

Why an Open Letter to Our Party Membership

Report for the Political Buro to the Extraordinary Party Conference, New York City, July 7, 1933.

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Why are we holding an extraordinary Party conference at this time? And why are we proposing that this conference shall issue an open letter to the Party? It is not alone because of the extreme sharpening of the crisis and consequently of the class struggle and of the danger of imperialist war. Above all the reasons for these extraordinary measures lie in the fact that in spite of serious beginnings of revolutionary upsurge among the masses, our Party has not developed into a revolutionary mass Party.

This extraordinary conference and the open letter are designed to rouse all of the resources, all of the forces of the Party to change this situation, and to give us guarantees that the essential change in our work will be made.

The draft open letter, which is the central document in this conference, is the result of long discussions and examination of our work. It represents the most serious judgment of the situation and tasks of our Party by our leadership. It will undoubtedly be endorsed by the overwhelming majority of our membership.

BASIC TASKS OF THE 14TH PLENUM NOT CARRIED OUT

But we must recall that more than a year ago, at our Fourteenth Plenum already the Party had adopted all the essential features of the program of action here laid down. Yet, although we had some significant successes in our work since the Fourteenth Plenum—the Hunger March, the Detroit strikes, the Farmers' Conference, victories in the Scottsboro case, the veterans' movement, some important steps forward in applying the tactic of the united front and so on—yet the point upon which we must concentrate all of our attention is this: *that the basic tasks laid down at the Fourteenth Plenum have not been carried out.*

When we consider the especially favorable conditions for rousing and organizing a real mass movement around our Party, then it is clear that our small successes are important mainly to show the tremendous unused opportunities, to prove what could have been done everywhere and in the most important fields, if only we would seriously mobilize all our forces at the most decisive points.

What were these most decisive points? They were: (1) to win a firmer basis for our Party and for the revolutionary trade unions among the decisive strata of the workers in the most important industrial centers; (2) the strengthening of the Red Trade Unions, especially the miners', steel, textile and marine unions, and the organizing of a broad revolutionary opposition in the reformist unions—above all among the miners and the railroad workers; (3) mobilization and organization of the unemployed millions together with the employed for their most urgent daily needs and for unemployment insurance as the central immediate struggle of the Party; (4) the transformation of the *Daily Worker* into a really *revolutionary mass paper*, into an agitator and organizer of the masses; (5) wide development of new leading cadres of workers—the establishment of really collectively-working leading bodies and the improvement of these leading bodies by the drawing in of capable new working class elements.

In the Fifteenth and Sixteenth Plenums of the Central Committee, we clarified certain fundamental questions upon which confusion had arisen. It is not necessary to revise any concrete decisions taken at the Fifteenth and Sixteenth Plenums. They were correct. But it must be recognized that these two last plenums of our Central Committee, in the face of continued failure to really concentrate the whole Party upon its basic task, did not arouse the whole Party to the seriousness of these tasks and did not let loose all the forces of the Party from below to secure the guarantee that the essential change would really be made.

To remedy these central weaknesses must be the central point of this conference, which must launch and carry through the profound, deep-going transformation.

CLASH FOR MARKETS LEADS TO WAR

Before passing on to detailed examination of some of these problems, a few words must be said about the international situation. It is quite clear from the events taking place that the tempo of the war development is speeding up very fast. The practical collapse of the London Economic Conference has revealed how irreconcilable are imperialist antagonisms, how sharply their interests are clashing. The British-American trade war which is raging throughout the world, and which has for a long time been conducted in South America in the form of armed warfare between the South American countries, has by no means been softened as a result of the developments of the London Conference. On the contrary, in spite of the attempts which are made in the public press to indicate that in London a certain amount of general agreement has been established

between London and Washington on the currency question and on other questions before the London Conference, the fact remains that the central antagonism upon which the whole conference was wrecked was precisely the war between the dollar and the pound. The British-American antagonism is coming forward sharper than ever before in the international scene. The Japanese-American antagonism is also assuming a very sharp form. Perhaps some of you already noticed that this afternoon's *World-Telegram* carries a big broadside editorial by Roy Howard, calling for building up the Navy to full treaty strength as the "means of preserving peace in the Far East." These antagonisms among the great powers, and the measures being adopted for meeting the world problems of capitalism, make the development of the new world war a question of the day.

The danger of war is by no means expressed only in these sharpening main imperialist antagonisms. The sharper these antagonisms become, the stronger become the efforts of the leading capitalist statesmen to find a temporary solution in a common anti-Soviet war, to find a temporary solution of their antagonisms at the expense of the Workers' Republic. It is by no means an accident that precisely in the last days the relations on the eastern frontier of the Soviet Union have considerably sharpened. The attitude of the Manchurian "republic", puppet of Japan, has become extremely provocative. In Tokyo the newspapers are openly speaking about the necessity of annexing eastern Siberia. We can be sure that when Japan begins to take up seriously as a practical order of business the moving across Soviet borders, that they do so in certain agreement with at least some of the Western powers. We must not under any circumstances allow ourselves to become lax in our vigilance as to the necessity of rousing the masses for the defense of the Soviet Union merely on account of the diplomatic victories that are being won at this moment by the Soviet Union.

When we say this we do not by any means want to underestimate the importance of these diplomatic victories. The extension of the system of non-aggression pacts between the Soviet Union and France, and France's satellites in Eastern Europe, constitutes a definite victory for Soviet peace policy. The cancelation of the trade embargo of the British against the Soviets is another victory of Soviet diplomacy. The beginnings of organized large-scale trade relations between the United States and the Soviet Union and the perspective of a possible recognition of the Soviet Union by the United States in the near future are also victories. *But the winning of these victories does not soften the basic forces that are operating towards bringing together the imperialist powers for a desperate war of intervention against the Soviet Union.* It is neces-

sary for us to weigh all of these factors in their proper perspective and to understand that the war danger is really an immediate question for the masses today, that we are really operating in a world situation more explosive, more pregnant with all of the factors of imperialist war of the most destructive character than July 1914.

ROOSEVELT "NEW DEAL" AND FASCISM

This world situation is the outgrowth of the deepening of the crisis of world capitalism. This is bringing profound changes into the world relationships and into the domestic policies of the American bourgeoisie. In the United States these changes are expressed in the development of the Roosevelt "new deal".

The "new deal" represents the rapid development of bourgeois policy under the blows of the crisis, the sharpening of the class struggle at home and the imminence of a new imperialist war. The "new deal" is a policy of slashing the living standards at home and fighting for markets abroad, for the simple purpose of maintaining the profits of finance capital. It is a policy of brutal oppression at home and of imperialist war abroad. It represents a further sharpening and deepening of the world crisis.

It has become very fashionable lately to speak about the "new deal" as American fascism. One of Mussolini's newspapers declares that Roosevelt is following the path marked out by Italian fascism.

Norman Thomas has contributed a profound thought to the question and has written several long articles in the capitalist press, to point out that the "new deal" is "economic fascism", and that it is composed of good and bad elements, many of them even "progressive" in their nature, if not accompanied by "political reaction". And a group of honest revolutionary workers in Brooklyn recently issued a leaflet in which they declared that Roosevelt and Hitler are the same thing. Such answers as these to the question of the essential character of the "new deal" will not help us much.

It is true that elements of fascism long existing in America are being greatly stimulated, and are coming to maturity more rapidly than ever before. But it would be well for us to recall the analysis of fascism made at the Eleventh and Twelfth Plenums of the Executive Committee of the Communist International, both for the purpose of understanding the situation in Germany and for accurately judging the developments in America.

First, it must be understood that fascism grows naturally out of bourgeois democracy under the conditions of capitalist decline. It is only another form of the same class rule, the dictatorship of finance capital. Only in this sense can one say that Roosevelt is the same as Hitler, in that both are executives of finance capital.

The same thing, however, could be said of every other executive of every other capitalist state. To label everything capitalist as fascism results in destroying all distinction between the various forms of capitalist rule. If we should raise these distinctions to a level of difference in principle, between fascism on the one side and bourgeois democracy on the other, this would be following in the line of reformism, of social fascism. But on the other hand to ignore entirely these distinctions would be tactical stupidity, would be an example of "left" doctrinairism.

Second: the growth of fascist tendencies is a sign of the weakening of the rule of finance capital. It is a sign of the deepening of the crisis, a sign that finance capital can no longer rule in the old forms. It must turn to the more open and brutal and terroristic methods, not as the exception but as the rule, for the oppression of the population at home and preparation for war abroad. It is preventive counter-revolution, an attempt to head off the rise of the revolutionary upsurge of the masses.

Third: fascism is not a special economic system. Its economic measures go no further in the modification of the capitalist economic forms than all capitalist classes have always gone under the exceptional stresses of war and preparation for war. The reason for the existence of fascism is to protect the economic system of capitalism, private property in the means of production, the basis of the rule of finance capital.

Fourth: fascism comes to maturity with the direct help of the Socialist Parties, the parties of the Second International, who are those elements within the working class we describe as social-fascists because of the historic role which they play. Under the mask of opposition to fascism, they in reality pave the way for fascism to come to power. They disarm the workers by the theory of the lesser evil; they tell the workers they will be unable to seize and hold power; they create distrust in the revolutionary road by means of slanders against the Soviet Union; they throw illusions of democracy around the rising forces of fascism; they break up the international solidarity of the workers. They carry this out under the mask of "Socialism" and "Marxism." In America this role is played by the S.P., "left" reformists and the A.F. of L. bureaucracy.

The development of Roosevelt's program is a striking illustration of the fact that there is no Chinese wall between democracy and fascism. Roosevelt operates with all of the arts of "democratic" rule, with an emphasized liberal and social-demagogic cover, quite a contrast with Hoover who was outspokenly reactionary. Yet behind this smoke screen, Roosevelt is carrying out more thoroughly, more brutally than Hoover, the capitalist attack against the living

standards of the masses and the sharpest national chauvinism in foreign relations.

Under the New Deal we have entered a period of the greatest contradictions between the words and deeds of the heads of government.

Hoover refused the bonus to the veterans and called out the troops against them, causing Hushka and Carlson to be killed. Roosevelt gave the veterans a camp and food, and instead of sending the troops he sent his wife to meet them. But where Hoover denied the bonus, Roosevelt also denied the bonus and added to it a cut of \$500,000,000 in pensions and disability allowances.

Roosevelt's international phrases have only served to cover the launching of the sharpest trade war the world has seen, with the United States operating on the world market with a cheapened dollar, with inflation, that is carrying out large scale dumping.

Roosevelt's election campaign slogan of Unemployment Insurance and relief by the Federal Government has been followed in office by refusal of insurance and drastic cutting down of relief, the institution of forced labor camps, etc.

Under the slogan of higher wages for the workers he is carrying out the biggest slashing of wages that the country has ever seen. Under the slogan of "freedom to join any trade union he may choose," the worker is driven into company unions or into the discredited A.F. of L., being denied the right to strike; while the militant unions are being attacked with the aim to destroy them.

With the cry, "take the Government out of the hands of Wall Street", Roosevelt is carrying through the greatest drive for extending trustification and monopoly, exterminating independent producers and small capitalists, and establishing the power of finance capital more thoroughly than ever before. He has turned the public treasury into the pockets of the big capitalists. While Hoover gave \$3,000,000,000 in a year, Roosevelt has given \$5,000,000,000 three months.

As for the extra-legal developments of fascism, we should remember that it is precisely in the South which is the basis of power of the Democratic Party, that the Ku Klux Klan originated and is now being revived. It is the South that for generations has given the lie to all Democratic pretensions of liberalism by its brutal lynching, disfranchisement and Jim Crowing of the Negro masses, and upon this basis has reduced the standard of living of the white workers in the South far below that of the rest of the country.

Large sections of workers in the basic industries in America, living in the company towns which are owned body and soul by

the great trusts, have for long been under conditions just as brutal and oppressive as under Hitler in Germany today.

It is clear that fascism already finds much of its work done in America and more of it is being done by Roosevelt.

But it would be incorrect to speak of the New Deal as developed fascism. With a further rise of the revolutionary struggle of the masses, the bourgeoisie will turn more and more to fascist methods. Whether a fascist regime will finally be established in America will depend entirely upon the effectiveness of the revolutionary mass struggle, whether the masses will be able to defeat the attacks upon their rights and their standards of living.

What are the main features of the "New Deal"? Let us consider it as a whole, as a system of measures, and bring together all the various features embodied in new legislation and actions in Washington. We can sum up the features of the "New Deal" under the following heads: 1) Trustification; 2) Inflation; 3) Direct subsidies to finance capital; 4) Taxation of the masses; 5) The economy program; 6) The farm program; 7) Military and naval preparations; 8) The movement toward militarization, direct and indirect, of labor.

MAIN FEATURES OF "NEW DEAL"

First, *trustification*: Under the mask of the "radical" slogan of "controlled production", the Industrial Recovery Act has merely speeded up and centralized the process of trustification which has long been the dominant feature of American economy. There is now being carried out a clean-up of all the "little fellows". They are forced to come under the codes formulated by the trusts, which will have the force of law. The "little fellows" doom is sealed and they are busy making the best terms possible for a "voluntary" assimilation before they are wiped out. Capitalist price-fixing has been given the force of law and the profits of the great trusts are guaranteed by the government. As for "controlled production," we have the word of an administration spokesman that "competition is not eliminated; it is only raised to a higher plane". That is quite true. The further strengthening of the power of monopoly capital is intensifying all of the chaos, antagonisms, disproportions, within American economy. "Controlled production" is impossible upon the basis of capitalist private property. There is only the growth of the power of the big capitalists and the intensification of all social and economic contradictions.

Second, *inflation*: The continuous cheapening of the dollar serves several purposes. First, it serves for a general cutting down of the living standards of the masses through higher domestic prices, and especially a reduction of workers' real wages (already

over 20 per cent), and if we study the course of prices in the last few days, you will see that the reduction of real wages is now speeding up very fast. Second, inflation results in helping restore solvency to the banks and financial institutions by increasing the market value of their depreciated securities. Third, inflation carries out a partial expropriation of the savings and investments of the middle classes. Fourth, it results in the creation of a temporary expanding market to stimulate industrial production for a time, through the rush of speculators and profiteers to lay up stocks for higher prices. Fifth, inflation results in the launching of a tremendous commercial war of price-cutting and dumping on the world market. All of these results of inflation serve to strengthen finance capital, build up its profits at the cost of sharpened exploitation of the masses at home, and lead directly to imperialist war.

Third, the *direct subsidies*: This is only an enlargement of Hoover's policy of the Reconstruction Finance Corporation. Many billions of dollars as gifts, disguised as "loans," are being poured into the coffers of the big capitalists. It all comes out of the lowered living standards of the masses, the expropriation of the savings of the petty bourgeoisie, and out of mass taxation.

Fourth, the *taxation program*: There is being carried out under the "New Deal" an enormous shifting of even the present limited burdens of taxation on property and big income away from them and on to the shoulders of the masses, the workers and farmers. Almost all the increased taxation is in the form of sales taxes of all kinds, indirect taxation that falls upon the small consumers. All apparent measures of increasing income tax rates have merely fallen upon the middle class, while the big capitalists relieve themselves of all income taxes, as exemplified by the biggest capitalists of them all, Morgan, Otto Kahn, Mitchell, etc., who have gone for years now without paying any income tax.

Fifth, the *economy program*: While new taxes have been piled up and new billions of dollars given to the banks and trusts, "economy" is the rule for all government expenditure that reaches the masses or the little fellows. The government sets the example for the entire capitalist class with wholesale wage cuts, with rationalization, mass discharges, etc., of government employees. The war veterans have their disability allowances cut by half a billion dollars; unemployment relief is substituted by forced labor camps; social services of all kinds are heavily slashed or discontinued altogether. That is the economy program of the "New Deal."

