considerable progress in its stronger sections. Elements such as the Right and the conciliators have already been thrown onto the dust-heap of political life. To listen only to Serra, one realises where these people have got to, and how necessary it is for the Communist International to have done with them. But there are still sections in the movement which have not understood the change introduced by the line of the VI. World Congress, which have not understood the new element in our tactic. There are comrades who are surprised

and want to know if there is after all a new line. They think that it is possible to work now in the Comintern just like a year ago. They do not understand that the VI. World Congress meant a great change. How much opportunist ballast is to be still found in our sections, is shown vividly by the Swedish example which has already been mentioned. We hear remarkable things about Sweden, which have become known all of a sudden. In Sweden, our Party has been on friendly terms for years with the Social Democratic Party. Joint Communist and Social Democratic fractions have existed in Sweden in municipal parliaments (so-called "worker fractions"), joint fractions which made majority decisions binding for all the members of these fractions. In Sweden, the majority of the C. C. of the Party is of the opinion that Sweden is not an imperialist country. These comrades look upon the Swedish bourgeoisie as an oppressed bourgeoisie. They look upon Sweden as a semi-colony and an oppressed nation. With such views, one must expect remarkable things. This shows how much opportunist dross there is still in our Sections, and what a thorough spring-cleaning is still needed.

This is in brief what I wanted to say about Comintern questions. I will now say something about the **Young Communist International**.

Comrades, nearly all the speakers here, reporters, as well as discussion speakers, have thought it necessary to say something about the youth, mostly with a smile and a desire to get at us somehow. These attempts have failed, not because we cannot be criticised, but for two reasons. Firstly, because comrades are not very familiar with the actual situation in the Young Communist International, and secondly, because they think that they must criticise that which we have already criticised much more strongly ourselves. What Comrade Manuilsky or the discussion speakers said about regression in Czechoslovakia and Britain is not up to much. One should have said much more. In these two countries Party conditions are a strong contributing factor. The Parties in Britain as well as in Czechoslovakia have also experienced a regression.

Some comrades fail to understand that the fate of the coming war will depend to a great, if not the greatest extent on the attitude of the youth. They fail to understand the growing role of the youth in the process of production and in the class struggle. In our whole activity, our foremost aim has always been — to place our youth leagues on a correct political basis. We look upon political activity, struggle for the general tasks of the Party as our foremost task. But the view prevailed among the leading comrades even at the time of the VI. World Congress that our youth movement needs depolitisation, because this is the right way to the capture of the mass of young workers. We have rejected this theory and we have continued last year to carry through the correct political line in our youth leagues. This can be proved by individual examples. In France, our youth league has played an important role in the inner Party development. Especially in the beginning of the discussion, it showed itself as the strongest and best organised force; it has strengthened the Party's rear and has been able to supply the Party with a number of capable comrades for Party work because these comrades had fully grasped the meaning of the new tactic of the Party. It is not a chance occurrence that five members of the Polit-Bureau of the Party come direct from the Youth League. There was much vacillation in our German League at the beginning of the discussion during the Wittorf affair. The Executive of our League made the same mistake as the Party Executive, and persisted a long time in it, even after the Comintern decision was already made. We, as Young Communist International, intervened and condemned this wobbling. We did everything to make the Youth League change its political line. We have succeeded in this. The conference of the Youth League held last November condemned unanimously the mistakes made by the League Executive. It also changed the composition of this executive.

But some League members had still their doubts about the Party line. These doubts were not clearly expressed, but there was certainly estrangement between the Party and the Y. C. L. Executives. This was particularly evident lately (two or three months ago), when the Executive of the Berlin Y. C. L. district began to wobble in regard to important political questions.

We invited representatives of the German League to Moscow, and discussed these matters with them. The development of the last two months, especially the attitude of the Youth League during the May incidents in Berlin and at the Party Congress, show that a considerable improvement in this respect has taken place. Generally speaking, the Executive of the Youth League associates itself with the Party line. Considerable progress was made in regard to rapprochement between the Party and the Youth League. I am convinced that the German Party will help us to overcome all the relics of estrangement. We pledge ourselves to do our share in this matter.

Already our V World Congress recorded that the Youth Leagues are in reality small Parties, Parties for the youth, which carry through almost entirely proper Party tasks, and are therefore capturing only the politically advanced elements of the proletarian youth. Their main defect is that they do not know how to follow the correct political line, how to carry on the general political work which must be inevitably linked up with the daily youth work. I would like to give in this connection a quotation from Lenin concerning the necessity of political and Party-political activity by the Young Communist League, because leading comrades are still in doubt about this matter. What I want to quote is contained in Comrade Lenin's letter to Gussev and Bogdanov in 1905. Comrade Lenin upbraids the Party for the inadequate preparation of the III. Party Congress in Russia. He says among other things:

"Young forces are needed. I would recommend to place immediately against the wall all those who dare assert that there are not enough people. There are heaps and heaps of people in Russia, but we want more daring and broadmindedness, and again and again more daring and broadmindedness for our recruiting among the youth, **without being afraid of this youth**. It is war time, the youth will decide the issue of the whole struggle, the student youth, but above all, the working youth. Drop the old clumsy habits, do not be respecters of persons, etc. Form among the youth **hundreds of circles of "Vpered"** followers and encourage them to work with all their might. Widen the committee **threefold** by receiving into it the youth; establish five or even ten sub-committees "coop" every honest and energetic person. Do not be afraid of their unpreparedness, do not tremble because of their inexperience and immaturity...."

Either everywhere new, young, fresh energetic militant organisations for revolutionary social-democratic work of all forms and kinds among the population, our you will go to your doom with the reputation of 'properly stamped committee men'."

I think, that this letter requires no comments, it is a splendid reply to the comrades who still doubt the necessity of political activity in the Young Communist Leagues. We have also endeavoured to give an impetus to this activity, and not without success, in countries where our Youth Leagues have not been very active in regard to Party questions — in Czechoslovakia and Britain for instance. Nevertheless, we must admit that we are not satisfied with the situation in the Young Communist International and the work of its most important Sections. Considering the present state of affairs, the importance of the youth for the political development, the growing activity and will to fight of the masses, and especially of the mass of young workers, we must say that the development of the Youth Leagues does not keep pace with the development of events. The Leagues are not doing justice to their task as organisers of the struggle of the working youth for its own interests, because they have not established themselves firmly enough in enterprises, in mass organisations, because their mode of work and leadership is a backward, and to a great extent a social democratic mode. It is in this direction that we criticise our Youth Leagues. We are doing now our utmost to bring about a change in the work of the Youth Leagues, because we are determined to make the decisions of the V World Congress of the Young Communist International, in regard to the change which must take place in the work of the Young Communist Leagues, a reality. This work must take the form of mass activity.

Comrade BOSHKOVITCH (Yugoslavia):

Great changes are being affected in the agricultural structure of the various Balkan countries since the war. As an example I shall take Yugoslavia.

In order to give a most outstanding example of how these changes have occurred in Yugoslavian agriculture, I shall cite a few concrete facts in relation to middle sized farms from the point of view of taxes. If we take an average farm with an area of 21.87 hectares we find that in 1913 it paid 85 kronen taxes, while in 1924 it had to pay 2,941 dinars. In gold currency the taxes have trebled i. e. they rose to 311%.

Calculating that the peasantry now pays 3.11 times more in taxes than before the war, and that articles of first necessity for the peasant are now 300% above pre-war prices, the farmer should proportionately now receive about 1,020 dinars per cwt. of wheat, while as a matter of fact he receives only 220 dinars per cwt.

