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FIVE CENTS

THE BLOC OF THE RIGHT-CUM-"LEFT" HYPOCRITES IN THE U.S.S.R.

THE Soviet Union is now passing through one of the most critical stages of its development. In a situation of ever-strengthening preparations on the part of the world bourgeoisie for war against the U.S.S.R., in a situation of intensified opposition on the parts of the outlived classes inside the Soviet country, the trusty hand of the Russian Communist Party is guiding the developing Socialist offensive along the whole front.

It is quite natural that the enormous successes of this Socialist offensive and the difficulties of the growth connected with it are stirring into activity all the class enemies of the proletariat. Nor is there anything remarkable in the fact that inside the Party both Right and "Left" opportunists are becoming active, finding themselves at the mercy of the bourgeois encirclement and representing one of its agencies. They are attempting to hinder and to hold back under one flag or another the Socialist offensive headed by the Party, and they are making strengthened attempts to create their own groupings and circles and to unite these groupings into a new Right-cum-"Left" bloc directed against the general line of the Party.

Such a thing has happened more than once in the history of the Russian Communist Party. At each turning point, at each difficult, critical stage of struggle, there have come to the surface one or other opportunist "saviours" of the revolution who have attempted to divert the Party from its Leninist path.

At the present moment, on the threshold of the third decisive year of the Five-Year Plan the scattered fragments of the Right-cum-"Left" Parties and groupings are seeking to stimulate and develop a revolt against the Party. Inasmuch as both Trotskyism and Right opportunism have been sufficiently exposed in the eyes of the masses of the Party, the opportunists are giving a new form to their work: *recognition of the general line in words—treacherous hypocritical struggle against it in practice*. The Sixteenth Party Congress already exposed this manoeuvre:

"The Congress directs the attention of the whole Party," says the resolution of the Congress, "to the fact that the opportunists of all shades, especially the Rights, are making use of a new manoeuvre expressing itself in formal recognition of their mistakes and in formal con-

formity to the general line of the Party, but not confirming their recognition by work and struggle for the general line, which in fact signifies only a change from open struggle against the Party to a hidden one or to a delay till a more favourable moment for renewing attacks on the Party."

The facts of the last period demonstrate how correct was this warning of the Sixteenth Party Congress.

Ryutin, one of the representatives of the former opportunist leadership of the Moscow organisation, the ex-Secretary of the District Committee of Krasnyia Presnya, who had written lengthy articles against the Right deviation, at the same time conducted underground anti-Party activities and prepared an unprincipled bloc with the Trotskyists on the basis of the recognition by the latter of the economic platform of the Rights, and recognition by the Rights of the inner-Party platform of the Trotskyists. Slepkov and Maretsky, the disciples of the Bukharin Right opportunist school, in spite of their declarations of agreement with the general line of the Party and recognition of their mistakes, in fact continued to adhere to their former views and conducted a treacherous struggle against the general line of the Party. And Bukharin himself, the ideological leader of the Ryutins, Slepkovs and the rest, in spite of repeated demands from a number of Party organisations that he should declare his Party position, continued stubbornly to maintain a *policy of silence*, which it was difficult to interpret otherwise than as solidarity with the already exposed hypocrites. While declaring his agreement "in essence" with the general line of the Party, Bukharin (as also the other old leaders of the Right opposition, Rykov and Tomsky), does not confirm his "agreement" with the general line *by action* and does not agree to recognise the ideological kinship of the liquidatory and in essence kulak-capitalist platform of the Rights with the programme of the saboteurs for the bourgeois restoration. Nor does he speak clearly and unambiguously on his relations to the conspiratorial anti-Party activity of the hypocrites and traitors to the Party.

Finally, the recently exposed underground group of Nusinov, Kavraiski, Galtznerin, etc., represents a group which has repeatedly declared to the Party its agreement with its line,

but in fact in a hypocritical fashion carried on an illegal, fractional and disruptive work against the Party. In the composition of this group have entered persons who in the past have committed both Right and "Left" errors ; persons who, as in the past, called on the kulaks to "make hay while the sun shines" as well as persons who not so long ago were putting forward "leftish" slogans. (Lominadze and Schatzkin.) Now, all these have considered the moment suitable for a "concentration" of their forces and for the creation of a new Right-cum-"Left" bloc against the Party line.

The new "hypocritical" form of opposition is extremely significant for the present historical stage of Socialist construction. The Soviet power is carrying through a wide upward movement, making intense efforts to overcome enormous difficulties. This great upward movement can only be compared with the October revolution. The Soviet country has already entered the Socialist stage. There already had been realised in the life of the country the inspired prophecies of Lenin. The Soviet system has created the possibility for a rate of growth of industrialisation never before witnessed in history and completely unavailable for capitalism. Under the leadership of the proletariat, the basic mass of poor and middle peasantry are already turning their face towards "Communism," turning away from the "miserable impoverished one-horse peasant economy based on scattered peasant country . . . to huge machine industry, electrification, Volkhovstroï, etc." . . . "The last decisive struggle . . with the Russian capitalist, which grows out of the midst of the peasantry," the liquidation of the relics of the exploiting class of the kulaks, is already being carried through. The Party leading this magnificent change has been raised to unprecedented heights. Its authority among the widest proletarian masses imbued with the heroic enthusiasm of Socialist construction is unassailable.

None of the opportunists, whether Right Wing or whether concealing themselves under "Left" phrases, under these conditions dare openly give utterance to their disagreement with the general line of the Russian Communist Party. They adopt a cowardly hypocrisy, they vote for the general line and for the big decrees

of the Party ; at the same time, in panic terror at the enormous upward movement, they attempt to divert the Party from its path, they carry on underground disruptive work, forging an unprincipled Right-cum-"Left" bloc, building up a platform from the fragments and splinters of the Menshevik ideas of the oppositional fractions already exposed and refuted by living experience.

With what kind of ideological luggage does this Right-cum-"Left" bloc come forward ? There is very little new to be found in it, very little that has not already figured in previous opportunist crusades against the Party !

Once more there appear on the scene prophecies of "crisis" and "collapse" as a result of the "adventurist policy" of the Central Committee. In regard to industrialisation, the new "saviours" see around them only failures, gaps and difficulties. They paint the future in the darkest colours. The rate of progress adopted by the Party appears to them to be beyond our strength, involving too intense an effort. Their conclusion is that it is necessary to have a "real" tempo. In the sphere of the agrarian policy of the Party, the "new" watchword of the Right "Left" heroes amounts to raising doubts as to the turn among the basic masses in the village to Socialism, ("the mechanical approach to the transition to collectivisation of peasant economy.") Thus the Right-cum-"Left" liquidators in practice bring forward the slogan of the Right Wing Bukharin and of the "Leftist" Sten on the "right to doubt."

The new Right-cum-"Left" bloc inevitably retails the chatter of all the opposition groups in regard to bureaucratism. "There is to be observed a definite diminution of energy throughout the whole field, an absence of creative initiative," says one of the chief heroes of the new bloc who can't imagine that he himself is in the wrong. Further, it said that everywhere bureaucracy is growing ; the more we struggle with it, the more, apparently, it grows.

Concerning the working-class and its participation in Socialist construction, the Right-cum-"Left" bloc of traitors once more repeats the slanders of the Menshevik opposition that the real standard of living of the working-class in the U.S.S.R. has gone down and that the Party is only maintained by a terrific strain on the

workers. The Shock Brigades, Socialist competition, the surpassing of the plans for industry and finance, etc., and other new Socialist forms of labour are regarded by the Right-cum-“Left” bloc as the product of bureaucratic pressure on the workers.

Finally, as regards the “inner-Party regime,” the new word of the new anti-Party bloc again consists only in a re-hash of the old attacks on the Party leadership which have long ago been decisively refuted. The Party apparatus, they say, follows a barren course, without any living soul, without binding together the opinions of members of the Party, frequently in a purely mechanical fashion and not ideologically forming the general outlook of the Party. The leading Party cadres, they say, remain several years behind the tasks set by the present epoch. The work goes forward in jumps, by fits and starts, blindly. The inner-Party “regime” is apparently to blame even for the double-dealing of traitors to the Party. These last, so it is said, have fallen into a “tragic contradiction” and are compelled to seek for “monstrous paths” for the expression of their ideology. Such is the platform of the Right-cum-“Left” traitors by their own representation.

Such is the “platform” put together out of fragments taken from the Right opportunists and counter-revolutionary Trotskyists! Both the Right and “Left” opportunists, in their efforts to break the Socialist offensive now touchingly unite in regard to the inefficacy of the rate of development adopted by the Party and on the necessity of adopting “real tempos.” The Party has followed and is following its own path; its ranks are sufficiently strong and steed in the struggle with various kinds of deviations not to allow itself to be diverted from the correct course by anyone.

The two years of the Five-Year Plan already passed through, in spite of certain gaps, have demonstrated the complete reality of the rates of development adopted by the Party. During the second year of this period, the gross output of all industry has risen by 25 per cent., and that of heavy industry by 40 per cent. Is this the “crisis” about which the Right-cum-“Left” panic-mongers have made so much fuss? It would be necessary to turn upside-down all our conceptions of crisis if such figures of the

growth of industry during one year are to be considered as signs of crisis!

In addition, it must not be forgotten that these magnificent figures of development were attained in circumstances of intensified class struggle, in circumstances of preparation by world imperialism of economic blockade and war against the U.S.S.R., in circumstances when the whole network of counter-revolutionary sabotage organisations developed intense activity for artificially hindering the tempo of development of the U.S.S.R. and for *bringing about a general economic crisis* in the Soviet country. Electrical power, coal, metallurgy, oil, these were the industries against which first of all the efforts of the various technical and other saboteurs were directed. And what happened? In spite of this, we see during the past year a growth in power development of 30 per cent., a growth in coal output (in spite of gaps) of 16 per cent., a growth in production of cast-iron by 24 per cent., and a growth in oil output by 26 per cent. If the working-class, in spite of the efforts of the saboteurs, were able to realise such rates of development, unheard of in any capitalist country, does not that testify to the enormous reserves inherent in Socialist construction basing itself on the millions of toilers? But all this is overlooked by our prognosticators of crisis.

“Expansion of private trade,” they say. But they have not noticed that the private capitalist sector has been almost completely squeezed out from trade by the production of big industry (its position is now .9 per cent.). They have not noticed that the Socialist sector in agriculture now occupies a commanding position (the share of the socialised sector this year was 60 per cent.); they have not noticed that private capital has been almost entirely eliminated in the sphere of wholesale trade turnover (its position is represented by a figure of a few tenths of one per cent.) and that it has been lately crowded out also in retail trade turnover (8 to 10 per cent.).

The panic-mongers, who are depicting a crash everywhere, are ready also to cast doubt on the magnificent successes of Socialist construction in the villages. But facts are merciless. During the past second year of the Five-Year Plan, the area under cultivation by collective farming has risen to 90,000,000 acres in place of the 50,000,000 acres anticipated by the Five-Year Plan at the end of the five-year period. In the

chief grain regions, the number of peasant households united in collective farms has exceeded 40 per cent. of the total number of households. The Soviet farms during the past year cover about 10,000,000 acres. For the coming year, some 20,000,000 acres are being prepared by the Soviet farms. The Soviet farms have already provided grain on a scale two-and-a-half times as great as in the preceding year; from the collective farms the amount of grain has been 3.5 times as great. The whole of this decisive advance in favour of Socialism in the village has been overlooked by the Right-cum-“Left” panic-mongers in their chatter about collapse, crash, etc. These demoralised opportunist whiners see only difficulties and they whine and cry out only about the difficulties.

Does the victorious Socialist offensive encounter difficulties? Of course it does. And the Party does not hide these difficulties, as the new heroes of opportunism pretend that it does. The Party clearly sees the difficulties and straightforwardly speaks about them to the masses. We have still serious difficulties in regard to provisions (particularly of meat and fats). There are still serious gaps in regard to a number of branches of industry. There are difficulties still in regard to light industries where we are faced with a certain lagging behind from the Plan (instead of an increase of 23 per cent. envisaged by the control figures, an increase of only 11-12 per cent.). The Party, however, understands very well the nature of these difficulties on the basis of the exceptional economic advance of the whole country. And the Party points out the Bolshevik manner of overcoming these difficulties.

Intensive development of stock-breeding, Soviet farms and collective farms—this is the path towards overcoming the difficulties in regard to meat and fats, a path already tried out in regard to the solution of the grain problem. Intensive advance of industrial crop cultivation on the basis of collectivisation provides the way to overcoming the difficulties in supply of raw materials which has caused the lagging behind of light industry. On this path, the Party has already achieved considerable successes. For the liquidation of the difficulties in provision of meat there have already been organised 500 cattle-breeding Soviet farms controlling an area of more than 80,000,000

acres of land and owning some 800,000 head of horned cattle, some 250,000,000 sheep and 150,000 pigs. The cotton crop has been increased over that of 1929 by 60 per cent., and the crop of sugar beet by 150 per cent. It is not for nothing that the control figures for the quarter October-December, 1930, have already planned a growth of light industry by 33.4 per cent. Complete liquidation of the gaps observed in various branches of industry is the task which has been fixed for the “shock” quarter (October to December, 1930), and which on the basis of Socialist competition by the widest masses has already begun to be successfully realised.

And at this moment, when the working-class of the Soviet Union with genuine revolutionary enthusiasm is attacking and overcoming all its difficulties and successfully realising the general line of the Party, the Right-cum-“Left” capitulators cannot find anything more appropriate than to demoralise Socialist competition, to attempt to demoralise the powerful creative élan of the working class and to spread demagogic lies concerning a lowering of the standard of life of the proletariat.

The efforts to realise and surpass the industrial and financial plans, an object lesson in the Socialist attitude to labour, which among us has been transformed (in Stalin’s words) “into a matter of honour, a matter of glory,” appears to these newly-active fragments of the Right and “Left” opportunist sections merely as a product of “unhealthy moral political pressure on the workers.” Not the Shock Brigades, the leaders of Socialist construction, but the most backward elements of the workers who have not yet outlived petty-bourgeois prejudices, and officials terrified in the face of difficulties, bureaucrats looking only for a tranquil life and overwhelmed by the Bolshevik rates of development, these are they who speak now through the mouths of the Right-cum-“Left” bloc, these are they who represent the real “heroes of the day,” in this bloc. One cannot but be reminded of the characterisation given by Lenin:—

“To represent the attitude of the most backward sections of the proletariat, moving backwards and not forwards with the vanguard, for this no leaders are required; and when they apply their slogans with such unprincipledness, these leaders are worth nothing at all.”

After all this, can we say that the cry of these double-faced leaders about the growth of

bureaucracy is worth anything at all? "Look at yourselves," any working-class shock-brigade will correctly answer them. These hypocrites have not observed such things as the supervision exercised by factories and workshops over the administration of enterprises, they have not observed the mass movement of workers into the State apparatus, they have not observed the development of self-criticism which has been taken up by vast masses, they have not observed the intense struggle, which has already yielded valuable fruits, conducted by the Party with the aid of the widest masses against all bureaucratic relics in the State, economic and co-operative organisations.