Sixth, the *farm program*: While millions of workers are starving for lack of food, the Government turns its energies to cutting down farm production. Growing cotton is today being plowed under

by direction of the Government. That is the New Deal. A 30 per cent tax is placed on bread in order that farmers shall get (at best) the same return for a smaller amount of wheat. Those farmers, in the best case, will still only maintain their bankrupt situation while the masses will have less bread at higher prices. The mortgage holders will absorb the great bulk of this government subsidy, at the expense of the stomachs of the masses. This year's wheat crop, already in the hands of the speculators, bought from the farmers at about 25 cents a bushel, sharply rises in price with enormous profits for the speculators. By the time the farmers can get 80 cents to \$1 for the coming crop, the dollar will be so inflated that it will be worth just about that 25 cents they got for wheat last year. Farmers will be at an even greater disadvantage in buying industrial products at monopoly prices sharply rising under the Allotment Plan provided in the New Deal which is used as an attempt to divide workers from farmers and set them in sharp rivalry, but the masses including the farmers pay all the bills.

Seventh, the *military and naval preparations*: This is one of the chief features of the New Deal. The wild commercial war on the world markets, sharpened to an enormous degree by the falling value of the dollar, has already disrupted the London Economic Conference, has brought all imperialist antagonisms to a critical point. British-American relations are clashing in every field. Japanese-American relations are growing sharper. A government which carries out this bandit policy of inflation and dumping, while at the same time driving down the living standards of the masses at home, such a government really should logically go heavily armed. An inevitable part of the "New Deal" is therefore the tremendous building of new battleships, cruisers, new poison gasses, explosives, new tanks and other machinery of destruction for the army, new military roads, the increase of armed forces, increased salaries for the officers. Industrial recovery is thus to be hastened by working the war industries overtime. Such war preparations have never been seen before since 1917.

Eighth, and finally, there is the movement towards *militarization of labor*. This is the most direct and open part of the fascist features of the New Deal. The sharpest expression of this is the forced labor camps with the dollar-a-day wage. Already some 250,000 workers are in these camps. This forced labor has several distinct aims. First, it sets a standard of wages towards which the capitalists will try to drive the so-called free labor everywhere. It smashes the old traditional wage standards. Secondly, it breaks up the system of unemployed relief and establishes the principle that work must be done for all relief given. Thirdly, it furnishes cheap labor

for government projects, mostly of a military nature, and for some favored capitalists. Fourthly, it takes the most virile and active unemployed workers out of the cities where, as government spokesmen have said, they constitute "a danger to law and order", and places these "dangerous" people under military control. Fifthly, it sets up a military reserve of human cannon-fodder already being trained for the coming war.

But the provisions of the Industrial Recovery Act regarding labor provide a much more large scale effort at militarization of labor, though in quite different form from the forced labor camps. In the industries, for the employed worker, the aim is to establish a semi-military regime, in many ways similar to the old war time legislation, under government fixed wages, compulsory arbitration of all disputes with the government as arbitrator, abolition of the right to strike and independent organization of workers. These things are to be achieved through the industrial codes worked out by employers and given the force of law by the signature of Roosevelt, supported when and where necessary by the American Federation of Labor and the Socialist Party, who have already entered wholeheartedly into this pretty scheme.

In the labor section of the New Deal are to be seen the clearest examples of the tendencies towards fascism. It is the American brother to Mussolini's "corporate state", with state-controlled labor unions closely tied up with and under the direction of the employers. Here we have also the sharpest American example of the role of the Socialist Party and the trade union bureaucracy, the role of social-fascism as the bearers among the masses of the program of fascism, who pave the way for the establishment of fascist control over the masses.

SITUATION IN OUR PARTY

Now let us consider what is the position of our Party for facing and solving all the enormous problems that arise out of this situation. What is the basic situation of the Party? During 1932 our membership was doubled. But in the first half year of 1933 it has remained stationary. We decided that recruiting should not be a special campaign, but should be an everyday activity. That was a very nice decision. But the way we carried it out was that we abolished the campaign feature of recruiting but we failed to replace it with serious day to day recruiting work; the result was that our Party has stopped growing. *This is a most serious and alarming fact.* It is clear that tens of thousands of workers are ready for membership but we do not bring them in. We do not consolidate those we bring in. The membership remains around 20,000 with average dues payments of 17,000 to 18,000 per week.

We cannot claim any serious growth in membership and we will not be able to claim serious growth of membership under present conditions until we reach and surpass 50,000 members.

Secondly, our membership consists in its majority of unemployed workers, and the proportion of the unemployed constantly rises. What recruiting we do is mainly among the unemployed; partial figures available for some districts show that full 80 per cent of the new members have no connections with the shops, mills or mines. Of course we want all these new members from among the unemployed, and more of them—but if this is not accompanied by simultaneous recruiting of employed workers, then a most serious danger arises that we may become a Party of unemployed; that we may find the very composition of our Party becoming an obstacle to the basic task of building unity of employed and unemployed workers. It is clear that in this respect we are following, not our plan of work, but are drifting along the line of least resistance.

Thirdly, those new members we recruit are not, except to a small degree, brought from the most important strata of workers—from the basic industries, from mines, from among the steel workers, the railroad workers, etc. We have no serious planned recruiting work among these most important sections. Here again we drift and become the victims of spontaneity.

Fourthly, our shop work remains disgracefully weak. Only four per cent of our members are in shop nuclei; no serious improvement can yet be seen. Hundreds of nuclei have been organized only to disappear, and very few leading committees are enough interested to even be able to tell us how and why they were destroyed and how they could have been saved and built up. In the main these shop nuclei have died because of lack of leadership, lack of concrete help, from the Polburo, from the Central Committee, from the District Committees, from the Section Committees. We did not learn how to obtain the necessary activity in the shop—without which a nucleus exists only in form and will dry up and blow away—combined with the necessary safeguards against victimization, without which a nucleus is destroyed by our enemies. We did not seriously study the methods of combating spies, exposing and driving them out of the shops by the mass pressure of the workers. We did not take up seriously the problems of conspiratorial work in the shop, did not seriously understand that shop work is illegal work, and that here we must find the most skillful combination of legal and illegal work. There was laxness in the Central Committee and in the Polburo in systematically pushing these questions forward and finding the way to lead the whole Party to their solution. There was too much mechanical pressure from above for unprepared,

unplanned activity; there was insufficient attention to concrete shop issues and the combination of these with the larger political questions. There were no steps taken to strengthen the weak inner political life of the shop nuclei.

Fifthly, all our lower units suffer from lack of concrete tasks and concrete, planned work, based upon an examination of the situation of each one. Abstract, general plans, worked out above, are mechanically applied to the life of each and every local organization. The result is lack of contact with real life, undirected general activities without results, therefore dampening the enthusiasm of the membership. This again results in surrendering to spontaneity, the line of least resistance; unplanned work, uncontrolled activity.

That, briefly is the situation of the Party.

WEAKNESSES OF REVOLUTIONARY TRADE UNIONS

Let us look at the situation in the most important trade unions.

In *steel* we still have 40 to 50 shop groups, initiative groups, not mass organizations—about the same as one year ago. There is continued stagnation, lack of planned work, no leadership of struggles aside from some unemployed work, no increase but even a falling off of membership, still no sign of bringing forward new leading cadres; extreme weakness in drawing in new, native American forces and Negroes. The union still does not play any significant role in the life of steel workers. Most of the steel workers have not yet heard about the union. In heavy metal manufacturing, activities are equally weak, only some beginnings in small shops.

In *mining*: In spite of highly significant leadership in local strikes in about 40 mines in Western Pennsylvania since April 1st—some of them successful strikes,—the N.M.U. organization of mine locals still cannot count more than 30 to 40 units. Most of the membership is very loosely organized and lacks leadership; the membership has been practically stationary since the end of 1931. There is very little extension (even contraction) of the field of operation of the unions. There is no development of new cadres.

Let us examine the *railroad* industry; surely this is one of the most important central fields of work. Yet after years of resolutions and talk about the railroad industry this remains largely—well, we might call it “unexplored territory”. What little is being done in the railroads is only by a small central nucleus, but the Party as a whole doesn’t and the sections especially do not consider that they have any serious duties with regard to the railroad workers.

In the *textile* industry, the National Textile Workers Union is only now, after a long period of passivity, beginning to participate again to some extent in strikes. Its membership remains about

1,000—about the same as in 1929. Some small successes only prove the tremendous opportunities which are being missed on account of lack of systematic planned work.

In the *marine* industry—the Marine Workers Industrial Union has conducted a number of small struggles on the ships, has begun concentration work on the Munson Line; has done some serious work among the unemployed; yet the Marine Workers Industrial Union also remains a small organization isolated from the larger masses. It remains especially weak in the work among longshoremen. The work inside the reformist organizations does not progress decisively. Entirely too little attention is given to winning Negro workers who constitute a great number in the industry. While there has been some development of new cadres, the Union is still characterized by organizational looseness and weakness of the leadership.

In the *automobile industry* we have the outstanding example of the great possibilities of big results with even a small measure of correct work. The Detroit strikes were led by our Union as a result of concentration and the beginnings of proper shop work, beginnings in raising suitable demands, flexibility in the handling of problems, development of responsible leadership, etc. At the same time, the Union shows an entirely unsatisfactory consolidation after the strike wave. These are due to mistakes and weaknesses in the strike itself, to failure to protect the democratic strike machinery from the company agents, retreating before the “red scare”, and failure to recruit for and build the Party.

STRUGGLE FOR SOCIAL INSURANCE—A CENTRAL TASK

Let us turn to an examination of our central struggle for social insurance, where we have most serious weaknesses. These weaknesses have been examined in detail in the article of Comrade Gussev published in the Communist International and in the *Daily Worker*. We must all agree with the fundamental correctness of that article. We must search for the causes and remove them.

While in theory we all agree that social insurance is the business of all workers, of all organizations, yet in practice we assign all concrete measures in the fight for unemployment insurance to the unemployed councils. In resolutions, we speak of unity of the employed and unemployed, but in practice our red unions often ignore the whole question of social insurance. They do not undertake any concrete actions which show they understand it is their very central task to fight for social insurance also. We have the beginnings of a good movement for social insurance in the A. F. of L. local unions, but it is left isolated, working by itself. The districts and sections neglect their task of building the whole broad movement.

Above all we have a general underestimation of the historical aim of the fight for social insurance, even within our Party, and yet worse, among the leading cadres. We have not won mass support as it is quite possible to do because we have not been able simply and clearly to explain to the workers the need for struggle for social insurance. We will win the masses when every Party member and every Party leader can explain in the simplest terms that mass unemployment of millions of workers is a permanent feature of American society as long as capitalism lasts; and without unemployment insurance this condition results in degrading to a starvation level, not only the millions of unemployed but the millions who are in the shops. We must explain the difference between the real social insurance as proposed in the Workers Unemployment Insurance Bill and the fake schemes of the reformists.

Probably it is no exaggeration to say that our explanation of social insurance has been so weak, that even you 300 or 350 comrades in this meeting today would not be able, if you were called upon suddenly, to give a serious and simple explanation of the Workers Unemployment Insurance Bill. If you were asked the question "What is the Workers Unemployment Insurance Bill; how does it differ from the fake unemployed insurance schemes?" would you be able after a half hour or an hour's talk, to win support for the Workers Unemployment Insurance Bill? If you cannot do this you cannot fulfill one of our fundamental tasks. We not only have to know how to do this ourselves, we have to know how to train others how to do this also. But before we can train anybody else we must know how to do it ourselves.

WORKERS UNEMPLOYMENT INSURANCE BILL AND BILLS OF OUR OPPONENTS

I will list ten points that distinguish the Workers Unemployment Insurance Bill, points upon which we can win the masses to us, to work with us, fight with us, to support our struggle, to join our organizations. These ten points are:

First—Whereas the fake schemes of the employers, reformists and social-fascists, direct themselves only to *future* unemployment, the Workers' Bill provides for immediate insurance for those *now* unemployed.

Second—While the fake schemes all exclude some categories of workers, the Workers' Bill covers *all those who depend for a living upon wages*.

Third—While most of the fake schemes place burdens upon the employed workers, the Workers' Bill places the full burden of the insurance upon the *employers* and their *government*.

Fourth—While all of the fake schemes contain provisions that could and would be used for strike breaking, wage cutting and victimization, the Workers' Bill protects the unemployed from being forced to work below union rates, at reduced wages, or far from home.

Fifth—While all fake schemes place the administration of the insurance in the hands of the employers and the bureaucratic apparatus controlled by them, the Workers' Bill provides for administration by representatives elected from the workers themselves.

Sixth—While all the fake schemes provide for benefits limited to a starvation level, a fixed minimum which is also the maximum, and this only for a few weeks in a year (thereby being in amount even below charity relief), the Workers' Bill provides for *full average wages* for the entire period of unemployment, determined according to industry, group and locality, thus maintaining the standards of life at its previous level.

Seventh—While the fake schemes establish a starvation maximum above which benefits cannot be given, the Workers' Bill establishes a living minimum, below which benefits shall not be allowed to fall, no matter what the previous conditions of the unemployed worker.

Eighth—While all the fake schemes refuse benefits to all workers who still have any personal property, forcing them to sell and consume the proceeds of home, furniture, automobiles, etc., before they can come under the insurance, the Workers' Insurance Bill establishes the benefits as a matter of right, without investigation of the workers' other small resources.

Ninth—While the fake schemes limit their benefits to only able-bodied unemployed, the Workers' Bill provides for every form of involuntary unemployment, whether from closing of industries, from sickness, accidents, old age, maternity, etc.; in other words the Workers' Bill is an example of true *social insurance*.

Tenth—Whereas the fake schemes all try to turn attention of the workers to the 48 different state governments in an effort to split up and discourage the movement, the Workers' Bill provides for federal insurance, one uniform national system, financed through national taxation and all proposals to the state legislatures contain the provision that the state bills are only temporary, pending the adoption of the Federal Bill demanded in the state proposals.

These ten points all protect the most vital interests of the entire working class. Each and every one of them is absolutely essential to protect the working class from the degrading effects of mass unemployment. All that is necessary to win millions of workers to

active struggle for this social insurance is to make these proposals clear, show how the fake schemes violate these fundamental interests of the workers, and show how mass struggle can win real insurance.

With this Workers' Bill we can then proceed to smash the influence of the social-fascists and employers who claim that it is impossible to finance such a system of insurance. The Hoover and Roosevelt administrations have already shown that tens of billions of dollars are available to the government whenever it really decides to get the funds. But Hoover and Roosevelt got these billions only to give to the banks and trusts. We demand these billions together with the hundreds of millions used in war preparations to be used for social insurance.

We really must begin a mass campaign along these lines, conducted in the most simple form with a real concentration of attention by all of our organizations and all leading committees. Such a campaign will rouse a mighty mass movement for the Workers' Bill. And this movement will be under the leadership of the Communist Party. The fact that our mass struggle for social insurance has been so weak, politically and organizationally, is largely to be attributed to neglect arising from serious underestimation of this issue; and also to lack of detailed understanding of our own Workers' Bill, and the vital differences between it and the other bills.

OUR UNITED FRONT POLICY—A LEVER TO WINNING THE MASSES

In the last period of the struggle for a united front against the capitalist offensive, which began with the Comintern manifesto and the rise of fascism to power in Germany, our own Party has made some improvements in this field. The manifesto of our Central Committee in March was on the whole a correct and effective application of the united front to our conditions. We made some concrete extensions on these good beginnings. But can we say that we have decisively overcome our former weaknesses in our struggle against social-fascism? No, we cannot say it. These weaknesses still remain and some of them in even more serious form just now.

First is the lack of serious and sympathetic approach to the rank and file members of the reformist organizations. Literally hundreds of our lower organizations still take a certain pride in the fact that they have no contact whatever with the workers of the Socialist Party, A. F. of L. or the Musteites. They make no effort whatever to reach them. They organize meetings only for "our own" workers, those who already agree with us on everything. If they happen by accident to meet a Socialist Party or A. F. of L. member, these comrades assume a very high and scornful attitude.

