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524

G. M. MALENKOV'S SPEECH

to the Supreme Soviet
of the U.S.S.R.

August 8, 1953

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Speech
by
G. M. MALENKOV

Chairman of the Council of
Ministers of the U.S.S.R.
at the session of the
U.S.S.R. Supreme Soviet

August 8, 1953



SOVIET NEWS, LONDON, 1953

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Speech by
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Chairman of the Council of Ministers
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COMRADES DEPUTIES! The draft State Budget submitted by the government to the present session of the U.S.S.R. Supreme Soviet completely ensures the financing of tasks connected with the development of the national economy in 1953, the third year of the Fifth Five-Year Plan, the implementation of which will be an important step forward on the path of building a communist society in our country.

The State Budget reflects the policy of the Soviet government and of our Party, which aims at the development and the steady progress of the socialist national economy.

Of the budget revenue, totalling 543,357 million roubles, the overwhelming part, amounting to 86 per cent., comes from industry, agriculture, and other branches of the national economy. Among the items of budget expenditure, in its turn, the greatest is the financing of the national economy.

For the further development of the national economy, the 1953 Budget provides 192,500 million roubles, or over 36 per cent. of all budget expenditure, as compared with 178,800 million roubles last year. Apart from budget allocations, in accordance with the national economic plan, for these same

purposes almost 98,000 million roubles are being allocated from enterprises' and economic organisations' own funds made up from their profits and other sources. Thus altogether, for the financing of the national economy this year, there will be allocated more than 290,000 million roubles as compared with 265,000 million roubles in 1952. With all this one must bear in mind that, as a result of the price reduction which has been carried out, the purchasing power of the rouble has increased, and consequently the amount for the financing of the national economy is *de facto* being increased even more.

Funds allocated for the development of the national economy ensure the uninterrupted growth of social production as the basis for the further advance of the people's wellbeing and a still further strengthening of the defensive capacity of our country.

The State Budget reflects the concern of the Soviet state for the steady raising of the material and cultural standard of life of the working people.

Expenditure on education, the health services, social and cultural measures, on pensions, as well as payments to the population on loans, will amount this year to 139,500 million roubles, as compared with 129,600 million roubles in 1952. In addition to this, expenditure is being incurred out of the Budget on the reduction of state retail prices, which ensures for the population a gain of over 46,000 million roubles, calculated on the basis of one year, and on a number of other measures directly aimed at raising the people's wellbeing.

Altogether, the population will receive from this year's Budget 192,000 million roubles, or over 36 per cent. of the entire budget expenditure, as against 147,000 million roubles last year. At the same time from their personal incomes the working people will contribute to the Budget in the form of taxation and duties, and also by subscribing to the loan, 65,000 million roubles, i.e., 21,000 million roubles less than last year. Thus, during the current year factory and office workers and collective farmers will receive from the Budget 127,000 million roubles more than they will contribute to it out of their personal incomes. In 1952 the population received 61,000 million roubles more than it contributed to the Budget.

The State Budget provides for expenditure on defence to the

amount of 110,200 million roubles. This sum represents 20.8 per cent. of the entire budget expenditure, as against 23.6 per cent. in 1952.

In proposing the allocations for defence, the government has proceeded from the premise that we are obliged untiringly to perfect and strengthen the Soviet armed forces in order to ensure the safety of our motherland and be ready to give a crushing rebuff to any aggressor who might seek to violate the peaceful life of the peoples of the Union of Soviet Socialist Republics (*stormy and prolonged applause*).

1. Urgent Tasks in the Sphere of Industry and Agriculture, and Measures for the Further Improvement of the People's Material Wellbeing

COMRADES! In connection with the discussion on the Budget, I should like to speak about certain urgent tasks in the sphere of industry and agriculture the solution of which would enable us to carry out more successfully our main task of ensuring a further improvement in the material wellbeing of the workers, the collective farmers, and the intelligentsia, of all the Soviet people.

The economic results of the first half of 1953, as well as those of 1951 and 1952, show that the targets of the Fifth Five-Year Plan are being successfully fulfilled by our industry. The volume of industrial output in 1953 will be approximately two and a half times as great as in 1940.

The growth of output in the basic branches of heavy industry will be characterised by the following data:

In 1953 there will be produced: over 38 million tons¹ of steel—more than double the 1940 figure; over 320 million tons of coal—93 per cent. more than in 1940; over 52 million tons of oil—nearly 70 per cent. more than in 1940; 16 million tons of cement—nearly three times as much as in 1940; 133,000 million kilowatt-hours of electricity, or 180 per cent. more than in 1940; output of the chemical industry in 1953 will be trebled

¹ These are metric tons. One metric ton equals 2,204.6 lb.

in comparison with 1940; the output of machines and equipment will be increased by 280 per cent.

As for the production of consumer goods, we have the following picture:

In 1953 there will be produced: 5,300 million metres² of cotton textiles, or 34 per cent. more than in 1940; more than 200 million metres of woollen textiles, or approximately 70 per cent. more than in 1940; more than 400 million metres of silk textiles, or over five times as much as in 1940; 3,600,000 tons of sugar, or nearly 70 per cent. more than in 1940; 400,000 tons of butter, which will be nearly 80 per cent. above the prewar level of industrial production of butter.

These figures are eloquent evidence of the successes achieved by our industry.

It is known that the Party started the task of industrialising the country by developing heavy industry—metallurgy, the fuel and power industries and the development of the country's own engineering. Without this there could have been no talk of ensuring the independence of our country. The Party has firmly and unswervingly implemented its line in the struggle against Trotskyites and right-wing capitulators and traitors who opposed the construction of heavy industry and demanded the transfer of funds from heavy to light industry. Acceptance of these proposals would have meant the doom of our Revolution, the doom of our country, for we would have found ourselves disarmed in the face of capitalist encirclement.

Remember, Comrades, what our industry looked like when the Party adopted the course aimed at the industrialisation of the country.

On the eve of the XIV Party Congress in the financial year 1924-1925, only 1,868,000 tons of steel were being produced in the U.S.S.R., only 16,526,000 tons of coal were being extracted, and the power stations were producing less than 3,000 million kilowatt-hours of electric power. In the production of ferrous and non-ferrous metals, the extraction of coal and oil, and the output of electric power we were lowest in comparison with the large capitalist countries. We had no tractor, motor, aviation, or machine tool industries. We had no chemical

² One metre equals 39.37 ins.

industry to speak of and no production of agricultural machinery.

Now our country has a powerful and technically perfect heavy industry.

In the 28 years which have elapsed since the XIV Party Congress the output of industrial production has increased 29 times over. In comparison with 1924-25, our production has increased in the case of steel, 21 times; coal, 19 times; electric power, 45 times. The chemical industry and engineering have grown at an even faster rate. Most branches of these two industries have been set up from scratch.

During this period new industrial centres have been set up in the Volga areas, the Urals, Siberia, the Far East, in the north European regions, in Kazakhstan, the republics of Central Asia, and Transcaucasia. We possess well developed heavy industry in all economic areas of our country.

The solution of the problem of developing heavy industry as the first task has radically changed the relations between heavy and light industries in the whole volume of industrial production.

At present heavy industry employs about 70 per cent. of all industrial workers. If in 1924-25 the share of means of production in the output of the whole industry of the Soviet Union amounted to 34 per cent., then towards the end of the Second Five-Year Plan, in 1937, it had already reached 58 per cent., and in 1953 about 70 per cent.

Thus the relative proportion of heavy industry, which in 1924-25—as in pre-revolutionary Russia—was only a third, is now more than two-thirds of the total volume of industrial production.

Parallel with the development of heavy industry, railway and water transport have also developed in our country. Motor and air transport have been created. In the period from 1925 to 1953 the goods turnover of all transport increased 13½ times over; at the same time the goods turnover of railway transport increased more than 15 times over.