Nor is the "love for the workers" of these hypocrites worth very much, or their claims to a monopoly in defence of the interests of the workers. Not by means of capitulation in the face of difficulties but along the path of Bolshevik overcoming of difficulties, by means of firm realisation of the general line of the Party, and only along this path will the working-class seek and find a way forward on the road towards an unprecedented raising of its material and cultural level. Those who utter calumnies about the lowering of the living standards of the proletariat have not observed that the Party has achieved enormous success in the direction of complete liquidation of unemployment in the U.S.S.R. Does not this outstanding fact have any importance in characterising the position of the proletariat in the Soviet Union? Further, these Right-Trotskyist inheritors have not observed that, in regard to the deficiency of certain classes of goods, the class principle in the distribution of these products guarantees to the working-class a first chance and greater supplies of these products. And again, how is the "practical" proposal for increasing prices of industrial manufactures put forward by the Right-cum-"Left" bloc to be harmonised with their outcry about lower living standards of the working-class? It cannot be harmonised in any way. The two things are simply not connected by our heroes of panic and opportunism.

Thus, we see that there is literally not a single point of the "platform" of the bloc of the hypocrites which has not been taken either from the arsenal of the Right opportunists or the "Left" opportunists, in the final analysis, that is to say, from the arsenal of the Mensheviks. The

opportunists who have been turned down by the Party and by the working-class are now seeking a way to consolidate their forces. Just as the Trotskyists demonstrated their complete readiness to come to an agreement with the Rights, so the Rights (we are reminded of the negotiations of Bukharin with Kamenev, etc.) seek a bloc with the Trotskyists on the basis of a common attack against the so-called "adventurist" policy of "super-industrialisation" and liquidation of the kulaks as a class, and on the basis of a joint revolt against the Bolshevik leadership of the Party. The "Lefts" recognised the correctness of the Rights in economic questions; the Rights recognised the correctness of the "Lefts" in inner-Party questions.

Such is the basis of the bloc which is being looked for by the Right and "Left" cowards and capitulators. Vain efforts! The ranks of the Party and of the working-class will not be shaken by any fragments of scattered groups, by any kulak and Trotskyist supporters.

The Socialist offensive conducted along the whole front under the leadership of the Party evokes the bitter opposition of the class enemies of the proletariat. Our class enemy seeks to obtain agencies within the ranks of the Party which might serve as centres of effort for all the anti-Party, anti-Soviet elements in the country. The objective task which has to be fulfilled by the bloc of double-faced hypocrites consists in sowing distrust as to the correctness of the general line of the Party, consists in blocking, hindering and disorganising the Bolshevik offensive, consists in weakening and softening the will of the proletariat in this attack.

The Party and the working-class will expose the double-dealers to the end. The exposure of the unprincipled bloc of the Rights and the "Lefts" will be used by the Russian Communist Party for an even stronger mobilisation of the creative energy of the working-class for the Bolshevik overcoming of all difficulties of Socialist construction and for a further victorious Socialist offensive—despite all efforts of capitalist counter-revolutionaries, kulaks, saboteurs and their agencies within the country.

The Communist Party of the Soviet Union is at a decisive turning point. In face of the successes of the Five-Year Plan, which in the circumstances of world crisis are exercising an enormous revolutionising influence on the

proletariat in the capitalist countries, world imperialism to an ever greater extent intensifies its preparations for war against the Soviet country. The French attempt to create anti-Soviet blocs, the "dumping" campaign, the strengthened anti-Soviet preparations on the parts of the General Staffs and diplomacy, the stimulation of saboteur organisations inside the country, all these are links in a single hostile chain which is being forged to disrupt the victorious Socialist construction of the U.S.S.R. And it is these ends which are objectively being served by the revolting disruptive activities of the bloc of the Right-cum-"Left" double dealers.

There cannot be any doubt that in this situation the Party of Lenin will close its ranks even more closely than before in the struggle on two fronts, and in the first place against Right opportunism as the chief danger, and against any kind of conciliation towards deviations from the general line. There can be no doubt that the Party will push aside with a firm hand all the Right and "Left" opportunists who seek to hinder and hold back the Socialist offensive, and that it will continue to exhibit the same iron persistence, self-reliance and discipline in the Socialist offensive along the whole front, at the head of which it stands.

The exposure of the Right-cum-"Left" bloc in the Communist Party of the Soviet Union is of immediate interest also for other sections of the Communist International. Such blocs are no new thing for the C.I. The "Left" Trotsky

who made common cause with the Right renegade Chen-Du-Su and who is prepared for a rapprochement with the Brandlerists; the touching unanimity of the Right and "Left" opportunists in questions of the line of the C.I., in estimates of the world economic crisis and of the character of the struggles facing the proletariat, in the questions of the approach to the unorganised workers and in regard to the class against class tactic of the C.I.; the complete identity of the positions of the Rights and "Left" renegades in regard to the general line of the C.P.S.U. and their slanderous attacks on the Bolshevik leadership of the Party and of the C.I.—all this points to the need for all sections of the C.I. redoubling their attack against the Right and "Left" opportunists who work hand in hand in the most important questions. All this demands a concentration of fire against Right opportunism as the basic and chief danger of the present period. All this demands a ceaseless attack against "Left" opportunism, which in fact unites itself with Right opportunism and against the agencies of the bourgeoisie and social-fascism in our ranks.

All this demands from the sections of the C.I. the most merciless, Bolshevik exposure of any sort of conciliatory tactics towards opportunist deviations. All sections of the C.I. must keep in mind the words of comrade Stalin;—

"It is impossible to develop our struggle with our class enemies if the latter have their reflection in the rear in our own Party, if we leave in the rear persons who have not faith in our cause and who attempt in every way to hinder our forward progress."

THE PATH TO PROLETARIAN HEGEMONY IN THE INDIAN REVOLUTION.

By R. PALME DUTT

(Continued from previous issue).

THE DRIVE TO CRISIS AND THE EMERGENCE OF THE WORKING CLASS TO THE FOREFRONT OF THE MOVEMENT

THE second half of the decade 1920-30, as has been already noted, has been marked by the tightening hold and increasingly reactionary policy of British imperialism in India, and the consequent accelerated gathering of the forces of struggle in the Indian situation. It is in this gathering situation that the working class has come increasingly to the forefront.

The distinctive feature of the new stage of struggle against imperialism, which has developed in a rising wave during these years, is that the most powerful impetus and initiative towards active struggle during these years leading up to the present crisis has come from the new force in the situation, the working class. The mass struggles in the great industrial centres have been the signals of the approaching storm. The petit-bourgeoisie has been drawn in the wake of the rising tempo of struggle, and pressed forward to increasingly revolutionary demands. The bourgeoisie only took up the leadership of the rising forces of opposition at a late stage, when it had no choice save to lead the mass movement in order to behead it, or surrender its position.

Already in 1925, the mass resistance of the Bombay textile workers to the wage reduction offensive of the employers and Government combined, which was reflected in the total for that year of 12 million lost working days (as against 6 millions for the previous high record of 1921), was the first signal of the new stage of struggle, at a time when the bourgeoisie was still settling down to increasing co-operation with imperialism, and the National Congress was disintegrating and dwindling. But the real upward movement of the workers' struggle began in 1927. In 1928 the strike movement reached the enormous total of 506,000 workers and 31 million working days; in 1929, 532,000 workers and 12 million work-

ing days. This strike movement revealed the growing independence of the working class movement, election of strike committees by the workers, repudiation of the reformist leaders, etc. Trade union organisation shot up; the figures for the Bombay Presidency rose from 59,000, according to the Government returns in March, 1926, to 75,000 in 1927, 95,000 in 1928, and 200,000 in 1929. The left wing elements gained increasing dominance, not only in direct strike leadership, but also within the unions and in the Trades Union Congress.

At the same time, the influence of the working class struggle, of revolutionary working class conceptions, of general "socialistic" ideas, and even of Marxist and Communist ideas, began to spread, and affect also considerable sections of the petit-bourgeoisie. The petit-bourgeoisie pressed for more revolutionary demands, embodied especially in the demand for "independence" as the goal of the national movement; and the bourgeois national leadership, although openly opposed to this, found it necessary by the end of 1927 to accept it in form. At the same time, the first confused approaches towards independent working class politics showed themselves in the "Workers' and Peasants' Parties" which were established in 1927, largely out of left elements in the unions and in the National Congress, on a general socialistic and national revolutionary programme.

By 1928-9 the question of "Communism," although there was actually no section of the Communist International in India, began to come to the forefront of politics. Imperialist organs, both in England and India, Nationalist organs, Government reports and employers' report began to occupy themselves ceaselessly with the question of "Communism in India." By "Communism" they meant first and foremost the militant working class struggle and the growth of a militant working class leadership; and secondly, the revolu-

tionising process at work in the national movement.

In this way the working class had by 1929 not only shown itself as a new, active and militant force in the Indian situation, and by the whole character of its fight as potentially the most dangerous enemy of imperialism; but had also made a first unconscious approach to its future hegemony in the national struggle by the revolutionising influence that its activity was in fact exercising on the entire national struggle.

But the actual strength of the working class was still far below its potential importance. The weaknesses of the Indian working class movement at its present stage of development are marked and serious.

In the first place, no organised political expression and leadership of the revolutionary working class in India, *i.e.*, no Communist Party, yet exists. This is the essential and basic weakness. That there is ripeness for its establishment, that revolutionary political working class ideas have already begun to spread, is abundantly shown by the independent workers' demonstrations held under their own slogans and symbols in the principal industrial centres (the Bombay reception of Simon, the demonstration of 50,000 workers to the Calcutta National Congress in 1928 with the slogan of "Indian Soviet Republic," the conflicts over the Red Flag and the Congress flag in Bombay, etc.). But so long as there is no uniting force to express the leadership and organise it, the movement inevitably remains at the level of primitive and sporadic class struggle; and, so soon as larger issues arise, the old national bourgeois leadership takes command as the sole leadership of the whole "nation," with all the apparatus, organised influence, experience and Congress tradition behind them, and the workers, while providing the principal body of actual fight, largely disappear in the general movement.

Trade union organisation has been carried forward to a certain extent, with a marked advance in the past two years; principally in the larger industrial centres in Bombay and Bengal, and mainly among the textile workers, jute workers, railwaymen, seamen and engineering and iron and steel workers, to

some extent among the general workers, very little touching yet the miners, and not yet able to reach the plantation workers. The estimate of the Red International of Labour Unions placed the number of organised workers in India in 1929 as 400,000, of whom 150,000 were judged to be under the organised leadership of the Left. The Trades Union Congress claimed to represent some 125,000 workers in 1927, and in 1929, before the splitting off of the Right unions, according to the figures of J. Nehru, some 190,000 workers. The principal Left union was the famous Bombay Girni Kamgar Union of Textile Workers, which was reported by the Government to have reached a strength of 65,000 by the end of 1928; at the 1929 Trades Union Congress it was affiliated on a strength of 40,000, but is reported this year, with the heavy attacks on it and imprisonment of its successive batches of leaders, to have fallen heavily.

Bourgeois influence is still strong in the leadership of the unions. The old Right reformist leaders (Joshi, Shiva Rao, Bakhale), who represent direct imperialist influence and association with the British Labour Party, were at length defeated at the Nagpur Trades Union Congress at the end of 1929, and seceded from the Congress to form a new one; but they carried with them very nearly half of the affiliated unions, and the victory of the Left was only won in association with the bourgeois Left Nationalists (J. Nehru, S. C. Bose), who now hold the principal positions and work for alliance with the old Right leaders. The building up of a strong and independent trade union movement, based on a programme of class struggle and purged of reformist and bourgeois nationalist leadership, is the principal immediate task for the establishment of the organised strength of the Indian working class.

A further important factor in the present situation of the Indian working class is that the militant working class leadership which was growing up in the struggles of 1927-28, and striking roots and gaining growing influence, has been imprisoned almost in entirety by the Meerut prosecution, thus facilitating the path for bourgeois and reformist influence. While new leaders have successively arisen,

and been imprisoned, and the ultimate effect can only be the strengthening and steeling of the working class and calling forth of ever new forces of leadership from the masses, the immediate effect is inevitably that the working class has entered into the large-scale crisis of 1930 seriously crippled in leadership and organisation. The Indian working class has had to face the conditions of the present struggle after two years of heavy continuous class struggle and sacrifice, and with its best existing leaders imprisoned. This is essential to bear in mind in judging the tasks and problems confronting the Indian working class to be able to realise its rôle of leadership in the present stage of the national struggle.

THE ROLE OF THE MASS STRUGGLE IN THE PRESENT CRISIS AND THE PROBLEM OF THE NEXT STAGE

The tactics of imperialism in preparing for the present conflict have been clearly marked. The necessities of imperialist policy, as already shown, ruled out the possibility of concentrating on the line of conciliating the national bourgeoisie by a liberal policy of concessions; the national bourgeoisie had to be broken in to submission. The inevitability of facing for a period a combined front of all the forces of national struggle had to be recognised, and prepared for by strong measures. The task became to disorganise and paralyse this national front; and the instrument for this purpose lay ready to hand in the national bourgeoisie, which feared a decisive mass struggle even more than imperialism.

The first step was to behead the rising working class movement, where the real point of danger lay, by the imprisonment of the principal leaders and the active repression of all militant working class organisations. This was achieved by the Meerut prosecutions, initiated in March, 1929, and by the terrorist campaign against the militant working class organisations, at the same time as by administrative measures, and by the Whitley Commission appointed in 1929, to assist reformist leadership in the unions and the development of "genuine trade unionism" (in the words of the Labour Indian Secretary of State to the Labour Party Conference in 1929).

The second step was to paralyse British working class action and secure a united front in Britain behind imperialist policy. This was achieved by the appointment of the three-party Simon Commission, with the Labour Party pledged behind it, and through the Labour Government of 1929, whose task became to act as the spokesman of united imperialist policy and hold in the British workers.

The third step was to make it easier for the Indian bourgeoisie to assume the leadership of the gathering mass movement, and thus establish the instrument for the paralysis of the mass movement and for the ultimate capitulation. The manoeuvring here, the simultaneous opposition and co-operation of imperialism and the bourgeoisie, and the rôle of the bourgeoisie between imperialism and the mass struggle, is of critical importance for the character and development of the present crisis.