They appear very superior to these people. They are very free to speak of them as "social-fascists", applying the term to the workers and not the leaders. They think it is beneath their dignity to explain carefully, patiently and sympathetically how the Communist Party, or our various mass organizations, propose united struggles of all the workers for their most burning needs; to explain how the split among the masses arises because the social-fascist leaders sabotage and obstruct the struggle and thereby help the capitalist class. They do not see that it is absolutely necessary to convince each worker in the Socialist Party, Musteites or A. F. of L., through his own contact, that the Communists are the only sincere, active and efficient fighters for unity in the struggle for their own daily needs. Above all our comrades do not understand the need for sympathetic approach to these rank and file workers. Unless we really overcome this weakness in a more decisive manner we will not make the progress that is required for us towards winning the majority of the working class.

Second, we have a tendency to neglect or slur over differences in principle between the Communists and the social-fascist leaders. We can never win the workers to a united front of struggle, which means winning them away from the social-fascist influence, unless we meet squarely and explain sharply the basic differences between us and them.

Many comrades think that we will build up the anti-fascist front by keeping silent about the betrayal of the German Social Democracy and its open going over to Hitler. But an anti-fascist front which keeps silent about this basic fact is no anti-fascist front at all. It is already beginning to go on the same route as the social-democracy—surrender to fascism. An anti-fascist fighting front must be built—and can only be built—through exposure of, and fight against, those who helped Hitler to power, who voted for Hitler's policy in the Reichstag.

Third, there is a rising tendency, which we must very sharply fight against, to accept conferences, nice resolutions, new united front committees with all sorts of fancy names—as a solution of our problem. These things become not a means of reaching, organizing and activating the masses but an excuse for stopping work. This tendency must be smashed. Words must be checked up against deeds. Action must be demanded and carried out. New masses must be reached. Everyone who hinders this, everyone who sabotages or neglects this must be exposed, no matter who it is, and fought against. Every committee which does not work must be resolutely liquidated as an obstructor of progress and discrediting the united front.

For example, we have a committee which was set up to collect aid for the victims of fascism in Germany. This committee has been allowed to drift along and spend most of the little money that it has collected for the expenses of the collection. This situation is a scandal. We cannot tolerate such things. It makes the situation not one bit better, rather all the worse, that the Communists who should be the most active in the committee sometimes leave the responsibility on non-Party elements who for some reason or other are unable to function. Thus, on this anti-fascist committee we placed Muste as chairman, without any question as to whether he would or could give active leadership, but merely as a "united front" decoration. Such a united front is a miserable parody which discredits the idea of united front. It should be in the archives of the past history.

Every united front must be active, testing all its participants, including ourselves—above all ourselves. It must provide the masses with the opportunity of really forming their own judgment as to who is a really devoted, capable leader and fighter, who is a slacker, who is sabotaging and who has a tendency to surrender and collaborate with the enemies.

Such weaknesses as these that we have just briefly described will become all the more dangerous in the coming months if they are not quickly and energetically overcome. We are entering a period of large-scale united front efforts and actions, of which the August 26 conference in Cleveland is only a beginning, which must be given the most solid roots and foundations down below among the masses. If we do not have a correct approach to the masses, if we do not keep our attention upon the masses, if we surrender to this game of playing around with leaders, then we are not serious revolutionaries at all, then we are surrendering to social-fascism, then we deserve the contempt of every revolutionary worker.

DAILY WORKER CAN AND MUST BECOME REVOLUTIONARY MASS PAPER

When we consider the question of our *Daily Worker*, which is our most important single instrument for mobilizing and reaching the masses, it is clear that here also is a key point requiring the concentrated attention of the entire Party to improve it, in contents and in circulation, before we can really become a Bolshevik mass party. The contents of the *Daily Worker* in the last weeks already show beginnings of improvement. The *Daily* is a better paper as a result of the beginnings of some concentrated attention by the Political Buro. This improvement, through refreshing and reorganizing the editorial staff and its work, must be continued and extended. The Political Buro is determined to give from the best

forces of the Party to make the *Daily Worker* a real mass paper. We have set up an editorial committee in charge of the *Daily Worker* composed of comrades Hathaway, Don and Minor, with Hathaway as the chief editor. This committee will work under the directions of the Political Buro which will make monthly examinations of its work.

This committee must further work in the closest contact with the Workers' Advisory Committee which is being set up on the basis of electing workers from the shops and mass organizations. In every district we want to see similar workers' committees set up for the *Daily Worker*, which will assume the duties of controlling and promoting the *Daily Worker*. The *Daily Worker* must be made the business of the entire Party, of every Party member and of every sympathizing worker. This applies equally to its editorial policy, its news, contents and its circulation.

It is a scandalous situation that in the ten years of the *Daily Worker's* existence and in the fourth year of the crisis, with seventeen million unemployed, with strikes and wage cuts, and struggles of all kinds going on everywhere, the masses beginning to surge upward, even the petty bourgeoisie coming into mass struggles—and the *Daily Worker* circulation does not grow, it goes backward. And nobody seems to get excited about it. *The question of Daily Worker circulation becomes one of life and death for our Party.*

NEED FOR A CORRECT POLICY OF CADRES

Another serious weakness in our work is the general lack of a well prepared and energetically executed policy of cadres—how to develop cadres, new leading forces, how to make use of them. This applies also to the question of the proper utilization of old cadres, the promotion of new forces and the establishment of collective leading bodies in such a way as to strengthen our connection with the masses, to consolidate our organization, give more guarantees for the execution of all our complicated and difficult tasks. We do not give the necessary attention to the developing of new forces among the Americans, and especially the young Americans and the Negro Americans. The distribution of old forces has usually been according to the needs of the moment, without plan. Many excellent comrades, good material for leadership, have been misused, shifted around so many times they don't know where they are at, and lose the capacity for serious planned work. And many old comrades also have simply been neglected and left to one side without the assigning of serious work. Comrades with long standing and training in the movement and great capacity of work, through the lack of systematic cadre policy, are left in passivity and their capacities wasted. We

must really insist upon every leading committee in the Party and every fraction in the mass organizations discussing this question and beginning to build up a conscious policy of how to deal with leading forces, how to provide the conditions so that comrades can really go into their work and master it, how to help in the education of these cadres and especially how to develop new cadres and bring in fresh elements.

We must above all emphasize that there cannot be the old surrender to spontaneity. We must really plan this work and direct it to the most important points, *i.e.*, we must give our main attention to new cadres and the proper use of old cadres, especially in the mining industry, in metal, in railroad, and the heavy industries generally. And in these industries, to concentrate upon the biggest shops, the most important shops. There is where we must find our most important new cadres. If we do not find new cadres, we will not get new masses; and if we do not get new masses, we will not solve any of our problems.

IMMEDIATE DEMANDS—THE REVOLUTIONARY WAY OUT

In the election campaign last year our Party made its first big effort to place before the masses the struggle for the revolutionary way out of the crisis, and its connection with the fight for the immediate needs of the workers. Our election platform placed this question correctly. But we have not yet learned how to make this connection in life among the masses so that large numbers of workers will understand the revolutionary consequences of their immediate struggles and become convinced Bolsheviks through these struggles. This is a weakness which has been further emphasized by our tendency to neglect the agitation and propaganda for the revolutionary way out.

More energetic development of the struggle for immediate demands (shop struggles and strikes, fight for unemployment relief, against evictions, for social insurance, fight for civil rights, etc.) is the basic feature of all our tasks in the U.S.A. We must understand, and must bring this understanding to the masses, that under the conditions of the crisis, even the smallest of these struggles takes on a political character; places the workers before state power in the hands of finance capital; and raises the question of the struggle for power. This question, arising even spontaneously in the minds of backward workers, calls upon the Party to give the masses a more full understanding of the problems of the struggle for power, and of the program of the Party for the time when the workers hold power, the program of the revolutionary solution of the crisis and the building of a socialist society.

There is no contradiction between the needs of the immediate struggle, and the propaganda of the revolutionary way out. On the contrary, the latter strengthens the former.

Of course, it is the tactics of the S.P. and the A. F. of L. to shout that they represent the immediate interests of the workers, and that the C.P. subordinates these immediate interests to a far-off revolutionary goal. But the social-fascists betray not only the revolution, but even the smallest wage-struggle. Immediate demands can be won, even under the worst conditions of crisis, but only through revolutionary struggle and with revolutionary leadership. The more clear the leadership and the masses on the revolutionary implications of the fight, the more chance of winning immediate demands.

Any failure to understand this leads towards submission to the social-fascists and agents of the employers. We had a clear illustration of this during the Detroit auto strikes. Due to our own lack of vigilance, agents of the bosses came into leadership of the strike committee in the Briggs Mack Avenue plant. After they had established their positions by using the prestige of the Auto Workers Union among the workers, they turned against the Union, claiming it was led by Communists and they didn't want the issue of communism to prejudice the winning of their strike for wage increases. Our comrades hesitated in front of this "red scare"; they tried to avoid the issue. By this weakness they actually failed to avoid the issue, but on the contrary made it effective against the Union, instead of making it favorable to the Union. The results of the strikes proved that it was precisely the anti-Communists who betrayed the strike for higher wages; the Mack Ave. plant, which broke away from the Union, lost the strike; those plants staying with the Union and Communist leadership won their strikes.

We should, can and must make this clear to the masses with detailed facts and not leave it to them to learn this lesson by their own bitter experience. We must face the issue of a red scare. We must explain, not in the language of high politics but in simple, clear language, what is our aim. We must not shout empty phrases about hanging the red flag over the white house or over the factories, but quietly in everyday language explain that while we put all energy into the winning of immediate struggles, we know that strikes must go on and be broadened and deepened until the workers put their own representatives into a position of power, to open factories and give everyone work, to open closed apartments, to open to the hungry and ragged the warehouses that are bursting with food and clothing. That can only be carried out by a workers' government which has driven the capitalists from their seats of power. To see and know these things in advance makes every worker a better

fighter. The Party which sees these things in advance is the only party which is capable of leading the workers to successful fights for their immediate demands. The S.P. and A. F. of L. sell out, betray and sabotage the smallest struggles, precisely because they are against the revolutionary solution of the crisis; precisely because they want to restore capitalism, precisely because, in the last resort, they always take their orders from the capitalist government which they are opposed to replacing by a workers' government.

HOW TO FIGHT AGAINST THE N.I.R.A.

The fight against the Industrial Recovery Act—How shall we organize it? This is not a simple task. The illusions about the new deal as a road back to prosperity are still strong among broad masses. To expose and disperse these illusions will require more experience and above all requires the active, ceaseless, carefully thought-out intervention of the Communist Party. These illusions are based not only upon the "newness" of the Roosevelt regime, the demagoguery of Roosevelt, but also upon two other important factors. These are, first: the appearance of "concrete results," as they say, in the increase of industrial production, and second: the active efforts of the A. F. of L. and the S. P. in support of the Roosevelt program.

Let us be very clear about the significance of the increase in industrial production. It has been a big increase in certain industries. It would be the greatest stupidity to deny this fact. It has been greatly exaggerated in the capitalist press, and we may point this out. What is really important, however, is that in most industries rationalization and speed-up have made such strides in the past year that even with increased production, the total number of workers employed is less than it was a year ago. A classical example of this was brought out in the auto workers' convention, with regard to the Ford plants, where production has increased 10 percent over last year, and the number of workers declined by 20 percent. This is a striking example of the truth, now generally admitted even by the capitalists, that even the return of full capacity of production in all industries would not put the unemployed back to work but would leave eight to ten million permanently unemployed. When the masses understand this fully, and realize that this will determine their conditions even if they are among the lucky ones who get jobs, then a large part of their illusions about the "New Deal" will be undermined.

Further, the increase in production does not represent an improvement in the consumption market. On the contrary, many of the most important indexes of consumption show a decline. Thus department store sales for June, one of the most important indications

in the retail market, declined five percent from a year ago. But if consumption is not increasing (and it is not), then whence comes the demand that brought about increased production? Equally clearly, this production is for a speculative market caused by inflation. With the value of the dollar declining, that is, with increasing prices, all the speculators and profiteers are piling up goods in warehouses to speculate on the higher prices. Accumulated stores are increasing. In other words, overproduction, a greater amount of commodities than can be absorbed in the effective market, is more pronounced than ever. The stopping of inflation would immediately send the market crashing into a deeper crisis than ever before. That is why Roosevelt was ready to insult every imperialist nation and broke up the London Economic Conference rather than stabilize the dollar. But even continued inflation, continued indefinitely, cannot hold up this false market for more than a time. Sooner or later, probably sooner, the accumulated stores of materials will break down this speculative market. The indefinite storing of unlimited quantities of unused goods cannot continue. Even this limited revival of production, produced by inflation, cannot last very long. The end will be worse than the beginning.

EXPOSE CONCRETELY A.F. OF L. AND S.P. SUPPORT OF N.I.R.A.

The American Federation of Labor and the Socialist Party are playing a very important part in building up and supporting the mass illusions about Roosevelt. The bourgeoisie is very anxious that the masses shall not resist their attacks. Workers and farmers, however, resist the attacks (this is already shown in the rising strike wave) thus making it difficult for Roosevelt to put across his program. The administration can be forced at least to make concessions to the mass resistance. Roosevelt's problem is how to keep the masses from struggle. His most valuable helpers in this task are the American Federation of Labor and the Socialist Party.

The A. F. of L. unconditionally accepts the Industrial Recovery Act and has pledged itself not to allow members to strike but to accept, without protest, whatever decisions are made by the employers and Roosevelt. These leaders cooperated with the bosses in working out the codes, as in the textile industry, with a wage scale lower than the present average, and 35 percent below four years ago. They make glowing promises to the masses of benefits under the Industrial Recovery Act if only they would join the American Federation of Labor. Great recruiting campaigns are being carried on; the workers are led to think that they are joining a "trade union" which will conduct "collective bargaining" for higher wages. They do not yet realize that the "wage codes" are not even an imitation of

collective bargaining, not to speak of struggle and that these "trade unions" are not a means of action but a means whereby employers obtain guarantees against any action by the workers.

The Socialist Party has been very active in support of the "New Deal." Already in the first days of the Roosevelt regime, Norman Thomas and Morris Hillquit paid a formal visit to Roosevelt in the White House and afterwards issued a public statement to the newspapers praising Roosevelt and recommending his program to the workers. At the recent meeting of the Socialist Party National Executive Committee at Reading, Pa., it was decided to cast their lot without reservation with the American Federation of Labor in putting over the industrial slavery law. The "left" reformists, the Musteites, are wavering between the position of the Socialist Party and the class struggle, under pressure of their own radicalized followers. They are forced, to hold their following, to pay lip service to the united front, and even sometimes take practical steps for concrete struggles. Our task is to win these masses for clear and unhesitant policies. *The social-fascists are the shock troops of finance capital in pushing the New Deal into the camp of the workers.*

The first stage in arousing and organizing workers against the industrial slavery law is to thoroughly understand what it means in actual life and explain this to the broadest possible number of workers. Even this very necessary educational work, however, requires actions and maneuvers in order to make the issues clear and understandable to the broadest masses. That is why the Trade Union Unity League and the National Textile Workers Union sent a delegation to Washington to appear at the hearings on the Textile Code. This delegation spoke and made proposals in quite a different sense from that of the representative of the A. F. of L. and the Socialist Party. Comrade Croll, spokesman for the delegation, exposed the whole purpose and effect of the Recovery Act as an enslavement and impoverishment of the workers. She declared that the workers would not surrender the right to strike against any conditions unsatisfactory to them. Then she proposed amendments to the labor code, the complete rejection of which exposed the true nature of the Code to all workers who followed the proceedings. The rejected amendments called for the establishment of a guaranteed wage not below \$720 per year based upon a guarantee of not less than 40 weeks work a year and not less than 30 or more than 40 hours work per week. The fact that the administration refused to consider any provision directed towards really raising the standards of living of the textile workers, or to give any guarantees about employment, exposes the whole purpose of the act as being merely a

guarantee of bosses' profits and to stifle any resistance by workers. In addition to the wage provision, the Trade Union Unity League proposed other safeguards to the workers that were also rejected.