If we analyse the income and expenditure of the middle peasant in the course of the last few years, we find that the income in 1913—14 i. e. before the war, amounted to 1,581 dinars per annum and the expenditures 1,266 dinars per annum, that is the middle peasant prior to the war had a certain profit to the amount of 315 dinars or former Austrian crowns. But in 1922—23 the income of a medium sized farm was 27,171 dinars and the expenditure 35,091 dinars, showing a deficit of 7,920 dinars. It follows that beginning with 1922—23 the position of the middle farm becomes worse, and decidedly so. Beginning with 1925 the agricultural crisis becomes more acute, affecting the middle peasant, and as a result of these deep changes in the agricultural structure of Yugoslavia we observe a sharp Leftward swing, a radicalisation of the broad masses of peasants, including the middle peasants.

As to taxes, the workers and employees, according to bourgeois statistics, pay 185.68 dinars out of an income of 1000, small artisans and tradesmen pay 184.05 dinars, peasants 101.68 dinars and big capitalists 46.64 dinars.

Apart from taxes agriculture is largely influenced by credit (indebted peasants have to pay from 40 to 200% interest), the disparity between agricultural and industrial prices, bureaucracy and militarism, the white terror.

As a result of all the above-mentioned circumstances, the agricultural crisis in Yugoslavia, as well as in Roumania and other Balkan countries, is increasing. On the basis of this agricultural crisis in Yugoslavia, as well as in Roumania and budget is unfavourable; inasmuch as the agricultural crisis influences industry, there is also a serious industrial crisis — unemployment is growing and parallel with that the peasants are being pauperised, poor peasants are flocking into the towns and the situation of the working class is deteriorating.

The changes taking place in the agricultural system since 1924—25 have, of course, had their effect on the mood of the peasantry. The peasant and national movements have assumed such wide dimensions that they directly menace the power of the capitalists and landlords and interfere with their war preparation against the U. S. S. R. The institution of Fascism in the Balkans, especially the military-fascist dictatorship in Yugoslavia, has of course as its main object — the crushing of the revolutionary labour, peasant and national movements.

But apart from the barbarous terror in the Balkans, the Fascist governments have lately begun to use new methods, the object of which is to stop the Leftward swing of the peasantry. All governments have now taken a course based on the big peasant, based on those agrarian elements upon which they can rely for support in the struggle against the revolutionary movement.

D. O. Frangesh, Minister of Agriculture in Yugoslavia, announced that an agrarian reform will be passed for the benefit of the peasants who own land. In addition to that, in order to intensify the process of formation of big peasants, the government not only of Yugoslavia but also of other countries, creates special banks.

Our Parties in the Balkan countries were to a considerable extent prevented from working for the winning over of the peasantry by the Right deviation on the peasant and national questions. The recent congresses of the Balkan Parties indicate that our Parties have at last freed themselves of their deviations on the national and peasant questions.

But our mistakes on the peasant question and on national policy of course did not remain without consequences. The

petty-bourgeois peasant parties made good use of our Right deviations and mistakes and profited by them by increasing their influence in the rural areas. These petty-bourgeois peasant parties in the Balkan countries play a similar role to that played by the social democrats of Central Europe. The struggle for influence on the peasants is, therefore, in the Balkans closely linked up not so much with the struggle against Social Democracy as with the exposure, ruthless exposure, of the leaders of the petty-bourgeois peasant parties who retard the radicalisation of the peasantry and the maturing of the revolutionary situation. Our Parties have the greatest political influence on the working class in all Balkan States. The social democrats play the part of agents of Fascism. They are given positions in the social-insurance offices, in the various public institutions, and whereas even the petty-bourgeois politicians have refused appointments in the municipal councils, the social democrats immediately accepted the fascist proposal to take part in the councils of the large towns. Our Parties are still confronted with the great task of organisation of the broad toiling masses of the towns and lately also of the country.

With the establishment of the fascist dictatorship in Yugoslavia our Party has not relaxed its struggle but rather increased its activity. If we take the statistics on the illegal press, we can find that the Communist Party of Yugoslavia has in the course of six months, under the military dictatorship, issued more illegal manifestos, circulars and proclamations than in the course of three — four years preceding the dictatorship. The immediate effect of this is that the success and prestige of our Party has increased not only amongst the workers but also amongst the peasants. As a result of its intensive activity the membership of the Party has increased.

Of course, our Parties in the Balkan countries have still much work ahead of them. But we all know very well that in their final conflicts the Communists of the Balkan countries will have to depend upon the reserves of the peasantry and the oppressed nationalities. Without an alliance with the peasantry no victorious revolutionary uprising is possible.

Therefore, we must closely watch not only what is happening in industry, in the factories, but also what is taking place on the land, because upon the changes that are being wrought in the agricultural structure depends the mood of the peasantry as well as our tactics in relation to the various rural strata.

Comrade LENSKI (Poland):

Comrades,

I think that the characteristic given in the draft Theses concerning the basic new features in the international situation, and the tasks of the Sections of the Comintern is on the whole correct, but it seems to me that there are some important defects in the Theses which should be looked into.

The first defect of this kind is in my opinion, the inadequate definition of the process of the fascisation of the bourgeois states. The second is the inadequate definition of the role of social-fascism as a leading factor in this fascisation. Third, the growing crisis of the fascist dictatorship in such countries as Spain and Poland is not mentioned at all.

Further, comrades, the rate of radicalisation of the masses is referred to in a sweeping statement concerning the gradual going over to the counter-offensive and the growing revolutionary wave. This statement refers to all countries but it seems to me, that more specified definitions are necessary. First of all, it will be necessary to define the radicalisation of the masses in such countries as Germany, France and Holland, where this process has gone further than in the other countries of Western Europe. While speaking of the unevenness of the radicalisation of the masses on a general European scale, it would be necessary to devote special attention to these countries.

The next item which is not mentioned or is mentioned only in passing is the peasant and national question, the question of the reserves of the proletarian revolution, the question of our allies, the hegemony of the proletariat in the agrarian and nationalist movements.

Finally, the Right danger is made the speciality of only some countries, chiefly Germany, France, and Czechoslovakia. In these countries, the most typical manifestations of this danger have been defined. It seems to me that attention should be

paid also to the other Sections, especially the Communist Party of Poland which I represent.

The accentuation of the internal contradictions of capitalist stabilisation and the class struggle pressingly demand from the bourgeoisie the rationalisation of the state machinery, as an instrument of repression, economic policy and preparedness for war. The growing elements of the revolutionary crisis hasten the fascisation of the bourgeois states. The substance of this fascisation is expressed in the fusion of three organisational elements — big capitalist organisations, the machinery of the state, and the political Party apparatus. This process brings forth conditions rendering necessary the establishment of a direct fascist dictatorship, a necessary condition of which is a monopolist administration independent of parliamentary combinations.

Such monopoly does not mean that only one Party can be in existence. The system of several bourgeois Parties making use of various phraseology, but unanimously pursuing fascist practice and ideology, is quite possible. Accepting words for deeds, the German Right wingers and Conciliators deny the fascist role of social democracy which in reality is enforcing a fascist programme.

On the other hand, the abolition of parliamentarism may be accompanied by a retention of the external forms of parliamentary democracy. This, I should say, is what represents the peculiarity of the process of fascisation of the German bourgeois republic. Here we must avoid falling into Italian schematism.

The fascist coup d'etat in Italy was a sign of the impotence of the so-called "democratic" and socialist parties in stemming the tide of the revolution. The revolutionary tide affected in Italy also the army. Italian fascism created with the help of big capital, a more reliable army, smashing the revolutionary movement and effecting a thorough reorganisation of the state machinery, and the entire party system. The fascist party absorbed the cadres of the former parties, assuming a monopolist and singular position, in which connection the democratic parties broke down, not because they constituted a danger, but rather because they were of no use to fascism.

The fascist coup d'etat in Poland, took place under different circumstances. It was not preceded by a demolition of the vanguard of the proletarian revolution. At the moment of the coup d'etat, the fascist party existed only in embryonic form. The instrument in the coup d'etat was chiefly the army, with the active support of the workers, peasants and urban petty-bourgeoisie. The compromising parties, especially the P. P. S., played a prominent role in the coup d'etat.