The essential feature of the rôle of the bourgeoisie in the present struggle has been its extreme **unwillingness** to enter into the struggle at all ("a mad risk"), until absolutely compelled by the situation and finding no other alternative. This has shown itself in all the stages leading up to the crisis. In 1925 Das, before his death, was advancing to new forms of co-operation; in 1926 the *Times* (5.3.26) reported that "the friendliest relations" existed between the Government and the Swarajists; in the Congress at the end of 1926 the demand for independence was defeated by Gandhi and the other bourgeois leaders. The growing popular demand for the independence slogan was only slowly and reluctantly taken up even in form by the end of 1927, after every device of obstruction had failed. It was taken up in 1927 only to be thrown aside at once in the Nehru Constitution of 1928; it was reaffirmed with the twelve months' postponement clause in 1928, only to be thrown aside in the eager response to the Viceroy's declaration in the autumn of 1929; it was reaffirmed in the Congress of 1929, only to be thrown aside immediately after in Gandhi's "eleven points" offer of compromise. In the same way, the promise of action was delayed in execution by every possible device (the twelve months' postponement, the com-

plete vagueness of plans at the Lahore Congress, Gandhi's letter to the Viceroy, etc.). Every possible hope of concessions, of an alternative path, of compromise, every slightest sign from imperialism was eagerly seized; only imperialism ruthlessly closed every avenue and loophole, in order to force the issue. **ONLY THE INEXORABLE PRESSURE OF IMPERIALISM ON THE ONE SIDE AND OF THE GATHERING MASS STRUGGLE ON THE OTHER COMPELLED THE BOURGEOISIE TO RANGE ITSELF AND ASSUME THE LEADERSHIP OF THE MASS STRUGGLE, OR DISAPPEAR FROM THE POLITICAL SCENE.**

When finally action had to be taken, and no alternative remained, the whole concentration of effort was towards limiting and restricting the struggle. For this purpose the issue of the salt tax was chosen as the most narrow and limited possible, and the most remote from the industrial centres; the campaign was to be limited to a handful of chosen, specially trained volunteers, sworn to non-violence; the masses were cast for the rôle of spectators to applaud the heroic deeds of their saintly leaders.

The practical co-operation of imperialism and the bourgeoisie was further revealed when the character of the mass struggle began to extend beyond the control of the bourgeois leadership. Then, and only then, imperialism proceeded to arrest the bourgeois leaders (with careful provision for their comfort in prison—in glaring contrast to the fate of the Meerut prisoners), in order, as the semi-official government press openly declared, to maintain authority and prestige with the masses, save them from responsibility for further participation, and hold in them the means for future negotiation and settlement. The conscious distinction in the policy of imperialism was vividly shown in the bloody conflicts with the mass demonstrations when on repeated occasions the bourgeois leaders would first be carefully removed under arrest, and only then the order given to the police or military to do their butcher's work.

The calculations of both imperialism and the bourgeoisie turned on the question of the

mass struggle. The bourgeoisie hoped, by brandishing the menace of mass struggle, to extort concessions from imperialism, and so was compelled, when its bluff was called, to initiate a limited struggle which it hoped to be able to control. Imperialism calculated on the bourgeoisie's fear of the mass struggle to drive it to surrender, by forcing a limited crisis which should terrify the bourgeoisie, and could then be rapidly suppressed.

But in the event, **THE MIGHTY EXTENT OF THE MASS STRUGGLE WHICH WAS UNLOOSED OVERWHELMED THE CALCULATIONS OF BOTH IMPERIALISM AND THE BOURGEOISIE, AND TRANSFORMED THE WHOLE SITUATION.** This is the outstanding character of the present crisis. The mass struggle broke the limits set for it by the bourgeoisie. The masses took hold of the lead given by the bourgeoisie (there was no other visible), but they transformed its character. They took hold of the salt tax campaign, and turned it from the comedies of saintly individual disobedience and arrest to mighty mass demonstrations, marches on the salt depôts, conflicts with the police, etc. The forms of struggle went far beyond those set by the Congress. Chittagong, Peshawar and Sholapur showed already in the most varied degrees, conditions and regions, the approach to the line of armed struggle and the conquest of power. But these were only high points in a process that was shaking all India.

The mass struggle broke the limits set for it by the bourgeoisie. But in what sense? The answer to this question brings us to the limitations of the stage of development of the crisis up to the present point, and the problem of its further advance. The masses brought into the struggle, even around the limited Congress campaign, the revolutionary uncompromising spirit of fight which was conspicuously absent from the Congress leadership. They turned the campaign into mass actions, although still largely shackled by the crippling doctrines of "non-violence" (actually of free play for imperialist violence). In many points they advanced spontaneously to the offensive, and even to the question of power. The local Congress leadership and "War Councils," influenced by the masses, developed in many

cases in a basically different direction from the central Congress leadership; the Peshawar and Sholapur actions developed through local Congress forms.

BUT THE MASS STRUGGLE DID NOT BREAK FREE FROM THE CONGRESS LEADERSHIP IN THE VITAL SENSE OF ACHIEVING ITS OWN PROGRAMME, ITS OWN DEMANDS, AND ITS OWN LEADERSHIP. THIS IS THE FATAL WEAKNESS OF THE PRESENT STAGE OF DEVELOPMENT OF THE FIGHT.

The highest point of the rôle of the working class in the struggle so far was shown at Sholapur. The population of the textile town of Sholapur is overwhelmingly proletarian. The conquest of power for six days in Sholapur was in fact fought and won by the workers. But the forms and leadership were the local Congress forms and leadership; the workers had no independent leadership, organisation and programme.

This is the situation which confronts us with the burning problem of the next stage of advance. To-day the present wave of national struggle has reached its most critical and dangerous point. The bourgeois leadership openly prepares negotiations and compromise; its only manœuvres (the breakdown of the Yeravda conversations) are the hesitation to move too quickly and isolate itself, so long as the mass struggle may still advance. Both imperialism and the bourgeoisie calculate now on the ebb of the wave. The forces of national struggle are still high, still undefeated, but are uncertain of the path forward, and have found no alternative leadership.

What is to be done? The task now is to find the new forms of national struggle which can carry the movement forward, which can throw over the old bourgeois leadership, in which the leading rôle of the working class can come increasingly to the front, thus alone making continuous advance certain.

This requires the advance to new and wider objectives and slogans of struggle, such as will go beyond the limits set by the bourgeoisie and release the further activity of the masses. It requires, on the basis of this advance in the struggle, the rapid differentiation of the revo-

lutionary national elements from the national bourgeoisie. It requires, further, the independent organisation and leadership of the working class. And it requires, finally, the finding of forms of united action and struggle of the working class, the peasantry and the revolutionary petit-bourgeois elements, such as to combine the action in the common struggle without politically merging the workers.

What is the present position? The present position is that the full forces of the mass struggle have not yet been brought into play. The agrarian movements of revolt are still scattered and partial. The workers have not yet advanced to the plane of the political mass strike, etc. **THE FULL POWER OF THE STRUGGLE AGAINST IMPERIALISM HAS NOT YET BEEN RELEASED. Why is this? BECAUSE THE NATIONAL STRUGGLE, IN ITS PRESENT PROGRAMME AND LEADERSHIP, DOES NOT YET REFLECT THE INTERESTS AND DEMANDS OF THE MASSES.**

The central objective of revolutionary struggle in India is the overthrow of imperialism; on this all further advance depends. This struggle can only be fought to a victorious conclusion as the struggle of the masses of the workers and peasants. Imperialism does not fear the bourgeoisie save so far as they may be able to exercise influence on the masses. The revolutionary nationalist petit-bourgeois elements can only find scope for their aspiration in so far as they can learn to help forward the movement of the masses.

But for the masses of the workers and the peasantry the overthrow of imperialism is not an end in itself; it is only a means to an end, a means to wider liberation. For the peasantry, it is bound up with the agrarian revolution, with the overthrow of feudal domination and landownership. For the workers, it is a stage in the advance to Socialism, to the working class conquest of power; it is bound up with their immediate economic and political demands. So long as a bourgeois national leadership remains in control, directly resisting and throttling the demands and line of fight of the workers and peasants, the national struggle cannot reach its full height.

The weakness of the present stage is that the existing mass struggle is still confined and restricted to the basis of the limited demands and objectives originally set by the national bourgeoisie. These cover: (1) the salt campaign—now passing into the background; (2) the anti-liquor campaign, picketing of Government liquor shops, etc.; (3) the boycott of foreign goods; (4) the non-co-operation campaign for resigning of Government offices, boycott of law courts, of Government educational institutions, of elections, etc.; (5) limited no-tax campaigns in a very few areas. Alongside these have taken place sporadic peasant movements, strikes, etc., but outside the scope of the Congress campaign, and without any conscious political expression or programme. It has further been noticeable that the tendency after the first couple of months of the crisis has been increasingly to restrict the scope of the campaign, to draw back even from those limited demands that draw out the activity of the masses, *e.g.*, the salt and liquor campaigns, and to concentrate on the commercial boycott as the safe panacea.

If this situation is maintained, the movement is doomed to collapse. A mass movement which does not advance, which does not maintain the offensive, which does not go forward to ever new demands and points of attack, is already on the way to disintegration. And this is precisely where the national bourgeoisie is consciously leading the mass movement, not even to an organised retreat, but to collapse by stagnation. Here is the peril and urgent need of new advance.

What is needed? TO TRANSFORM THE STRUGGLE FROM THE BASIS OF THE LIMITED DEMANDS AND OBJECTIVES SET BY THE NATIONAL BOURGEOISIE TO THE BASIS OF THE IMMEDIATE REVOLUTIONARY DEMANDS OF THE WORKING MASSES, AND ESPECIALLY OF THE PEASANTRY. Only when the questions of the agrarian revolution, of the mass non-payment of rent, smashing of the forest laws, and (if the conditions were ripe) of the direct conquest of the land by the peasants, are brought into the forefront, and alongside these the immediate demands of the workers in the towns, only then will the full forces of the

mass struggle be released. The national struggle of India must either advance to this stage or collapse.

This requires a complete break with the bourgeois national leadership and programme. It requires a new national revolutionary bloc of struggle, the core of which will be the workers and peasants, and in which the revolutionary nationalist petit-bourgeois elements which go forward with the struggle will find their orientation towards the workers and peasants, instead of as at present towards the national bourgeoisie. Within such a bloc of struggle the working class will advance increasingly towards hegemony. The advance of the working class to hegemony cannot be achieved in a single jump; the first stage is a process of differentiation within the national struggle, in which the demands and activity of the workers and peasants come increasingly to the front. But unless such a basic transformation of the character and programme of the struggle is carried into practice, the fight against imperialism cannot advance.

The conditions for such a process of differentiation in the national movement, for such advance to a new stage of the national struggle, are visibly ripe. The discontent of the national revolutionary elements with the passivity and visibly approaching betrayal on the part of the leadership of the national bourgeoisie is already strong (the general protests at the Yeravda conversations), and, in the event of a compromise, will reach fever heat. The action of the masses, even on the limited existing campaigns, and the numerous signs of sporadic independent advance of the peasants, show the readiness to go forward to a wider general action. But the danger still lies in the weakness of the political leadership of the working class, and the consequent absence of a driving force of new political leadership. If the revolutionary national petit-bourgeois elements seek to achieve a change simply by a change of leaders on top, or by advance from the Congress form to some new national revolutionary party (*e.g.*, from the leadership of Gandhi and the Nehrus to a party led by Iyengar, Bose, etc.), the movement will still remain within the orbit of the bourgeoisie: the real advance to independent mass action will not be achieved. Such a

development can in the outcome be no less dangerous than the existing situation of the national movement, and serve only to prevent the advance that is needed.

In the present phase of the struggle to attempt to fix rigid forms is fatal. It is the transformation of the character of the struggle that is essential, and that will determine the appropriate forms. **IT IS FROM THE ACTUAL STRUGGLE THAT THE LEADERSHIP OF THE WORKING CLASS MUST DEVELOP.** But this requires, at the same time, the independent development of the working class through its Communist Party and revolutionary trade unions, to be able to act as a single force with its own programme and tactics; and the de-

velopment of temporary, changing (and in the first place, local) united front organs of struggle, drawing together the workers, peasants and revolutionary petit-bourgeois elements around a common programme of immediate struggle, but within which the workers act as an organised and independent political force.

The present situation offers still a historic opportunity. The next few months will show how far the rising revolutionary forces in India, and especially the revolutionary working class forces, are sufficiently developed to be able to take advantage of it in the present crisis, or will have to pursue a slower and more difficult path through temporary defeat to the new stage of struggle.

A YEAR OF WORLD CRISIS

By MOTILEV.

THE thirteenth anniversary of the November Revolution occurs almost simultaneously with the anniversary of the world economic crisis. This crisis, developing within the limits of the general crisis of capitalism, is distinguished by its *unprecedented depth and its widespread character*. Despite the severity of the crisis over the whole of the past year, it not only has not yet reached its highest point, but, as we shall endeavour to show, it is only now entering the phase of real sharpness and depth.

The special features of the epoch of general crisis of capitalism have stamped themselves not only upon the development of the crisis, but on the process of maturing. While pre-war capitalist crises were preceded by a boom period the present crisis, despite its world character, did not arise as the result of a general boom period. Only in the first half of 1929 was there a short period when the improved economic situation embraced the great majority of industrial countries. As a result, industrial production in Germany in June, 1929 was higher than the 1928 average by 9.8 per cent., in the U.S.A. by 13.5 per cent., in France by 11 per cent., in Britain by 6.1 per cent., in Sweden by 17.3 per cent. On the basis of contracted markets, it was sufficient even for such a short and partial boom to cause a developing and sharpening dis-

proportion within the industrial countries and make a crisis inevitable. The epoch of the general crisis of capitalism is characterised by such deep and organic disproportions that the transition to world crisis was possible without a general and considerable boom.

At the same time, along with the sharpening disproportion within the industrial countries, 1929 was also characterised by a considerable intensification of the *agrarian crisis*, caused by the development of a crisis and depression in a number of agrarian countries of Europe, South America and Asia. The agrarian crisis is, as is well known, a component part of the general crisis of capitalism. Its intensification in 1929 was caused by the developing disproportion between the growth of agricultural production and the extent of the purchasing power of the mass of the people, which was limited by the conditions of the general crisis of capitalism. Over-production in various fields of agricultural produce increased already in 1928, which was reflected by the sharp fall in prices. For instance, in 1928, the price of rubber (caoutchouc) fell by 55 per cent., of cane-sugar by 28 per cent., of cocoa by 25 per cent., of tea by 15 per cent., of Indian cotton by 9 per cent., and so on. In 1929, the fall in prices embraced a still wider group of products, in several of them it fell considerably, even before the American

crisis. For instance, from January 3rd to October 3rd, 1929, the price of Australian wool fell by 35 per cent., of Indian tea by 33 per cent., of Ceylon tea by 35 per cent., of Brazilian coffee by 6 per cent., of Egyptian cotton by 10 per cent. of palm oil by 11 per cent., and so on. Crises and depressions, which covered a number of agrarian countries in all parts of the world before the American crisis, were connected with this over-production and the consequent fall in prices. As the development of crises and depressions in the agrarian countries lessened their purchasing power, so the export of industrial countries became more difficult and all the prerequisites for a world industrial crisis also increased.

All this caused such an increasing disproportion in world economy, that it only required an additional jolt to enter into the phase of a sharp crisis. The American crisis provided this jolt. The real development of the world crisis commenced with the crisis in the U.S.A. But the speed with which the development of the world crisis became linked up with the American crisis shows that the conditions necessary for a crisis had matured by that time in the economy of every capitalist country.