In line with this excellent example given by the Trade Union Unity League and the Textile Workers Industrial Union at the hearings, it is absolutely necessary that every revolutionary trade union and group shall develop, each in its own industry, similar actions, and to bring those actions to the largest possible number of workers. The presentation of our demands at the time of the formulation of the Industrial Recovery Code must be made an instrument of mass agitation and organization of the workers, the beginnings of organization of these workers for these demands and making these hearings one of the incidents in a battle for the organization of the workers for the direct struggle for these demands as presented for the Codes.

The role of the A. F. of L. in the textile hearings is very instructive for the entire movement. We must study and learn how to expose these tricks before the masses. It is not enough merely to state that the A. F. of L. is helping the government and employers. We must prove it, and this means we must learn concretely how to expose all their maneuvers. The A.F. of L. bureaucrats are not so stupid as to think they can get away with their treachery without masking it with all kinds of clever and flexible tricks. Thus in the textile hearings, William Green, who helped formulate the code, succeeded in getting himself into the newspapers as in opposition to the code, on the grounds that the wage-scale was not high enough, demanding \$16 instead of \$12. Then McMahon, President of the Textile Workers Union, also found it necessary to speak, but more modestly, demanding only \$14.40. Then one of the commissioners, Mr. Allen, who evidently was inexperienced and hadn't learned to "play ball" with the leaders of the A.F. of L. and allow them their necessary freedom to appear as a loyal opposition, let the cat out of the bag by indignantly exclaiming that McMahon had worked with him in the preparation of the Code and expressed his agreement with every feature of it.

This revealing little incident is particularly valuable and should be carried to every worker in every industry. In the future we can expect that this will not be repeated. Undoubtedly Mr. Allen, and all the other commissioners, were called into a private conference and explained that they must not expose the collaboration of the A. F. of L. leaders behind the scenes, but give them liberty to make a fake opposition in the public hearings.

It is also necessary to learn concretely how to expose the maneuvers of the Socialist Party, typified by Norman Thomas. Mr.

Thomas is one of Roosevelt's most valuable assistants in putting across the "new deal." Of course, this does not mean that Thomas comes out openly to endorse it. If he did, then he would be no more valuable than any of Roosevelt's direct secretaries. On the contrary, he says he is opposed to the underlying philosophy of this bill, but goes on to say that these politicians in Washington are so stupid, so poorly prepared to draw up a bill that would really execute the wishes of the big industrialists, that they left a lot of loopholes for the workers to change it into something entirely different from what the capitalists intended it to be. Mr. Thomas assures the workers that they can turn this law into something for their own advancement instead of the enrichment of the capitalists. These golden opportunities, Thomas assures the workers, much more than offset the bad effects which the bill is intended to have in driving down the standards of the workers, destroying the right to strike and herding them into company-controlled unions. This propaganda of Thomas and the Socialist Party is accompanied by declarations of 100 percent cooperation with the A.F. of L. which openly supports the bill in its entirety.

UNITED FRONT MOVEMENT AGAINST N.I.R.A.

It is highly important in the very first stages of the Industrial Recovery Act to secure the broadest possible crystalization of opposition against it and preparations for the development of mass struggles which are sure to come in the immediate future. On this vital issue affecting every phase of the workers' everyday life, we must crystalize a real united front of struggle. Here, if anywhere, are the need and opportunity for applying the united front.

From this point of view there has already been launched a serious move for united action. In the next days there will be distributed a public manifesto against the Industrial Recovery Act which will have signatures of 70 or 80 leaders of various economic organizations of the workers. The signers will include the T.U.U.L. and various unions affiliated with it; Muste and various unions associated with his particular tendency; National Unemployed Council, and unemployed leagues with a Musteite leadership; a series of A.F. of L. local unions, the A.F. of L. Committee for Unemployment Insurance and some unattached independent unions. The manifesto gives a politically satisfactory characterization of the new deal, exposes the falseness of the promises of returning prosperity and lays down a six-point workers' program against the Roosevelt program. It then proceeds to outline methods of struggle against the capitalist offensive. This program contains the following points which are the very center of every united front action today, and to the ex-

tent that we can mobilize workers and workers' organizations around this, we can really build a united front:

- 1) Initiate and support all efforts of the workers to organize in shops, mines, stores and offices; strengthen the existing class unions to carry on the class struggle of the workers against the bosses and boss-controlled government agencies; immediate conferences of all genuinely militant elements in steel, in mining, textile and other industries to unite the masses for struggle.

- 2) Agitate and organize in all unions and other economic organizations for the adoption of a fighting policy in line with the program here set forth and against those who follow the dangerous and deceptive policy of "cooperating harmoniously" with the bosses.

- 3) Intensify the struggle against autocratic, corrupt and racketeering elements in the unions and against the A.F. of L. officialdom which supports or tolerates such evils.

- 4) Build up the mass organizations of unemployed workers, bring them into close cooperation with the employed; promote the unification of all mass organizations of the unemployed, locally, state-wide and nationally.

- 5) Organize and support strikes and demonstrations of employed and unemployed workers.

- 6) Organize a broad campaign for federal social insurance through conferences, meetings, collection of signatures, etc.

This United Front Manifesto concludes with a call to all workers' economic organizations to meet together in a general conference in Cleveland, August 26-27, to work out measures for organizing the broadest possible mass fight.

One of the important features of this Manifesto is the agreement to work for a unification of the unemployed, locally, state-wide and nationally. Serious progress is already registered in the unification of the unemployed. It is clear that in this broad movement, with strong representation of Musteites, the road to unity on the basis of class struggle will not be a simple and easy matter. It is easier to get agreement on a sound manifesto than to get bold and energetic action to carry it out. Only the most persistent and careful checking up on the actual performance of all those who claim to support the united front program, only the most fearless criticism of every failure to properly apply it, can provide a guarantee that the unity movement will consolidate the forces of the class struggle and not paralyze this struggle.

Our Party will be put to the test in this united front movement. If we are to succeed it will be necessary for us to make a basic improvement in all our methods of work and our approach to the masses. The nature of our criticism must be very clearly thought

out, moderate and restrained in its tone and at the same time fearless in raising the necessary questions. We must learn to arouse mass criticism of every weakness and hesitation. Where arguments do not convince, mass pressure will often win.

The united front which does not reach down among the masses becomes an obstacle and not a help to the class struggle. Tendencies have shown themselves, however, to think that the united front is solved when some committee has been set up at the top. Comrades seem to think that the united front has been arranged in New York on top, in a private conference with Muste. Comrades seem to think it is not important to do work with the "despised Musteites" in the unemployed leagues. We see the Musteite League springing up, growing rapidly in some places; they involve perhaps one third of the counties in the state of Ohio. Especially do they penetrate the small industrial towns of Ohio. They include some of the basic strata of the American masses. Certainly it is highly important to give serious attention to this growing mass movement.

The experience in Columbus proved that the rank and file representatives are ready for our program if we approach them properly, and come to them in a serious, proletarian, convincing manner. It also proves that if we depend upon united front allies at the top to do our work for us the whole thing will go to pot. We have to do the job, and the only thing these arrangements at the top have any significance for, is merely to create the opportunity for the work down below, and if the work down below is not done, it is much better if the arrangements at the top had never taken place.

Even the best of our organizations furnish concrete examples of the most hidebound sectarianism and doctrinairism, of refusal to seriously take up broad mass work, the opportunities for which exist all around us begging to be used.

THE DANGER OF FARMER-LABORISM

It is necessary to point out that the Roosevelt "new deal" program represents not only the strengthening of the open fascist tendencies in America, but also that it is quite consciously and systematically supporting and developing social-fascist ideas, organizations and leaders. Roosevelt has a very special need for the social-fascists. As our Open Letter points out, the American bourgeoisie is trying to build bulwarks against the growth of the Communist influence among the masses. Nothing serves this purpose so well as social-fascist organizations. The Socialist Party, with its Continental Congress, which is being carried into every state, represents the most active link of this movement. This is the meaning of all the agitation and efforts toward the formation of a Labor Party or a Far-

mer Labor Party, which would act as a syndicate or trust of all the social-fascist organizations and centralize their work.

In this connection it is necessary to point out that Muste and many of his collaborators who are now going with us, although sometimes hesitantly, in the preparations for the Cleveland congress against the Industrial Recovery Act, in spite of their leftward movement on immediate issues under the pressure of the masses, still keep the idea of the Labor Party as their central political concept. It is true that their public agitation and activities in this direction have been put in the background in recent months, but it cannot be said that they have abandoned the Labor Party idea. This still remains a vital link connecting them with the camp of social-fascism. This is the issue they have the possibility of raising at any moment it seems favorable to them, to demagogically break the united front and appeal to the masses in the name of the "higher unity" of a social-fascist Labor Party. We can guard against this serious danger only by the most persistent agitation and propaganda among the masses to expose the harmful character of all such movements or proposals. In this respect we must make more effective use of the example of the British Labor Party, which is the inspiration of all Labor Party ideas in America, and also the collapse of the German Social Democracy.

WHEN TO APPLY TACTIC OF WORKERS' TICKETS

In connection with this is also the problem of the coming elections. We have already some time ago given correct general directives on the carrying through of municipal elections which are going on throughout the country during this year. These correct directives have sometimes been a little distorted in practice. For example, the question of Workers' Tickets. At the Sixteenth Plenum we carefully limited the application of workers' tickets to certain types of towns and certain situations, especially in small industrial towns, the one-industry town, the company town. Some comrades immediately became so enthusiastic about the idea of workers' tickets that they wanted to apply it everywhere under all conditions and intended to use it as a substitute for the Communist Party. This was a spontaneous development toward the theory of the Labor Party. The workers' ticket is not a form of Labor Party. We must be very careful to closely examine every one of these applications of the idea of workers' tickets and make sure that the comrades are not using it as a way of stopping the fight against the Labor Party idea. We want no peace with the Labor Party idea. In the workers' tickets which under certain circumstances can be used in these small industrial towns, the Communist Party must play a very central role.

Let us concretize the conditions a little more under which the

workers' ticket is a correct tactic. This concretization is more valuable in that it enables us to take up another question, that of how to break through the terror in company towns, how to legalize our work there, how to create the conditions for penetrating the big factories, and how to establish the leadership and influence of the workers among the petty bourgeois elements in these company towns. We have had some very valuable experiences in this direction in Dearborn, Michigan, the home of Henry Ford's central plants.

According to the comrades we now have three open headquarters of the Auto Workers Union in Dearborn and we are recruiting some few hundred Ford workers into the union. Our Party units are beginning to work openly in Dearborn as the recognized leader, together with the Auto Workers Union, of a broad mass movement that includes the local Socialist Party members, the tax payers' league, the homeowners' protective associations, some Democratic clubs, all sorts of language organizations, some of them belonging to open fascist organizations nationally—a broad united mass movement of the most variegated sort. This United Front, fighting on immediate issues, itself raised the question of putting a ticket in the coming elections. I think that our comrades in Detroit were correct when they decided not to insist upon making a strictly Party election campaign there, but developing very carefully the open participation of the Communist Party, assuring a working class character of the ticket, to very boldly go into the movement stating, "the Communists are with you, our Party will participate in this broad mass movement." Thus the workers will be consciously collaborating with the Communist Party. Under such circumstances as these we can agree to a workers' ticket and especially when such a workers' ticket arises out of the development of a real mass struggle in which we are breaking the conditions of illegality, in which we are establishing our rights, in which we are penetrating the factories, in which we are building a united front around the unions.

Under conditions like this, workers' tickets are correct and will help to consolidate and raise the political level of this movement. This is an example of the approach in getting into the company towns—the small town dominated by the big trusts. This has always been one of our weakest points in building up our movement.

Perhaps this is as good occasion as any to say just a passing word about the renegades, the Lovestoneites and the Trotskyites. For several years one of their close connecting links was the Labor Party. Now the Lovestoneites have become the advocates of the Labor Party whereas the Trotskyites now speak against the Labor Party. All of this is, of course, mere by-play, division of labor.

The political degeneracy of all these renegades has been very sharply expressed in connection with the German situation. In connection with Germany these renegade groups proved their value to the bourgeoisie, proved their value as one of the recognized, most important auxiliaries of the social-fascists. This is necessary to mention because there appears sometimes in our ranks a certain attitude of toleration towards these renegades. Last fall we made a very sharp criticism of a few comrades who in the election campaign wanted to answer the provocations of the renegades in their own terms, to chase them away. We said this is no way to handle any real workers who are misled, it is too mechanical, it creates sympathy for them among the masses. We must handle them politically. There is sometimes a tendency not only to stop the wrong forms of attack but to let down on the political attack against the renegades—forming sort of a quiet truce with the renegades. But we can have no truce with the renegades. Our struggle against them has not finished and it will not be finished until they have been completely wiped out. At the present time they are not very strong and influential. But when a group of our membership shows a tolerant attitude towards their ideas and towards their leaders, we must have the most intolerant kind of struggle against it. We must create such an atmosphere that any worker who has in the past had any kind of connection with these leaders will begin to understand that he has been fraternizing with the enemy, that if he has shaken hands with these leaders he will begin to feel ashamed and go wash his hands, that he will get an attitude of contempt and hatred against these counter-revolutionaries, who had nothing to do in the German situation except stab in the back our heroic German Party and slander its imprisoned leaders.

ROOTING PARTY IN BASIC INDUSTRIES

It is clear that the working class in America, and the Communist Party, are entering into a period of decisive events which will determine for many years to come the whole history of our movement. Whether the toiling masses of America will go upon the path of determined class struggle, whether they will take the road toward the revolutionary way out of the crisis of capitalism, or whether they will be turned into the channels of social-fascism or fascism—this question will be decided by the work of the Communist Party. If our Party can gather all its forces for a profound change in its work and really make a Bolshevik turn to the masses, can assume the full responsibilities of leadership of the growing strike movement, the struggle of the unemployed; really build a solid base for itself among the most decisive strata of the working class, the workers in basic industry; if our Party can

really gather around it the non-proletarian masses who are suffering under the crisis—only then will the Communist Party of the United States really have measured up to its historic responsibility. Only then will we really have shown that we understand the basic teachings of Lenin.

When we search for the reasons of our previous failures to make this decisive change, we must emphasize one key question which explains most of our failures. The Open Letter states this very sharply. It clearly establishes that among all our weaknesses, *the central point is the failure to understand the decisive role played by the workers in basic industries*, in the most decisive industrial centers, in the most important big shops and mines. Without securing a solid foundation among these most decisive workers, all successes in other fields of work, no matter how important they may be, are built upon sand without any guarantee of permanence.

Because of our weak understanding of this central question, the Party and its leadership, first of all the Central Committee and Polburo, has not been able to drive forward along a firm course determined according to plan. It has as yet been unable to make use of the most favorable possibilities for moving forward steadily from point to point, consolidating the growing forces of a rising mass movement. We have surrendered our planned work to the pressure of incidental problems of everyday life. We have become captives of spontaneity instead of masters of the development of events. We have surrendered to our weaknesses instead of overcoming them. Because the main body of our membership are unemployed, we allowed the growth of our Party to accentuate this one-sidedness, instead of decisively driving toward the recruitment of employed workers. Because our members are mainly in small shops, we have surrendered to the difficulties of penetrating the big factories. Because it is easier to win small temporary victories in light industry, we have allowed ourselves to be driven back in coal, steel, railroad, etc. The practical work has been determined not by our plan, but by the pressure of the events of the day.