We shall continue in every way to develop heavy industry, metallurgy, the fuel industry, the power, chemical and timber

industries, engineering, and the building industry. We shall develop and improve our transport. We must always remember that heavy industry is the very foundation of our socialist economy, because without the development of heavy industry it is impossible to ensure the further development of light industry, the growth of the productive forces of agriculture, and the strengthening of the defensive power of our country.

Now, on the basis of the successes achieved in the development of heavy industry, we have all the conditions for organising a sharp rise in the production of consumer goods.

We have every possibility and we must do so. During the past 28 years the output of means of production as a whole has grown in our country about 55 times over, while the production of consumer goods during the same period has increased only 12 times over. A comparison of the 1953 production level with the prewar year of 1940 shows that during this period also the output of means of production increased over three times, while the production of consumer goods increased by 72 per cent.

The volume of production of consumer goods which we have reached cannot satisfy us.

Hitherto we have had no possibility of developing light industry and the food industry at the same rate as heavy industry. At the present time we can—and therefore we must—in the interests of ensuring a more rapid increase in the material and cultural standards of life of the people, promote by every means the development of light industry.

Over a long period of time, we directed our capital investment mainly towards the development of our heavy industry and transport. During the years of the Five-Year Plans, i.e., since 1929 and up to 1952, the amount of state funds invested in capital construction and equipment, calculated in accordance with current prices, was: Heavy industry, 638,000 million roubles; transport, 193,000 million roubles; light industry, 72,000 million roubles; agriculture, 94,000 million roubles.

The government and the central committee of the Party consider it essential to increase considerably the investment of funds for the development of light industry, the food industry,

and, in particular, the fishing industry, and for the development of agriculture, and consider it essential to correct the output targets for goods consumed by the people by considerably increasing those targets, to draw the engineering and other enterprises of heavy industry on a wider scale into the production of consumer goods.

The urgent task lies in raising sharply in two or three years the provision for the population of foodstuffs and manufactures, meat and meat produce, fish and fish products, butter, sugar, confectionery, textiles, clothing, footwear, crockery, furniture, stationery and other household goods; in raising considerably the provision of all kinds of consumer goods to the population (*stormy applause*).

As we know, the Fifth Five-Year Plan provides for an increase in consumer goods by 1955 by approximately 65 per cent. as against 1950. We have every possibility of developing the production of consumer goods on a scale to fulfil this task much sooner.

One must not, however, be satisfied with a quantitative growth alone in the production of consumer goods. The question of the quality of all manufactured goods for general consumption is of no less importance.

It must be admitted that we lag behind in the quality of consumer goods, and that we must introduce considerable improvements in this matter. Many enterprises are still producing articles of an unsatisfactory quality, not meeting the requirements and tastes of the Soviet consumer.

General consumer goods produced by our industry, though as a rule of solid quality, leave a great deal to be desired in finish and external appearance. To the shame of workers in the industry, the customer frequently prefers to acquire goods of foreign production, only because they have a better finish. Meanwhile we have every possibility of producing good quality and attractive textiles; good quality and smart clothes; and durable and elegant footwear. We have every possibility of providing a good finish to all the goods which serve to satisfy the people's requirements.

The Soviet people are right to demand from us, and primarily from the workers in the industries producing con-

sumer goods, goods which are lasting, well finished, and of high quality. We must respond to this demand by action. It is the duty of every enterprise to produce high-quality goods, and to care constantly for the durability and good finish of production.

The task is to make a drastic change in the output of consumer goods and to ensure a speedier development of the light and food industries.

But, in order to ensure a sharp development in the output of consumer goods, we must first of all take care of the further growth and development of agriculture, which supplies the population with food, and light industry with raw materials.

Our socialist agriculture has attained great successes in its development. Year after year the commonly owned economy of the collective farms is growing and becoming stronger, the output of agricultural products is increasing.

Our country is assured of bread. As compared with pre-war times, deliveries to the state of cotton, sugar beet, and livestock products have considerably increased. In 1952 the deliveries were: Raw cotton, 3,770,000 tons, 70 per cent. more than in 1940; sugar beet, 22 million tons, nearly 30 per cent. more than in 1940. Last year deliveries to the state of meat amounted to three million tons, which is 50 per cent. more than deliveries in 1940. Deliveries of milk were 10 million tons, or nearly 60 per cent. more than in 1940. In addition to state procurements, our agriculture supplies a large quantity of meat, milk, and other foodstuffs through the co-operative and collective farm trade.

The deliveries of bread grain and other agricultural produce are being carried out this year successfully and in an organised manner.

Great progress has been made in equipping agriculture with new and up to date machinery, which has made it possible completely to mechanise many types of operations so as to lighten the work of the collective farm peasantry and make that work more productive.

The successes of agriculture are considerable. They are an undoubted achievement of our collective farms, of our

machine and tractor stations, our state farms, our socialist system.

However, it would have been a serious mistake not to see the lag in many important branches of agriculture, not to notice that the present-day level of agricultural production does not correspond to the increased technical equipment in agriculture, to the potentialities inherent in the collective farm system.

We have still quite a number of collective farms, and even of entire areas, where agriculture is in a neglected state. In many areas of the country collective and state farms gather in low harvests of grain and other agricultural crops and allow big losses in harvesting. As a consequence of the underdevelopment of agriculture, some of the collective farms still have insufficient revenue in money and kind and yield little to the collective farmers in money, grain, and other produce for every workday unit.

It should be admitted that the position is unsatisfactory with regard to the development of livestock breeding. In this connection we are far from having sufficiently satisfied the growing needs of the population in meat, milk, eggs and other livestock produce. We know that before the war livestock breeding was insufficiently developed. After the war, though considerable work was carried out to restore and further to increase the head of livestock, the lag in the development of livestock breeding has not yet been overcome. The speed in the increase of head of livestock is still insufficient, while the productivity of livestock continues to remain low. On many collective farms commonly owned stockbreeding has so far failed to become as highly productive and as profitable a branch of the economy as it should be. All this has an adverse effect on the economic position of the collective farms and is damaging the national economy.

There is also a serious lag in the output of potatoes and vegetables, which impedes the task of improving supplies of this produce to the population of the towns and industrial centres, not to mention the fact that the shortage of potatoes hinders the development of stockbreeding.

It is our most important duty to put an end at the earliest

possible moment to the neglected state of agriculture in the areas and the collective farms which are lagging behind, to ensure the rapid development and strengthening of the commonly owned economy of the collective farms, and on this basis considerably to increase the remuneration for work-days to collective farmers, in the form of cash, grain and other produce.

We must end the intolerable lag in the development of stockbreeding, create a firm basis for supplies of fodder, provide suitable premises for cattle and poultry, achieve a sharp increase in the productivity of stockbreeding, and higher rates in the increase in head of livestock, particularly of cows.

We must overcome the lag in the output of potatoes and vegetables in order considerably to improve supplies of these products to the population of the towns and industrial centres, and, in the next two years, to raise the output of potatoes and vegetables to a quantity which will not only fully satisfy the needs of the population and of manufacturing industry, but also the needs, as regards potatoes, of livestock farming.

It is our duty to ensure a further, more rapid growth in the output of grain, bearing in mind that this is essential for our country, not only for satisfying the growing needs of the population as regards bread but also for the rapid development of stockbreeding and the supplying of grain to areas growing industrial crops. In order to intensify the struggle against losses of crops and increase the amount of grain and other agricultural crops harvested, it is essential to put an end to the incorrect practice of evaluating the results of the work of collective farms as regards the production of grain and other produce, not on the basis of the amounts actually harvested but merely on the basis of apparent yields. We should not forget that our country, our collective farms, can only be rich in crops actually stored in their barns, not in crops still out in the fields (*applause*).