Its unequal development, however, is such an organic peculiarity of capitalism generally, and of imperialism in particular, that it was bound to find its reflection also in the process of the development of the crisis. Actually, the development of the crisis in the various countries proceeded unequally. This necessitates an examination of the stages of the development of the crisis in each country.

AMERICA.

U.S.A.—The change in the economic condition of the United States to one of crisis occurred in the middle of 1929, but the frenzied development of the crisis commenced in October and November. The indices of production given by "The Analyst," Table I., show that throughout the previous year there were two delays of short duration in the development of the crisis, namely, in January,—February and April, 1930.

TABLE I.
INDEX OF ECONOMIC ACTIVITY IN THE U.S.A.
("Analist" Figures)

Dates.	Index.
1929—April	107.5
May	108.8

Dates.	Index.
June	107.5
July	108.5
August	106.8
September	105.8
October	103.6
November	94.2
December	89.6
1930—January	93.3
February	92.7
March	89.6
April	93.3
May	88.3
June	87.3
July	84.6
August	81.4
September	78.6

The delay in January and the first half of February was mainly due to a certain increase in production in the steel and automobile industries. According to the evidence of the American press and, in particular, the "Analist" of March 14th, this growth was partly due to special orders for rails, for the purpose of weakening the crisis, and partly owing to an unjustified increase in the production of automobiles, based on the unfounded hope that there would be an improvement in the economic situation. The delay in April was in the main, bound up with seasonal factors. The force of the crisis, however, overcame the resistance of the monopoly groups and seasonal factors, and in the *ensuing period the development of the crisis continued with increasing speed.*

Extremely indicative is the fact that the index of economic activity in the "Analist" had already fallen below the lowest point of the crisis of 1920-21. While the lowest level in the devastating post-war crisis reached in March, 1921, 81.6, in August of this year it fell to 81.4, and in September even to 78.6. This shows that the *present crisis exceeds the extreme limits of the 1920-21 crisis.*

The extent of the fall of the basic indices of production is already tremendous. Compared with September, 1929, the index of economic activity fell in September of this year by 26 per cent., and compared with July, 1929, by 28 per cent. At the same time, the September production of *steel* is lower than for the same month of the previous year by 37 per cent., the production of pig-iron by 35 per cent., production of coal by 18 per cent., production of automobiles by 50 per cent., and the consumption of cotton by 28 per cent.

Such a sharp decrease in production quite naturally caused a huge growth of unemployment. The "Annalist" index figure of workers employed shows a decrease in September of this year as against September of the previous year, of 20 per cent. The number of unemployed is already reaching 8.9 millions. While the index of employed workers has fallen by 20 per cent., the "Annalist's" index of wages paid in the past year has fallen by 27 per cent. This difference clearly reveals the *decrease in actual wages* paid. Consequently, Hoover's statement at the Conference of the American Federation of Labour, that it had been possible to maintain the same level of wages, is an example of hypocrisy and deception.

The agrarian crisis in the United States shows a tendency to become worse. According to the price bulletins of "The Statist," for the period October 24th, 1929 to October 23rd, 1930, the price of wheat has fallen by 43 per cent., and the price of cotton by 52 per cent. Such an exceptional fall in prices of the most important agricultural export products has, naturally, deepened the agrarian crisis, more especially there was a simultaneous fall in the prices of other agricultural products. It is not surprising that the American Ministry of Agriculture was forced to advocate a reduction in the sowing area. It was, however, reduced only by an insignificant degree, and as a result of favourable weather, the harvest so far as the most important products were concerned, was either approximately equal to that of the previous year, or exceeded it. The "Commercial and Financial Chronicle" of October 11th, states that, according to the Ministry of Agriculture's Report for October, the wheat harvest this year amounts to 840 million bushels as against 806.5 million bushels the previous year; the cotton harvest is 14.5 million bales as against 14.8 million bales. Even the maize harvest, despite the drought, is equal to 2,047 million bushels as against 2,614 million bushels the previous year; the decrease being less than was anticipated. If we take into consideration the fact that the world harvest of wheat and cotton is more than that of the previous year, and that, as a result of the crisis, the consumption has considerably decreased, then it becomes clear that a further glut on the market becomes inevitable, further falls in prices, further lowering in the income of the farmers, and their further ruination.

The development of the crisis is clearly displayed in the fall in the index of wholesale prices. The "Annalist's" figures show a fall in wholesale prices of 17 per cent. from 15th October, 1929 to October 14th, 1930, while the prices of farmers' produce decreased in the average by 20 per cent., metals by 17 per cent., and so on. The reduction of retail prices takes place, however, extremely slowly. It commenced only in December, 1929, and up to August the average level of retail prices was reduced only by 7 per cent. The lagging behind in the reduction of retail prices lengthens the crisis, because it delays the absorption of surplus goods which choke up the market. On the other hand, the continual fall in wholesale prices, resultant upon over-production, becomes in its turn a sharpening factor of the latter, because in the hopes of a further reduction in prices, both producer and consumer limit their purchases to their bare necessities.

The development of the crisis in the U.S.A. further finds reflection in the drop in *imports*, and the relation of the American crisis to the world crisis—in a drop in exports. Commencing with November, 1929, imports and exports stood at an extremely low level in comparison with the corresponding months of the previous year, and so far with few exceptions, have fallen even compared with the previous month. In September, 1930, exports were lower than the corresponding month of the previous year by 27 per cent., imports by 35 per cent.

If we take into consideration the tremendous growth of unemployment and the reduction in the purchasing power of the working masses, the sharpening agrarian crisis and the inevitability of the further reduction in the purchasing power of the mass of farmers, the reduction in purchases on the hire system, the slowness of the reduction in retail prices, the fall in exports—then it becomes clear, *that external and internal conditions all tend in the direction of a sharpening and deepening of the crisis in the U.S.A.*

This inevitably finds its reflection in the market value of shares. While at the end of April the value of shares rose by 50 per cent. in comparison with their lowest level during the autumn Exchange crash, they fell in May, and at the present time they have fallen below the lowest limit of last year. Consequently, the Stock Exchange forecasts unfavourable per-

spectives, despite the optimistic assurances of Hoover and his ministry.

CANADA.—The close economic relations between Canada and the U.S.A., have caused almost simultaneously the development of a crisis in Canada. The indices of industrial production given in Table 2, show, however,

that the development of the crisis in Canada up to the middle of 1930 was even more unequal than in the U.S.A. Beginning with June, the development of the crisis increases, and in August the index of industrial production falls by 21 per cent., as compared with August, 1929.

TABLE II.
INDEX OF INDUSTRIAL PRODUCTION
(1928=100)

COUNTRIES :	GERMANY	CANADA	U.S.A.	FRANCE	POLAND Institut de Recherchez sur le mouvement des affaires.	ENGLAND	SWEDEN
Sources.	Institut fur Konjunktur forschung.	Monthly Review of Business Statistics.	Federal Reserve Board.	Statistique General.		Board of Trade.	Svenst Finan- stidning.
1924	69.0	67.3	85.6	85.8	—	94.8	94.5
1925	83.2	72.3	93.7	85.0	72.5	—	96.4
1926	78.9	84.5	97.3	99.2	71.1	—	99.1
1927	100.1	90.4	95.5	86.6	88.5	101.2	104.5
1928	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1929	101.7	116.6	106.8	109.4	99.8	106.0	122.7
1929. February	91.0	117.5	105.4	107.1	98.4	—	121.8
March	99.0	115.8	106.3	108.7	100.6	104.6	122.7
April	108.4	114.3	109.9	109.4	103.7	—	132.7
May	109.1	115.7	110.8	109.4	100.2	—	118.2
June	109.8	109.9	113.5	111.0	98.8	106.1	117.3
July	104.7	111.2	111.7	109.4	97.8	—	117.3
August	103.3	112.0	110.8	109.4	97.9	—	120.9
September	101.8	101.0	109.0	108.8	99.6	104.9	119.1
October	101.4	114.3	105.4	111.0	100.5	—	121.8
November	101.4	113.3	95.5	112.6	97.2	—	124.5
December	95.0	93.3	89.2	113.4	96.7	108.1	118.2
1930. January	94.8	108.7	93.7	113.4	90.3	—	137.3
February	93.0	95.1	96.4	112.6	83.9	—	130.9
March	94.2	96.6	93.7	113.4	79.6	105.1	135.5
April	95.8	98.3	95.5	113.4	79.7	—	135.5
May	91.2	108.0	93.7	113.4	80.4	—	127.3
June	86.2	97.2	90.1	113.4	79.6	98.0	111.8
July	82.5	93.2	86.5	111.0	80.2	—	118.2
August	81.1	88.5	—	109.0	82.1	—	109.1

NOTE.—The table is taken from "Bulletin Mensuel de Statistique" of the League of Nations, but supplemented with data for August of the journals of the respective countries.

It is necessary to note that the crisis in Canada was preceded by a boom period as well as an agrarian crisis. Canada, being a large exporter of wheat, felt the agrarian crisis very keenly. The fall in the price of wheat noted above reduced the purchasing power of the farmers and decreased the consumptive capacity of the market for industrial goods. Canada's wheat harvest this year considerably exceeds that of the previous year. According to preliminary data it comprises nearly 385 million bushels as against 305 million bushels the

previous year. Consequently, in Canada, as in the U.S.A., an agrarian crisis is inevitable with all the consequences bound up with it.

The development of the crisis found its reflection in the acute growth of unemployment. The percentage of unemployed members of unions, commencing from November, 1929, ranges round a level of 9-11 as against 3 in June, 1929.

Finally, the crisis is also reflected in the falls in *imports and exports*. Compared with August

1929, in August, 1930, the imports dropped by 30 per cent. and exports by 28 per cent.

LATIN AMERICA.—The countries of Latin-America are most powerful suppliers of minerals and agricultural products for the industrial countries of the world, particularly England and America. The imperialist powers assisted in the transformation of the Latin-American countries into regions of agrarian raw material regions exhibiting a one-sided development. Thanks to this, their economic position is dependent upon the world market in a limited number of products. For instance, in the economy of the Argentine the decisive role is played by the export of seed, industrial crops and meat; in the economy of Brazil the export of coffee, cocoa and rubber (caoutchouc), in the economy of Mexico the export of silver, lead, copper, oil and so on; in the economy of Cuba, the export of sugar, etc.

A number of Latin-American countries passed through a period of depression long before the American crisis. The over-production of rubber (caoutchouc), coffee, cocoa, sugar, etc., and the resultant fall in prices had a distinctly negative effect upon the markets of Brazil, Cuba and a number of smaller republics. Even prior to the development of the crisis in the industrial countries, the extent of their purchasing power lagged sharply behind the rate of the growth of production of colonial goods, and, in particular, behind the rate in the countries of Latin-America. The development of the crisis in the industrial countries, and particularly in the U.S.A. and Britain had the effect of decreasing the demand for nearly all the main exports of the countries of Latin-America. A sharp reduction in prices was the result, which led to a crisis in nearly the whole of Latin-America.

The severity of this crisis becomes clear if we take into consideration the catastrophic character of the reduction in prices of a number of products. For instance, from October 24th, 1929 to October 23rd, 1930, i.e., the year of the crisis, the price of Brazilian coffee fell by 30 per cent., of cocoa by 34 per cent., of wheat by 43 per cent., of rubber by 40 per cent., of copper by 40 per cent., of tin by 30 per cent., of zinc by 37 per cent., and so on.

In view of the tremendous importance of export goods in the economy of the majority of

the Latin-America countries, their further economic outlook depends mainly upon the perspectives of the crisis in the industrial countries.

EUROPE.

GERMANY.—The change in the economic condition of Germany to that of crisis took place almost simultaneously with America—in the middle of 1929. The indices of industrial production, quoted in Table No. 2 show that from July 1929, the production began to decrease. The rapid development of the crisis began, however, from December, 1929, and until May it continued at an unequal rate of development. In March and April there was a slowing down in the development of the crisis, partly due to seasonal factors and partly due to a number of measures taken by the monopoly groups. Nevertheless, *from May, the crisis develops with increasing rapidity.*

As a result, the index of industrial production fell in August of this year in comparison with July, 1929 by 26 per cent., in comparison with September by 20 per cent. At the same time, September production of steel decreased as against September, 1929, by 34 per cent., and pig-iron by 40 per cent.

Such an intense curtailment of production quite naturally caused a tremendous growth of unemployment. According to information in the weekly October reports of the Institut für Konjunkturforschung, the number of registered unemployed increased from 1.3 millions in September, 1929, to 3 million persons in September of this year, i.e., an increase of 1.7 million in one year. Moreover, it is essential not to lose sight of the fact that these official figures are undoubtedly minimised. Actually, the number of unemployed has reached the figure of 4½ million. The number of unemployed members of trade unions has increased during the year from 9.6 per cent. to 22 per cent.

The agrarian crisis is playing an essential part in the development of the general crisis. German agriculture suffers mainly from over-production of rye. The wholesale price of rye fell on the Berlin market by 27 per cent. during the period commencing September, 1929 to the middle of October, 1930. The drop on the world market was catastrophic. Despite all the measures which were taken to reduce the sown

area of rye, the harvest this year is but little less than that of the previous year. As the world harvest this year apparently exceeds that of the previous year, the perspectives for German agriculture are not very favourable.

The development of the crisis in Germany is peculiarly manifested in the movements of prices. The index of wholesale prices has dropped from the middle of October, 1929 to the middle of October of this year by 13 per cent. At the same time, the prices of agricultural produce have fallen by 18 per cent., the prices of industrial raw material and half-manufactured goods by 13 per cent., the prices of manufactured goods by 6 per cent. By this means, the difference between the reduction in prices of raw material and manufactured goods is considerable. Even more considerable is the difference between the reduction in *retail* and *wholesale* prices. From September, 1929, to September, 1930, the index of the cost of living figures dropped only by 4 per cent. We have already remarked above that the slow rate of reduction in retail prices is a factor which prolongs the crisis.

The development of the crisis in Germany was reflected in the fall in *imports*. In 1930, imports showed a tendency to decrease considerably in comparison with those of the previous year, and particularly so during the months of August and September. The September import is 29 per cent. lower than September, 1929. Extremely indicative and interesting is the fact that *exports* from Germany during the past year are only slightly less than the corresponding months of 1929. The comparative high level of German exports under conditions of world crisis, reflects the high competitive capacity of German industry. At the same time, this fact proves that the particular sharpness of the German crisis is not so much due to the world crisis, as to the peculiar character of the internal contradictions bound up with the consequences of the Versailles Treaty and the Young Plan for German economy.

The particular sharpness of these contradictions creates a tendency to deepening the crisis. This tendency is partially reflected in the behaviour of the Exchange. The value of shares during the past few months have dropped.

This shows a pessimistic outlook on the economic and political perspectives.

The limits of this article make it impossible to analyse the nature of the crisis of German capitalism, but it is nevertheless true that this crisis is the basis of those deep political events which are taking place in Germany.