When we give this most sharp emphasis upon the central importance of winning a solid foundation among the workers in the basic industries, we must warn against the interpretation that this means we are doing too much among the unemployed workers. Such an interpretation would be a serious distortion of the Open Letter. We do not have too many unemployed, we only have too few employed. It is not that our Unemployed Councils are too strong. On the contrary, they are seriously weak. It is only that our revolutionary trade union movement and the leadership of strike struggles in the basic industries are still stagnant.

The decisive strengthening of our base and our activities among the employed workers in basic industry will not weaken our unemployed movement. On the contrary, it will give it an enormous impetus forward. At the same time our Unemployed Councils will grow in membership and power, if they are also orientated mainly upon the workers who have been thrown out of the most important factories and industries, thereby able to contribute to the growth of the revolutionary trade unions in these industries.

Similarly, our emphasis upon winning the decisive proletarian masses must not be interpreted as in any way turning away from the task of winning allies among the non-proletarian masses. One of the important results that will follow from a decisive widening of our proletarian base will lie precisely in the strengthened abilities of the Party to lead the struggles of the farmers, of the Negro masses, the veterans, the students, etc.; to really bring them into the revolutionary struggle against the rule of finance capital. It is not a weakness of our Party that it has played an important role in the rising mass struggles of the American farmers. But our leadership of these militant farmers has suffered from the obscuring of the role of the Party and the Party's distinctive program. This leadership will always be under the danger of being broken by some clever demagogue until and unless our Party finds its proper foundation in strong organizational roots among the basic proletariat and until it works among the farmers as a strong, flexible, proletarian mass Party. Especially we must emphasize the importance of the agricultural workers, the part of the working class who are at the same time engaged directly in agriculture with the farmers, in close contact with the farming masses. Agricultural workers, many millions of them in the United States, beginning to ripen for organization, will give us a proletarian base among the farmers, the binding link between the workers and farming masses.

With regard to the work among the women, we have very important experiences in this field which should be fully brought out, especially in the reports from the districts. I have in mind especially the strikes of the Negro women, the nut pickers in St. Louis and the needle workers on the South Side in Chicago. These are really historical strikes. The strikers were mostly young Negro women who were striking for the first time; they carried through struggles, established their own leadership, won battles and built up unions—these are things which certainly should fill us all with enthusiasm and confidence for a real tremendous mass movement in this country. When we see young Negro women doing these things while we are sitting around complaining that we were not able to do them, among miners, steel workers, etc., we must blush for

shame. In this connection it is very interesting to note that these Negro women are doing good political educational work. In St. Louis they have just sent in an order for 500 copies of every issue of the *Working Woman*. They are carrying on a systematic campaign of education, distributing literature, holding discussions, etc.

ORGANIZING BROAD NEGRO LIBERATION MOVEMENT

With regard to Negro work I will only make a very brief observation. The latest victories of the Scottsboro case have carried the influence of our program for the liberation of Negro masses far and wide and have created for us tremendous opportunities. We must say, however, that we are handling these opportunities clumsily, hesitatingly, not exactly knowing how to go about it, how to crystalize organizationally this movement of struggle around the Scottsboro case. Sometimes it seems we are afraid to admit that victories have really been won by our activities, there is sometimes the impression that these victories are merely diabolical maneuvers of a super-clever enemy who is outwitting us by making concessions to us. This kind of nonsense must be ended. Most important of all we have failed to find organizational instruments capable of embracing this broad mass movement of Negroes. Of course, it is necessary to give first attention to drawing Negro proletarians into the revolutionary trade union movement. The two strikes I spoke about are of significant importance in this respect. The fact that the same thing does not take place in other industries is not satisfactory however. Both of these successful strikes take on similar importance because they both resulted in building the trade unions and in creating leading cadres from the strikers. We must also emphasize the drawing of Negro unemployed into the Unemployed Councils, into leading positions and the progress that has been registered by this. We must recruit the best fighters among the Negro masses into the Party, training cadres for future important work. It is possible and necessary to build a bigger Negro membership in the I.L.D. and other organizations. When all these things are said and done the question still remains unanswered, what are we going to do about these broad masses of Negroes who have been awakened by our struggles in their behalf and by our activities, but who cannot as yet be drawn into the Party, Unemployed Councils or I.L.D.? Every day this question is pressing upon us more sharply. Over two years ago we tried to find an answer in the League of Struggle for Negro Rights. Is it not possible that the time has now ripened, that the L.S.N.R. can be successfully brought forward as the answer to the problem of organizing the broad Negro liberation movement?

SHIFT CENTER OF GRAVITY TO LOWER ORGANIZATIONS

In order to carry out the profound change in our work called for in the Open Letter, it is necessary to make profound adjust-

ments in 'the inner life of the Party. It is necessary to shift the center of gravity of Party life to the concentration points down below. This also means that the Section Committees of the Party must play a much more responsible role than they have ever done before.

The very heart of all the work which we are speaking about lies in the Party section and its leadership. It lies in the building of capable, energetic, responsible Section Committees. It is one of the most basic tasks of our Party. The sections must be developed to the point where they have more initiative and more sense of responsibility and power. Where sections are now assigned big territories which they cannot effectively cover, they must be broken up into a number of sections of workable size. The Section Committee must have much more material resources with which to work. This must begin with a basic redistribution of Party finances. The present distribution of dues income where half the Party funds come to the national office must be radically revised. This system had justification in the past when only the existence of a relatively strong central apparatus guaranteed the correct political line of the Party. Today the point of emphasis must be changed. Only the building of strong section committees of our Party can give the guarantee for our growth and the firmness of our political line. The strengthened Party sections can in their turn concentrate upon the most important factories in their territory and give serious leadership to all mass activities.

In connection with the shifting of emphasis to the lower organizations it will be necessary to carry out a serious review of the apparatus of paid functionaries throughout the Party and mass organizations. It is clearly necessary to move decisively towards reducing the proportion of paid workers in the apparatus in relation to the size of membership which is served by it. Especially in all the national offices it is necessary to reduce the paid apparatus to a minimum. Many times in the past we have moved in this direction. After a few months, however, old habits get back and the apparatus grows again. It will be necessary now to take measures that will really make these changes permanent.

REORGANIZATION OF OUR FINANCES

The whole system of finances of our movement requires a thorough re-examination and re-adjustment. It is necessary to have from top to bottom an improvement of our financial system carried through by every responsible committee, applying the following principles:

- 1) The sources of financial support must be broadened out, must be placed upon a mass basis. Every organization must, in the

first place, rely for its finances upon continuous and growing mass contacts and mass support.

2) There must be established with the utmost firmness, a strict system of accounting for all finances and the establishment of guarantees that they are expended for the purpose for which they were intended. Auditing and reports to the membership must be made.

3) The personnel handling finances must be carefully selected from among the most trusted comrades and the financial apparatus should be small with the strict fixing of personal responsibility. This is especially important in the mass organizations where organizational looseness often results in unreliable elements drifting into positions of financial responsibility, and by their misuse of these positions discrediting the movement.

4) Methods of making money collections in mass meetings must be seriously revised. The existing tendency to make long general collection speeches as the main feature of the meeting without any clear explanation of what the money is for, must be decisively done away with. The collection of money at mass meetings must be politicalized. The purpose of the collection must be very definitely stated. The audience must be moved to contribute by arousing its interest in the purpose of the collection and not by intellectual bludgeoning which defeats its own purpose. The carrying through of this change in methods of money raising will be such a relief to our audiences, they will be so thankful to us, that they will be more generous than ever before. Our present methods drive them away from us and seal up their pockets to our appeals.

5) The Party organizations must absolutely respect the independence and integrity of the financial systems of the mass organizations. The Party can place no tax upon these organizations. When it needs financial support, it must approach these organizations and independent bodies, stating the definite purpose of its needs and requesting these bodies to make voluntary donations for the stated purpose. The financial relations between the Party and non-Party organizations must be known and approved by the non-Party membership.

6) The distribution of finances must be reviewed and revised according to the principle of concentration. Unproductive overhead expenses must be drastically reduced. First consideration must be given to the needs of the lower organizations which are closest to the mass work. The needs of finances for mass agitation, our papers, leaflets, pamphlets, schools, etc., must be given preference over the maintenance of unproductive apparatus. The most serious economies must be carried through, especially by the elimination of

unnecessary traveling expenses, long telegrams that can well be substituted by air mail letters which will arrive two or three hours later; and this is a very serious question for the *Daily Worker*, comrades. When it is necessary to send a telegram, there is such a thing as telegraphic language. Some people think they are too important to consider such things, but everyone must consider them.

7) The whole financial policy must be directed toward the aim that each organization shall build and maintain its own sources of revenue, to cover its own expense. It is clear that with the diversion to the lower organizations of much of the present revenue now received by the national office, the Center must make a very sharp cutting down of the present subsidies it gives to the weaker districts. This will have to be done gradually, while these weaker committees will, with the assistance of the Center, build up their own sources of revenue. We must take always into account certain organizations, which by their very nature require help from the other organizations. Here I refer particularly to the National Committee of the Unemployed Councils, which is a very important strategic organization for us, and now plays an important role. The Unemployed Councils always and necessarily will for a long period, consume all the revenue they can raise in the local organizations. The National Office cannot depend upon them for money. For such an organization as this we must work out a regular system, a continuous system, which operates month after month, of all the organizations which support the program of the Unemployed Councils giving a very small amount each month to the National Committee of the Unemployed Councils. If our organizations would give, for each member, 5 cents a year to the Unemployed Councils, this would support the whole national organization of the unemployed movement.

8) The system of financial responsibility and accounting must also be applied to the departmental activities within the Party which have their own financial systems. Funds for literature must everywhere be maintained intact; literature bills must be paid. This is not a business question, this is a political question, and you cannot have a serious mass educational movement until literature is sold, literature is paid for, literature funds are established and grow by the accumulation of the profits of literature sales. The proceeds from *Daily Worker* sales and collections must be strictly accounted for to the *Daily Worker* and not diverted to any other purpose. Sometimes our comrades take advantage of the business management of the *Daily Worker* continuing to send them papers although the bills are not paid; they sell the papers and then they use the money for whatever purpose happens to suit the fancy of the

moment. Sometimes they want to start a new business, so they take the money of the *Daily Worker* and open up a book store, or further replenish the stock of the literature. By what right do they take the money of the *Daily Worker* to build the book shop? "Well, it doesn't make any difference—take it out of one pocket and put it in another, what difference does it make?"—"It all belongs to the movement anyway!" But, comrades, this is the kind of attitude that destroys our organization, destroys system, destroys responsibility and prevents us from building up anything.

We must have the most strict, intolerant attitude towards any kind of irregularity in the handling of finances and we have got to begin to make the entire movement understand this in unmistakable terms. And if it is impossible to carry through these measures otherwise, we must begin to make examples out of people who violate these principles before the entire movement.

HOW TO DISCUSS AND APPLY OPEN LETTER

The carrying through of the re-orientation of the entire Party toward the decisive proletarian masses presupposes a stirring up of the entire Party from below, the release of all the Party's forces to expression and activity; the development of a healthy Bolshevik self-criticism; the development of collective leadership and collective work in every unit and committee of the Party. To make the Open Letter the instrument to bring about this change, it will be necessary to discuss the letter in every unit and committee of the Party, in every fraction of the mass organizations. This discussion must not be abstract. It must be directed toward reviewing the work of that particular unit, fraction or committee in the light of the Open Letter and formulating on the basis of this discussion a resolution on the next tasks in which each one of these bodies sets itself a certain minimum set of control tasks, that we must do within a certain time, and that we will check up on every week to see whether we are doing it or not. Copies of these resolutions must be sent to the section, district and national office and furnish the basis for the further concretizing of the work of the higher bodies. The higher committees must base themselves on this work of concretization that is done in the lower units and fractions of the Party; the Central Committee setting certain minimum control tasks for the principal concentration districts.

What we are calling for is not merely a change in the work of the Central Committee but of the entire Party. We can build a mass Bolshevik party only through the conscious participation of every Party member. We can build it only through controlling the execution of our decisions, checking up on them, placing definite responsibility for particular work on each particular mem-

ber—by helping the nuclei from the section committees, from the district committees and from the Central Committee to overcome their difficulties and solve their tasks.

The Central Committee is proposing that the Eighth Party Convention, originally intended to be held in May, shall be called together only toward the end of October. The motive of this proposal is in order to have time to really carry through the stirring up of the Party from the bottom, thoroughly review the entire work of the Party in every unit, committee and fraction, to formulate new plans on the basis of this review and have our first experiences in the serious attempt to carry through the turn to the masses started in the convention period.

On the basis of this discussion, these experiences, we can expect to be able to carry through a real refreshing of the leadership of the Party from bottom to top. We can expect to draw into all leading posts those comrades who have distinguished themselves in mass work. We can draw the fires of serious Bolshevik mass criticism against all those who remain passive or resist the necessary transformation of the Party's work in its turn to the masses. We can carry through a consolidation of all the healthiest and most energetic and most devoted forces of the Party in all the decisive points of Party leadership. The carrying through of this discussion does not mean a moratorium on practical work—on the contrary, it can only be fruitful if it is done in the midst of an intensified taking up of all the everyday tasks of the entire movement. The test of every comrade shall be not so much can he speak well about these problems, but can he work well in carrying out this line. How well can he put the Party Open Letter into practice in daily work?

All of the many-sided and often complex tasks which confront our Party will be carried through with greater success than ever before, if we learn the methods of concentration, if we learn to gather our forces for the most important tasks, if we learn to rouse and organize new forces among the masses, if we learn to draw in the basic proletarian elements into the fight, if we achieve a correct approach to the masses, apply a correct united front policy, if we learn to promote fresh proletarian leading cadres and train them politically, if we carry on a relentless struggle against "left" and right deviations, and if we develop collective work and politically activate the entire Party.

Are we able to carry through this change? Has the Party the necessary forces within itself to establish contacts with the masses and transform itself into a Bolshevik mass party? Of course we can do it. With all of its weaknesses, we have a Party which is proletarian in its composition, which is composed of the most loyal,

devoted, energetic and enthusiastic elements, who are really the vanguard of the American proletariat. Our weaknesses can all be overcome, provided we really mobilize all of our forces, remove every obstruction, with the fullest utilization of every comrade, maintain Bolshevik unity of purpose and effort, establish a real inner Party democracy and fight energetically for the real carrying through of the turn to the masses. It depends upon us. The only guarantee for the carrying through of the line of this Open Letter is an aroused and active Party membership. We have faith that the Party members will unitedly respond to this call. That is why we called this special conference. That is why we propose to issue this Open Letter to the Party.

* * *

CONCLUDING REMARKS

This special conference of our Party reflects the growing upsurge of the masses and the growing activity of our Party. This is its first characteristic. This conference constitutes additional proof of the ripeness of the situation for our Party to make some decisive steps forward in winning the masses and it also gives evidence of the growing efforts of the Party to accomplish this task.

Now to proceed to some of the questions of our discussion. The center of our discussions here has been how to understand, expose and combat the big offensive which the capitalist class is making upon the toiling masses, how to fight against the "new deal." We have considerably clarified this question for ourselves and have laid down the correct approach to the problems of carrying out in life the struggle against the "new deal." It was correctly said in the course of the discussion that the effects of this general attack upon the working class also provide us with an opportunity to make use of the broad uniform sweeping character of this attack to rouse the class consciousness of the masses of America. Whether we will make this use of the situation, however, depends upon whether we can learn to get away from abstract slogan-shouting, down to very concrete work among the masses on the basis of their immediate needs, mobilizing them for struggle for these needs on the basis of the united front.

SHOP BASE FOR FIGHTING N.I.R.A.

First of all it is clear that the central point in this struggle lies in the shops, around the shops, the penetration of the shops, the development of the struggle in the shops; upon this will depend the whole development of every phase of the resistance to the capitalist offensive and the development of a counter-offensive of the workers.