Hence the weak sides of Polish fascism which hamper the development of a harmonious fascist system. After three years of fascist dictatorship in Poland no uniform, united, widely ramified monopolist mass political organisation has been set up. Hence the need of making use of the compromising parties, especially the P. P. S., in the struggle with the growing revolutionary movement.

The role of the P. P. S. has increased in the fascist system in view of the growing revolutionary sentiment and the fascist crisis. In this respect, Poland is pushed to the forefront as one of the weakest links in the stabilisation of International capital. We witness there a growing economic crisis, and an obviously increasing political crisis of the fascist dictatorship.

The last few months have considerably accentuated the economic crisis.

The greatest acuteness is to be felt in the money crisis, which undermines the stability of the currency. The textile industry, the trade of which has dropped 50% as compared with last year is in the worst position. Housing construction has greatly diminished. Only the war industries are in full activity.

The Fascist government persists in its policy of state capitalism, which is closely linked up with the war preparations against the U. S. S. R. Unemployment caused by rationalisation and the economic crisis is increasing. One-fourth of the industrial workers of Poland are out of work. At the same time there are lock-outs in the country. The value of Polish exports declines from month to month, whereas the import of British, French and American goods, occupies a favourable position.

The enormously swelled budget of the Fascist government (one milliard zloti more than in 1927—28) has a terrific effect on the toiling masses. Already 25% of the taxes are collected

by means of distraint. A general misfortune is the high cost of living which has increased under the fascist regime 60% more than the wages.

It affects also the poor sections of the petty-bourgeoisie. The policy of dumping abroad and screwing up prices at home by the cartels results in an unusual widening of the scissors. Economic stagnation, depressed stock quotations, indebtedness of Polish industry, contribute to the further strengthening of the positions of foreign capital. At the same time finance capital is further centralising production. The largest enterprises of Upper Silesia are passing over to the hands of the Harriman financial group forming a huge trust on both sides of the Polish-German border. Foreign finance capital, having gained control of the economic life of the country with the aid of Polish financiers, is making some investments. The increasingly centralised and monopolistic imperialist character of Polish capitalism, the ever sharpening struggle for markets, the ever larger dumping exports, increase the ambitions of expansion, sharpen the imperialist policy of Polish fascism.

It is in view of this situation that the unstable decaying and extremely contradictory character of temporary capitalist stabilisation in Poland finds the most glaring expression. The Polish bourgeoisie wants to overcome these contradictions by means of feverish preparations for war against the U. S. S. R.

The Polish Government's signing of the **Litvinov Protocol** was merely a manoeuvre, the object of which was to lull the masses and to hide from them the accelerated rate of war preparation. The economic crisis in Poland coincides with its growing international role as the **organiser of an anti-Soviet bloc in the East** under the protection of Great Britain and France.

In view of the sharpening internal contradictions of capitalist stabilisation, in view of the economic crisis and the fierce attack of the bourgeoisie, revolutionary sentiment is growing among the broad masses of the workers and peasants, who are beginning a wide counter-offensive.

Numerous partial strikes have broken out on the basis of the high cost of living and rationalisation since the great strike in **Lodz** which signalled a revolutionary revival in Poland. These strikes are marked by their sharpness and obstinacy in all industrial centres of Poland, Western Ukraine and Western White Russia. This strike wave has shaken the foundations of the fascist dictatorship with its arbitration policy, with the help of which it is carefully trying to retard the economic struggle of the working class which everywhere assumes a political character. Some strikes are immediately directed against political repression, especially in defence of workers discharged for revolutionary activity. The strike sentiment in **Dombrow** and **Upper Silesia** among the miners and metal workers, giving expression to hostility towards Government arbitration, is a sign of growing strike battles in Poland. There are turbulent unemployed demonstrations held in the country. Extremely characteristic were the delegate elections in **Warsaw**, where in spite of the united terror of the fascists, social-fascists and manufacturers, the Lefts elected fifteen representatives in the most important private enterprises, while the P. P. S. elected only seven.

In the municipal elections of **Chelyadsa**, the cancelled anti-fascist ticket of radical workers polled 55% of the vote. The Lefts recently scored similar victories in **Lublin**, and **Pabyanic** and some successes at the elections in other towns.

There is great ferment among the peasantry against the fascist regime, finding the sharpest expression in the refusal to pay taxes, and in the abolition of feudal survivals. On this basis there are mass actions of the poor peasants in the villages and bloody clashes with the police.

The national movement for emancipation, gains in impetus in Western White Russia and Ukraine, finding expression in actions against the occupation of the landlords and the bourgeoisie and their compromising assistants.

The most glaring light is thrown on the radicalisation of the masses in Poland by the results of the May-Day festivals. These results show a considerably high level of revolutionisation of the masses of workers and peasants, who in spite of the greatest terror have demonstrated under the banner of the Communist Party.

Mass demonstrations have taken place in Warsaw, Lodz, Lvov, Dombrow, Lublin, Vilna and other towns. A new characteristic feature of the demonstrations was that this time they started out with various manifestations, marched with

militancy and defended our squares in bloody skirmishes with the police. The long street fights, the stubborn resistance, and the hundreds of wounded, are the best evidence of the growing counter-offensive and revolutionary activity of the working class.

Very characteristic was also the extensive participation of revolutionary peasants who came by tens of thousands to the cities, breaking through all police cordons. This is indicative of an awakening in the rural areas. It is the best proof that the workers and peasants' alliance has already been formed in the mass revolutionary actions under the leadership of the Communist Party.

Finally, there are to be mentioned the factory barricades on which several thousand workers for a long time resisted the police in defence of a dismissed delegate. Several policemen were wounded. This is a symptom of militancy among some of the sections of the proletariat which are resorting to higher forms of struggle.

With the development of the crisis of the fascist dictatorship the role of the P. P. S. and the other, Socialist varieties increases, as I have already said, as a dam stemming the revolutionary tide. The role of the compromising parties in the general system of fascism is to keep the masses from the struggle against the fascist dictatorship, and to draw them into the orbit of fascist policy by means of radical democratic phraseology. With MacDonald's coming to "power", this role is becoming still greater. The Labour Government is advertised by the P. P. S. as a beginning of a democratic pacifist era which will bring about great changes in Poland. Speaking as the guardians of "law and order" the leaders of the P. P. S. are bargaining for a greater share in the government apparatus and in the fascist trough. Their "democratic" opposition serves as a safety valve against the revolutionary movement. The revival of parliamentary democratic illusions among the petty-bourgeoisie, ruined by the crisis, influences also the broad sections of the working class and the exploited peasantry. That is why the left phraseology of the P. P. S. constitutes the greatest danger, especially in view of the fact that some links of the Communist Party have succumbed to the illusions of the masses concerning the radicalisation of the P. P. S. and the struggle of the latter against fascism.

The serious Right mistakes in the locals which resulted in many attempts to set up a united front with the social-fascists, who in some cases approached us on the matter, had their ideological foundation in the Right conceptions of Comrades Kostrzewa and Stefanski on the role of social-fascism, and the relationship between socialism and fascism which has as yet been given no due rebuff by the Party.

The substance of their views was that they regarded the compromising parties as forces which are ideologically, politically and organisationally incompatible with fascism. According to Comrades Kostrzewa and Stefanski, Polish fascism has destroyed the "programme of democratic development" of these parties, wages a deadly struggle against them and creates over their ruins a "super-class" monopolist Party, just as Thalheimer claims. According to Stefanski the radical democratic phraseology of the P. P. S., strikes against the foundations of the fascist dictatorship, i. e. objectively plays a revolutionary role. Comrade Stefanski imagined that the friction within the fascist camp is a struggle between two irreconcilable ideas and organisational systems, whereas, the entire front of struggle of fascism and social-fascism is directed against the revolutionary movement of Poland, against the Communist Party as the leading factor, and against the U. S. S. R. as the bulwark and stronghold of the international proletarian revolution.