We must continue in every way to develop the production of industrial crops, primarily cotton, flax, sugar beet, and oil-bearing crops.

The urgent task is, on the basis of a general development of the whole national economy, and the further organisational

and economic strengthening of the collective farms, to achieve in our country within the next two or three years an abundance of food for the population and raw materials for industry (*applause*).

In order to solve this task successfully, the government and the central committee of the Party have considered it necessary to carry out a number of major steps to ensure the further rapid development of agriculture and primarily measures for heightening the economic interests of collective and state farmers in the development of lagging branches of agriculture.

One cannot regard as normal the existing situation when, for the development of certain branches of agriculture and certain agricultural crops such as, for instance, cotton, sugar beet, tea, and citrus crops, we have the essential economic stimulus for the collective farms and collective farmers, while the production of a number of other crops—potatoes, vegetables, and the development of such an extremely important branch as livestock breeding—is getting insufficient economic encouragement from the state.

It is, of course, not a question of lowering the economic stimulus for collective and state farmers for increasing the production of cotton, sugar beet and other crops which are well encouraged by the state. On the contrary, it is essential to go on showing concern for the further all-embracing development of the production of these important crops.

It is a question of implementing a number of measures for heightening the material interests of collective farms and collective farmers in increasing the production of potatoes, vegetables, and the development of livestock breeding.

Without increasing retail prices in trade, and unswervingly carrying out the policy of further lowering them, the government and the central committee of the Party have this year already decided to increase the delivery prices of meat, milk, wool, potatoes and vegetables which are delivered by collective farms and farmers to the state as obligatory deliveries; to organise on a large scale the state purchase of surpluses of grain, vegetables, potatoes, meat, milk, eggs, and other agricultural products at increased prices, from collective farms and collective farmers who have fulfilled their obligatory deliveries;

to develop on a wide scale collective farm trade; and to assist collective farms in the organisation of the sale of surplus agricultural produce on collective farm markets and through the consumers' co-operative system.

As well as increasing the material interests of collective farmers in the development of the commonly owned economy of collective farms, the government and the central committee of the Party have decided also to improve and alter to a great extent the incorrect attitude which has existed in our country towards the private auxiliary farmstead of the collective farmer.

It is well known that, together with the commonly owned economy, which is the mainstay of the collective farm, every collective farmer—in accordance with the collective farm statute—has an auxiliary farmstead intended to meet certain personal requirements of the collective farm family, as these requirements cannot yet be met fully from the collective farm economy.

As a result of the shortcomings which we have in the taxation policy with regard to the private auxiliary farmsteads of collective farmers, there has occurred in recent years a certain decline in the income of collective farmers derived from their private auxiliary farmsteads. A reduction has been allowed to take place in the number of cattle, and particularly cows, forming part of the private property of the collective farmstead, which is contrary to the policy of our Party in the sphere of collective farm development.

In this connection the government and the central committee of the Party have considered it necessary to adopt the policy of considerably reducing the norms of obligatory deliveries from the private auxiliary farmsteads of collective farms, and have decided, as already reported by the Finance Minister, Comrade Zverev, to alter the systems of agricultural taxation of collective farmers, to reduce the monetary tax on every collective farmstead on an average by approximately half, and completely to abolish the obligation to make up the underpayments of the agricultural tax remaining from past years (*applause*).

The State Budget provides for allocations to increase the

prices for deliveries to the state of the products of livestock breeding, potatoes and vegetables. The State Budget also takes into consideration the changes in the revenue in connection with the reduction in the size of the agricultural tax and the obligatory deliveries of products of livestock breeding by collective farmers. As a result of the carrying out of measures aimed at the economic encouragement of collective farms and collective farmers, and also measures in the sphere of taxation policy, the income of collective farms and collective farmers will increase already in 1953 by over 13,000 million roubles, and in a whole year by over 20,000 million roubles.

The State Budget also provides appropriations for carrying out new, additional measures for considerably improving the mechanisation and the electrification of agriculture, for increasing the output of chemical fertilisers; and for increasing the agronomic and zootechnical assistance to the collective farms.

Among the priority measures contemplated are: The establishment of permanent cadres in the machine and tractor stations of tractor drivers, mechanics, and workers of other specialities, for the absence of such permanent cadres of mechanisers is one of the main causes of the unsatisfactory use made of machinery in agriculture;

Increasing the supply to agriculture of machines and tractors, especially cultivator tractors, and increasing the repairing facilities of the machine and tractor stations;

Increasing work on the electrification of agriculture both by means of building new power stations and by connecting the machine and tractor stations, the collective farms, and the state farms to the state power systems;

Considerably increasing the supplies to the collective farms and the state farms of chemical fertilisers;

Making permanently available to every collective farm the work of one or two specialists in agriculture, and maintaining them on the staff of the machine and tractor stations.

All these measures will facilitate to a great extent the successful solution of the main task confronting the collective farms, the machine and tractor stations, and the state farms—the task of increasing by every means the harvest yield of all

agricultural crops; increasing the head of livestock while at the same time increasing its productivity; increasing the overall output of goods from agriculture and livestock.

For the development of agriculture, during the present year, the state proposes to spend, as laid down in the State Budget and also from other state funds, a sum amounting to nearly 52,000 million roubles. One should also bear in mind that during the present year the collective farms will draw from the state 3,500 million roubles for long-term credits for the development of the commonly owned economy. The collective farms themselves, out of their own funds, will, in 1953, make capital investments to the amount of not less than 17,000 million roubles.

Comrades, we are faced with very great tasks for the development of agriculture. There is no doubt that, if all our collective farmers and agricultural workers, all our workers, engineers and technicians in industry producing agricultural machinery and fertilisers, if all of us together, with determination and perseverance, apply ourselves to our common task—the further development of agriculture—and if we do not spare for this our strength and means, then the task of producing during the next two or three years an abundance of food for the population and of raw materials for our light industry will be successfully accomplished (*stormy, prolonged applause*).

* * *

In connection with the further development of industry producing consumer goods and the development of agriculture, the task of the all-round development of the turnover of goods and the task of improving the organisation of state, co-operative and collective farm trade become still more important.

Our Soviet trade serves the interests and needs of the people. It is called upon to serve socialist society and to help forward the development and strengthening of socialist production and to link it with popular consumption. Through the wide network of state and co-operative shops and kiosks, trade warehouses and bases and collective farm markets, a varied assortment of consumer goods, produced by our industry and agriculture, is being made available to the people. Soviet trade is also

a vitally important link in the overall system of production and economic relations between state industry and collective farm agriculture.

Under socialism, trade is and will remain for a long time the basic form of distributing consumer goods among members of socialist society, the basic form by means of which the growing personal needs of the working people will be satisfied.

In order that Soviet trade may successfully fulfil its functions vitally necessary for the socialist society, we must show constant solicitude for its all-round development. The government is daily engaged in questions dealing with the development of Soviet trade. This is reflected in the constant growth in the amount of goods directed into the trade network, in the systematic reduction of prices for foodstuffs and manufactured goods, in the expansion of the network of trade enterprises, and the all-round assistance to collective farmers in the sale of their surplus agricultural produce.

In order to satisfy the growing purchasing power of the population, the government has adopted in recent months additional measures for the development of the turnover of goods by means of an increase in the production of consumer goods and in the supply of goods for the market at the expense of other resources. A large number of engineering plants are taking part in the production of goods of general consumption. As a result, goods worth 32,000 million roubles will enter trade this year, above the 312,000 million roubles' worth primarily intended for sale to the population from April to December, 1953 (*applause*). At the same time stocks have been increased of the goods in great demand by the population, notably cotton, woollen and silk textiles, ready-made garments, furniture, kitchen utensils, butter and vegetable oils, sugar, fish, meat, and tinned goods. The sale of top-grade wheat flour has been increased. The sales to the population of timber and building materials and such industrial goods as cars, motor-cycles, bicycles, refrigerators, clocks and watches, television and wireless sets, and so on, are being increased.