In the shops the fight against the "new deal" must be taken out of the clouds of high politics and expressed in terms of the im-

mediate working conditions in the shops, the smallest issue, the question of wages and hours; making use of every special circumstance that arises out of any situation, to raise these demands among the workers and organize them in struggle for these demands. That means making the fullest possible use of every step of the government and of the employers in applying the Industrial Recovery Act to transform it into the opportunity to mobilize the masses against the application of the Recovery Act. That means making use of the formulation of the codes by the employers, and the hearings upon these codes by the government, to bring the demands of the workers, to fight for them, and to spread the knowledge of these demands among the broadest masses and rouse them to expressions of support and to concrete organizational measures.

Second, this means taking some further steps. In the development of the textile code, for example, which has been cited in our reports here as a model for the other industries, we must declare that this is a model only in the sense that it is the best attempt in this direction and indicates the general line which all of the other counter-codes that we present and fight for will have to take.

However, this was not a model *how* to work out the demands. Perhaps I can betray a little secret and tell you that on the day before these demands were to be presented we did not as yet know what they were to be, concretely, and certainly the broad masses of textile workers did not know. A few leading comrades sat down a couple of hours before train time and hammered out these demands in an office. Under the circumstances it is quite extraordinary how successful they were. But please don't take this, you comrades in the mining industry, steel and marine industry, as an example of how to work out these demands. Now we have sufficient time to take at least the first steps in the drawing in of the masses of workers into the formulation of further demands and spread them, broadcast them, among the masses before they are presented in public hearings. And only when we do this will we really begin the proper method of mobilizing mass struggle against the "new deal."

It is unfortunate that in all our discussion there was so little attention paid to the question of the concrete demands contained in the textile code as we presented it.

Comrade Stachel in his excellent report went into great detail on this question. The fact that the comrades did not react to discussion of these things proves that the comrades have not really faced all of these issues yet down among the workers where all these questions of formulation of codes become an object of the most intense discussion and attention.

We cannot take these formulations lightly. They are of the most serious importance to the workers and only if we engage the

workers in a discussion on these things and also prove to the workers that we can intelligently discuss these things will we be able to mobilize them in this fight.

Third, it must be made very clear that while our central attention is given to crystalizing our organizations in the shops and building up the revolutionary trade unions, in every case where the employers are carrying through their company union system—the system of employers' representation organized by the companies—we do not boycott those elections but put forward, encourage and lead the most active and best elements, our members and sympathizers and everyone that we can reach, to put forward our demands in those elections and within those systems of employees' representation, fight for the codes and demands that we work out. We already have experience showing that this is possible and also proving the excellent results that we can achieve by making use of every opportunity of this kind.

Next, we must emphasize the necessity to make use of every one of these issues from our shop basis and from outside the shop when we have no direct connection with particular shops, to raise these questions inside the A. F. of L. unions where they exist whether these are old established unions or whether these are the most recently called meetings of the A. F. of L.; to go into every such meeting and every union of the A. F. of L.; to raise very concretely all these issues around the fight for conditions, for wages and hours contained in our counter-codes and to crystalize the left opposition.

All of this work must be orientated around the central problems of building trade unions in all those industries where we are building the red unions now. We must make use of the very illusions among the workers, the illusions that they have some opportunity to organize, the illusions that they have some sort of choice as to what organization they shall join, and crystalize struggle to realize these things. And although we know that the purpose of the law is exactly to defeat these things, we can, by making use of their resentment against the denial of any of these rights, rouse and organize them into struggle and realize this by their own strength.

A tremendous role will be played in this process by making use of this activity that is going on, especially in the basic industries, to crystalize small struggles, to crystalize the dissatisfaction of the workers around the small demands for improvement of conditions, sanitary conditions, and every little victory that is gained will be a crystalization of class struggle organization inside the shops.

And finally on the basis of all of this detailed work, agitation, propaganda, organization within the shops and around the shops upon the basis of the smallest questions leading up to the largest

questions, to systematically bring before the workers the perspective of big mass strikes in order to realize their larger demands.

FURTHER TASKS AMONG THE UNEMPLOYED

Next in importance in the development of mass struggles is the fight around the question of the forced labor camps and public works. It must be said that we have not given sufficient attention to this. This work has tremendous possibilities and is directly connected with the shop problems and especially with the building of the trade unions. It is precisely the forced labor camps and public works that constitute one of the most direct and easily recognizable blows which the capitalists are giving against the workers' conditions, hours and wages, especially in the basic industries. The central point in this fight is the demand and struggle for trade union wages on all public works, the fight against forced labor and for the establishment of trade union wages. In the forced labor camps it is also the fight for cash payments, the elimination of all payments in kind and the withholding of money for long periods. We must put forward against the government plans for public works our own proposals; we must formulate definite proposals which we can place before the masses for a public works program, to provide housing for the workers, hospitals, schools, etc., as against the government proposals which are directed towards military purposes or the service of big corporations. We must develop in the forced labor camps the struggle against the military regime within them. We must make a fight for self-government, the regulation of these camps by elected committees within them to break down the military discipline. We must make a struggle for better food, housing and sanitary conditions. We must make mass exposures of the conditions that exist in these labor camps by letters from inside the camps, by leaflets based upon these inside exposures, the concretizing of these exposures in definite reports by those inside the camps, by sending delegations elected on the outside to go into the camps, by holding meetings to report on these conditions, and so forth. And finally, by directing the efforts within the forced labor camps towards large scale strikes to realize these demands.

Among the unemployed masses, the struggle is being exceptionally sharpened by the latest phase of the "new deal" and we must develop a counter-offensive through our unemployed organizations, developing a real mass fight against those relief cuts which are taking place almost everywhere throughout the United States today, intensifying the fight for cash relief, against the system of food vouchers, etc. We must organize on a broader scale against evictions which now in the summer months have again greatly intensified. The problem of evictions is becoming an acute mass problem again.

We must give more attention to the struggle for conditions in the flop houses. We have largely ignored the fact that this summer when relief generally is being cut down the flop houses are growing, the number of inmates is swelling and there is a definite program to force larger numbers who formerly got relief into the flop houses. It is one of the essential features of the struggle against the "new deal" that we shall counter this move by real movement amongst these large masses, who have been forced into the flop houses by the cutting down of relief. Our experiences have proven that everywhere in these flop houses we are not dealing with lumpen-proletariat, we are dealing with workers who come from the basic sections of the American working class, and everywhere where we have touched these flop houses, we have been able to find live elements among them, capable men, natural leaders. A little bit of attention will bring forward splendid cadres.

Further, we must give more attention to the development of the work for taxation of the big companies to pay relief to the workers discharged from the factories. It should be recalled what an important part is being played by mass resentment against Ford's throwing of the tax burdens onto the small people, the home owners, property owners and the masses in Dearborn. This has roused the greatest impetus to struggle against Ford and has created the conditions whereby we have been able to emerge from illegality in the city of Dearborn. The same thing can be developed in every company town, provided we study every case very carefully, develop the issues very concretely and prove to the masses that we know what we are talking about.

At the present moment we must very sharply bring forward a demand of the unemployed for the diversion of war funds for unemployment relief. At the present moment when hundreds of millions of dollars have been appropriated for the construction of war ships and other military purposes, this is most important for tying up the struggle of the unemployed masses with the anti-war struggle, deepening the understanding of the whole class struggle.

We must make much more effective use than we have hitherto of the fact that the government, while cutting down the funds for unemployed, is increasing tremendously the direct subsidies to the big capitalists. We must follow up every development of the operations of the Reconstruction Finance Corporation and, for example, every time another \$50,000,000 is given to the banks of Detroit, the comrades must make known through the masses of Detroit, that while the government is giving these millions of dollars to the banks, Detroit relief has been cut down below what it was in 1931. The demand to divert these government subsidies to the relief of the unemployed is an issue on which we can really

rouse the masses. We must take much more energetic steps to bind together the struggle of the employed and unemployed, to bring expressions of support from the workers in the shops to every struggle of the unemployed, even if it is only a resolution or leaflet, even the smallest expression will grow and develop into something bigger. At the same time, more carefully and more systematically and energetically bring the unemployed workers into active participation in every struggle that takes place in and around the shops in support of the demands of the employed workers.

In every city there is a whole maze of concrete issues surrounding relief funds, of graft and favoritism which mark their administration. It is a shameful thing for us to admit that the capitalist gutter press has done more to expose and exploit the graft in relief funds than the Communists have done, than the Unemployed Councils have done. We must take up this issue in every city and put up the demand for workers' inspection and control of all funds for unemployment relief.

ADDITIONAL PROBLEMS IN OUR STRUGGLE AGAINST REFORMISM

Now just a few words about some of the problems connected with reaching the masses in the reformist organizations. We have emphasized in the report and in the discussion that the very first prerequisite for success in winning of these workers who are in organizations hostile to us is a creation of a sympathetic approach to them. This is the main significance of our maneuvers on the united front; the calling of conferences, the sending of letters; issuance of manifestos, etc., directed to these organizations. It is to create the approach to these workers and provide the opportunity to raise these issues concretely.

This requires not only the proper kind of documents and conferences. Above all it requires an active and sympathetic contact with these workers down below. The offering of joint actions for concrete demands, the methods that must be carried through at every step and especially in the development of the united front below, the development of such joint actions is the only possible basis for a real building up of a fighting united front. Our united front is a united front of struggle.

The greatest weakness which we have in carrying through our united front policy is that our comrades carry over the very bad habits of commandeering workers, of not taking carefully into consideration all special organizational peculiarities and habits and traditions, of ordering about workers as soldiers in an army, of which we are the officers and in which we direct their activities. All these habits of commandeering, of arbitrary approach to non-Party workers, will mean death to every effort of the united front. Especially if we go down among the basic sections of the American working

class, we will find every trace of this old military approach; this old commanding approach will not only hinder any progress among these workers, but even more, these workers will throw us out on our necks when we try to use these methods among them.

In the building of united front committees with these workers, a few little directives, if always kept in mind in the practical carrying through, will be of great help. For example, let us always remember that we want big committees and we will find the social-fascist leading elements will always want little committees. We want the biggest possible committees because the bigger they are, the more likely they are to have healthy proletarian elements among them who will join with us on the concrete issues that we raise.

Second, never have secret negotiations on the united front. Let every step of the negotiations of the setting up of united front committees always be reported to our members and to the workers generally.

Third, we must absolutely break down this idea that the establishment of a united front means the stopping of criticism. It is true that we have to learn much more effective methods of criticism. We have got to be restrained in our language in the development of criticism within these united front efforts. But we must be unhesitating, we must be bold in the raising of every issue on which criticism is required. Every hesitation of the leading elements of these reformist organizations, to carry through struggles that have been decided upon, every hesitation to join in a mass action that is initiated by other organizations, every sabotage, every holding back must be criticized. Failure to criticize these things on our part means to surrender to the social-fascists in the name of the united front. A committee which does not make fighting conclusions is not a united front. It is a sabotage of the united front.

We must give very careful examination to all of the problems around the penetration of A.F. of L. unions, Socialist Party and Musteite organizations; study the special prejudices that all of these workers have, and concretely develop our issues suited to the special circumstances within each organization.

The united front is not a peace pact with the reformists. The united front is a method of struggle against the reformists, against the social-fascists, for the possession of the masses. It is necessary to emphasize this, because it was not clear in the discussion that all the comrades understand it. Some of the comrades in the discussion here have given an argument like this: "Well, maybe you fellows in New York know what you are doing when you enter into a united front with the Musteites. We have our doubts, but we won't venture to criticize this much at the moment, but we want to tell you that this united front doesn't apply to our district. In our district, these Musteites are betraying the working class." But,

comrades, whoever told you that the Musteites don't betray the working class in New York City? Did you think we are making the united front with the Musteites because we have suddenly become convinced that they are good class conscious fighters, good leaders of the working class? Have you forgotten that precisely the reason why we make the united front with them is because we have got to take their followers away from them? And if you want to enter into a struggle, you must get within striking distance. It is quite remarkable that we are told, for example, that down in the Carolinas, I think it is, a Musteite is systematically betraying the workers down there, and therefore this Musteite who has signed some of our joint manifestos can't have a united front with our comrades in the Carolinas. Why didn't the comrades make a campaign against this fellow before? If our united front with the Musteites has brought sharply before the comrades in Carolina the necessity of conducting a mass campaign against all the betrayals going on down there, that is a proof then of the correctness of our application of the tactic of the united front with the Musteites. Our united front with the Musteites is not a means of silencing our criticism of any one of their betrayals. It is a means of making our criticism more effective by making it reach their own followers and winning their workers to a line of class struggle.

It is necessary to emphasize that the unorganized workers are also a proper subject of approach with the tactic of the united front. Just because a worker is not in an organization doesn't mean that we don't have to use special means to reach him and bring him into struggle. Hundreds of thousands of workers who are unorganized yet have a mentality which is determined precisely along the same lines as those of the workers within the A.F. of L. or the Socialist Party. They have the same prejudices to be overcome and they have to be approached in much the same way.

We must emphasize all of these things in connection with the calling of the conference in Cleveland on August 26 and 27, a United Front Conference for Struggle Against the "New Deal." This conference call which will be issued in a few days is a joint call by Communists, Musteites, leaders of Unemployed Councils, etc., quite a heterogeneous gathering of names that are signed to it. Let us again ask the comrades to assure all of our workers out in the field that when they get this manifesto, they are not to understand it as a declaration of peace between us and the reformists. On the contrary, this manifesto which sets down all of the basic proposals of our struggle against the "New Deal" must be taken as a test of the activities of every leader in every district, in every town on all questions about the Industrial Recovery Act, all questions about trade union struggle, all questions of the unemployed, and if any of these leaders don't go along with the struggle and really

contribute to the struggle for these things, then it is our duty to begin immediate criticism, sharp criticism, rouse the masses against their violation of the program to which they or their leaders have affixed their signatures and use this as a weapon to destroy their influence among the workers among which they operate.

The movement for unity of the Unemployed Councils together with the Unemployed Leagues, and other unemployed organizations, must receive very careful attention. Let us again remind ourselves that this unity movement of the unemployed is not a love-feast, it is a struggle. We are fighting for unity, and we are fighting for the masses. We are fighting to win the masses to the support of our program. All of the elements in these other organizations, no matter who they may be, we welcome if they really support and fight for this program of struggle, but we will fight against them to the extent they hesitate, sabotage or oppose this basic program of struggle.

In the development of the unity movement of the unemployed, we must concentrate on unity from below, the bringing together of the different unemployed organizations on a neighborhood, city, township and county scale, and try to create a solid foundation to actually achieve unity from below. On the basis of this, we can proceed to larger unity moves on a national scale.

The concrete efforts towards applying this tactic to unify the trade union forces in each industry, especially in coal, textile, etc., are one of the essential features of this whole movement. In the August 26 Cleveland conference, we hope to be able to have the central role played by the trade union and the trade union questions—the questions of the struggle for shop conditions, hours and wages and the unification of the existing militant trade unions.

In this whole struggle against the “new deal,” the central unifying issue around which everything else is organized is the struggle for social insurance. In reviewing our discussion of the past days, social insurance and the concrete questions of how we are carrying through the campaign for social insurance in each industry and in each district, did not occupy a sufficiently central place. This reflects that we have not, even in the last weeks since we have begun to write good resolutions and articles about it, really taken up in a serious fashion the struggle for social insurance.

SPECIAL PROBLEMS OF SHOP CONCENTRATION

Now I want to speak of some of the special problems of shop concentration. The first point in shop concentration is picking out the shop to concentrate on. There are three guiding lines for the picking out of a shop. First, we must make our main points the biggest, most important key shops in each industry and each locality.

If we do not do that, we are running away from the main problem. The main important forces, the most able forces must be directed towards these, which are usually also the most difficult points.