GREAT BRITAIN.—During the whole of 1929, Great Britain passed through a period of economic revival, due mainly to factors of an internal character. This revival took place, however, within the framework of the general state of depression characteristic of British economy in the post-war period, and could not completely remove this condition, as exports continued to remain at a low level. The turn in the direction of a crisis was to be noted in the first quarter of the current year, and commencing with the second quarter, its development continued at a rapidly increasing speed.

As a result, the depth of the crisis in England at the present moment, is considerable. The September production of steel is less than that of September, 1929, by 33 per cent., of pig-iron by 37 per cent., the consumption of cotton is less by 30 per cent.

Such a considerable reduction of the basis sections of English industry caused a further growth of unemployment. According to the figures of the October number of "The Ministry of Labour Gazette" the number of unemployed registered at the Labour Exchanges increased from September, 1929, to September, 1930, from 1,217,000 to 2,230,000 persons, i.e., an increase of more than 1 million during the year. Actually the real figures of unemployment are much higher. The percentage of unemployed to the total number of insured persons has increased in this period from 10 to 18.

Although the crisis has led to a reduction in prices, this also has its peculiar features, as in Germany. With the fall of wholesale prices as quoted in the Board of Trade Index for the year September, 1929-30, of 15 per cent., the index of retail prices has fallen only by 5 per cent.

Despite the decreased level of English exports in 1929, during the period of development of the crisis, these have decreased still further. In September of the current year, exports were 23 per cent. less than in September, 1929. Imports for the same period have fallen by 20 per cent.

As the world crisis plays a decisive role in the development of the British crisis, the further development of the crisis in Great Britain is closely bound up with the development of the world crisis.

FRANCE.—France is the only European country which during the post-war period has lived through a considerable and prolonged boom. This boom was in the main due to the union of huge territories obtained from German reparations with the considerable capacity of the market, the reconstruction of devastated areas, the high competitive power of a number of new enterprises, constructed during the war and post-war period. The inflation period, which lasted over a number of years, also played an important part in assisting French capital to conquer a number of markets.

All these conditions made possible a high economic level in France even in the first half of 1930. Nevertheless, a critical turn during this period in a whole number of industries (automobile, etc.) was noticeable. The development of the crisis commenced in September, 1929. The indices of production shown in Table No. 2 show that in July and August the production lessened, although it remained higher than the corresponding months of the previous year. Particularly important was the decrease in production in the metallurgical, textile and automobile industries. It is worthy of note that the crisis so far was weakest in production.

The inevitability of the sharpening of the crisis becomes, however, evident, when taking into consideration the price dynamics and foreign trade.

The average level of wholesale prices of the most important commodities fell in September, 1930, as against the average level for the whole of 1929, by 14 per cent. At the same time, it is necessary to note that national production fell by 6 per cent. and imported production by 30 per cent. The index of retail prices in Paris for the same period increased by 4 per cent. and through out France in August as compared with the average level of 1929 by 7 per cent. The slow lowering of wholesale prices of nationally produced goods and the growth of retail prices will obviously intensify over-production.

The fall in exports acts in the same direction. During the first half of 1930, exports decreased slowly, but later on the degree of reduction

increased and in August, exports were 18 per cent. lower than in August of the previous year.

Therefore it is evident that in the ensuing period, the crisis in France will develop more rapidly.

POLAND.—In Poland the change in the economic situation to that of crisis already took place at the end of 1928. The highest point of production was reached in November, 1928. The development of the crisis began in the spring of 1929, and considerably increased in the autumn. In this manner, the crisis in Poland stands apart by reason of its long duration and severity. This is explained in the first place by the particular intensity of the agrarian crisis resultant upon the severe drop in the price of rye, and secondly, the decisive influence of textiles and coal on Polish industry, where the world crisis of capitalism is particularly evident.

The indices of industrial production in Table 2 show that industrial production in Poland fell considerably. Compared with August, 1929, the August level of industrial production in 1930 fell by 16 per cent., and in comparison with November, 1929, it fell by more than a quarter.

Despite the measures taken for reducing the sown acreage of rye, the harvest this year almost approaches that of the previous year. Since, at the same time, the world harvest is apparently higher than that of the previous year, the further fall in prices of rye is inevitable and a further lowering in the income of the peasantry, further reduction in the markets for industrial goods, further impoverishment of the peasantry, and a growth of unemployment.

The limits of this article do not permit us to analyse in detail the situation prevailing in other European countries. We will merely remark that in Italy, Belgium, Austria and Czechoslovakia, the crisis has continued without diminution since the autumn of 1929; in Sweden its development commenced only in the middle of 1930, but has already in a large number of industries reached a high point; in the Balkan States there is a noticeable tendency to a deepening of the crisis under the influence of the sharpening agrarian crisis.

ASIA.

The change in economic conditions in the Asiatic countries to that of crisis took place

under the influence of the sharpening agrarian raw materials crisis even prior to the development of a crisis in the industrial countries.

The prices of the main raw materials and foodstuffs of Asiatic exports, rubber, cotton, jute, silk, rice, sugar, tea, etc., suffered a considerable fall in 1928 and 1929. This fall in prices, which reflected the development of over-production, affected the majority of Asiatic countries, and lowered the monies of hundreds of millions of peasants. At the same time, the development of the crisis in the industrial countries so lowered the demand for important Asiatic exports, that from the autumn of 1929 the fall in prices was of a catastrophic nature.

The development of the crisis in the most important Asiatic countries took the following form :—

INDIA.—The fall in prices of the main Indian exports—cotton, jute, tea, etc., had already caused a sharpening of the crisis in agriculture in 1928. In 1929, under the influence of the contracted capacity of the market and the sharpening of foreign competition, the crisis began to embrace the whole of the national economy. Particularly did the crisis increase in the textile industry, which is the most important of Indian industries. In India as distinct from Europe and America, where the fall in retail prices even during the development of the crisis lags considerably behind the extent of the fall in raw materials, there is a drop in the wholesale and retail prices of manufactured goods. This was reflected, not only in the severity of the crisis, but in the weak competitive powers of Indian industry and insufficient protection of the internal market from foreign competition.

The development of the crisis in India was reflected in a fall in its imports, and the connection of this crisis with the world crisis—by a fall in its exports.

Both exports and imports during 1930 fell almost without interruption from month to month. In August, 1930 India's imports were less than those of the corresponding month of the previous year by 40 per cent., and exports by 36 per cent.

CHINA.—In China, the economic crisis develops under conditions of an economy torn by colonial and feudal exploitation and prolonged civil war. The bad harvest and famine which affected huge districts of China during 1929 are

closely bound up with this damage to Chinese economy. The fall in prices of Chinese exports (soya beans, raw silk, tea, cotton, etc.) which lowered the purchasing power of many millions of peasants, was accompanied by a growth in prices of foodstuffs as a result of the fall in the price of silver.

The sharp fall in the price of silver during 1929 and 1930 as a result not only of its over-production, but also due to the throwing on to the market of the former reserves of India and Indo-China, had a deep effect on the economic situation in China, since silver is there the standard of currency. The American "Annalist" of January 10th, stated that "the fall in the price of silver during 1929 has lowered the purchasing power of the Chinese people by almost 25 per cent., and increased the extent of Chinese foreign debts by almost one-third."

During 1930 the crisis sharpened in the industrial field; scores of Chinese enterprises closed down, several of them being large concerns. A number of Chinese enterprises went into foreign hands for a mere song. For this reason the crisis is accompanied by a further widening and strengthening of the position of foreign capital in China.

Although this year, there was, generally speaking, a good harvest in China, this cannot appreciably improve the conditions of the masses and the economic condition of the country, for the world over-production and the resultant fall in the price of export goods of China still limit the purchasing powers of the masses.

JAPAN.—In Japan the crisis was noticeable in the middle of 1929, but its rapid development began during the last quarter of 1929. The contraction in its foreign markets in Asia and America as a result of the general crisis played an important part in the development of the Japanese crisis. During 1930, exports from Japan were at a low level in comparison with the corresponding months of 1929. In August, 1930, as compared with August, 1929, they fell by 40 per cent. and at the same time, the export of raw material decreased more than anything else—cotton, wool, wood, pig-iron, steel. This fact obviously reflects the contraction in the volume of industrial production which has occurred and is still going on.

The shrinkage of production in the smelting industry exceeded $\frac{1}{3}$, in the cement $\frac{1}{2}$, in paper $\frac{1}{4}$, and so on. The development of the crisis was accompanied by a severe drop in wholesale prices. Compared with August, 1929, the index of wholesale prices fell in August of the present year by 20 per cent. The severity of the crisis was reflected in a number of Stock Exchange panics, which caused a fall in the price of shares. As a result, a number of important shares, mostly industrial, are at the present moment quoted below par.

Of the remaining Asiatic countries, the crisis particularly affected the Dutch East Indies, as a result of over-production of rubber and the resultant catastrophic fall in prices. Despite the agreement arrived at in May between the English and Dutch plantation owners, of a cessation in the production of rubber, the over-production of rubber during the past year increased, and according to the "Economist" from September 13th to 27th the reserves of rubber increased in comparison with the end of 1929 by 120,000 tons and reached dimensions of eight months' supplies. There is a similar picture in regard to sugar. The over-production of sugar is of such a proportion that Cuba is beginning to compete with Javanese sugar even on the Shanghai market, which from time immemorial has been supplied by Java.

Generally speaking, the crisis in Asia is bound up with such a sharp disproportion in the extent of production of colonial goods and the purchasing power of the masses in the consuming countries, that the development of the crisis is closely bound up with the development of the crisis in the industrial countries.

AFRICA.

During 1929, the majority of African countries experienced a general economic revival. The sharpening of the world agrarian crisis was only partially reflected in the African countries. Liberia suffered very heavily where the American Firestone campaign considerably decreased the plan for the production of rubber, under the influence of the intensifying world over-production and the fall in prices. Egypt, and the Sudan also suffered to a certain degree as a result of the fall in the price of cotton, the Gold Coast—under the influence of cocoa prices, Angola—under the influence of the fall in coffee

prices, Nigeria—under the influence of the fall in the price of tin.

The sharp turn to a crisis was only noticeable in 1930, under the influence of the severe fall in prices of the most important exports and the contraction of external markets as a result of the developing world crisis. The decreased demand by the U.S.A. for diamonds as well as the fall in the prices of copper and agricultural produce also considerably influenced the economic situation in South Africa. The sharp fall in the price of tin also caused a noticeable decrease in the production of tin in Nigeria. The fall in the price of cocoa hit the Gold Coast, the fall in the price of palm oil and a number of other specific African exports affected the economy of other parts of Africa. The cotton harvest in Egypt this year was so abundant that a further fall in the price of Egyptian cotton is inevitable. This must cause a further decrease in the income of the farmers and the further ruin of many them.

The development of the crisis in African countries was reflected in the fall of exports and imports. The exports and imports of South Africa, Egypt and other African countries during 1930 was at a considerably lower level as compared with the corresponding months of the previous year. For instance, in August of this year, South African export was lower than that of the previous August by 28 per cent, Egyptian export by 60 per cent., South African imports by 23 per cent., Egyptian imports by 22 per cent.

AUSTRALIA.

Australia passed through a period of crisis throughout 1929, influenced by the increasing of the world over-production and the sharp fall in the prices of its most important exports—wheat and wool. The development of the crisis in industrial countries, naturally, strengthened and sharpened the Australian crisis.

World over-production of wheat in 1930 will obviously cause a further worsening in the economic situation of Australia.

The development of the crisis in Australia was reflected in the severe decrease in its exports and imports. In relation to the average monthly of 1929, exports fell in July of this year by 40 per cent., imports also by 40 per cent.

The exceptional severity of the present industrial crisis in Australia is reflected in the number of unemployed. The percentage of unem-

ployed trade union members increased from June, 1929, to June, 1930, from 10 per cent. to 18.5 per cent., being considerably above the maximum level of the crisis of 1920-21.

SPECIAL FEATURES AND PERSPECTIVES OF THE CRISIS.

The present world economic crisis develops within the confines of the general capitalist crisis, and its nature, therefore, can only be understood in relation to the latter.

The conditions of the general crisis of capitalism explain to us the important features of the present crisis.

Firstly, the present economic crisis stands out by the exceptional speed with which it draws within its orbit all parts of world economy. We have shown above that only a few months elapsed between the commencement of the American crisis and the drawing into the crisis of the overwhelming majority of capitalist countries.

This is explained by the conditions of the general crisis of capitalism, which gives it a special sharpness and is general to all countries, despite the preceding short and unequal periods of economic revivals in the industrial countries.

If the economic disproportion, peculiar to the epoch of general capitalist crisis, hastened the development of the present crisis, then the latter, in its turn, *deepens these basic disproportions and, therefore, sharpens the general crisis of capitalism.* This lends to the present crisis a particularly deep and prolonged character.

Secondly, the conditions of the general capitalist crisis explains the hitherto unknown severity of the agrarian raw material crisis. The agrarian crisis is part of the general capitalist crisis. The disproportion between the growth of productive forces in the agrarian raw material countries and the extent of the purchasing powers of the mass of the people, which is basically a result of the post-war agrarian crisis, is mainly explained by the conditions of the general crisis of capitalism, which considerably limits the purchasing power of the mass of the people.

The close relations between the agrarian and industrial crises are, therefore, not accidental. In post-war capitalism, thanks to the contracted markets, the relation between industry and

agriculture is closer. This makes the present crisis especially deep and prolonged, as the reciprocal action of the industrial and agrarian crisis strengthens both of them.

The fact that this year's world harvest is even better than that of the previous year leads inevitably to a further over-production, a further lowering of prices, further ruin for millions of peasant households, *further contraction of the market for industrial goods.* Therefore, the inevitable sharpening of the agrarian crisis must lead also to the further intensification of the industrial crisis.

Thirdly, the conditions of the general capitalist crisis explain the immense proportions of unemployment which is characteristic of the present crisis. The number of unemployed in the capitalist world has already reached 25 million persons. The tendency towards intensifying chronic (structural and technical) unemployment, is determined by the contradictions of the epoch of the general crisis of capitalism, and in its turn, partially determines these contradictions. The cyclic crisis sharpens and deepens unemployment, and lends to the crisis a special sharpness.

Fourthly, the conditions of the general crisis of capitalism explains the severe character of the reduction in wholesale prices and the peculiarities of the process of the lowering of prices.

Comrade Varga has expressed the viewpoint that the speedy lowering of prices is caused in the present crisis by the liquidation of the remnants of the inflation growth of prices in the war period and the first years of the post-war period. Although not denying that these factors play a certain part, we, however, consider that the sharpness of the crisis plays the *decisive* role—particularly the agrarian raw material crisis. The fact that the fall in prices of agrarian produce and raw materials, and in the first place, of colonial goods, is of a hitherto unheard of character, both in rapidity and intensity, shows that the decisive role in the process of the lowering of prices is not the liquidation of the results of inflation but the severity of the disproportion.