The measures which are being carried out are beginning to yield results. As you know, the volume of retail trade in 1952 increased, as compared with the previous year, by 10 per

cent. In the first quarter of this year it increased by 7 per cent., and in the second quarter already by 23 per cent., as compared with the corresponding period of last year.

But this is not sufficient. We cannot be satisfied with the present volume of the turnover of goods. Moreover, there are serious shortcomings in the organisation of trade itself. In a number of areas the trade in all goods necessary for the population has not yet been organised. There are not infrequent cases where a customer wanting to buy some article or other has to go to another town or another area.

The trade and planning organisations must carefully study the demand of the population for goods. The necessity for an all-round analysis of demand and of all the various needs of the population follows from the very essence of Soviet trade. Only on this basis can a better distribution of stocks for trade among the areas be organised.

The task is to have in the country within the next two or three years enough foodstuffs and manufactured goods to enable all necessary articles to be bought in every town, in every agricultural area.

The Five-Year Plan provides for an increase in state and co-operative retail trade of about 70 per cent. in 1955 as compared with 1950. We possess all the means to fulfil this task already in 1954 (*applause*).

Trade organisations shoulder a great responsibility also for the quality of goods of general consumption. Trade must make wide use of its available economic levers in order to exert an active influence on production in the interests of a greater output of goods demanded by the population and to reduce output of goods for which the population shows no demand.

Comrades, in the cause of the improved wellbeing of the people an important part is played by the further improvement of housing conditions, the health service, the development of the network of schools and children's establishments.

Although before the war, and especially in the postwar years, large housing schemes have been carried out, housing needs are far from being satisfied, and acute shortages in this respect are felt everywhere. This is especially felt in towns, because town populations have grown considerably. According to the 1926 census, we had an urban population of 26 million, and

in 1940, 61 million, and the present urban population is about 80 million.

During the current year, state capital investment in house building has been considerably increased and the aggregate sum is nearly four times the expenditure made for this purpose in 1940. However, the building of dwelling houses is still being carried out badly. House building plans are not being completely fulfilled. Funds provided for these purposes by the state are not being fully utilised. Many executives in Ministries and local Soviet and Party organisations do not pay sufficient attention to house building. We still have a good number of such economic workers who do not bother about housing. When building new enterprises, houses for the workers and employees of these enterprises are on many occasions not built in sufficient numbers, and therefore big manpower difficulties often arise at the newly built plants. Many builders have adopted the evil practice of putting into use new houses with many items incomplete and carelessly finished, which reduces the value of these dwellings and provokes the justifiable reproaches of the workers.

The task is to improve house building and ensure the definite fulfilment of the government assignments for the building and repair of houses.

We also need more schools and children's and medical establishments. The national economic plan for 1953 envisaged an increase, compared with last year, in the building of schools of 30 per cent., kindergartens and children's nurseries 40 per cent., and hospitals 54 per cent.

The building of schools, hospitals, and children's establishments this year, in spite of all shortcomings, is proceeding at a swifter pace than all other types of construction. However, there are many cases of the funds allocated not being fully used, and of the building of schools and children's establishments being late. The plan for building children's establishments is being badly carried out in enterprises of the light industry in which, as we know, many women work, and where, therefore, the question of kindergartens and children's nurseries is particularly important. The building of children's establishments is progressing unsatisfactorily in the Ukraine, Byelorussia, and several regions of the R.S.F.S.R.

In the task of expanding the network and improving the work on the schools, hospitals, nurseries and kindergartens great responsibility rests with the Ministry of Health, Ministries of Education in the union republics and local administrative and Party organs, upon whom it is incumbent that they intensify their efforts to build schools, children's and medical establishments and devote more attention to this sphere.

Comrades, in order to solve the urgent tasks facing us in the sphere of industry and agriculture, and to improve the well-being of the people, it is essential to raise our whole economic and organisational work to a new and considerably higher level.

It would be incorrect not to see in the work of state and economic organs considerable shortcomings which considerably damage the national economy. These shortcomings were referred to in the decisions of our XIX Party Congress. One must admit that Ministries and local Party and local Soviet bodies are still unsatisfactorily implementing the directives of the congress and are not taking the required steps to improve the work of providing leadership for enterprises. The task now is more energetically to eliminate existing shortcomings.

An example of unsatisfactory leadership of enterprises is provided by the lack of attention of our economic financial and planning bodies to the problem of reducing production costs.

It is well known that production costs are the fundamental index which characterises the quality of the entire work of an enterprise. At the same time many economic leaders, forgetting this, are showing little interest in the problem of the profitability of enterprises. In a number of industrial branches the tasks laid down by the state plan for reducing production costs of industrial products and for increasing the productivity of labour were not fulfilled during the first six months of 1953. Many enterprises which are running at a loss still exist in industry, enterprises in which production costs are higher than the prices of the goods produced. Losses incurred by such enterprises are covered at the expense of profitable, properly working enterprises. The existence of factories, enterprises and mines which are running at a loss and are living at the expense of leading enterprises undermines the foundations of the cost accounting

of our industry, does not create the necessary stimulus for a further increase of accumulations, and is adversely affecting the growth of the revenue of the State Budget.

There are very many enterprises working at a loss, and the losses are indeed high in the coal and timber industries. Many enterprises in these branches for a number of years have failed to fulfil the plans for the reduction of production costs and increase of labour productivity. As a result of this, production costs in the timber and coal industries are still high, while high production costs of coal and timber impede the reduction of prices not only for coal and timber but also for many other industrial goods.

The losses of unprofitable industrial enterprises amounted in 1952 to 16,000 million roubles. Considerable losses were allowed to occur in unprofitable enterprises also in the first half of 1953.

A bad state of affairs with regard to the fulfilment of the plan for the reduction of production costs is prevalent not only in industry. The cost of building is still high, and losses are running high in the majority of building organisations. Many machine and tractor stations are not fulfilling the plan targets in respect of the cost of works. The reduction of costs of river transport is in an unsatisfactory state. The plans for the reduction of overheads in trade are not being fulfilled.

The decisive factor in the reduction of production costs of goods is the growth of labour productivity in all enterprises. We have all possibilities at hand for a more successful solution of this task. Our enterprises' advanced technique, correctly used, enables the labour of the workers to be eased more and more and ensures an uninterrupted growth in labour productivity. Of enormous significance for the increased productivity of social labour and reduced production costs is the correct, rational organisation of production, the raising of the relative proportion of the workers directly engaged on the main production processes at the expense of auxiliary maintenance, and ancillary personnel.

Reduced production costs and increased labour productivity in all branches of production are of decisive significance in improving the material wellbeing of the Soviet people. The higher the productivity of labour in our undertakings and the

lower the production costs, the lower are the prices of products and commodities, and the higher is the standard of living for the people.

The task is to put an end to the negligent attitude to production costs, to questions ensuring the systematic reduction of production costs and achieving the profitability of every enterprise.

In order to solve successfully the task facing us it is essential substantially to raise responsibility and efficiency in the work of all links of the state and economic administration.

During recent months Ministries have been enlarged by amalgamation and Ministers' powers have been considerably increased. These measures are producing their positive results in the administration of the economy and have enabled nearly 6,500 million roubles to be saved this year. But it must be admitted that the maintenance of the administrative apparatus is still costing a great deal. The government will continue to improve the work of the state apparatus and still more decisively to reduce its maintenance costs. At the same time it must be stated that we shall have to make certain corrections to the reorganisation of Ministries which is being carried out in connection with the new tasks for further developing individual branches of the national economy.