At the same time, let us keep in mind what the Detroit comrades described as picking out the strongest and weakest links for concentration. Some of the first successes of our Auto Workers Union came from concentrating not only on the biggest plants, but simultaneously also on some of the weaker and smaller plants. And especially when these can be combined in one region, one town, this combination will often be found very valuable. Of course, where we have forces on the inside, this is often a good reason for beginning some concentrated work on the factory.

One of the problems of shop concentration is always the relation of outside and inside work and whether an outsider can do work in a shop or in a particular industry. In this respect I want to refer to the speech of Comrade Ray of the Marine Workers. I noticed particularly that Comrade Ray said that what he was interested in was that the people who are going to do marine work must study the problems of the marine industry. He complained that this position of his had been misinterpreted as meaning that nobody could go into the marine work except marine workers themselves. This is very important for us. Comrade Ray is correct when he says nobody can do marine work who goes in with a know-it-all attitude, to run the marine workers' business like he once ran a cooperative store, or like a branch of the I.W.O. or the I.L.D.

Every factory is to be studied concretely and a concrete plan of campaign mapped out. All that we can learn from other experiences is the general principle, to learn the mistakes to be avoided, to learn how to direct our forces towards these concrete questions. Different factories have different problems—big factories different ones from the little and all the experiences we have gained help us in all factory work. We have to work out special problems of approaching different kinds of industry.

We must at the same time not forget that in all of the shop work the question of conspiracy is more and more important, the question of illegal work, how to get open organizations and at the same time protect our organization on the inside.

In this connection the problem of winning new forces among the masses and giving them the opportunity of developing in the struggle is of growing importance. We have many good examples of this given to this Party conference. One especially good thing is in the speech of Comrade Abraham of Connecticut. This is an example of real mass work and the development of new forces.

Comrades, in all of this work one of the things that we must learn is how to make use of small successes, to proceed further. We are often in this fix: as long as we are not successful in an im-

mediate objective we always know just what to do. But when we win, we don't always know what to do next.

The problem of penetration of the shops and the problem of the development of the strike movement, the problem of building the trade unions, is the problem of how to develop confidence *among the masses in our leadership*, by showing them we know how to do things, by winning one thing here and winning one thing there, always make one thing lead to another, to a higher stage of struggle, or broadening out the struggle, or deepening the political character of it. Moving from success to success, making of every success the foundation of immediately moving forward to another one. In this, we have one of the basic principles of concentration.

Why do we concentrate on one key shop? Is it because we think that this big shop is important, but the whole industry is not important? By no means! Our concentration is no narrowing down. Our concentration is to win a strategic point precisely because a success there will move the entire industry, or move at least the entire locality, whereas if we concentrate on the whole locality and the whole industry, it will take us so long to move it that the workers will be somewhere else by the time we get anything done.

The whole principle of concentration is to throw all the forces into one point, and win a success there, and by that success you double your forces, and can go on to move the entire mass. The very example of a success in a strategic locality, in a shop or organization, will very often set the whole mass into motion, bring them either under our leadership, or in the direction moving towards us.

In this respect, we have to give the most serious attention to the problems of consolidating the organization during and after an action. One of the most important contributions to our movement in this whole last period, has been the nut-pickers' strike in St. Louis, precisely because it gave us a living example of the consolidation of a mass organization in the course of the struggle, maintaining it after the struggle. This problem as we have seen very clearly from the reports on the nut pickers' struggle, the needle trades workers' strike in South Chicago, and more in the negative sense, although not negative entirely by any means, our experience in the auto workers' strike. We see that this whole problem is one of involving the new members in tasks within the organization, inside the shop, and also giving them tasks outside the shop, in spreading the organization into other shops, and even into other industries. I am certain that one of the main reasons for the successful consolidation of the nut pickers' union is the fact that this union immediately set itself the task not only of organizing all of its own industry, but of organizing the needle trades shops in the vicinity in St. Louis, and even beginning to organize the men folk of these women, who work in basic industries, railroads, metal shops, etc.

I think that perhaps the best example of a very systematic, conscious carrying through of this approach to all of the practical problems of struggle, in the building of organization, was contained in the speech which Comrade M—— made, in which he told us about his work in the Black Belt, about the building of the share croppers' union. I felt as I listened to that report, that I was watching the working out of the theses written by Lenin. I don't know how much of Lenin's writings Comrade M—— has read, but one thing is certain, that he applies the teachings of Lenin in life better than most of our scholars in the American movement. Comrade M—— gave us a picture of a movement developed in what is usually considered the most backward section of the American toiling masses, and the astonishing completeness of each phase of this work is shown by the fact that in his short report of the activities of the past several months, we had every feature of the international class struggle, developed concretely in life from the smallest problem up to the largest problem in the fight against German fascism, imperialist war, and support of the S.U.

If there is anybody who thinks there is a contradiction between the struggle for the immediate demands and the highest politicalization of this struggle, just take a lesson from the work of Comrade M——, who has politicalized the share croppers in the South, and made them an integral, conscious part of the international revolutionary movement.

A few words about the concentration industries and districts. Here I want to utter just a little word of warning against some tendencies of crystalizing some brother theories to go along with the theory of concentration. Some comrades want to emphasize that concentration on one thing means the neglect of another. Now it is often true that we are so badly organized ourselves, and so badly prepared to concentrate that in our first beginnings of concentration, we will tend to neglect other things. But let's not make a theory of it and justify that neglect. No. And especially let's not only avoid, but let's set ourselves the task of stamping out any tendency, such as was described by Comrade Ben Gold this afternoon, when he said that some comrades sneer at the needle trades work, the needle trades work is some kind of inferior work, that the only thing a respectable Communist would consider doing is the work among the miners and steel. It is true, and must be emphasized, that it is more important and a greater achievement to organize 500 workers in a steel mill than it is to organize 5,000 workers in a multitude of small shops in light industry; that is a basic guiding principle for us, the central feature of concentration. But that does not mean that we are going to neglect the needle

workers or that we are going to put work among the needle workers in a sort of second class citizenship.

The building up of our forces in the basic industries is our first and central concentration not because we do not want workers in light industry, or because it is not important, but because we can more quickly win the masses and can consolidate the revolutionary organizations among the masses by making our base the heavy industry. Precisely the importance of heavy industry is that a little organization there will swing into action a broad number of workers in light industry, but a little organization in light industry will not swing heavy industry into motion. That is, we concentrate on heavy industry because it is a lever by which we can move the whole mass. The whole mass of workers are "our" workers, and every one of them is equally important for the revolutionary movement. Factories in light industry can also be made to help serve the task of *conquering heavy industry*, although the main feature is the other way around, that heavy industry gives us a lever by which we can move more workers in light industry into action.

THE INSTRUMENTS OF CONCENTRATION

What are our instruments of concentration? Our concentration point for all our work is the unit and the section of the Party. The section organizations are going to be the backbone of the Party, and if the sections are weak the Party will be weak. If the sections do not have strong consolidated collective leadership with political initiative with capacity and self-confidence, then the Party will not move forward. We must make use of every means of concentration, every feature of our work must carry through the principle of concentration: Party organizations, the trade unions, Unemployed Councils, workers' clubs, I.W.O., I.L.D., language clubs, language press, all of these are tremendous instruments for us. We often forget that the language organizations and the language press are still our greatest mass instrument or could be if we would make intelligent use of it. But the point we must continue to emphasize is that the central instrument for carrying through the turn to the masses is the Party section and the Party unit.

Our trade union organizations play a very important role in all of this work. Here we must say that we still have the continuation of certain old bad traditions of work which we must liquidate. We have a method of work which could be described as trying to build our revolutionary unions from the top down. The process seems to be that first you get a national office and a set of national officers and supplies of paper and all of the appliances of a union and then you go out and try to find some members. Now, of course, I am exaggerating a little. But that is a tendency shown in our work. We have to reverse that process, we must get membership in the

local unions and shop branches and then begin to build the national union on that foundation. That does not mean that the existing union offices do not have a role to play. They do. It is necessary to have these offices. But if we are going to expect these offices to make a change in our trade union work and to build up unions down below, we are going to continue the experiences of the past. Let us understand this. The task of building red trade unions in the basic industries is a task that can only be carried through by mobilization of all forces of the Party down in the units and sections, concentrating on this job and building up membership and organization from below, and keeping away all of this pressure of a top-heavy apparatus that crushes the life out of the little union before it has a chance to grow. Eliminate all of this pressure at the top that it is possible to eliminate and give this new plant of the trade union that is trying to grow a little bit of air and sunshine and a chance to expand; to grow down below, and it will soon be big enough to carry a bit of apparatus above. But if we start with an apparatus above it is going to crush and kill it.

I think that all of our unions suffer, even the most successful of them, from top-heavy apparatus and not enough work down below, not enough real membership organization at the base, with trade union democracy, with a living, collective experience, with a common life that produces, gathers together and organizes all the energies of these masses.

The Marine Workers Union is not by any means the worst organization in this respect. The Marine Workers Union has shown some healthy signs of growth. Still we must say that it also suffers somewhat from this. Comrade Hudson made a very good speech in this Party plenum. It was the speech of a man in a position of responsibility for a mass organization and fighting for the building up of that organization, and with a lot of confidence that it is going to be built up. That is what we need—fighters, men who know what they want and will fight to get it, and we can only have the greatest respect for Comrade Hudson for bringing forward his opinions very strongly and boldly. Most of these opinions are correct ones, and especially his criticism of the lack of sufficient serious attention to the marine industry by the entire Party. Every district of the Party that has marine industry in it, should take this question very seriously, especially the Pacific Coast districts.

This problem is especially sharp for the Steel Workers Union. Comrades, we have hundreds of steel workers in our Party. Can anybody say that there aren't enough forces among all these steel-worker Party members to provide everything that is necessary to build a steel workers' union? Are steel workers so incapable that we have to draw food workers and needle workers from New

York to build the steel union? I think not. If I know anything about the histories of Communist Parties in other places, then I must say it is precisely the steel workers who have to furnish the best cadres not only to build the Steel Workers Union, but the best cadres for the entire Communist Party in the United States. The Bolshevik Party in the Soviet Union has as one of its principal features that the metal workers have furnished, through the entire history of the Bolshevik Party, the most important and the largest section of the leading cadres of the Russian Bolsheviks. And if you go to the Soviet Union and look around, you find metal workers everywhere—in this place and in that place and in every position of especial responsibility. And this is not an accident. This is a basic question for a proletarian party. It is precisely the metal workers, the miners, that will furnish the main cadres for a real revolutionary working class Party, and certainly they will furnish the cadres that will build the unions in their own industry.

The cry for forces must be turned away from the center and down to the units and the sections. The cry for forces must be turned into the shops and we will get our forces from down below, and these forces gotten right out of the work and out of the movement will be worth a hundred times as much as the forces taken out of the ice-box of the national office and shipped around by mail order! (Laughter, applause)

Our task, comrades, is the task of the creation of new cadres—the building of a mass trade union is the building of cadres. If you don't build these new cadres you haven't built any union, you have only created the appearance of a union—you have built a paper house, a house that will fall down with the first wind that blows. And the reason why our unions that we rebuild and rebuild, year after year, don't stay built is because we are doing it always with outside cadres, importing the cadres, giving no attention to the building up of new forces down below that have a solid foundation there and will stay put year after year, whose only possibility of living is the building up of the union right there. If you do not do that you have not built anything. This is true of every mass organization. The only real solid building of anything is the building of stable cadres from among the masses, the membership of this organization. The role of the office in all of the work of building an organization is a very small one. You need a national office for a union to provide all of the organization with uniform organizational materials, to provide the apparatus for bringing together the consultations and conferences of all the various parts, you require a leader who works collectively with a larger group, a group that meets from time to time to work out the basic principles and tactics of the organization, and at least one national leader who makes it his responsibility to keep in touch with all the

parts of this organization, to respond on the new issues, to advise for the various parts, but between this buro and lower organizations, the masses, is about this ratio, one per cent the buro, ninety-nine per cent the lower organizations.

The approach to the problems of building an organization from the point of view of an office is bureaucracy and the only time when the office does not become a danger to the organization is when it is the product of the effort of an organization from below.

We must carry this principle of concentration into all developments of our work. The concentration is a principle that applies to every organization, to every committee of the work, to the work of each individual. Our *Daily Worker* must concentrate, our Agit-prop Department must concentrate, our school system must concentrate, and especially the schools in the selection of our students, we must select them on the basis of concentration for the producing of leaders out of the basic industries for work there.

WORK AMONG NEGRO FARMERS AND COLONIAL MASSES

Some of the Negro comrades criticized my report for a lack of sufficient emphasis upon the importance of Negro work. I accept that criticism because I am sure that we have failed to get sufficient political emphasis upon the importance of the proper solution of all of our problems of work among the Negroes. We have not yet made a decisive change in our work in Harlem. We have not yet consolidated our political influence in Harlem into an organization which knows its tasks, which feels itself as an integral part of our Party, and which is proceeding boldly to the solution of its mass tasks in Harlem. Nor have we achieved this anywhere else, unless we except the South where the work that has been done by Comrade M——— with the share croppers' union seems to be a real solid base about which we do not have to have any uneasiness at all. But Harlem, Chicago, and the other big cities with a Negro population, we have not yet really consolidated our Party among them. At the same time we have really made enormous progress in extending our general political influence among the Negroes. Basically this question is a question really of overcoming the distrust that the Negroes have for white workers, a distrust which they also bring towards our Party, a distrust which will continue just as long as they see any remaining influences within our Party of the ideology of white chauvinism. The struggle against white chauvinism by the white comrades of our Party is the basic means for the liquidation of the distrust of the Negroes. At the same time there is another necessary task to be followed, and that is that especially our leading Negro comrades shall take it as one of their first tasks to try to instil confidence in our Party among the Negro masses, especially by giving examples to the Negro masses

of Negro Party members and leaders who have the most complete confidence in the Party. A big step will be made in solving this problem by us when we really find the road to a mass organization of the Negro liberation struggle.

The large part of the dissatisfaction among the Negro comrades arises from the fact that they feel that some important problems have not been solved. They may not be conscious of it but in the first place it is the feeling of the necessity that this Negro liberation struggle shall have a broad mass organizational expression, and this is one of the most important features of the consolidation of the Party among the Negroes.

One criticism that has been made by some Negro comrades in Harlem with regard to the leaders of the Party we must declare is correct. We have not given sufficient attention to the solving of the problems of Harlem and have not given enough direct leadership from the leading comrades of the Center to Harlem. Harlem is certainly important enough for us to give our best forces as its leadership. We have discussed this question, we have taken up the spontaneous mass proposals that came out of this conference to have Comrade Ford go into Harlem as the Section Organizer.

One of the weaknesses of my report was that I gave little attention to the question of our work among the farmers. It is now so late that I can't remedy this weakness in my summing up either. Let me just say very briefly that Comrade Puro's report here at this conference and especially the very detailed resolution on our agrarian work which goes into the most minute examination of our basic problems must receive the attention of the entire Party. This resolution you are going to be asked to vote on and adopt at this conference. If you adopt it, it becomes a basic decision of the Party that there must be a discussion on the agrarian work in every unit of the Party, in every committee of the Party. The problem of the farmers, work among the farmers, is not merely a problem of those organizers that we send out among them. It is a problem of the entire Party, of the allies of the proletariat, a problem which is of importance to everyone who is seriously looking forward to the struggle for power in the U.S.

We can also accept the criticism that was made by our Latin-American comrades that this conference and that the Party generally gives insufficient attention to the colonial work, that is, to the work for the support of the liberation struggle in the colonies in Latin America, in the Philippine Islands, and also to our work among the colonial emigrants in the United States. That is certainly true.