The fact that the process of reduction of wholesale prices has not yet ceased, causes the further intensification of over-production, for, as was noted previously, producers and consumers limit their purchases to the minimum

in the hope that there will be further reductions in wages.

The difference between the fall in price of raw goods and manufactured goods and wholesale and retail prices, is of great importance.

The fact that wholesale prices of manufactured goods fall more slowly than the prices of raw materials, is due not only to the price policy of monopoly organisations, but also because some important price-making factors do not show a tendency to reduction, and, conversely, in some cases, increase. In post-war capitalism, thanks to rationalisation of industry, the component parts of the expenses of production, also grew, which with the contraction of production show a tendency to growth (for instance, the transferable value of basic capital). Together with this, of great importance is the growth of taxes and customs duties.

The slowness with which retail prices decrease and their growth in some countries, are due not only to the price policy of various trading organisations, but the growth of taxes in the sphere of exchange, the growth in customs duties, the growth of expenses in connection with exchange, as a result of an intensification in the problem of realisation of goods and, finally, due partly to the normal delay in the process of reduction of retail prices as a result of a large amount of reserves purchased at previous prices, etc.

It would, however, be a mistake to give the last factor the decisive role, as Comrade Varga does in one of his surveys. If the question was only one of lagging behind in time, then it would be possible to assume that in the future, retail prices would be on a level with wholesale prices.

Actually the difference in the rate of the lowering of prices of raw materials and manufactured goods, and wholesale and retail prices, as we have just proved, is bound up with organic peculiarities of the epoch of the general crisis of capitalism, and in the future development of the crisis can only get closer, but cannot disappear.

The existence of these differences causes a prolongation and intensification of the crisis. While the sharp drop in prices of raw material affects hundreds of millions of small producers and lowers their purchasing powers, *the slowness in the lowering of wholesale prices of manufactured goods and retail prices delays the absorption*

of over-production and, in this way, prolongs the crisis.

Fifthly, the conditions of the general crisis of capitalism explain that important feature of the present crisis, namely, that it has not been accompanied so far by a crisis in the credit system, and is on the contrary, accompanied by a fall in rates of interest.

Usually, crises were accompanied by a credit crisis and a growth in the rates of interest. Rates of interest usually decreased in periods of depression, following on crises. If the present crisis has not seen a credit crisis and the rates of interest fell at the very beginning, this shows the special features of this epoch of the general crisis of capitalism. On the one hand, the preceding boom was not sufficiently intensive and general as to exhaust ready loan capital and to create strained credit relations. On the other hand, the growth of monopoly weakens the influence of this crisis on the credit powers of concerns. For this reason, the crisis has not been accompanied so far by a credit crisis, and this has allowed the central banks to enforce a policy of low rates of interest.

Actually, however, the absence of a credit crisis, and the insignificant number of bankruptcies, makes difficult the liquidation of accumulated disproportions and, therefore, prolongs the crisis. In this manner, contrary to the usual opinion, these facts prove, not the slightness of the crisis, but the *inevitability of its prolonged character*. At the same time, it is necessary to stress that in the future development of the crisis in a number of countries, the likelihood of a severe credit crisis and a wave of bankruptcies of large concerns, is not excluded. The intensification of the agrarian crisis makes this possibility extremely real, as it can lead to mass failures of agricultural banks.

In this manner, the special features of the present capitalist crisis have a deepening and prolonging effect upon it. The basic contradictions, which characterise this period, are so varied and deep that the peculiarities which have developed give it a special prolonged and deep character. The crisis, as we have shown, has not only not yet reached its highest point, but is only just entering the phase, of real sharpening and deepening.

Apart from the conditions enumerated above, there also operates in the same direction the

influence of the "national" crises on one another, which continues and increases. *The reciprocal contraction of import in countries* overcome by the crisis, provokes a reciprocal contraction in their exports. At the same time, the crisis causes an intensification of competition on the world market, as all countries endeavour to increase their exports. This combination of decreasing imports, with the intensified struggle for exports will no doubt lead to a further fall in wholesale prices with all its consequences.

Together with this, an extremely important role in the intensification of the crisis is played by *protectionism*. Many countries reacted to the development of the crisis by raising duties on incoming goods. A number of European countries replied to the U.S.A. high tariff rates by increasing duties on American exports—wheat, automobiles, etc. For instance, the price of a bushel of wheat in the U.S.A. is 70-75 cents, and the German tariff is 97 cents a bushel, in France 85 cents, in Italy 86 cents, etc. Commenting on this fact, "The Magazine of Wall Street" in its issue of August 23rd, says that "the American farmer cannot overcome such barriers." It is quite obvious that under *conditions of increasing crisis the increase in customs duties has an enormous disorganising influence on world economic relations and in this manner, intensifies the crisis.*

All this shows that world capitalist economy is entering a deeper phase of crisis with all its consequences.

Thanks to its peculiarities, the present crisis has a considerable influence on the standard of living of the mass of the people. The unheard-of severity of the agrarian crisis affects with all its force the peasant masses of the capitalist world, ruining many millions of peasant households and considerably lowering the income of

the remainder. Particularly severely does the crisis affect rented households and those which are weighed down by indebtedness to credit institutions. Its influence upon the position of the mass of colonial peasantry is devastating, not only because the present crisis is characterised by over-production of colonial goods and the sharp drop in prices, but also because the economy of the colonies is torn by ruthless exploitation, and their markets are not protected from the increasing competition of export goods.

On the other hand, the special weight of this crisis on the working masses is shown not only in the exceptional extent of unemployed, and in the sharp drop in wages, but also in the specially prolonged character of the crisis and the phenomena resulting from it. Furthermore, in the present crisis, the position of the working masses is considerably worsened in comparison with their position during pre-war crises as a result of the fact that the level of retail prices drops an insignificant degree, or even increases.

All this makes inevitable the further sharpening of social contradictions in capitalist countries and the further development of a revolutionary upsurge, not only in the foremost capitalist countries, but also in the colonial countries.

The close interweaving of the agrarian with the industrial crisis on a world scale brings about an association of the revolutionary upsurge among the working masses with the radicalisation of the peasant masses, and with the revolutionary upsurge in the colonies. This creates the possibility of uniting the revolutionary actions of the proletariat and peasantry not only in the advanced, but also in the colonial countries; the possibility of a real hegemony of the proletariat in the advancing revolutionary struggles.

THE LABOUR PARTY AND THE CRISIS IN GREAT BRITAIN

By J. FINEBERG

THE last Labour Party Conference, which was held at the fashionable Welsh watering place, Llandudno, at the beginning of October, met in the midst of the severest crisis that Great Britain has experienced since the Great War. Even the bourgeoisie are now openly admitting the gravity of the situation and are expressing disquietude for the future. Following on a long period of post-war depression, British economy has been one of the most severely affected by the present world economic crisis. Foreign trade in the first nine months of this year shows a very serious decline. Imports for this period show a reduction of 12.5 per cent. compared with the corresponding period of last year; exports show a reduction of 18.9 per cent. and re-exports show a reduction of 19.9 per cent. Of the exports, those of iron and steel have dropped by 23 per cent., machinery by 12 per cent., cotton piece goods by 30 per cent. and woollen goods by 26 per cent. This decline in foreign trade is reflected in the drop in production of British industry. The index of the volume of production for the third quarter of this year shows a drop of 19.8 per cent. compared with the first quarter of this year, and of 18.4 per cent. compared with the third quarter of last year. The output of pig iron in the third quarter of this year declined by 33 per cent. compared with the third quarter of last year and the output of steel declined by 31 per cent. British shipbuilding declined by 33 per cent. in the third quarter of this year compared with the corresponding period of last year. Unemployment has nearly doubled in the past nine months and the official figures now stand at well over two and a quarter millions. It is generally admitted that the coming winter will be the severest ever experienced.

Simultaneously with this economic crisis, Great Britain has reached a critical moment in her relations with her Dominions.

The Labour Party Conference coincided with the opening of the Imperial Conference which brought out very strikingly the grow-

ing antagonisms within the British Empire. The representatives of the Dominions came to the Conference, not as representatives of parts of a single economic and political unit,—of the “Commonwealth of the British Empire”—but as representatives of independent capitalist countries, to drive a hard bargain with Great Britain in order to secure a favourable position in the British market. On the outcome of this Conference and on the future policy that will be pursued by the British Government depends whether the parting of the ways between Great Britain and the Dominions has been reached or not.

At the same time, the Government was preparing to meet the Indian delegates to the Round Table Conference, so that, looming in the background of the Labour Party Conference, as it were, was the struggle of the Indian masses against British imperialism.

Thus the whole of the economic and political background of the Llandudno Labour Party Conference was one that clearly revealed the deepening crisis of British imperialism.

Judging from the surface, the Labour Party Conference appears to have been completely isolated from these surroundings. Although it was the conference of the Party of the Government, the big issues that confront the country were not discussed. Hardly a reference was made, even by the pseudo-Lefts, to the struggles of the working class against the capitalist offensive and to the part the Labour Government was playing in this offensive. On the agenda of the Conference there were numerous resolutions from local Labour Parties, criticising and condemning more or less severely the policy and actions of the Labour Government. But these were skilfully got out of the way by the past masters of political manœuvring of the Labour Party Executive. The entire imperialist and social-fascist policy of the Labour Government was taken for granted by the great majority of delegates, as not coming into question, and wholly approved. The leading members of the Government who addressed the Confer-

ence carefully glossed over the effects of the present economic crisis in England; they only sought to excuse their impotence by the plea that it was a world crisis and could merely hope that it would soon pass. All they had to offer were a few reforms like medical assistance for women in childbirth, raising the school-leaving age by one year, and schemes for putting workers on the land. They also promised to repeal the anti-Trade Union Act, which in all probability will apply only to the method of collecting the political levy in the trade unions. The prohibition of the right to call sympathetic strikes will no doubt remain, on the plea that this was too "controversial" a question. As for the rest, they took shelter behind the threadbare plea that they were in a minority in Parliament.

The big questions of the war danger, India and unemployment were introduced by the Independent Labour Party, led by Maxton and Fenner Brockway, in a manner calculated to reduce them to a farce, and in fact they were treated as such. In the rôle of "Left" opposition, the I.L.P. moved very "strong" and "bold" resolutions on unemployment, calling for the declaration of a "state of emergency" and for the "socialisation of the basic industries"; on India, it called upon the Labour Government to "cease to function as the policeman of imperialism immediately all repressive measures in India"; on the question of the war danger it called for "uncompromising opposition to war and preparations for war," for "mass resistance to war by the workers," and demanded that the Executive of the Labour Party "prepare definite plans for organised resistance to war and to submit them to the next annual Conference."

But from the very outset, Maxton himself revealed the hollowness of these high-sounding "revolutionary" phrases by declaring his loyalty to MacDonald and to the Labour Government. He said that he had the "highest regard for the members of the Labour Government." If he were asked to choose a Cabinet of his own at this juncture and in these circumstances, he said, he did not think he would make any changes in the present personnel. After this it is not surprising the Conference simply refused to discuss the I.L.P. resolution on India and on war, and

rejected them without taking a vote. And most fittingly, A. J. Cook, Maxton's partner in "Leftism," moved "next business" on the I.L.P.s resolution on India.

That these I.L.P. displays of "Left" phraseology are a necessary adjunct to the social-fascist rôle of the Labour Party was practically admitted by Susan Lawrence, the Chairman of the Conference, when she expressed her appreciation of the "passionate resentment of the wrongs and stupidities of the world" displayed by the "opposition." "If this feeling were lost," she said, "the salt will have lost its savour and the Labour Party will have lost its meaning." Precisely; the "leftism" of the I.L.P. is the "salt" which is usually needed by Social-Fascism to make it palatable to the working class.

Of much greater significance, as indicating the trend within the Labour Party was the rôle played by Oswald Mosley at the Conference. He moved a separate resolution on unemployment and in his speech he made a slashing attack on the Labour Government, for failing to propose any effective measure to solve this problem. He outlined an imperialist policy, with elements of fascist, social and national demagogy, which has already been given in the capitalist press the title of "National Socialism" and is being discussed as the platform of a future National Socialist Party. Mosley demanded the "insulation" of Great Britain from the "organised dumping" of goods from foreign countries, the State control of industry and trade, the development of the home market by "building a higher civilisation than in any other country" and development of trade with the Empire. While the I.L.P.s resolution on unemployment was overwhelmingly defeated, Mosley's resolution received nearly half the votes of the Conference. Moreover, in the voting for the Executive Committee of the Labour Party, J. H. Thomas, who, until recently was responsible for devising measures for dealing with unemployment, was defeated; while Mosley, whose plans for dealing with unemployment were rejected by the Government and who, as a consequence resigned from the Government, was elected.

Apart from these prominent events, the Labour Party Conference was barren, and this

barrenness is reflected in the programme the Government submitted to Parliament at the opening of the present session. The Labour Government has proved impotent in the face of the present crisis. Judging from the reports that are published, the Imperial Conference will come to an end without a settlement being reached on the vital questions that interest the Dominions, in spite of the fact that as the Canadian Premier warned them, if the present opportunity is missed "it may never return again." The Labour Government dared not commit itself to the policy of Imperial preference, when the bourgeois parties had not yet decided their position on the matter. The economic crisis is becoming more acute; unemployment is increasing and the Labour Government has not made a single proposal except those outlined at the Labour Party Conference,—veritable pills to cure earthquakes. Meanwhile, in the basic industries the trade union bureaucrats are negotiating with the employers over the wage cuts which the employers are demanding.

All the evidence goes to show that the confidence of the workers in the Labour Government is rapidly declining. The numerous resolutions criticising the Labour Government submitted to the Labour Parties and trade unions, the serious losses suffered by the Labour Party in the recent municipal elections, the expulsion of local Labour Parties for "disloyalty" and the growing interest in the Charter movement launched by the Minority Movement, are indications of the growing disillusionment among the workers regarding the Labour Government and of the growing discontent in the country.

The bourgeoisie also is disturbed at the failure of the Labour Government to face up to the present crisis. Commenting on the declaration of the Government's policy at the opening of the present session of Parliament the *Economist* says it has "caused general disappointment in the country at large, as well as in all three parties." It complains "sorrowfully and grievously" that "neither in the Speech from the Throne nor in Mr. MacDonald's statement of policy is there any sign whatever that the Government is facing up to the national emergency with courage, determination or imagination."

But it is the failure of the Labour Government to fulfil its social-fascist rôle of stemming the growth of discontent in the country, and the very growth of this discontent, that is most disturbing to the bourgeoisie. This is borne out by the remarkable parable which the *Manchester Guardian* read to the Government in a recent issue, in connection with the opening of the new session of Parliament. That paper credits MacDonald and the Labour Government with "sincerity and good intentions" in bringing in its programme of reforms. "But something more than sincerity and good intentions are required just now," it says:—

"We are not as a nation just jogging along in a state of peaceful prosperity. If we were, no doubt the present Government would be entirely adequate. Its gentle reformist tendency would be precisely the thing needed. The Tsar, a few days before the Russian Revolution broke out, wrote to his wife about a nasty outburst of measles at the Military Academy. His consideration was charming. But it happened that it was more than measles afoot just then; something that was so impatient with the good, considerate Tsar as to sweep him away altogether. The Labour Government must be aware lest, in attempting to deal with society's milder complaints it allows more grievous maladies to become chronic. For then, other physicians will be called in—not quiet general practitioners at all, but perhaps noisy, violent quacks" . . . "the general temper of society to-day is dynamic."