Comrades Kostrzewa and Stefanski see no particular instability, decay and extreme sharpening of the internal contradictions of capitalist stabilisation and the class struggle, especially the process of radicalisation of the masses in Poland, intensified by the closeness of the U. S. S. R., as factors which hamper the creation of a mass monopolist fascist party. The basis of this conception was the hazy idea of Comrade Kostrzewa and "pacifying the masses of workers and peasants by cor- "golden rain of loans", an attempt at "curing" Polish capitalism and "pacifying the masses of workers and peasants by corrupting their upper strata", in the form of granting "rights to national minorities" and "using coercive measures in relation to some of the rural magnates". This view was criticised in the Open Letter of the E. C. C. I. of August 1926. However, in his pamphlet written last year, Comrade Brand again over-estimated

the stabilisation potentialities of Polish fascism, denying the imperialist tendencies of Polish capitalism as "a reality of today".

There is also close relationship between this idea and Comrade Kostrzewa's conception concerning the independent role of the petty-bourgeoisie, which prior to the fascist coup d'état is supposed to have tried to materialise its "programme of democratic development". The IV. Congress of our Party rejected Kostrzewa's idea, pointing out that her idea of "the independence" of the petty-bourgeoisie is a practical over-estimation of the role of the petty-bourgeoisie, which may result in wrong tactical conclusions.

Comrade Kostrzewa's and Stefanski's erroneous views rendered difficult a consistent struggle against the "left" manoeuvres of the P. P. S. and led to numerous opportunist mistakes which constitute the outstanding manifestations of the Right danger in our Party. These views gave rise to backward ideas which are most dangerous in the present period of revolutionary revival.

That is why the last Plenum criticised them as the main elements of the Right danger. These views are at variance with the line of the Party and the resolutions of the VI. Congress of the Comintern. Our C. C. has long since emphasised the process of organic fusion of the P. P. S. with fascism, and its development from a pseudo-socialist to a fascist ideology. At the last Plenum of the C. C. Kostrzewa and Stefanski showed that they do not recognise real self-criticism. At one of the sessions of the Polit. Secretariat of the E. C. C. I., Comrade Stefanski, under pressure of criticism, somehow recognised his mistakes. However, at the last Plenum of the C. C. he actually took back his statement and thus misled the Polit. Secretariat. Together with Comrade Kostrzewa he defended and increased his mistakes. Both of these comrades have plainly shown that they are sliding away from the bolshevist line of the Party. The Plenum made the corresponding organisational conclusions so that its fight against Right deviations from the line of the VI. Congress of the Comintern would not remain merely a verbal fight.

The chief task in the struggle against the Right danger is now the overcoming of the opportunist views of Comrades Kostrzewa, Stefanski and Brand, beginning with the nuclei and ending with the District Committees. I am convinced that our Party will cope with this task particularly since the entire former majority cannot be identified with its Right wing leaders besmirched in opportunism. The former majority began to break up at the last Plenum of the C. C., and to destroy the factional barriers. This process of differentiation of the former majority and the consolidation of all Party forces on the line of the VI. Congress of the Comintern will serve as a guarantee of the Party's further consolidation. At its basis must be a struggle against the Right deviation and the Conciliatory attitude towards it, which must be waged relentlessly and consistently. The Plenum of the Central Committee has taken a firm position on the eradication of all factionalism, no matter from where it comes. Calling the attention of the Party to the dangerous manifestations of an organised Right opposition in the Y. C. L. and in the Warsaw Party organisation, the Plenum at the same time declared that it will not tolerate any other survivals of factionalism. It is high time to put a stop to the factional struggle which has unquestionably retarded the development of our Party. In this respect, the points in the last theses of the Comintern are correct. The factional quarrel interfered with the Party's leadership of the struggles of the proletariat. If the Party did develop and strengthen, it did so in spite of the factional struggle. There can be no doubt that the disproportion between the enormous influence of the Party among the workers and peasants, and its organisational strength, would have been much smaller if the Party had been Bolshevistically united. That is true. But in my opinion the political estimation given of the internal and very vital differences in our Party is wrong. These differences go along the same line as the differences between opportunism and Bolshevism in all Sections of the Comintern. It is wrong to maintain that there is an unprincipled struggle going on in the Party. Two things must be separated. One must admit that the struggle waged by the recent Plenum of the Central Committee, which will also be waged by the entire Party, against the Right danger, is an important and serious political struggle. At the same time it must be declared that in pursuing the policy of consolidation and organisation of the mass conflicts, the Party must resolutely put a stop to factionalism and rid the various organisations of incurable factionalists.

These two things must be made clear. They must be so formulated as not to confuse them. I can conclude with the desire that the aid which the Comintern has given our Party hitherto, the aid which found expression in a whole series of important instructions, should be continued in the future. I should like to see the present Enlarged Plenum of the E. C. C. I. supporting our new Executive in the struggle against the Right deviations, in the struggle for the masses and for the overthrow of the Fascist dictatorship. (Applause.)

Comrade MARTYNOV (Redaction of the Communist International):

The question of social fascism is now of tremendous and fundamental importance, and yet no definition of social fascism has been given in the theses or in the main reports. Comrade Bela Kun tried to do that. On the whole I agree with what Comrade Bela Kun has said. However, I find one fault in Bela Kun's speech. He did not make an adequate differentiation of the social roots and the class structure of fascism pure and simple and social fascism.

All forms of fascism have their beginning in the imperialist war. The fact that the bourgeois imperialist bandits of the various countries fought in the imperialist war under the mask of national self-preservation, in the name of which they succeeded in bringing about a truce between the various classes under a direct dictatorship of the governments and in schematically running the economic life during the war with the help of this truce, created the main pre-requisites of fascism. The ideological roots of Mussolini's fascism, Pilsudski's fascism and the social-fascism of the contemporary social democracy, are all to be found in the war period. It is not in vain that the organ of the fascist Stahlhelm wrote in 1927 that "we want the kind of Socialism which exists at the front".

However, these historical pre-requisites of fascism have been converted into fascism proper only when the imperialists who fought against each other turned the sharp edge of their weapons against the proletarian revolution. Classical fascism formed itself in the period of greatest ruin, especially in the countries where the bourgeoisie was weakest and where the capitalist economic system was most shattered.

Neumann: That is the case with chemically pure fascism.

Yes, pure fascism, such as Italian fascism and the fascism which resembles it very much in form, — that of South Germany, Bavaria, the fascism of Hitler. The peculiarity of this brand of fascism is that it had to save the bourgeoisie from the proletarian revolution by mobilising the masses of the petty bourgeoisie and peasants ruined by the war and inflation. It is of interest to note that Italian fascism had, as Comrade Bela Kun correctly pointed out, at the outset, when it was still in the process of formation, before it had conquered power, very strong traits of social-demagoguery. That was the only way in which it could become a mass movement and attract to its side the mass of discontented petty-bourgeois and declassed elements. That is exactly why it pretended to fight not only against the revolutionary proletariat, but also against the bourgeoisie. The same could be observed in Germany in the period of 1920—23 with the Hitler Bavarian national-socialists. Here is, for example, what the Hitler programme demanded: profit-sharing, struggle against the Jews and parliamentarism, abolition of incomes which require no labour, abolition of usury, confiscation of property accumulated by the speculators during the war, nationalisation of the trusts, municipalisation of the big shops, capital punishment for speculators and usurers, caste and professional representation instead of Parliament. You can see what a great number of social demagogic elements was contained in the Hitler programme. That was also the case with the Italian fascists before they took power.