We must begin to find a way to remedy this weakness. We must especially strengthen our work among the colonial emigrants here. We must especially begin to have systematic work and a mass

paper for the Latin-American emigrants, we must have a leading buro among the Latin Americans. In this respect we should by all means at this conference send a message of greetings to the new Communist Party in the Philippine Islands (*Applause*) whose leaders are under long prison and exile sentences, sentences which are being put into execution by the new "liberal" Governor-General of the Philippine Islands, Frank Murphy, from Detroit; and the sentence will be executed now, this moment, largely because the Philippine Party was not able to finance the court proceedings to carry these cases higher to the United States Supreme Court. And due to our slowness here we did not raise money quickly enough to get these papers. Certainly the least we can do is provide some support to the colonial movement, to at least carry through the appeals of the comrades to support them against the imprisonment.

I must say a word or two in emphasis of some immediate problems in the anti-war struggle. August First is coming, comrades, and I am afraid that our preparations for August First are not as strong as they should be. I am quite certain that our campaign in the press needs considerable strengthening. I am afraid that this is more true of the language press than it is of the *Daily Worker*.

Comrades, we must emphasize very much at this moment the importance of the August First demonstrations. Every day now is bringing additional news of aggressive moves of the Japanese on the Siberian-Manchurian frontiers. There is every indication of certain large scale war developments in the near future. The imperialist contradictions are at the breaking point and capitalist statesmen are turning every stone to find a temporary outlet by the starting of a war adventure against the Soviet Union. Precisely at this period our August First demonstrations, the 19th anniversary of the outbreak of the World War, must be made a serious mass mobilization. We must put a little bit of that feeling of the imminence of war, that feeling of apprehensiveness and alarm into our mass preparations for August First, that is really justified by all the facts of the world situation.

Further about the the Anti-War Congress in New York on Labor Day. The Socialist Party and its allies have definitely decided to enter into this Anti-War Congress. This serves to emphasize all the more the absolute necessity of really making a mobilization of delegates from all working-class organizations to this Anti-War Congress to really guarantee that this Congress will be an expression of a proletarian anti-war program, that it will place before the masses of the United States very sharp and clear by the position of the overwhelming mass of the delegates who will come to it the real great task of the struggle against war, that it will prevent any possibilities of the transforming of this Congress into a field of maneuvers for the social-fascists.

RECRUITING AND DAILY WORKER CIRCULATION SERIOUS TASKS

Comrades, central in all of this work that we have been talking about is the problem of recruiting to the Party. Recruiting is not taken as a serious task of our Party today. Comrade Peter gave you the very bitter facts about our vital statistics.

On the question of recruiting, and that twin question of *Daily Worker* circulation, these two things that are the very lifeblood of our whole movement, how many comrades really take this question seriously? I think that we must establish some new habits in the Party, establish a certain fashion about recruiting. We must establish it as a normal part of our Party life that every member of the Party constantly has two, three, four or five workers that he is in contact with, preparing them to become members of the Party, working on them systematically, talking with them, giving them literature, engaging them in discussion, developing them politically, bring them to the Party, and himself personally taking them to the Party unit, adjusting them to Party life, becoming their guide in the very difficult task of becoming a Communist Party member.

It is a difficult task to become a Communist Party member. If you were an auto worker in Detroit and wanted to join the Party, how would you go about it? You might get engaged in a big strike movement and try to join that way. Would a comrade come up to this worker and say, "John, I know you want to join the Communist Party. I will show you how to do it." I am afraid it would not happen, not if Detroit continues the way it has in the past. What is true of Detroit is true of other districts. It is a difficult task to get into our Party. We must make it easier. Let us put the question of recruiting on the order of business in every Party unit, let us make it the business of every leading committee.

Recruiting also means concentration, means the selection not only of the best elements among the workers, but concentrating among those workers whom we especially need, miners, steel workers, marine workers, textile workers, a concentrated recruiting campaign in the basic industries of the country and together with the recruiting and as one of the instruments of the recruiting the building up of the circulation of the *Daily Worker*.

These things, building the Party, recruiting new members, circulating the *Daily Worker*, these are the very essential elements of carrying through struggle. Before struggles, during struggles and after struggles, these things are the constant tasks of the Party. But we forget it. We divert all of our attention to things of second consequence and neglect this basic task. In this respect also we even forget the history of our Party. How many times has the Party celebrated the anniversary of its birth? It is one of the tests of conscious existence if a Party will remember its own birthday or not.

Our Party forgets its birthday. Our Party has got a birthday coming next September, and we want to make this Party birthday a campaign of education of our Party members and broad circles of sympathizing workers in the history of our Party, the significance of our Party, as a means of Party recruiting and Party consolidation.

What I have said about the Party applies with much greater significance to the Young Communist League, who have all of our problems in a sharply accentuated form, and the additional problem, that they are supposed to rely on the Party for leadership and the Party doesn't give it. Serious attention must be given to the leading of the work of building a mass Young Communist League.

We have to accept the criticism the youth have made of our work, draw the consequences and take steps to remedy this.

One more word about the question of the financial sanitation of our movement and about the question of apparatus. I think that the conference can emphasize every word that has been said on this and certainly if there was anyone who had any doubts about these problems brought forward, he kept these doubts to himself. We convinced everybody of the necessity of a real reorganization of all of these measures of financial control. At the same time let us recall again and emphasize here that this means also the real examination of the apparatus of the Party and of the mass organizations, especially the top apparatus and a real ruthless and even brutal cutting down of the apparatus above and the transferring of resources to the lower organizations.

With regard to the problems of democratizing the sources of revenue, I should also call attention to the fact that the Central Committee is going to issue a new means of raising money in the form of contribution stamps and sympathizers' cards for our sympathizers. That is a means of systematizing and regularizing small donations of sympathizers, of workers and other elements who want to help, but don't want to assume the responsibilities of Party membership. This system will be explained to all of the Party organizations in the near future, and should be taken as one of the real means of systematizing and democratizing our revenue system.

Without going into any detail, I must remind the conference as a part of the summary, that we are still neglecting the anti-militarist work—the work of penetration of the armed forces. Every District has special duties in this respect. Very important work is being done in this field. We must emphasize again to all responsible comrades in the Districts, a most careful attention to the development of this anti-militarist work—the penetration of the armed forces.

OPEN LETTER IS OPEN MASS CRITICISM

Now, comrades, how are we going to carry out the Open Letter? If there was one questioning note that was sounded in the dis-

cussion it was not about the correctness of the Open Letter, but some comrades were still doubtful as to whether we are really going to carry it through or not. Well, I think that we can say that we have more reason for expecting to make the change today than we had before. I received this afternoon some evidence of this. You remember, I think it was Saturday night, this conference heard the speech of a representative of a certain shop nucleus engaged in a government enterprise. Well, this comrade had no sooner made his speech to the special Party conference, but the next day his unit met, took up the question of his report to the conference, discussed it, examined it, brought out the weaknesses of this report, and the nucleus itself worked out a resolution and sent it to this special Party conference correcting all of the weaknesses of the report of its delegate and declaring its determination to really carry out the Open Letter of this conference. (*Applause*) I think we have got quite a few units that are ready to work like that. This is the guarantee, and especially if we give them a little bit of leadership, if we begin to mobilize them from the bottom for this turn, then we will have a real guarantee that we will make the turn. And that is the reason for the Open Letter. It is to build a fire under all of our leading committees so that they can't sit comfortably on their chairs.

This Open Letter is open mass criticism and open mass criticism is a powerful force that can change even the most stubborn habits and can even break down the worst sectarianism and bureaucracy. We have had a certain loosening up of the forces of the Party right here at this conference. We have had a little freer and more healthy development of self-criticism than we have had before, and that is also a guarantee for the execution of our decisions. I think that we can characterize most of the speeches in this conference as a step forward in the development of self-criticism. Of course, we have to distinguish between the self-criticism and the methods of developing criticism of the more responsible leading comrades and that of the comrades from the lower organizations. We demand much more of the leading comrades in the way of accuracy, care, serious preparation of self-criticism beforehand, than we do of the comrades from the nuclei, from the sections. In this respect, I think we must say that the kind of criticism made of the center, of the Polburo and its work, by, for example, Comrade Johnstone from Pittsburgh, is a very healthy contribution to the work of the Polburo. If we had more of this serious, healthy criticism for the center, I am sure the center would work much better. The center must work under the constant criticism of the entire Party organization. The districts must also work under the pressure of this criticism, and the sections must, because this criticism is the Bolshevik weapon for the steeling of the Party, for the cor-

rection of all our weaknesses, for securing the real guarantee that decisions will be carried out and not left on paper.

The carrying through of the decisions, however, is a fight. It is a fight for the line of the Party. It is a fight against deviations. However, when we say "fight," let us warn the comrades. There are some comrades who might have an inclination to think, "Well, if it is a fight, it has to be a fight against somebody and if it is a fight against somebody, that means that we have to organize those that are against them. That means that in order to fight for the line of the Open Letter, we must form an 'Open Letter group' within the Party. (Laughter) All the sincere friends of the Open Letter will band themselves together to fight against the enemies of the Open Letter." That is not what we mean, not that kind of fight. There has been a little experience in the international movement with that kind of a fight and experience has proven that this is precisely the way to prevent the carrying out of the Open Letter. This is the surest way to sabotage the turn to the masses. Perhaps we can remember that our French brother Party had a sad experience with the organization within its ranks just a few years ago of a group that called itself "the group to fight against Right Opportunism" in the French Party. And this "group to fight against Right Opportunism" became a very handy instrument in the hands of the French police to disrupt the French Party.

At the same time, comrades, I have heard that around the fringes of this conference, there are a few comrades who are still addicted to political speculation and who are whispering to one another, "Doesn't the paragraph in the Open Letter mean that there are serious struggles going on in the Politburo of our Party?" and beginning to build all sorts of stories out of their own minds about this alignment and that alignment and that our Party leadership is divided into factions. Comrades, I want to assure you that all of these speculations are baseless. There is no such condition in our Party leadership. We have had difficulties in our Party leadership last year. These difficulties were already largely solved and removed even before this Open Letter was written. And when the Open Letter warns the Party against the danger of any revival of factionalism it is not because there are any factional divisions or groupings in the leadership of our Party today. I hope the comrades will take that statement as the truth and will really put a quietus upon all remaining gossip mongers in our Party. (Applause)

TAKING OPEN LETTER TO MEMBERSHIP

What are the concrete measures for taking the Open Letter to the Party? These measures that we propose are: (1) That every Party member shall get a copy of the Open Letter, that we shall establish a guarantee that this will be done by requiring that every

Party member shall have stamped in his book a certificate that he has received a copy of the letter.

(2) We want every nucleus of the Party, after having discussed the letter, and not just one discussion but two or maybe three discussions, to adopt a resolution on the basis of this letter about its own tasks in light of the Open Letter, containing a plan of work for the next six months. Every section committee, every fraction in a mass organization, every District Committee must do the same. We want to collect as many as possible of all these resolutions as the basis for formulating the resolutions for the coming Party convention. We want to have the resolutions for our next convention not to come out of our heads—our heads are very good and we have a good opinion of them—but we think the resolutions would be much better if they come out of the collective work of preparing all these resolutions from the Party from bottom up.

Further, we propose as the first steps in launching this discussion, that every District Committee will hold enlarged meetings in the next week or two, and following these district committee meetings, every section of the Party will hold a special conference of elected delegates for the purpose of discussing the Open Letter and the tasks of the section. We want to develop such a real popularization of the Open Letter that everybody will be talking about it, not only Party members, but the whole broad group of sympathizers around us. Let the Open Letter be made a means of recruiting broad masses of non-Party workers into the Party. Let there be a certain amount of socialist competition among our units as to which one can most quickly and effectively begin a decisive turn to carry out the Open Letter. Let every unit and member of the Party develop that the first salutation when two Communists meet will be—"What have you done to carry out the Open Letter?"—a constant check-up on one another. Let us talk, work and dream about the Open Letter when we go to sleep. And in the morning when we get up for breakfast, let the members of the Pioneers demand from their mothers—"What are you going to do today to apply the Open Letter?"

Of course, this means concretizing it, not just in general what are you going to do to carry out the Open Letter, but concretely—have you recruited any new members, have you developed the circulation of the *Daily Worker*, have you done anything to strengthen your trade union branch, have you done anything to help penetrate the particular concentration shop, what have you done concretely to carry thru the change of our Party into a real Bolshevik Party?

Comrades, in conclusion, let us point out this, that although our report has emphasized the very precarious nature of the present industrial production increase that is taking place, the nature of the

inflation stimulus as a part of the "New Deal," and we have emphasized the imminence of a fresh collapse of industry and emphasized the sharpening of the crisis in every respect—let us be very careful not to develop the idea of waiting for collapse to come in order to bring about the change in our Party. If we wait for something outside of ourselves to bring the change in our Party, the change will not take place. There is only one thing that can make this change and that is—you and I and every member of the Party. A conscious determined struggle is the only thing that will put into effect the Open Letter, and that is what we have to secure in the Party today. We must realize the truth pointed out in the Twelfth Plenum of the E.C.C.I. by Comrade Gushev where he spoke particularly in regards to America of the immediate future holding the prospect of very quick developments and changes in the situation. That is more true today than ever before. The American social contradictions and economic contradictions have reached such a proportion, have such explosive possibilities in them, that tremendous historical events may break out about us at any time. We must prepare our Party for its revolutionary role in the great upheavals coming in the United States. This role which is placed upon us by history will be really performed by us only if we prepare ourselves for these tremendous tasks.

We can prepare ourselves only if we will actually carry through in life this course laid down by the Open Letter before this conference. Comrades, we can take up this task with greater confidence when we see how our brother German Party has met more serious tasks than this, and has overcome a thousand-fold more difficulties than we have, even in the conditions under which they are working in Germany at the present time. If the German Communist Party, with such determination and heroism, succeeds in meeting the conditions of struggle against the Hitler regime, certainly we also will be able to meet the offensive of the Roosevelt "New Deal" and establish our Party as a mass leader in America. Certainly, when we understand that the program of our Party is worked out on the solid foundation of the teachings of Lenin, upon the same foundation which has produced that marvelous revolutionary organization that has brought about the tremendous achievements of the building of a socialist society in the Soviet Union, when we understand that our Party is a part of the same world Party as the Soviet Union Communist Party, then we can feel real confidence in the ability of our Party, in the determination of our Party, to boldly, fearlessly, ruthlessly carry through the line laid down in the Open Letter of this conference.

The National Industrial Recovery Act—Spear-head of the Roosevelt Program

By HARRY GANNES

I.

THE National Industrial Recovery Act is the spearhead of Roosevelt's program for the attempted solution of the economic crisis in its present stage.

The domination of monopoly capitalism makes it extremely difficult, in the condition of the general crisis of capitalism, to overcome the economic crisis in the way that was usual for capitalism in the period of free competition.

What is the imperialist way out of the crisis, the basis on which the National Industrial Recovery Act was written? It is, first, a shifting of the burdens of the crisis from finance capital, with the help of the state, to the other sections of capitalist society (petty bourgeoisie, poor and middle farmers), the greatest and heaviest burden being placed on the workers; second, a ferocious drive for world markets and the active preparations for war to achieve them; third, the further trustification of the leading industries, driving out competitors, greater centralization of capital, strengthening of monopolies at the expense of other industries; fourth, increasing the state subsidies to finance capital while at the same time the expenses for unemployment relief, veterans' payments and other social expenditures are drastically cut; fifth, fostering of economic nationalism and so-called controlled inflation as a weapon to raise prices and profits, lower *real* wages and penetrate the world markets, as well as to undermine the financial position of imperialist competitors.

The development of the crisis itself favors the advance of the trustification of capitalism, especially in view of the huge state subsidies to the favored trusts.

But this process is combined with an intensification of the crisis through greater competition between the trustified and non-trustified industry, and the greater divergence between prices in monopoly and non-monopoly industry. It proceeds with a sharpening of all of the inner antagonisms of monopoly capitalism.

The NIRA is an attempt to cut through the usual trustification process with its sharpening of relations to other sections of capitalist industry and agriculture leading to a deepening of the crisis, in order