The question arises: Why does not the bourgeoisie get rid of the impotent Labour Government which is failing to face up to the "national emergency"? Particularly, as it is in fact a minority Government. Instead it deliberately keeps it in office by forming a semi-official parliamentary bloc with the Labour Party, as the Liberal Party, led by Lloyd George has done in the present session. The answer to this question is provided by none other than Winston Churchill, who, in a recent speech declared: "It is because the wise forces that have made England and the British Empire what they are, are so honey-combed with senseless quarrels and friction artificially fomented for Party purposes that we have to hand over the centre of the Empire to Socialist rule."

The fact of the matter is that the present economic crisis has revealed the glaring reality of Britain's decline: of her losing struggle to retain world hegemony, of the

maturing crisis of inter-Empire relations, of the growing social conflicts within the country itself. Desperate measures, a drastic change of national policy is required in order to avert the impending catastrophe. But what measures; which policy? The proposal for Empire Free Trade, which seemed to offer such an easy solution, has been killed by the flat refusal of the Dominions to entertain the idea at all. The slogans of each and all of them is: "My country first," which means in practice, protection against England. The proposal for protection, with duties on imported food and raw materials as well as on manufactured goods is meeting the resistance of a large and powerful section of the bourgeoisie, whose interests are opposed to restriction on foreign trade. The split in the Conservative Party, Baldwin's vacillation on this question, the fact that the majority of the Conservative Party supported him against Beaverbrook's attempt to displace him and the manifestoes and counter-manifestoes of prominent bankers, merchants and industrialists on this question, all reveal the strenuous fight that is being waged, and the confusion that is prevailing in the ranks of the bourgeoisie on this vital issue. In Great Britain also, the deepening economic crisis is revealing symptoms of a political crisis.

Hence, the Labour Party must be kept in office until the bourgeoisie has hammered out its policy; until one or other tendency in the bourgeois parties gains the ascendancy.

Meanwhile, the discontent of the workers and their disillusionment in the Labour Government must not be allowed to run into revolutionary channels. This function the I.L.P. has zealously taken upon itself by giving a deeper "revolutionary" tinge to its phraseology. While in the last session of Parliament the fact that the I.L.P. group voted against the Labour Government caused an uproar in the Labour Party and led to threats of expulsion if opposition to the Government was continued, at the opening of the present session the I.L.P. group, or rather the "Left" wing of the I.L.P. group, actually moved a separate resolution against the Government's programme and carried it

to a vote—when it was of course overwhelmingly defeated — and yet this did not even rouse comment. Obviously the thing had been arranged beforehand. It was a deliberate manoeuvre to foster illusions among the workers in the "radicalism" of the I.L.P. and thus keep them bound to the Labour Party. On the preceding day an I.L.P. member delivered a speech in which he declared that: "The only remedy for the situation was the socialisation of the means of industry, transport and all the means of living. Instead, the Government shows the slow method of social reform, the success is precluded by the difficulties thrown up by the capitalist system in decline. We are arriving at a stage when we could only achieve social reform by revolution."

Obviously the pseudo-Lefts of the I.L.P. are saying what they think the workers want to hear; and the deeper "revolutionary" tinge of their utterances is a measure of the rising temper of the working class.

But while the demagogic "opposition" to the Labour Government is being carried on by the I.L.P. a much more serious tendency is developing in the Labour Party which centres around the name of Oswald Mosley. The fact of his election to the Executive of the Labour Party after his conflict with and resignation from the Labour Government, the very favourable reception he received on the floor of the Labour Party Conference and the large vote cast for his resolution; the fact that the General Council of the Trade Union Congress has expressed itself in favour of the policy of "insulating" the Empire by means of tariffs, and the measures already taken to form an organisation of prominent Labour members and trade union leaders to conduct propaganda in favour of Mosley's proposals "in the hope that this policy will supersede Labour's present policy of gradualness," all indicate the possibility of a new movement within the Labour movement calculated to divert the workers from the revolutionary struggle by the prospect of a "speedy," "striking," "drastic solution" of the present difficulties without the necessity for revolution. There is the prospect of social-fascism emerging in a new form.

As far as the bourgeoisie is concerned, it is quite obvious that they have reached an impasse: they themselves realise and admit the gravity of the situation; they, in their press and in their speeches, talk of a "national emergency"; revolution is no longer treated as a jest, but as a menacing possibility. They would welcome a movement which arises from the Labour movement, but led by a scion of the aristocracy, that would boldly apply the remedies that they themselves hesitate to introduce.

This situation makes the fight of the Communist Party of Great Britain for the leadership of the working class more intense than ever it was. There arises the danger that the very radicalisation of the workers may be utilised by the social-fascists for the purpose of misleading them. It is precisely in the present situation that the Party must intensify *tenfold* its campaign against the Labour Party and especially against the pseudo-Lefts of all shades and tendencies and not miss a single act or utterance on their part in order to prove to the workers the treacherous rôle they play in sabotaging the struggles of the workers. The Communist Party of Great Britain must clearly show the whole working class of England that the "left" phrases of Maxton are a necessary prerequisite for preparing the way for imperialism and glaring social-fascism.

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THE DEVELOPMENT OF FASCISM IN GERMANY

By DENGEL

FOLLOWING upon the ravages of the war and inflation, the year 1928 signified a period of relative stabilisation for German capitalism. In the most important industries, the places of production were restored, equipped with modern innovations, their deficiencies in supplies of raw materials made good, etc. The realisation of this was made possible with the combined aid of foreign capital (7½ milliard marks having been imported) and the active support of the Social-Democratic Party, which placed its own organisation and the powerful apparatus of the trade unions unconditionally at the service of capitalist stabilisation and rationalisation. This capitalist stabilisation, however, showed great defects from the very beginning. At the beginning of the crisis of capitalist stabilisation, a total debt of about 50 milliard marks (giving the tribute a capital value) burdened German capitalist economy; an annual responsibility of over three milliard marks for tribute and interest. Secondly, the restored and rationalised productive apparatus was too widely developed for the possibilities of the internal and recaptured foreign markets. Thirdly, it proved to be the case that, already towards the end of the first wave of capitalist rationalisation, unemployment had increased by many millions of workers, who had no prospect of reabsorption into industry. And on the basis of existing law in Germany, these immense masses of unemployed had to be maintained, however miserably, by the workers in the factories and by the capitalists.

In 1928 two problems of elementary necessity presented themselves for solution to German capitalism: improvement of competitive capacity on the world-market, and the alleviation of the reparation burden for German capital. In the internal political development of the country this signified a strengthened attack of the forces of capitalism against the working masses by all means, especially with the aid of the State apparatus. In the autumn of 1928 commenced a well-organised, concentrated drive of all the big capitalist organisations; the memorial of the National Federa-

tion of German Industry, the Hansa League of the Employers' Associations, developed a detailed programme for capitalist "Rehabilitation."

The Government of Hermann Müller, Hilferding, Wissel and Severing, attempted to meet the wishes of the German bourgeoisie; differences of opinions only arose as to the period necessary for realising this programme, both in the spheres of internal and foreign policy. But the breaking out of the world-crisis in the autumn of 1929 wrecked all plans of rehabilitation. All the general phenomena of crisis of German capitalism were tremendously intensified; any possibility of a serious move towards rehabilitation seemed out of the question. The clearest manifestation was seen in the state of the national finances. Towards the summer of 1929, a very optimistic programme of financial reform was put forward. It was thought possible that not only the 700 million marks available through the reduction in reparation payments under the Young Plan could be utilised in decreasing direct taxation of the bourgeoisie, but over and above this, "savings" amounting to 800 million marks could be achieved, also to be used to the advantage of the capitalists.

When, however, in December, 1929, Hilferding presented his finance programme, the crisis had reached such enormous dimensions that rehabilitation had become an impossibility. Although Hilferding had attempted in his handling of the State finances to advance the interests of the bourgeoisie to the utmost limits, he was forced to resign. The efforts of his successor, Moldenhauer, proved as fruitless, in spite of being the direct representative of an important section of the German bourgeoisie. The crisis, with its catastrophic consequences for the State finances, developed more rapidly than the privy councillors in the Ministry of Finance could alter their proposals. In spite of enormous increases in the burden of taxation on the masses of the toiling population (beer tax, tobacco tax, sugar tax, increase in duties on important food products, cuts in unemploy-

ment benefits and other social services, decreased amounts for the municipalities, etc.), it was not possible to realise even a part of the "unburdening" programme of the bourgeoisie.

Yet another aggravation to the already difficult situation was brought about by the rapid development of the agrarian crisis. In the spring of 1929 a large part of agrarian capital was bankrupt. The causes of this cannot be dealt with here. The situation of agrarian capital in the eastern provinces in the spring, 1929, can be compared to that of the heavy industries in the Ruhr district in the winter of 1923-1924. At the time, it was made possible by the active support of the Social-Democratic Party, in spite of a tremendous increase in poverty through inflation, to place several milliards of marks at the disposal of the German industrialists for the purpose of capitalist "rehabilitation." And now, under similarly difficult conditions, the process is being repeated for large agrarian capital. In spite of the plight of State and communal finances, a form of "Rehabilitation" (the so-called "Eastern Programme," in the main a veil for this gift to the junkers) has placed milliards at the disposal of the great landowners.

The situation immediately preceding the fall of the Müller Government could be summarised as follows:—Firstly, "rehabilitation" plans were being discarded, owing to rapid development of the crisis. Secondly, the equally rapid development of the agrarian capital crisis, made all efforts of the Hermann Müller's Government's "rehabilitation" measures useless at the very moment when they were accepted by the Reichstag. Thirdly, the competitive struggles between the different Parties, which accepted capitalistic "rehabilitation" in the interests of different strata of the bourgeoisie, whose interests they support, and which attempted to conceal the brutal anti-proletarian, anti-peasant charter of their proposals, led to an endless bartering in Parliament and delay in carrying out decisions, and thus produced a catastrophic worsening of the State finances. This bargaining had its origin in the already far-advanced process of the splitting off of vast masses of petit-bourgeoisie from the older bourgeois Parties.

A study of the whole situation of German capitalism is required in order fully to understand the significance of the fall of the Müller Government and the rôle of the succeeding Brüning Government. The fall of the Müller Government indicated, in the first place, the determination of the bourgeoisie to carry through, even under the different conditions existing since the outbreak of the capital world crisis, with all the means at their disposal, the "Rehabilitation" programme. The knowledge that this programme, involving increased wretchedness and intensified exploitation of 90 per cent. of the German nation, could not be carried through without the open dictatorship of the bourgeoisie, meant that the Brüning Government was determined to carry through this programme by means of dictatorship.

The Brüning Government from the first day of its installation in office, has openly and willingly acted as direct representative of definite sections of the German bourgeoisie.

The Social-Democratic Reichstag fraction whose decision was mainly responsible for the fall of the Müller Government (a step which it bitterly repented within a few days, declaring a hundredfold its willingness to swallow the complete capitalist programme) did not wish to dispense with their necessary "fighting arm." When Brüning presented his "Emergency Programme," the Social-Democratic fraction had, indeed, decided to vote for it, but it thought that it was still possible to play a comedy of rejecting parts of the programme and thus veil its betrayal of the interests of the working class. The Brüning Government retaliated without hesitation by an open and brutal breach of the Constitution, putting through its programme without legislative sanction, with the help of Paragraph 48, and this dictation being refused by the Reichstag, the latter was forthwith dissolved.

The elections struggle has only confirmed the determination of the German bourgeoisie to carry through its programme by dictatorial methods. The leaders of the Centre, with the prelate Kaas at the head, demonstratively announced that it was immaterial to the Brüning Government whatever Reichstag was re-elected, as it would refuse to resign under any arising circumstances until it had fulfilled its

programme, *i.e.*, the programme of the German bourgeoisie. Although to its subsequent harm, even the Democratic Party hastened to embark upon a fascist course, by uniting with the fascist "Young German Order," to become the German State Party. The monetary contributions received by the Hitlerites from various circles among the German bourgeoisie, from the heavy industrialists, the big bankers and manufacturers, for their election fight, runs into dozens of millions of marks.

The acceptance, whether in whole or part, of fascist ideology by the old Parties, goes to prove the determination of the German bourgeoisie to try a fascist dictatorship; hence the double-faced policy of the Hitlerites during the elections. In the foreground of their election campaign they conducted a definite anti-capitalistic, anti-imperialist propaganda, to gain the masses of proletarians and petit-bourgeoisie, whilst certain statements of Hitler which stressed his capitalist and anti-proletarian attitude were intended for the interests of international capital.

The result of the elections showed an unexpectedly strong rise of the National-Fascists and a great victory for the Communist Party, which has given a further impetus to the development of fascism in Germany. To-day the whole programme of the German bourgeoisie is perfectly clear to all. Certainly, there exists no complete unity among all sections of the bourgeoisie. Many contradictions of interests of different sections exist; for instance, between different sections of monopoly capital and between these and non-monopoly capital. If we examine prices of monopolistic and non-monopolistic commodities during the crisis, it is quickly apparent that the differences are not small. Also, agrarian capital, which is heavily indebted to loan capital, is opposed to the latter as regards development of interest rates. It must not be forgotten, however, that these differences of interests are of a subordinate character in comparison with the fundamental antagonism of exploited and exploiters. The German bourgeoisie realise only too well the tremendous significance of the fact that the fascists have not even succeeded in making any essential breach in the ranks of the industrial proletariat in spite of all their efforts. On the other hand, the Com-

munist Party, in opposition both to Social-Democrats and Centre Party, have won valuable ground in the most important proletarian areas. Although far-reaching unity exists among the German bourgeoisie as to the aims for the immediate future, opinions as to tactics differ considerably. Let us first examine the programme of the German bourgeoisie. Brüning's Economic Programme is an attempt of realising in the present situation the fundamental capitalist demands already formulated in 1928. This programme envisages:—

- (1) Wages cuts in salaries of all Government and municipal employees; by these means an annual "saving" of 500 million marks.
- (2) Reduction to an amount of 300 million marks on social and cultural expenditure.
- (3) Reduction of unemployment benefits by 1,000 million marks.

On these measures in relation to reduction of unemployment benefit, *Der Deutsche*, the organ of the State Minister of Labour, Stegerwald, writes in an article entitled "Socialisation of Misery" (October 16, 1930):—

To this is to be added the exclusion of those unemployed who have only been thirteen weeks under unemployment insurance, and the exclusion of agricultural labourers.