In the period of partial stabilisation of capitalism when fascism triumphed, these open social-demagogic elements were cast off by the fascists. They were cast off in Italy when fascism took power and became the open dictatorship of the big bourgeoisie almost without any trappings. Something similar to that happened to the Pilsudski movement in Poland. The same thing happened in Germany. In its initial stages, fascism was chiefly of a petty-bourgeois character representing the period of economic decline. Now it has given rise to new forms of fascism. The Stahlhelm which has cast off the above-mentioned social demagoguery of urging a ruthless struggle against speculators and

usurers, etc., with which it concealed its actual struggle against the proletariat, has gained in strength. In the "Stahlhelm" we can read now a new programme. Here is what it says:

"What does nationalism want? It wants to save the nation from the antagonisms which corrode it; it wants to save it from the State machinery which is not the flesh of the flesh of the people, but an artificial contrivance (i. e. parliamentarism). It wants the nation to be the decisive factor in Germany, and not a party. It wants no class division, but unity. Nationalism stands for rights as against privileges; it stands for real equality without trimming everybody's hair alike (i. e., the preservation of class society without the class struggle), it stands for law and not for arbitrariness; it stands for community of interests and co-operation and not for the class struggle; it wants order and does not reject it; it wants discipline and not individual caprice."

Further, they write:

"Nationalism wants responsible government with one man at the head; it does not stand to-day for any particular form of government, but it is opposed to irresponsible government of 500 people; it is opposed to parliamentarism." Finally, we read:

"Nationalism is inseparable from socialism. But we don't want the Marxian socialism of the Communists nor the bourgeois socialism of the social democrats; we want the kind of Socialism we had at the front as a necessity, although in a different form."

We see here almost an impression of Italian fascism, but the Italian fascism of the second formation, i. e. the Italian fascism of the period of stabilisation, after it has taken and consolidated its power. The social basis of this fascism has changed somewhat as compared with the period of 1920—23. This fascism of the period of partial capitalist stabilisation has paid increased attention to the workers. True, the Stahlhelm greatly exaggerates its influence among the workers. It says that 80% of the membership of the Stahlhelm organisations are workers. The truth of the matter is that workers constitute probably no more than 25% of their members. It is characteristic that the social basis of the Stahlhelm consists largely of declassed elements, although petty-bourgeois elements, unorganised workers, unskilled labour, farm-hands, workers many of whom have long since been unemployed or are threatened with unemployment, are predominant. Side by side with these there are in the Stahlhelm office workers, State officials, artisans and wealthy farmers. The percentage of workers in the national socialist fascist party is much greater. Its membership is comprised of about 50% workers, most of whom are also unorganised, badly paid, or unemployed. In the present programme of the national socialists there are not so many social-demagogic elements as were contained in the above-mentioned fascist programme of 1920—23.

The fascist programme of the period of partial stabilisation of capitalism extends a bridge from fascism to social-fascism, because social-fascism essentially enforces this programme, although under the screen of socialist and democratic pacifist phraseology. An important difference between contemporary fascism and social-fascism is that their social base is not the same. Whereas fascism of the period of partial stabilisation of capitalism, such as Italian fascism which wields power, the Stahlhelm which has developed in the period of partial stabilisation of capitalism, the contemporary national socialists, are under the direct leadership of the big bourgeoisie and are based chiefly on the petty-bourgeoisie and partly on the declassed and most undeveloped workers of the lowest paid categories, social-democratic social-fascism is based on the labour aristocracy, on the upper layers of the working class organised in the reformist unions under its leadership. That is the main difference between the two.

Social Democracy, based on the labour aristocracy, fused with the bourgeois State and trustified capital, has from the very beginning of partial stabilisation of capitalism inscribed on its banner the slogans of economic democracy, industrial peace, against class war, for arbitration. When the proletariat started its counter-offensive, when the prospects of a revolutionary revival began to assume clear outlines, and when the bourgeoisie put on the order of the day the question of dictatorship, social democracy has undertaken the task of carrying

this out and has rapidly commenced to convert itself into a social-fascist party. Such is the genesis of social-fascism.

Social-fascism is swiftly developing in Germany. There is no such rapid development to be observed in other industrial countries. But there is no doubt that all pre-requisites are available for it in all industrial countries, including Great Britain.

A characteristic feature of the social-fascists as the theoreticians of the contemporary labour aristocracy, is that they are totally alien to the forms of social-demagogy used by the Fascists of the first formation as a means of hiding from the masses their role of saviours of the bourgeoisie from the proletarian revolution. The fascists of the foregoing formation shot with one hand the revolutionary workers, while with the other they were writing slogans about shooting the usurers, about the confiscation of their property, etc. — slogans which remained on paper.

The social-fascists, the theoreticians of the sedate labour aristocracy, do not go in for such adventures but carefully avoid them. They no longer speak of taking the lives or property of any section of the bourgeoisie. In stultifying the workers they are satisfied with describing contemporary "organised capitalism", i. e. trustified capitalism, as socialism. Even the "Left" Social Democrats, who are our most dangerous enemies and whose main task is to keep the leftward moving workers under the influence of Social Democracy, are very discreet in their expressions and limit themselves to the use of hazy, nebulous revolutionary phrases, referring to revolution with a capital R.

There is no doubt that in the impending big class wars in a number of countries the first and fiercest struggles will be fought between the workers, between the revolutionary proletariat and the labour aristocracy, headed by the social-fascist social democrats. There is no doubt that in the most advanced industrial countries like Germany and Great Britain, civil war is pending between the proletariat and the labour aristocracy which is the vanguard of the bourgeois counter-revolution. That will be the most serious struggle. As to the fascist organisations pure and simple, their counter-revolutionary role in these advanced industrial countries will no doubt be relatively less important. Fascism pure and simple will in time of war or civil war be our strongest opponent only in the most backward and semi-agrarian countries where it is in power. As to the workers belonging to the Fascist organisations, as soon as the possibility of victory will dawn upon them, large numbers of these undeveloped unemployed or unskilled workers who now belong to the fascist organisations so as to be able to earn with their help a piece of bread, will come over to us.

There is no doubt that as soon as these undeveloped lower strata of the workers will realise that there is hope for victory of the proletariat, they will swing over to the other side. In a revolutionary situation the bourgeois and wealthy farming elements, and some of the urban petty-bourgeoisie, will remain in the fascist organisations, but very few workers.

The picture will be otherwise in the camp of Social Democracy, in the camp of social-fascism. There is no doubt that the labour aristocracy, which has become directly fused with the bourgeois State and the capitalist apparatus, will fight to the last drop of blood against us. The upper stratum of the labour aristocracy will not waver. It constitutes the strongest bulwark of the bourgeoisie. The most desperate struggle will have to be waged against it. The fights will be bitter, but we are certain of victory, because they will be fought in a period of constant decline and of an ever more acute crisis of capitalism. One of the signs of this decline of capitalism is the general fact that in the present epoch it seeks on the one hand refuge in the repudiation of parliamentarism and in the institution of an open dictatorship and, on the other, it cannot and does not dare any more to set up an open dictatorship of the bourgeoisie. It must do so under cover. In the fascist countries pure and simple capitalism had to save itself with the aid of the petty-bourgeoisie under democratic petty-bourgeois fascist slogans. In the industrial countries capitalism saved itself in the period immediately after the war with the aid of the Social Democrats under the slogans of pure democracy. Now, in the third post-war period, capitalism is again turning in the industrial countries to Social Democracy, but this time to the social-fascist social democracy which stands for dictatorship. This social-fascist social democracy does not play with such risky forms of social-demagogy as resorted to by the fascists in 1920—23.

Voice: And how about the Left social democrats?