Our national economy is confidently advancing along the road of further development. The source of our strength is the mighty activity and initiative of workers, collective farmers, and intelligentsia. We have enormous possibilities for the fulfilment of our main task—the maximum satisfaction of the steadily growing material and cultural requirements of the people. We are firmly convinced that we shall solve these problems in a brief period of time (*stormy, prolonged applause*).

2. The International Situation and the Foreign Policy of the Soviet Union

COMRADES DEPUTIES, in examining our domestic problems we naturally cannot disregard the international situation.

The international situation at present is characterised primarily by important successes achieved by the Soviet Union, the People's Republic of China, and the entire camp of peace

and democracy in the struggle to ease international tension, for peace and for the prevention of a new world war.

In the East, bloodshed has been stopped which carried away a vast number of human lives and was fraught with the danger of most serious international complications.

The peoples of all the world welcomed the signing of the armistice in Korea with the greatest joy. They rightly regard it as a victory for the peaceloving forces (*stormy applause*). For over three years the camp of peace and democracy strove to end the war in Korea. The signing of the armistice has crowned this struggle with success. The will of the millions of people for peace has become a mighty and effective force. The aggressors have been compelled to take account of it.

Having unleashed the war in Korea, the aggressive circles hoped that they would succeed in forcing the Korean people to their knees. However, the interventionists who launched the war against the Korean People's Democratic Republic miscalculated. They have proved unable to break the heroic Korean people. In embarking on this military venture, the interventionists hoped to achieve their aims by a lightning stroke and without any particular effort. In fact, however, things turned out differently. The interventionists involved themselves in a protracted and bloody war and, having suffered great losses in manpower and equipment, having had their military prestige badly tattered, they were forced to renounce their aggressive plans. This is, indeed, as the popular saying goes, a case of setting out to get wool and coming back shorn of their own (*general laughter and stormy applause*).

The struggle of the Korean people against the interventionists and their hirelings in the Syngman Rhee clique has shown that devotion to the cause of freedom and independence of their country gives birth to great steadfastness, courage, and mass heroism. The Korean people, upon whom were directed the blows of the most powerful war machine of present-day imperialism, became invincible because they were fighting for a just cause. At the same time mankind will never forget the noble deed of the glorious Chinese People's Volunteers who came to the help of the Korean people (*stormy, prolonged applause*). This achievement arouses pride, not only in the great Chinese people, but also in the whole of progressive mankind.

(*stormy applause*). The peoples of the Soviet Union from the bottom of their hearts congratulate the Chinese and Korean peoples on the achieving of the armistice (*stormy applause*).

The task now is to secure the reborn peaceful life of the Korean people who have suffered so much and who, at the cost of great sacrifices, defended their right to decide their own fate, the fate of their country.

We Soviet people warmly wish that the life of the glorious Korean people should flourish in conditions of peace. The Soviet Union will help the Korean people to heal the serious wounds inflicted by war (*stormy, prolonged applause*). The government has decided to allocate immediately 1,000 million roubles for the restoration of the destroyed national economy of Korea (*stormy, prolonged applause*). We believe that the Supreme Soviet will unanimously approve this decision (*stormy applause*).

In the West the persistence and consistency of the Soviet Union in the pursuance of a policy of peace led to the frustration of the provocative adventure in Berlin.

The organisers of the Berlin adventure were aiming at far-reaching objectives: they intended to strangle the democratic forces of Germany, to destroy the German Democratic Republic, which is a stronghold of the peaceloving forces of the German people, to convert Germany into a militarist state, and to re-establish a hotbed of war in the centre of Europe. There is no doubt that, had the Soviet Union not shown steadfastness and firmness in the defence of the interests of peace, the Berlin adventure might have led to quite serious international consequences.

This is why one should consider that the liquidation of the Berlin adventure also represents an important victory for the cause of peace (*stormy applause*).

The successes of the U.S.S.R. in the struggle for the relaxation of international tension also include the improvement of relations with neighbouring states.

Striving for the development of peaceful co-operation among all countries, the Soviet government attaches special importance to strengthening relations with neighbouring states. To raise these relations to a genuinely good neighbourly level is the goal towards which we have striven and are striving.

The Soviet Union has no territorial claims against any state whatsoever, including any of its neighbouring states. It is the inviolable principle of our foreign policy to respect the national freedom and sovereignty of any country, large or small (*applause*). It is obvious that the difference in the social and economic system in our country and in some neighbouring states cannot serve as an obstacle to the strengthening of friendly relations among them. For its part, the Soviet government has taken steps to strengthen good neighbourly relations with such states, and now it is a question of the readiness of their governments to take an active part in establishing, not in words but in deeds, friendship that presupposes mutual concern for the strengthening of the peace and security of our countries.

Our neighbour in the south is Iran. The experience of 35 years has shown that the Soviet Union and Iran are interested in mutual friendship and collaboration. Soviet-Iranian relations have therefore such a stable basis as makes it possible to solve problems arising in the relations between the two parties to their mutual satisfaction. At present, on the initiative of the Soviet Union, talks are being held concerning the settlement of a number of frontier problems and financial claims between the two countries. We hope that these talks will be successfully concluded. Recently an agreement was reached on a mutually advantageous basis, on increasing trade between the two countries. It depends on the Iranian government whether Soviet-Iranian relations develop along the path of good neighbourly relations, along the path of extending economic and cultural relations.

The relations of the Soviet Union with Afghanistan continue to remain stable and are characterised by respect for mutual interests. This creates favourable conditions for the further consolidation of relations between our countries.

Everyone remembers the statement made by the Soviet government to the government of Turkey. This statement establishes the essential prerequisites for the development of good neighbourly relations providing, of course, that the Turkish side, in its turn, makes due efforts in this direction. The improvement of relations between Turkey and the Soviet Union would undoubtedly serve the interests of both parties and make an

important contribution to the strengthening of security in the Black Sea area.

As regards relations with Finland, the Soviet Union proceeds in the interests of both countries. The signing of the five-year economic agreement in 1950, which was then supplemented by the agreement on the exchange of goods in 1952-55, has led to a considerable extension of Soviet-Finnish economic relations. The Treaty of Friendship, Co-operation, and Mutual Assistance between the Soviet Union and Finland accords with the interests of both countries and promotes the strengthening of peace and security in the northern part of Europe. The treaty provides a good basis for the establishment of good neighbourly relations. Not only our government, but also the government of Finland, should see that this treaty is carried out steadfastly.

Striving to ease the general tension, the Soviet government agreed to restore diplomatic relations with the state of Israel. In so doing, it took into consideration the pledge of the government of Israel that "Israel will not be a party to any alliance or pact aiming at aggression against the Soviet Union." We consider that the restoration of diplomatic relations will promote co-operation between the two states.

The assertions of some foreign newspapers that the restoration of diplomatic relations with Israel will lead to a weakening of the relations of the Soviet Union with the Arab states are without any foundation. The activity of the Soviet government will be directed, in the future as well, towards the strengthening of friendly co-operation with the Arab states.

Our government has displayed initiative by exchanging, after a long interval, envoys with Yugoslavia and Greece. We hope that this will lead to the appropriate normalisation of relations with both countries and will produce useful results.

There are no objective reasons which could hinder the improvement of relations between the Soviet Union and Italy. It stands to reason that relations between states can grow stronger when the mutual obligations assumed by them are carried out. Given a favourable development of Soviet-Italian relations. Italian industry, which is undergoing great difficulties, could receive considerable support from the improvement of economic

relations between our states. On the basis of a mutually beneficial agreement, Italy would be ensured supplies of coal and grain, and also contracts for her industry. There is no doubt that this would help to improve the living conditions of the glorious Italian people (*applause*).

The peoples of all countries hope that the signing of an armistice in Korea will prove to be an important step in the matter of strengthening peace and security, above all in the Far East.