The new regulations mean first of all for the individual receiving crisis benefit, a decrease in the period. Up to now it consisted of 39 weeks extended to 52 weeks for workers over 40 years of age. Now the times are 32 and 45 weeks respectively. To this is added a considerable cut in the amount of benefit. Relief to single persons unemployed, over 21 years of age, is to be 10.8 marks where they had a wage of 33 marks.

These benefits are so minute that in many areas they are less than the amount of public relief for the destitute.

The socialisation of misery is bound up with the continually lowering productive capabilities of the unemployed. Most likely the parishes will be forced to reduce Public Charity assistance, for the benefit of capable workers.

- (4) In addition to taxes forced upon the working class during the past summer, such as head tax, bachelor tax, and spirits tax, new taxes, including the raising of the tobacco tax, to the amount of 107 millions, will be extracted.
- (5) With this tremendously increased economic pressure on the proletariat, the Brüning Government combines very large gifts for the bourgeoisie. By an income tax "reform," the great landowners were almost entirely freed from payment of the income tax and occupation taxes. From 400 million marks received from the house rent tax, hitherto reserved for building purposes, 200

millions are to be used for lowering the weaving tax by 20 per cent. (in the main a tax on the industrialists). One hundred and twenty millions are to be applied to lowering of land tax by 10 per cent. (hitherto a primary tax on landed property and private estate). Side-by-side with this use of the house rent tax is to go further cutting down of tenants' protection up to complete surrender of the proletariat to the usury of house owners within a few years.

- (6) The Brüning Government announces in its programme unrestricted support of wage-cutting action by employees. This it justifies on the ground that the necessary fall in prices for the international competitive struggle is only to be attained by reduction in wages and maintenance.

What are the political means at the disposal of German capitalism for its attempt to carry through this programme? As stated above, the deputies of the Centre openly declared during the elections that the Brüning Government is determined to carry out its programme with or without the Reichstag. Following the elections, individual Ministers equally openly gave it to be understood that their programme was a single whole and that the Reichstag could accept it or not; it would make no difference to its realisation.

The entire bourgeoisie is in agreement with this line of action. The differences of opinions within the bourgeois camp amounted only to whether or not the National Socialists should be immediately drawn into the Government and quite openly renounce the Parliamentary mask. The Industrial Party, which has become more and more a satellite of the National Socialists, the German People's Party, the Agrarian Party and the Party of the Reich's Food Minister, Schcele, demanded either inclusion of the National Socialists in the Government or open dictatorship. Thus the *Berliner Boisenzeitung* declares (October 20, 1930):

"We raise the reproach against the Chancellor that he has not found the courage to decide, if necessary, to govern without the help of Parliament at once, a decision which must be taken sooner or later, if his Government does not intend becoming an executive organ of Social-Democratic policy and control."

The organ of the State Chancellor, Brüning, viz., *Germania*, mocks at this attitude taken by the *Boisenzeitung*, writing as follows:—

"The reproach raised that the Reich Chancellor is seeking only a Parliamentary solution, and has

not immediately begun to rule without Parliament in order to avoid the terrible 'danger of Social-Democratic support,' is altogether incomprehensible and presumptuous."

This language is as clear as the activities of the Brüning Government. It says openly and clearly that Parliamentary constitutionalism is a secondary matter which, although not to be dispensed with at present, can be renounced at any moment. It does not matter in the least whether there is a majority or minority in Parliament for the fighting programme of the bourgeoisie; the thing is that this programme must be carried out. Both the activities of the Brüning Government, as well as the language in the press is openly fascist.

What is the rôle of the National-Socialists in this development? The speeches and declarations given by Hitler immediately following the elections seemed to centre round laying down the conditions for immediate participation of his Party in the Government. The *Völkische Beobachter* of September 19th, 1930, triumphantly exclaims:—

"If one were to imagine a Reichstag without the 107 elected National Socialist deputies, the consequence would not be an increased mandate of 107 votes for the Brüning, Treviranus, Schöler, Koch-Weser Government Coalition, but instead of the 107 National-Socialists there would be at least 200 Red and Communist comrades in the Reichstag. We would have had a Bolsheviek Reichstag! Having hindered this possibility is to be put to the credit of the National-Socialists alone."

In reply to an article by Count Reventlow in the National-Socialist "Presse Korrespondenz," the *Germania* (September 30th) writes:

"We are exceedingly surprised at the originality and constant flow of ideas in Count Reventlow's lecture on foreign policy . . . We cannot recognise Count Reventlow's theories as his special monopoly, because they are in perfect harmony with our own."

The *Deutsche Allgemeine Zeitung* also reports, from the National-Socialist camp, that the latter are willing to follow a "reasonable" foreign policy, in order to be able to concentrate with greater freedom on the energetic handling of internal policy. The explanations given by Hitler to the foreign press, prior to his conversation with Brüning, show that he points to the advantages offered to international capitalism in the existence of a *Fascist Germany, as a barrier against Bolshevism, and as a base for future war opera-*

tions against the Soviet Union. The same purpose of showing his Party as immediately capable of governing, has been served by the renouncement of its hitherto strong anti-semitic agitation, also repeated assurances and declarations of "peaceful" methods being used to take power, and intensified struggle in the National-Socialist organisations against the "Socialistic" wing, the strongest representation of which is to be found in the recently-elected Reichstag deputies from the ranks of the German National Commercial Assistants' Association.

It appears that definite agreements have already been reached between representatives of the German Popular Party (von Stauss and Seekt), the Industrial Party, the Peasant Party, the German Nationalist Party and the National Socialists. But apparently the price demanded from the Centre Party by the National-Socialists was too high. In any case, following a conversation between Brüning and Hitler, the tactics of the National-Socialists were changed, several prominent Jewish shops in Central Berlin were looted, and "demands" were placed before the Reichstag for "Expropriation of the Banking and Stock Exchange lords," "Abolition of usury servitude," "Prohibition of loan and speculation business on the Stock Exchange," etc., and a declaration made of the justice of the Berlin metal workers' defence struggle against capitalist exploitation.

Simultaneously a violent anti-proletarian labour policy was being carried out by the National-Socialists in a number of German States, e.g., Thuringia, Saxony, Mecklenburg and Brunswick. In the last-named, for example, where immediately after the elections a Government with National-Socialists at its head was set up, reductions in salaries of officials were made before elsewhere in Germany, and there were passed also many reactionary measures in connection with Education and Unemployment Benefits, etc. With this background, the Social-Fascist rôle of the Social-Democrats stands out sharply.

German Social-Democracy in the present period regards its important task to be the masking by democratic manœuvres of the Fascist programme of the bourgeoisie. The Social-Fascist leaders, during and immedi-

ately after the elections, seem to have over-estimated the arena which the German bourgeoisie would allow them for their manœuvres. Together with the miserable remnant of the Democratic Party members, they put forward the demand for a Government of "Reason," a Government which would include all Parties from the Social-Democrats, to the Conservatives and Peasant Party (big agrarians). When the bourgeoisie refused them Ministerial posts, and demanded in return unconditional support of Brüning's fascist programme, it was again Hilferding who laid down in the new political line of the Social-Fascist Party in a "theoretical" article in the organ *Gesellschaft*. He says:—

"If in 1928 a parliamentary policy was still a matter of course, more and more hostility to parliament is the key-note of the present time. Order at any price, restoration of the State finances, a strong Government taking its directives from 'big industry,' and capable of carrying them out if necessary against parliament,—such are the slogans of the most influential sections of the great industrialists. This swing-over in society, both from above and below, decided the fate of the last Reichstag, the Reichstag of great Coalition. It decided the attitude of the German Popular Party towards the Müller Government and the fall of this Government, which had acted by parliamentary methods alone. It misled the Brüning Government to take a political line, commencing with gross violation of the Constitutional Law, and finally the dissolution of the Reichstag."

In his article, Hilferding attempts an analysis of the significance of the 107 National-Socialist votes in the Reichstag in connection with the general situation, and comes to the conclusion that the majority in Parliament are anti-parliamentary, that the anti-parliamentary and anti-democratic tendencies among the big landlords and employers falls into line with the petty-bourgeois National-Socialists' movement. All this makes the position of democracy very precarious. But, what are the measures contemplated by Hilferding and the Social-Democratic Party in order to "rescue" democracy? After declaring that the active support of the Industrial Party and Popular Party, is necessary for a parliamentary majority, he writes:—

"Space for negotiations is very narrow. First and foremost, they must stand for the safety of the Parliamentary Constitution. This general political postulate must, in this phase of the economic and

political crisis, take precedence over all special demands."

These "special demands" consist of such things as reductions in salaries for all lower officials, collaboration of the Government with the employers for wage reductions, misery for the unemployed, several hundreds of millions in new tax burdens on the working class, gifts of milliards to big capital—all which is of secondary importance to the Social-Democratic Party at the present time. The chief thing for them is to uphold the parliamentary illusion to assist the bourgeoisie in their endeavours for a "peaceful" overcoming of the present frightful crisis. As shown in the experience of other countries, the Social-Democratic Parties are not only those who prepare the way for fascism, but the active midwives in bringing fascism to birth, and they attempt actively and concretely to build a niche for themselves in developing fascism. This is the meaning of the transactions of the Social-Democratic Reichstag fraction during the short session of the Reichstag, and of their vote on October 14 for the Brüning Government. With this vote the Social-Democratic Party gave their sanction to the breach of the constitution by the Brüning Government, to the "emergency programme" and all the rest of the actions taken. The *Deutsche Allgemeine Zeitung* writes contemptuously on this behaviour of the Social-Democratic Party:—

"The social-democracy has given its vote for the Cabinet, for the 'famine Chancellor,' Brüning, for the big landlord tariffmonger, Schiele, and for Treviranus, all of whom during the election they could not sufficiently execrate. This big change of attitude on the part of the Social-Democrats has been secured *without a single political concession on the part of the Chancellor*, except that the Centre's threat of dissolution of the Prussian Coalition has for the time being not been carried out. This loaded pistol is still maintained. The Government so far has not given up one iota either of the emergency decrees introduced or of its big capitalist programme for rehabilitation of the State finances."

Looking at the development in Germany since the fall of the Müller Government, the following is to be observed. The Brüning Government and the circles of the bourgeoisie standing behind it have consciously and deliberately set parliament on one side in the carrying through of the big-capitalist pro-

gramme. The issue of the so-called emergency decree, with the help of paragraph 48, was an unambiguous and conscious breach of the Weimar constitution, a demonstrative putting out of action of the democratic mask, not to be compared with the Emergency Law in 1923. The policy of the Brüning Government since the Reichstag elections has been an intensified continuation of this dictatorial line.

The parties at the back of the Government defend this policy, partly openly, partly under the mask of fascist ideology. To-day the Agrarian Party is openly fascist (it supported also the vote of no confidence in the Brüning Government), as is also the Industrial Party and the greater part of the German Popular Party. The Centre, the Bavarian People's Party and a few fragmented groups conceal their transition to fascism, although they openly defend the dictatorial measures of the Brüning Government and the setting aside of parliament.

The German bourgeoisie takes all steps it can in order to strengthen the mass organisations of the National-Fascists (National-Socialist Labour Party, German National organisations, the Land Union and Steel Helmets) and to make them ready for the fight against the proletariat. They are building up already to-day besides the out-and-out fascist Reichswehr—the Reichswehr trial has clearly shown how this army looks upon the Weimar constitution and what its real constitution is—and besides the fascist policy, a third power against the workers.

The Social-Fascists have been allotted a rather clever rôle in this fascist policy of the German bourgeoisie. Their manoeuvres in the Reichstag to mask the fascist line of the Government are patiently endured. The Prussian Government is allowed to continue, only completed by the "strong man," Severing, who is always pushed into the foreground by his party of the German bourgeoisie whenever a new crime against the workers is being prepared. The Social-Fascists tried in all possible ways to get a footing in the Berlin metal-workers' strike in order to rob it of its political character and to strangle it as quickly as possible. The Social-Fascist leaders are really feverishly active in ennobling them-

selves as useful and necessary parts of the fascist policy of the German bourgeoisie.

This deception of the masses will not succeed. Both the inevitable deepening of the capitalist crisis as also the upward development of the workers' struggles will prevent it. The Berlin metal-workers' fight, the political character of which is more and more understood throughout Germany, is like the election result a proof of the development of the fighting power of the German proletariat. Under the leadership of the Communist Party of Germany, the working class will conquer the attempts of the social-fascists and realise the plans of the German capitalists by cunning and deceit and to cover the fascist tendency of the German bourgeoisie by "democratic" manoeuvres. The millions of starving unemployed will not calmly and peacefully allow themselves to be done to death.

In the coming months, all the contradictions of capitalist society will be intensified, all the antagonisms between the classes will experience an enormous sharpening. More and more will large sections of the German bourgeoisie press for intensification of forcible methods against the proletariat, for development of fascist policy and fascist terror. Simultaneously, however, the differences in the camp of the bourgeoisie will also increase and the struggles of the workers assume more comprehensive and more revolutionary forms. Great revolutionary struggles are near.

The tasks of the Communist Party of Germany are of enormous significance in view of the development of the objective position and of the political relations. The centre of gravity of the work of the party must now lie in the factories and among the unemployed. The mobilisation of the masses against further wage reductions (according to a communication of the Christian trade unions to the Government, the wage cuts already introduced amount on the average to 10 per cent.), the organisation of the struggle against complete impoverishment and against the starving of hundreds of thousands of unemployed, the extension and deepening of these defensive struggle of the workers into struggles against the fascist dictatorship, the widest and most determined unfolding of the united front for these struggles,—these remain the central

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tasks to-day. With the organisation of these struggles there must be bound up the exposure of the rôle of the National-Fascists and Social-Fascists and the destruction of their influence among the proletariat.

At the same time the Party must devote itself with special energy to those tasks which, as the election results have shown, have hitherto, in spite of all resolutions and theses, been considerably neglected. In the first place must be reckoned here the work among the millions of proletarians and semi-proletarians on the landed estates and in the villages, whom to a very great extent we have hitherto left to the National-Fascists as their recruiting ground. Further, is to be reckoned here the need for energetic efforts to get under way work among the proletarian employees and lower officials, *i.e.*, to advance with the correct methods to the shattering of the mass basis of National-Fascism. To be included also is the continuation with all re-

soluteness of our struggle against the Young Plan and for the exposure of the fascist bourgeoisie, including the National-Socialists, as auxiliary henchmen in the service of foreign imperialism against the Soviet Union. There must be added improvement of our methods of agitation, improvement of the general level of our press, better utilisation of parliaments, institutions, especially the local ones, in short, a closer connection of all organs of the Party with the simple, actual daily life of the exploited masses. Furthermore, there is required a strengthening of the efforts for broadening the mass basis of our organisation, accelerated selection and training of new cadres of functionaries and the rapid transformation of the revolutionary trade union opposition into an organisation which is able truly to find a broad basis of support—the factories and among the unemployed and which can thus be active as the independent leader of the economic struggles of the proletariat.



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