Yes, the "Left" social democrats do use revolutionary phrases as a means of deception of the workers. But they will not hide their counter-revolutionary nature by urging pogroms on the usurers, as was done by the Hitlerites. For their audience this is unnecessary. Therein lies the difference between them. But of course, if it will be necessary to smash the Communists, they will never fail to do it. You can be sure of that. The Left social democrats have already done that. The Left social democrats have already shot revolutionary Communist proletarians. Be that as it may, the fact is that the bourgeoisie is setting up an open dictatorship in the industrial countries with the aid of the social-fascists. This means that social-fascism will be our most dangerous and most powerful enemy in all large industrial countries. The fact, however, that the bourgeoisie cannot openly introduce its dictatorship, but is forced to mask it through social-fascism, is one of the clearest signs of the decaying process of capitalist society and of our ultimate victory.

Comrade RUST (Y. C. I.):

The advent of the Labour Government in Great Britain compels this Plenum to pay very close attention to the general political situation in Great Britain as well as to the internal situation in the Party; because the return of the Labour Government, which is in itself an expression of the weakness of the bourgeoisie, will mean the development of big mass struggles in which our Party will be compelled to play a leading part. The situation in Great Britain as a result of the exposure of the Labour Party at the head of the government gives to us a real basis for the development of a mass organisation.

At this Plenum we have the task of discovering exactly the causes of the weaknesses of the British Party and the task to secure the agreement of the leadership of the Party for the proposals that will be made in order to overcome those weaknesses and to give a basis for the future development of the Party in Britain.

I want to emphasise first of all the facts regarding the situation in the Party. We have only 4,000 members at the present time, and nearly all the members who were won as a result of the Party's activity during the general strike and the miners' lockout have been lost. In the last general election we only succeeded in winning 50,000 votes, and in fact found that many of our sympathisers whom we expected to support us voted for the Labour Party because we ourselves had not done sufficient to convince them of the real character of the Labour Party. Moreover, the Party is entirely separated from the factories and has not succeeded in basing itself upon the big enterprises.

This internal Party situation has developed in Great Britain at a time when the radicalisation of the British working class has continued. This small membership of the Party and this small vote that we got in the General Election is in the main due to the fact that the Party has not succeeded in carrying out the line laid down by the Comintern, has made a number of Right wing and sectarian mistakes.

What is the present situation in the British Party? The Party is going through a critical period. The third period of post-war capitalism means for the British Party, above all, a very sharp change in its traditional activity and methods of work. The change has met with big resistance precisely because of the historical development of the Party, and it is essential, therefore, to combat ruthlessly all the opposition that arises.

Our Party carried on for many years, because of the historical conditions, an activity somewhat similar to a revolutionary Left wing in the Labour Party. The Party in Great Britain of course suffers from the fact that it is faced with a strongly entrenched reformism, a very powerful Labour Party and trade union bureaucracy. It is extremely difficult to carry through the change in the Party because of these traditions; the fact that the Party, generally speaking, is politically weak; that the Communist Party was formed out of old Socialist organisations which had no kind of Bolshevik traditions; that we have not yet had in the Party a really deep-rooted political discussion to bring out clearly and decisively the differences of opinion that exist; and moreover the fact that the Party has never been tested in a decisive revolutionary action — all these factors made it difficult for the Party to carry through the change. One of the most serious features of the present situation is, that the leadership of the Party does not realise even as much as

the membership do, the necessity for making this change. The leadership of the Party, by its activity, has been stifling the independent criticism arising from the membership, and far from developing self-criticism, it has retarded the development of self-criticism.

Comrade Campbell in his speech made no attempt to show the seriousness of the Party situation, but rather to apologise and gloss over the situation.

For instance, referring to radicalisation, Comrade Campbell was very pleased indeed to find that the Comintern agrees there was depression among the British workers after the General Strike and lockout. That is not a new discovery. The trouble is that in the main, the British Party leadership has seen only this temporary depression and not the basic radicalisation of the masses. This is the fact that must be brought out: the basic factor to be found amongst the British working class today is not depression but radicalisation.

Comrade Campbell also spoke sharply against the Left sectarian deviations. It is true there were Leftist deviations, but they arise in the main from the Right mistakes of the leadership. I think Campbell would have rendered a greater service, if he had spoken sharply against not Left, but Right deviations, which have occurred and which are likely to re-occur.

The important fact is that, commencing from the period of the IV. Plenum, there has been a series of disputes between the leadership of the C. P. and the E. C. C. I., which have reached their point at this Plenum, where we must thoroughly thrash out these differences. They are not personal differences. These differences are concerning the estimation of stabilisation, radicalisation, and the prospects of revolutionary struggle in Great Britain. The fact of these differences is shown by the dispute which occurred at the IX. Plenum, by the failure of the Party to rouse the Party membership to the new situation, in the support given to Maxton and Cook, in the fact that no change was made in the trade union tactics, and that the materials of the Party Congress prepared by the E. C. C. were nearer the old line than the new line, which compelled the E. C. C. I. to take steps to secure radical changes in these resolutions.

I want to refer, however, to the letter sent by the Presidium immediately after the Party Congress in January.

This letter was adopted unanimously by the C. C. but in doing so the C. C. passed a resolution even longer than the letter itself, and which showed considerable confusion and in no way started out from the basis laid down by the E. C. C. I., and, in fact, blurred over the differences in the questions of the estimation of the prospects of the revolutionary struggle in Great Britain.

The significance of this letter to some of the leading comrades of the Party is shown in the fact that despite the fact that this letter was accepted unanimously, several leading comrades, including Comrades Campbell and Rothstein, put forward the proposal on the eve of the elections that the C. P. should advise the workers to vote for the Labour candidates in those places where we had no candidates. Of course, this was to be done with a critical declaration and so forth. But such a proposal shows misunderstanding of the tactics of the Party and if carried out, would have resulted in the defeat of the Party, which would not have been able to show itself completely independent from the Labour Party.

In the letter reference is made to the new E. C. elected at the Party Congress; the E. C. C. I. said that

"the new E. C. chosen as a result of free election is to us a matter of great consternation... The situation manifested at the Congress demanded, above all, that new elements be brought into the ranks of the Executive. The Congress has shown that it is precisely in the British Party that the danger arises that a small group of leaders may develop which will be insufficiently linked up with active Party life and the active struggles of the workers".

This point was very definite, very critical. How has it been understood? In this way: that after the General Elections, a "re-organisation" is introduced in the Political Bureau, which resulted in the elimination from the Political Bureau of Comrades Gallacher and Murphy, who had played a certain critical part in the formulation of Party policy. This is the kind of "re-organisation" undertaken after the letter of the E. C. C. I., complaining of the leadership, and after the lessons of the General Election.

At the time of the Party Congress, the recommendation was made that two comrades should not be elected into the E. C., because of their work in the C. I. But Campbell tells us today that the removal of Comrades Gallacher and Murphy, the proposed removal at the time of the Party Congress of Arnot and myself, that this all has nothing to do with politics, with the carrying out of the new line; this is some sudden general reshuffling, which cannot be given a political significance.

It is not only naive to make such a declaration, it also has a political significance, because it shows an underestimation of the necessity for carrying through a sharp change when such comrades are removed from the Executive and other elements are included in the Political Bureau whose record so far as the carrying out of the new line is concerned, is very unsatisfactory.

The Executive Committee of the Young Communist League, immediately after this decision of the Executive Committee, sent a letter to the Political Bureau of the British Party which says that

"the endorsement of the letter of the C. I. is only seen in the dismissal of comrades who have a certain critical and Left attitude. Such a course can only mean the adoption of the C. I. letter in words in order to fight it in deeds. In view of these facts we think undeniably that a crisis in the political life of the Party has been reached. We therefore call upon the Political Bureau of the Party: a) to call on the Comintern to appoint a commission to consider the whole question of the leadership of the C. P. G. B. and b) to summon a Party conference which will consider the findings of the C. I. Commission and elect a new Party leadership for the carrying through of the new line and the Comintern Letter".

So you see that the Executive Committee of the Young Communist League sees in these decisions a very serious situation.