In this connection the task of normalising relations between all states in the Far East assumes immediate significance, especially the normalisation of relations with Japan. In this direction there are serious obstacles, since the United States has violated the agreements concluded between the allies in wartime and in the postwar period, and is now pursuing a policy of suppressing the national independence of Japan, turning that country into a military bridgehead. The healthy forces of the Japanese nation are beginning to realise more and more that it is essential to overcome existing obstacles and to win back the national independence of their country. They understand that only by this means is it possible for them to ensure a peaceful development of their country and to ensure the necessary external political links and the completely attainable economic links with their neighbouring states. The steps that Japan will take along this road will meet with the sympathy and the support of the Soviet Union and all peaceloving peoples (*applause*).

Of great significance for strengthening peace in the East is the position of so large a state as India. India made a considerable contribution to the efforts of peaceloving countries aimed at ending the war in Korea. Our relations with India are being consolidated. Cultural and economic ties are growing. We hope that in the future relations between India and the Soviet Union will become still closer and will develop under the aegis of friendly co-operation (*applause*).

The Soviet Union also attributes great importance to the successful development of our relations with Pakistan, so as to ensure ties of all kinds between the two states. This undoubtedly will play a positive part in the consolidation of peace in Asia.

The Soviet government is consistently pursuing a policy of extending economic relations with foreign countries.

The group of states with which the Soviet Union carries on trade relations is increasing, and at the same time the volume of goods exchange with countries of the West and the East is extending. Trade agreements have been concluded with France, Finland, Iran, Denmark, Greece, Norway, Sweden, the Argentine, and Iceland, and a payments agreement has been concluded with Egypt. Negotiations with a number of other states are proceeding successfully. We intend with still greater insistence to pursue the line of developing the exchange of goods between the Soviet Union and foreign states.

The strivings of business circles of a number of countries to remove from the path of international trade all manner of discriminatory measures restricting that trade are understandable and timely. Long overdue is the necessity for the restoration of normal trade relations between countries for whom mutual trade is an established tradition. Those who legitimately believe that the development of economic relations will serve the cause of strengthening peace cannot fail to assist in making international trade healthier.

The government of the Soviet Union attaches primary importance to the further strengthening of relations with the countries of the democratic camp. These relations are characterised by close collaboration and genuine brotherly friendship (*stormy applause*).

A great and indestructible friendship binds the Soviet Union and the People's Republic of China (*stormy applause*). The economic and cultural ties of the two countries are growing rapidly and to a considerable extent.

The all-round co-operation between the Soviet Union and Poland, Czechoslovakia, Rumania, Hungary, Bulgaria, Albania, the Mongolian People's Republic and the Korean People's Democratic Republic is extending and growing stronger (*applause*).

Our friendly relations with the German Democratic Republic are continually growing stronger. The Soviet Union is rendering help, and will continue to render help and support, to the German Democratic Republic, which represents a bulwark in

the struggle for a united, peace-loving, and democratic Germany (*applause*).

One of the decisive advantages of the democratic camp, and its basic difference from the imperialist camp, lies in the fact that it is not rent by internal contradictions and strife, that the principal source of its strength and progress lies in mutual care for the interests of all countries of the democratic camp and in close economic collaboration. That is why the friendly relations of the countries of the democratic camp and their fraternal collaboration will inevitably develop and become stronger (*applause*).

The active and single-minded struggle for peace of the Soviet Union and the whole democratic camp has produced definite results. A certain change in international conditions is apparent. After a long period of increasing tension a certain easing of the international atmosphere has become noticeable for the first time in the postwar years. Hundreds of millions of people feel an increasing hope that it is possible to find a way to settle disputed and outstanding questions. This reflects the deep-rooted desire of the nations for a lasting and secure peace.

But, nevertheless, it is impossible to overlook the existence of forces countering the policy of reducing international tension, of forces which are trying to frustrate this policy at any cost. This was precisely the reason for the dragging out of the truce talks in Korea, for the establishment of military bases in Western Germany and Japan, for the organising of provocations against the countries of the democratic camp, for the carrying on of the policy of atomic blackmail.

Aggressive circles stubbornly oppose the lessening of international tension because they are afraid that if the development of events were to follow this line, the arms drive, which brings huge profits for armament manufacturers and creates artificial employment for industry, would have to be curtailed. They fear for their fabulous profits. These circles are afraid that, in the event of a relaxation of tension in the international sphere, new millions and millions of people would realise that the North Atlantic bloc, allegedly established for purposes of defence, is in actual fact the main threat to the cause of peace. Aggressive circles also take into account that if today, in conditions of tension in international relations, the North Atlantic

bloc is rent by internal strife and contradictions, the relaxation of this tension may lead to its disintegration.

It is perfectly evident that, in addition to the peaceloving forces, forces are also operating in the world which have tied themselves far too securely to a policy of sharpening international tension. These forces are putting their stakes on war. Peace does not serve their ends. They regard any weakening in the tension as a calamity for themselves. They are pursuing an adventurist path and they are carrying out an aggressive policy.

In the service of this policy have been placed the so-called "strategy of the cold war" and all manner of international provocations.

The history of international relations has never witnessed wrecking activities on such a scale, such gross interference in the internal affairs of states, such systematic international provocations as are now being carried out by aggressive forces.

Things have gone so far that certain American circles have raised to the level of government policy subversive activities against lawful governments of sovereign countries. For this purpose the U.S. state budget allocates huge sums for recruiting gangs of saboteurs from among the dregs of society, which are being sent into democratic countries for wrecking activities. For this purpose, a network of government organisations has been created which carries out one international provocation after another, engages in propaganda for the cult of force, and hatred towards peaceloving countries.

It is characteristic that, just at a time when the possibility has become plain of a major improvement in the international atmosphere, the psychological warfare committee of the United States President published its official report. One thought and one deduction run through the whole document, namely, that in future any activities of the United States in the sphere of foreign policy must to a still greater extent serve the "cold" or "psychological war."

What, according to this report, is the duty of American diplomacy? It appears that this duty is to pursue the "cold war."

What is to be the aim of trade and economic activities of the United States? The "cold war."

What tasks are to be solved by the cultural relations of the United States with other countries? The tasks of the "cold war."

Facts show that the policy of the "cold war" leads more and more to substituting for the policy of normal diplomatic relations a policy of *diktat*, disorganises international economic relations and artificially sharpens the mutual relations between countries.

Excessive zeal in the carrying out of the "cold war" policy often results in the conductors of this policy violating the elementary laws of cultural relations between states, and often in their placing themselves in a ludicrous position. Recently the whole world witnessed how the notorious strategy of the "cold war" was applied even to the organisation of a chess match between teams from America and the Soviet Union (*animation in the hall*). The Department of Justice and the State Department refused leave to Soviet chess players, who were invited as guests by American chess players, to relax in the summer residence of the Soviet United Nations representative at Glen-coe, 12 miles from New York. As is well known, thousands of foreign guests who visit the Soviet Union, including Americans, travel up and down the country and can go, for argument's sake, to Tashkent, Tbilisi, Kiev and other areas. It turns out that in the United States invited guests are barred from moving within a radius of 12 miles at a time when, in the Soviet Union, foreign guests can move freely for thousands of miles. Who, after all this, dares to babble about an "Iron Curtain" in the Soviet Union? (*stormy and prolonged applause*).

The development of international events shows that the policy of the "cold war," the policy of international provocations, poisons the international atmosphere.

Pursuing the course of exacerbating international relations, certain prominent but, may I be permitted to say, not far-sighted officials across the ocean (*animation in the hall, applause*) regard the striving of the Soviet Union to secure peace between the peoples, its concern for easing international tension, as a manifestation of our weakness. It is precisely this absurd belief which explains the clearly unwise approach of certain circles in the United States to the settlement of disputed international

issues, and which also explains their policy of pressure and all kinds of adventures.