Comrade Campbell has said that the Executive Committee is genuinely seeking to carry out its tasks. Of course. No one questions the sincerity of the fact that the leadership of the Party is making genuine efforts to carry out its tasks. But it is not a question of sincerity. No one wishes to accuse the comrades of unprincipled conduct. No one wishes to compare them to Lovestone and Pepper. The fact is it is a question of political mistakes, of a political misunderstanding of the line that is to be carried out.

I think, comrades, that the tasks we have before us, are to see that steps are taken to arouse the entire Party by a vigorous self-critical campaign, in which the Executive Committee will admit its errors, and in particular, correct the reply that it made to the closed letter of the E. C. C. I. Secondly, that steps should be taken to strengthen the Political Bureau and thirdly that a Party conference should be called after this Plenum in order to discuss the decisions of the Plenum, the new situation in Great Britain, and the new tasks of the Party in carrying out the line laid down for it by the VI. World Congress and the Plenum. This is of vital importance, the activity of our Party now in this situation in Great Britain with the existence of the Labour Government, is going to have a decisive effect upon the International working class movement, and in particular the degree of struggle by our Party in Britain will tremendously influence the development of the revolutionary struggle in the colonies, above all in India and in China.

Comrade POLLITT (Great Britain):

Comrades, I hope the Plenum will reject the point of view advanced this morning by Comrade Varga in the figures used in connection with the cost of living. I do not know whether he is aware of the fact that during the General Election the greatest argument of the Tory Party was the facts concerning the living conditions of the workers, and the Tory Party used the very same figures quoted by Comrade Varga. The greatest argument was that during their term of Government the cost of living had gone down and this was indicative that the state of the living conditions of the workers had increased. I think that Comrade Varga should be warned of the danger of using such figures as these.

The basis of the whole of the reformist case, of their support of rationalisation and the pressure of their drive against the revolutionary workers at present, circles around the argument that support of rationalisation leads to an increase in the standard of living of the workers.

Comrade Kuusinen in touching upon the question of rationalisation dealt with the aspect of the problem which none of the Parties are giving the attention to which it deserves, and as a result the Parties deprive themselves of a great possibility of gaining mass influence over the workers. This was the question of the **health side, of the effects of rationalisation on the health of the working class.**

In the mines we find as a result of the lengthening of the working hours, that there has been a big increase in accidents in the mines, especially taking place during the last hour of work. All along the line in the pits, there is an increasing disregard of safety conditions, and as consequence an increase in the number of accidents to workers. The women in the homes feel the effects of this, because of the terrible conditions they are subjected to as a result, trying to make ends meet.

When unemployment takes place as a result of rationalisation what is the plight of the workers? It is impossible to get a job in England in the large factories if you are over 35, and if you are a skilled worker, then if you are over 40 years of age. This means that there is an army of unemployed consisting of men of over 45, for whom there is no hope of work at all. Comrade Varga used figures regarding the British railwaymen. Last year 40,000 railwaymen were discharged as a result of rationalisation on the railways. These workers were men of 45 and 50 years of age, who will not be able to get any jobs anywhere else, in any other industry.

These facts all give the Parties in Amerika and England a tremendous weapon in their hands, if only we will use it, a tremendous weapon for getting the workers over to our side on the basis of the effects of rationalisation. These effects of rationalisation give the Parties of America and England a unique opportunity.

Now, regarding the **General Election**, I want to draw your attention to the fact that the only comrades using the word "defeat" in connection with our vote, are those that claim that they are the Left. I think there is not a member of the Russian delegation who will tell us that they agree with Comrade Khitarov, when he says that the 50,000 Communist votes in the English General Election are a defeat for our Party.

We would have liked to see a vote of 100,000, a vote of 200,000. But we were only able to get a vote of 50,000 in 25 constituencies out of 614 — we could not place any more candidates in the field because of the anti-democratic electoral law of England. Now each of these votes represents a **Communist** vote, because they were votes registered against the stream of the Labour Party. And if Comrade Khitarov has had no experience of going against the stream, nevertheless we have had an experience in England.

Last December many of the Comrades of the Comintern gave our Party a warning: that we were a little too optimistic of the results which would accrue to the Party in the coming elections. They warned us that we had to be prepared not only to fight against three parties, but that we had to fight down the traditions of not splitting the vote of the working class, a tradition which has been a feature of the working class in England since Hardie put forward his slogan of not splitting the working class vote in 1893.

Comrades, the difference between 1924 and 1929 is enormous. In 1924 the votes were for "a Labour Government, but make it fight!" In 1929 the votes were for a "Revolutionary Workers' Government" fighting against the Labour Government and the Labour Party. And there is a tremendous difference in the propaganda which had to be put into the work to achieve success. We would have done much better if our Party from the time of the IX. Plenum had been clear on the meaning of the resolution of the IX. Plenum. But the Party interpreted it, right up to the Party Congress, as meaning only a change in the election policy, without seeing the fundamental thing that it meant a complete change in relation to every aspect of our Party struggles. It meant fighting independently on every field of the class struggle. And we lost one whole year, and during this year we made many

vacillations for which we had to pay dearly in the General Election.

Comrades, there is no disagreement today in admitting the appalling weakness of the local organisation and the fact that we have no roots in the factories, that we have no daily paper that would be a huge weapon arguing for us in the factories. These are the lessons of the General Election which we all know. But although the whole campaign was against the stream, although the fight cannot in any way be compared with the fight during the 1924 elections, even those comrades, who up to the moment of the General Election were still doubtful as to whether the new line was correct, have been convinced that if it had not been for our new policy during the elections, there would have been no Party, we would have been indistinguishable from the Labour Party.

Our vacillations and our political mistakes have resulted in the Party not having a clear single direct line so that we were presenting a definite alternative before the eyes of the workers to the existing Labour Party and trade union bureaucracy. Obviously these vacillations and these mistakes, although they can be over-exaggerated so far as effects upon the Party are concerned, are bound to have had some effect upon the workers who were on the verge of joining the Party, and perhaps as a result of this, held back.

What has been the policy of the British Party during the last eight years? Comrade Rust referred to the Party policy during these eight years as if it had not been the policy of the Comintern. From the moment the Party was formed until January 1928, our policy was a policy of the Comintern, and if we were only a revolutionary Left wing in the Labour movement, that was as much the responsibility of the Comintern as it was of the British Party. The line and the policy was that of the Comintern.

Comrade Rust also said that we have not had the experience of a big revolutionary struggle. We had the experience of the General Strike. Our weakness was that we were not able to hold what we won during the General Strike. Our tragedy is (we have nothing to hide), that in one of the most important industrial districts in England 1400 members can go through our books, can come into the Party and can drift away from the Party. We are just as anxious as the Young Communist League to find out the reasons for this. But when Comrade Rust speaks of the General Strike in the way he does, he should have the courage to tell you that the aftermath of the General Strike led to a war of terrorism against our Party members all over the country. I listened to the German comrades last night and the reasons that were advanced as to why it would not be permissible in Germany in certain circumstances to call a strike in large factories was because we do not want our German Party to become a Party of unemployed. I tell you honestly and sincerely that one of the tremendous difficulties we have to fight against is that the workers have seen so many of our comrades unemployed for three and four years as result of victimisation. This factor must be taken into consideration.

Now we face our most critical period. I do not propose to follow Comrade Rust in his prepared brief of all the shortcomings and deviations of our Party. Any help or assistance that the Communist International can give will not only be welcomed, but will be fought for and earnestly sought for by the British delegation. We understand the responsibility that rests upon our Party at this stage. We understand that if during the first six months of this Labour Government we cannot put our Party forward more strongly than ever against this Government, and the trade union bureaucracy, we are likely to miss the boat for a long period. We understand our responsibility to fight against the Labour Government from an **international point of view**, and from the point of view of what will happen in India, China and in Egypt. We understand this responsibility, and with the help of the Comintern we shall carry out a correct policy.