There is, of course, nothing new in this "philosophy." The world has not yet had time to forget that none other than Hitler, banking precisely on the stupid calculations that the Soviet Union was supposedly a "colossus with feet of clay," launched his criminal adventure against our country. It is known that this brought about the complete collapse of German fascism.

It is pertinent to ask on what ground some American politicians now repeat utterances about the weakness of the Soviet Union.

Not a single clear-thinking individual will deny that the international position of the Soviet Union is at present stable as never before; that together with us in brotherly unity marches the mighty democratic camp; that the consistent struggle of the Soviet state against the threat of a new war has earned it great prestige and the trust of millions of people in all countries of the world (*prolonged applause*). Even the most embittered enemies of our country will admit that since the end of the Second World War there has been in the Soviet Union a substantial development of the economy, culture, and the people's wellbeing from year to year. Never before has the unity of Soviet society been so monolithic, never before has the fraternal friendship of the Soviet peoples been so strong and unshakable as at the present time (*applause*). It is true that there have appeared abroad such politicians as have seen a weakening of our country in the fact that the enemy of the people, Beria, has been unmasked and rendered harmless. But these are shortsighted politicians. It is clear to everyone that the fact that the rabid agent of imperialism has been so quickly unmasked and rendered harmless in time can in no way be regarded as evidence of the weakening of the Soviet state (*stormy applause*).

We know that abroad the warmongers for a long time cherished illusions about the United States monopoly in the production of the atomic bomb. History has, however, shown that this was a profound delusion. The United States has long since ceased to have the monopoly in the matter of the production of atomic bombs. The transatlantic enemies of peace

have recently found a fresh consolation. The United States, if you please, is in possession of a weapon still more powerful than the atom bomb and has the monopoly of the hydrogen bomb. This, evidently, could have been some sort of comfort for them had it been in keeping with reality. But this is not so. The government deems it necessary to report to the Supreme Soviet that the United States has no monopoly in the production of the hydrogen bomb either (*stormy, prolonged applause*).

As you see, convincing facts are shattering the wagging of tongues about the weakness of the Soviet Union. Those, however, who indulge in such chatter prefer to deal not with facts, but with fiction and inventions.

Even certain official figures behave in this way, reflecting the ideology and policy of the most aggressive groups in the United States of America. Resorting to all sorts of fiction and invention, they are imposing the carrying out of the so-called "tough policy" with regard to the Soviet Union and the countries of people's democracy, are exerting pressure on disobedient partners in the North Atlantic bloc, and are systematically aggravating international relations.

The supporters of the "tough policy" do not cease their threats against the Soviet Union. They openly urge, as for instance is done by the Chairman of the Senate foreign relations committee, Senator Wylie, that the United States should present a number of ultimatums to the Soviet Union, and that these "should be supported by force." Prominent representatives of the State Department insist that the United States should talk to the Soviet Union only in one language, "the language of force."

We shall reply to Mr. Wylie and to everyone who preaches the policy of force with regard to the Soviet Union; we shall reply, without going into detail: "Oh no, my good woman, you've started dancing with the wrong foot" (*laughter, stormy and prolonged applause*).

Comrades, the present stage in the development of international relations is particularly important and crucial. It would be a crime against mankind if the certain relaxation which has appeared in the international atmosphere should be replaced by a new intensification of tension.

Soviet foreign policy is clear.

The Soviet Union will pursue the policy of maintaining and consolidating peace consistently and firmly; of developing co-operation and trade relations with those countries which, for their part, are striving towards the same object; of strengthening the ties of fraternal friendship and solidarity with the great Chinese people and with all the countries of people's democracy.

We firmly maintain that at the present moment there is no outstanding issue in dispute which could not be settled in a peaceful way on the basis of mutual agreement between the countries concerned.

This refers also to those issues under dispute which exist between the United States and the U.S.S.R. We stood, and we stand for the peaceful co-existence of the two systems. We consider that there is no objective ground for a collision between the United States and the Soviet Union. The interests of the security of both countries, as well as international security, the interests of the development of trade between the United States and the Soviet Union, can be safeguarded on the basis of normal relations between the two countries.

In our days the government of any country, if it seriously cares for the fate of its people, is obliged to take measures to promote in actual fact the settlement of disputed international questions. Talks among the great powers could, of course, play no small part. Naturally, suitable prerequisites must be created for this.

Recently, wide public demands for effective measures to ease the international situation have been increasing in Britain and other countries. In the political circles in these countries the recognition of the possibility of settling controversial questions is becoming stronger. However, a mere verbal recognition of this possibility is no longer sufficient.

The President of the United States stated on April 16, in his speech to the American Society of Newspaper Editors, that no controversial issue, "great or small, is insoluble—given only the will to respect the rights of all nations." This important statement could be only welcomed. But, unfortunately, the actual policy of the ruling circles of the United States is in irreconcilable contradiction to these statements of President Eisenhower.

If it is seriously a question of respecting the rights of all countries, one must abandon the aggressive policy; one must step out along the road of settling international problems on the basis of mutual agreement of the countries concerned.

If the question of respecting the rights of all countries is taken seriously, an end must be put to the policy of ignoring China, and the violated rights of the People's Republic of China in the United Nations Organisation must be restored (*stormy applause*). The great Chinese power must take its lawful place in the United Nations Organisation, as in the whole system of international relations (*prolonged applause*).

The entire current situation emphasises the great powers' particular responsibility for further relaxing international tension by negotiations for settling international questions. It is upon them that the U.N. Charter places the major responsibility for the maintenance of international peace and security.

The basic interests of strengthening peace and international security demand that the great powers make every effort to ensure real progress in the reduction of armaments and the banning of atomic and other weapons of mass destruction.

In the interests of mankind certain great powers ought to give up their pre-conceived approach to the question of concluding a peace pact among the five great powers.

The Soviet Union, for its part, is prepared to do everything necessary for the positive solution of such questions.

Urgent questions, such as the German question, which is of primary importance, must also be solved.

The German question must and can be settled. For this it is necessary to proceed from the interests of strengthening the security of all European countries, and in the first place, the security of Germany's western and eastern neighbours; and, at the same time, from the national interests of the German people. For this purpose it is necessary to give up the policy of dragging Germany into aggressive military blocs, the policy of restoring an aggressive militarist Germany.

They want us to agree to the rebirth of an aggressive militarist Germany and at the same time allow themselves to talk of

ensuring peace in Europe. But, our people did not shed the blood of millions of their sons and daughters in war against militarist Germany in order to restore once more this most dangerous hotbed of war in Europe (*stormy applause*).

The great powers have assumed the obligation to preserve, not destroy, Germany's national unity, to ensure the transformation of Germany into a peaceloving, democratic state, not to facilitate the rebirth of German militarism. The Soviet Union, for its part, will make every effort to facilitate the carrying out of these obligations.

The German people have drawn serious conclusions from their own history. They will not want to shed their blood once more for the interests of the militarist clique which has already on more than one occasion brought Germany to catastrophe.

A militarist Germany, regardless of whether it appears in its former guise or behind the screen of the European Defence Community, is a deadly foe of France and other neighbouring states. Therefore any attempt to tie France to the European Defence Community would mean handing France over to the German *revanchists*.

The French nation is seeking a way out of the impasse in which it now finds itself as the result of submission to foreign *diktat*; a way out undoubtedly exists. It is the return to a self-reliant, independent foreign policy which would strengthen the country's security and reflect the interests of the regeneration of France.

We warmly wish the French people, with whom our people have long had ties of friendship, and of blood jointly shed in the fight against the common foe—the German militarists—success on this path (*applause*). We do not forget either that the Soviet Union and France have a treaty of alliance and mutual assistance which could serve as a basis for the development and the strengthening of the relations between our countries and serve the cause of ensuring European security.