What are the prospects? The biggest danger facing our Party is the danger that the membership believe that the disillusionment that is bound to arise from a Labour Government will be an automatic disillusionment. We have to guard against this danger and to show the example of the Queensland Labour Government, where years of treachery and betrayal, in the absence of a strong Communist Party, had the effect upon the workers that they deliberately and consciously

brought that Labour Government to an end after 14 years, going over to the capitalist parties. Our task is to harness the fight around the economic demands of the workers, against rationalisation, against the treachery of the MacDonald Government, to show the workers in their disillusionment that there is an alternative — the Communist Party. But this involves a fight, and the Party will fight this fight. The policy of MacDonald's Government is a clever one. It has made big play of relations with America, of the negotiations for the 8-hour day of the Washington Convention, of the attitude towards the Soviet Government, and relations with Soviet Russia. All this is a smoke screen behind which the Labour Government will actually support rationalisation and prepare for the next war. But the process is not so simple as that. For the Labour Government is clever enough to give small concessions which have a considerable psychological effect upon the workers. And what we have to show is that while the Labour Government is doing all this, it is preparing, and executing an even bigger drive against the workers.

Now we have the beginnings of a pseudo-Left movement in the Labour Party. Our duty is to smash this pseudo-Left group, and place the whole of the responsibility of the Labour Government on to Maxton and the others. Before the Election, Maxton actually said: "Give us a Labour Government and we will be the ruling class." After the election, Maxton said: "We are the ruling class". But within one week of the advent of the Labour Party to power, Maxton has to move a resolution against the Labour Government. Cook prostituted himself on the question of the miners, promising them that the Labour Government would give the miners the 7-hour day; but now he is seeing that the miners do not get the 7-hour day so easily, and that the Government does not include the miners' demands in its programme.

The Party must lay the responsibility for all this upon the pseudo-Lefts, and our fight against them must be the most relentless, the most merciless that has ever been waged, because they, with MacDonald, are trying to deceive the workers with their Left phrases.

We have to turn our face to the factories, we have to build up a daily press to help the fight in the factories. These things are on the order of the day.

When you are weighing up the Party's weak sides, we ask you to give consideration to this fact as well: that in the last 6 months our small Party has waged an independent fight in the Rego strike, it has created a mass movement against Bevin in London among the busmen and the transport workers; it has led 3800 miners in their strike in the Durham coalfield; it has conducted an open fight in the automobile factories of Austin in Birmingham. The Party is anxiously and sincerely trying to carry out the application of the Congress resolutions, and with the help of the C. I. it will succeed in this. The Party is ready to seek out more ways and means, to tackle this big problem with frankness and sincerity.

Comrade MUSSO (Indonesia):

Comrades, Comrade Kuusinen asked whether we can call Roy "Comrade Roy". I give here the answer. Roy is no longer our comrade. He is rather the comrade of Gandhi, or at least a comrade of Brandler and Thalheimer. In his article printed in the "Volks Recht", the organ of the Right wing opposition in Germany, Roy stated that at the present time our task in India is to make an alliance with the petty bourgeois and that the Swarajist Party is the best party, the party of independence. Roy also stated in his article that the petty bourgeois leaders have run away from us, but that on the contrary the masses are revolutionary and are on our side. Further he asserted that the policy of the Communist International is wrong and that it is Ultra-Left. Of course, people like Roy and other Right Wingers are certain that the policy of the C. I. is wrong because the petty bourgeois leaders have run away. Let Roy associate himself with Gandhi, but we do not want to have an alliance with this betrayer of the Indian revolution. Comrades, the statement of Roy is but one of the campaigns against the C. I.

The main tasks of the international proletariat at present is to support the Indian revolution as much as possible. The

Indian revolution is isolated, the international experiences could reach India, but with many difficulties. It is not enough just to issue leaflets, pamphlets and so on, we must now act directly. Above all this is one of the urgent tasks of the British Communist Party. Our present task is to help the Communists in India to build a firm and strong Communist Party. Some comrades have asserted that there are no Communists existing in India. How can any one say that there are no Communists in India. Our experiences show that without Communists it would be impossible to organise Red Trade Unions, as for example, the Girmi Kamgar trade union. This union had formerly but 300 members, but after a five months' strike it had 60,000 members. This is indeed the greatest success of the trade union movement during the last period. The Bombay textile workers' fight shows how great is the revolutionary spirit of the working masses. Undoubtedly the Indian comrades have already learned a great deal about how to organise mass workers' organisations. The trade union is built on the basis of factory committees and it has a defence corps.

Now I turn to the situation in Indonesia. I am going to speak about the transition of the social reformists into social fascists. Comrades, the social democrats in Indonesia already long before the VI. World Congress were going over to social fascism. Before the insurrection the social democrats urged the government to close down the revolutionary trade unions, and they also advised the government to introduce laws to prohibit meetings. After the uprising, when the Dutch Government did not know how to deal with the Communists who had participated in the insurrection, the social democrats came out as the loyal advisers of the Dutch imperialists. On the advice of the social fascists, the Communists who participated in the insurrection were executed and those who were arrested were exiled to New Guinea. And now more than 3,000 Communists are languishing in banishment in New Guinea. Two months ago the social democrat, Mühlenfeld, was appointed Director of the Government Indonesian Administration. The putting of a social democrat into such high responsible posts must mean putting him face to face with the emancipatory movement of the Indonesians and also face to face with the Communists. Now the social democrats are doing everything to exterminate the Communists in Indonesia. Stokvis has written an article in "Het Volk", the organ of the Dutch Social Democratic Party, three months ago in which he said that among the Left Nationalists there are still Communists, carrying on the Communist activities, and that these must also be sent to New Guinea.

Comrades, the social democratic Party in Indonesia is incessantly trying to pacify the nationalists and bring these under the influence of the Dutch imperialists. Now, after the suppression of the Communist Party of Indonesia, the Nationalist Party is coming up. The Nationalist Party is struggling, so it says, for the liberation of the Indonesians. And the present policy of the Dutch Government towards the Nationalist movement has changed. Last year the policy of the Dutch Government was hostile, more or less, to this movement. During the opening of the Volksraad (People's Council) in the beginning of this summer, the Governor-General stated that the Government's policy is very friendly to the nationalists, and that the nationalists have to be given the full right to organise.

The Government has learned that in China and in India the imperialists can do a great deal with the help of the nationalist bourgeoisie to suppress Communist activities. So now in Indonesia the tendency of the Dutch government is to co-operate with the nationalists to suppress the Communists. Also lately the Dutch Government has established the "Middle Class Commission" whose task is to rear and develop the Indonesian native bourgeoisie.

At present there is not a strong nationalist bourgeoisie in Indonesia, like there is in India and China, which could be used by the imperialists as their compradors. But we have a tiny stratum of native population which is coming up after the uprising, due to the fact that the native rubber has developed very rapidly in Sumatra and Borneo. The Dutch government wants to have in Indonesia a broad strata of native bourgeoisie as in China and in India in order that this can be used as a counter-balance between the proletariat and the imperialists. This is in short the present policy of the Dutch Government in Indonesia.

We cannot say anything about the activities of the Communists, because we have no direct connection with Indonesia. We have tried since the uprising (1926) to build up connections with Indonesia, but owing to the fact that the white terror is still raging in Indonesia, China and other countries, the carrying out of the organisation of these connections is very hard. We know, from the information of the social democrats, and the bourgeois press, that there are still Communists working among the masses. The Communists are organising small insurrections,

strikes, etc. in Java and Sumatra. It was reported that the Sarekat-Reyat, the revolutionary people's party which was led by Communists, is reviving in Eastern Java. Also among the trade union movement the Communists are active. But we have no concrete information about it. Therefore, I propose to ask the C. I. to do everything in its power to establish good connections with Indonesia, so that we can go forward and rebuild our Party there, which will be able to carry on our work.

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