It is also necessary to solve the Austrian question, which presupposes first and foremost the removal of artificial barriers, such as the "abbreviated treaty" that is contrary to the existing agreements between the four powers. No one could dispute

either, that the correct solution of the German question would help to solve the Austrian question also.

An important condition for the strengthening of the cause of peace is to heighten the prestige and role of the United Nations. Today this international organisation is virtually in a state of profound crisis, for it has been reduced to the level of being one of the levers of the North Atlantic bloc.

The United Nations must return to the path which has been determined by its Charter. The direct duty of the United Nations consists in facilitating the settlement of international problems and in excluding the possibility of aggression on the part of any member state against any other state. The Soviet government will in this matter give it energetic support (*applause*).

The Soviet Union is steadfastly carrying out and will continue to carry out a policy of peace. The Soviet Union does not intend to attack anyone. Aggressive intentions are alien to it. Of this the peoples of all countries can be confident (*stormy applause*).

But, fighting insistently for the cause of peace, we must at the same time firmly remember our sacred duty steadfastly to strengthen and to improve the defence of the great Soviet Union. We must do this in case anybody, thinking of committing an act of madness, should attempt to violate the security of our motherland. The Soviet people must at any moment be ready to cool the hot heads of any types of adventurers and provocateurs of war, and force them to respect the socialist attainments and the might of the Soviet Union (*stormy, prolonged applause*).

For the Soviet government, for all of us Soviet people, the cause of strengthening peace and of safeguarding the security of the peoples is not a question of tactics and diplomatic manoeuvring. It is our general line in the sphere of foreign policy (*stormy applause*).

Hundreds of millions of people believe and hope that the immediate future will lead to a further relaxation in international tension. One must see to it that the peoples are not deceived in their expectations and hopes.

3. Our Cause is Invincible

COMRADES DEPUTIES, the policy of the Soviet Union, at home and abroad, corresponds to the vital interests of all the peoples of the U.S.S.R. Therefore it enjoys boundless support.

A mighty source of the strength and firmness of our socialist state, of its success in the building of communism lies in the moral and political unity of the Soviet people, their rallying around the Communist Party and the Soviet government. The Soviet Union is a mighty socialist power, full of creative forces, and is successfully advancing along the road of building a communist society.

The socialist system existing in our country has tremendous opportunities for a new and still more powerful development of our economy, for the flourishing of culture, and for the further improvement of the people's wellbeing. We are using all these potentialities to ensure further progress in every sphere of Soviet society and its gradual transition to communism. One cannot doubt that so it will be (*stormy applause*).

All that we do, in disclosing and openly criticising shortcomings which have been discussed at the present session of the Supreme Soviet and during all our everyday work, we do, not in order to extricate ourselves from an economic crisis or from an economic depression, in which capitalist states are always struggling. We do it for the purpose of raising still higher our agriculture and industry, our economy as a whole, and of utilising still more fully all the possibilities of the socialist economy and improving the people's wellbeing, so as to make our mighty socialist motherland still stronger (*stormy applause*).

Unlike all the bourgeois parties and states which conceal their true aims and policy, the aims and policy of the Communist Party and the Soviet state are clear and open to all the people.

The founder of our Party and of the Soviet state, V. I. Lenin, teaches us that a state is strong through the consciousness of the masses. It is strong when the masses know everything, can judge everything and consciously accept everything.

The Party therefore ceaselessly works to raise the political and cultural level of the masses of the people. The Soviet state

and the Communist Party are systematically educating the masses in the spirit of Soviet patriotism, in the spirit of the communist attitude to labour, a careful attitude towards socialist property, a deep understanding of state interests, in the spirit of revolutionary vigilance and the strengthening of friendship among the peoples.

The Communist Party and the Soviet government know where and how to lead the people, because they are guided by the scientific theory of social development—Marxism-Leninism, the banner of which has been raised so high by our father and teacher of genius, Lenin, and the continuer of his cause—great Stalin (*stormy applause*). The Soviet state and the Communist Party are arming the people on the basis of the teaching of Marx, Engels, Lenin and Stalin, with a profound knowledge of the objective laws of the development of society, the laws of the building of communism, thus giving clear perspectives for the creative activities of the Soviet people.

Our mighty Communist Party, dear to the hearts of all the Soviet people, is showing untiring concern for the strengthening of the Soviet state, for the ensuring of the security of our motherland against the encroachments of external enemies, and for the flourishing and wellbeing of the peoples of the Union of Soviet Socialist Republics (*stormy applause*).

The steel-like unity of the Party, the guiding role of the Party in the state, the strength and might of the Soviet state and the interests of the people are inseparable.

The Soviet people can be assured that the Communist Party and the government will not spare their strength and labour in the cause of a happy, well provided for and joyous life for all the Soviet people, in the cause of the fulfilment of the great aim—the building of a communist society in our country (*stormy, prolonged applause*).

The entire democratic and peaceloving camp is growing and becoming stronger, together with the Soviet Union. The countries of people's democracy are confidently marching forward. The entire democratic camp is engaged in peaceful, creative labour, in persistent work to increase the people's wellbeing.

It is rightly held in the people's democracies that the consolidation of firm unity between the working class and the peasantry is an indispensable condition and the guarantee for their successful progress forward. It is clear that it is only by steadily pursuing this tried Leninist policy that all the tasks confronting the people's democracies can be solved.

In the sphere of international relations the people's democracies are determinedly upholding, hand in hand with the Soviet Union, the cause of peace and the security of the nations. The People's Republic of China and all the people's democracies are pursuing their own independent national foreign policies, policies which are in keeping with the vital interests of the people. The imperialist forces can no longer juggle with the fate of people who have forever done away with dependence on the imperialists. This infuriates those who love to make someone else pull the hot chestnuts out of the fire and to exploit other nations. The people's democracies are not at all concerned. They have struck out on a new path, and will never step aside (*stormy applause*).

He who does not understand that the 800 million people, who make up the great family of peoples of the countries belonging to the democratic camp, cannot be compelled to give up their historic achievements, won with their blood and sweat, to give up their own people's power and to re-establish a regime of exploiters, simply puts himself in a foolish position. It is clear to the whole world that aggressive forces will not succeed in turning back the course of history. He who wants to conduct a sober policy on international issues must stand on the ground of stark reality, on the ground of facts, be they pleasant or not.

It must be realised that in the present correlation of forces, in face of the firm determination of the Soviet Union and the countries of the democratic camp to defend their vital interests in the international arena, the carrying out of the policy of peaceful co-existence of the two systems is an obligation, not only of the countries of the democratic camp, but also of all countries; any other path is a path of hopeless adventure and inevitable failure.

The democratic camp, closely rallied and uniting a third

of mankind, is a powerful factor in the preservation and strengthening of peace throughout the world. The whole of mankind is indebted to the peoples of the democratic camp for the fact that it stands as an unsurmountable barrier across the path of those who endeavour to unleash a new world war. If the peoples are vigilant and direct their efforts to prevent the carrying out of the plans of aggressors, peace will be safeguarded (*stormy, prolonged applause*).

Comrades, the Soviet country is facing great tasks. The carrying out of these tasks will raise our country to new heights, will lead to an improvement in the wellbeing of the people and to the all-round prosperity of the socialist community.

Courage and confidence are being instilled into every one of us by the monolithic unity of the Soviet people, and their immense solidarity around their own Communist Party and Soviet government (*stormy, prolonged applause*).

The Communist Party, the Soviet government, and the whole Soviet people will contribute their efforts to solve the historic tasks which are facing us.

Our cause is invincible !

We shall proceed confidently forward along the path of building communist society in our country (*prolonged applause, mounting to an ovation. All rise*).