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THE ROLE OF THE STATE
in the
SOCIALIST TRANSFORMATION
OF THE ECONOMY
of the
USSR



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On its glorious thirtieth anniversary, the Soviet State had to its credit victories of world-historic importance in all spheres of economics, technology and culture. It demonstrated to the whole world its immense organizing power.

This organizing and transforming power possessed by the Soviet State has been revealed with exceptional vividness in the socialist transformation of the economy of our country.

I

The brilliant economic victories of the Soviet social system did not come automatically; they were the result of the enormous work of direction and organization performed by the Party and the Soviet State. The thirty years of practical work in socialist construction in our country have very convincingly proved that the leading force in the Soviet social system is the Communist Party of the Soviet Union (Bolsheviks)—the ideological inspirer and leader of socialist construction. At the same time, they showed that a most important feature of the Soviet social system is the special role the Soviet State plays in developing the national economy, a role that differs in principle from the economic role played by the bourgeois state.

The role of the bourgeois state in the development of capitalist economy is limited by the fact that it can only facilitate, or retard, the spontaneous course of economic development. In the imperialist stage, the bourgeois state acts as a reactionary force that retards the development of society.

The economic role of the Soviet State is not limited merely to facilitating the development of the national economy. The Soviet State, guided by the Communist Party, is the chief, decisive force that consciously, and according to plan, determines the development of socialist economy on the basis of the cognized economic laws of Socialism.

A characteristic feature of the Soviet State that distinguishes it from the bourgeois state is that it is a genuinely people's state of the workers, peasants and the intelligentsia, and is not only the holder of complete political power, but also the owner of the principal means of production.

The Soviet State is the incarnation of the unity of political power and economic might. The socialist system introduces something new in the relations between economics and politics. The influence of the policy of the Party and the Soviet State upon the national economy not only increases to an enormous degree, but acquires a new quality. This bears the following main features:

1. Under capitalism, where private property, capitalist exploitation and anarchy reign, the economic laws operate, as Engels expressed it, like demoniacal rulers who dominate the will of man.

Under the socialist mode of production, which is based on the public, socialist ownership of the means of production, the economic laws are transformed from demoniacal rulers into the servants of society. They do not operate as an elemental force that dominates the will of man, but as a cognized force consciously utilized and applied in the planned direction of the national economy.

The specific feature of the economic laws of Socialism as cognized necessity, is that they find scientific expression in the policy of the Party and the Soviet State, and operate in the form of the practical execution of this policy through the medium of the planned direction of the national economy by the Soviet State and the Party. Therefore, the Party's policy is the vital foundation of the Soviet system.

Hence, under Socialism, not only a knowledge of the economic laws of Socialism, but also ability to apply them in the practical work of socialist construction acquires special importance. Unless the laws of socialist economics are consciously applied and utilized in carrying out the measures called for by the economic policy of the Soviet State, which is guided by the Communist Party, the development of Soviet economy is impossible.

2. Under capitalism, as Engels wrote in one of his letters to Schmidt, "... the economic movement

gets its way... from the movement of the state power on the one hand and of the opposition simultaneously engendered on the other.”* As a consequence of this, capitalist economy often finds itself in the position of the cart in Krylov’s fable, when the swan, the crab and the pike undertook to haul it. Owing to the conflict of opposite, antagonistic political forces, the result is often one that nobody desired.

It is entirely different in socialist society.

In socialist society, where there are no class or national antagonisms, we have the moral and political unity of the people, which has its roots in a single type of property, socialist property in two forms. This unity finds most vivid expression in the existence of one party, the Communist Party of the Soviet Union (Bolsheviks), which enjoys immense prestige among the entire Soviet people, and receives their unstinted and devoted support.

As a consequence, the active influence of the policy of the Party and the Soviet State upon the national economy is united and powerful, and far from coming into conflict with the interests of the people, fully coincides with them, and is therefore actively supported by the people.

3. The role of the policy of the Party and the Soviet State in the development of the national economy is enormously enhanced by the active part the masses take in carrying it out.

The workers and peasants—the chief productive force in socialist society—collectively own the means of production through their state. Consequently, the means of production do not confront the workers and peasants as the hostile force of capital. This is the material basis of the active part the masses take in carrying out the policy of the Party and the Soviet State.

From this arises the invincible movement of modern times—socialist emulation, the inexhaustible fount of the creative initiative of the masses, which finds expression in the inventions, innovations and constant improvement in the organization of labour and in methods of production introduced by workers. All this promotes science and technology, brings to light new, supplementary reserves of socialist accumulation, and ensures an unprecedentedly rapid rate of increase in the productive forces of socialist society.

4. Our Party’s policy is the vital foundation of the Soviet system. The moral, political and ideological unity of the Soviet people finds expression in the predominance of the most advanced and genuinely scientific world outlook—Marxism-Leninism.

Thanks to the socialist ownership of the means of production, and to the moral, political and ideological unity of the Soviet people, our state is able, in carrying out its plans of socialist construction, to set in motion all factors—economic, political and ideological—to achieve a single object. All this enormously enhances the organizing and transforming influence of the policy of the Party and the Soviet State upon the national economy.

Such a concentration of all forces is impossible in bourgeois society, which is torn by class antagonisms. The policy of the Party and the Soviet State is a force that organizes and directs economic development according to plan on the basis of the cognized economic laws of Socialism.

Under Socialism, the problem of the influence the economic basis exercises upon the political and ideological superstructures is presented in a new way. The law which affirms that the mode of production determines the political, juridical and ideological superstructures, a law that was established by the theory of historical materialism and that had hitherto operated spontaneously in history, is now *consciously* applied, by the Party and the Soviet State in the practical work of socialist construction. This finds expression in the fact that in drawing up their political line, the Party and the Soviet State proceed from a calculation of the new requirements and progressive trends of economic development, they base their policy on a scientific analysis and conscious utilization of the economic laws of Socialism.

This enables the Soviet State, the Soviet people, to promote the development of the productive forces without the losses and disturbances characteristic of capitalist economy; it enables them to direct economic development, to use the words of Marx, “with the least expenditure of energy and under conditions most adequate to their human nature and most worthy of it.”*

Hence, the study of the processes that take place in the national economy is a most important

* Karl Marx and Friedrich Engels, Correspondence 1846-1895, International Publishers, New York, p. 480.

* Karl Marx, Capital, Kerr ed., Vol. III, p. 954.

condition for working out a correct political line.

On the other hand, it is necessary to appraise economic processes and measures from the point of view of politics, of the tasks of the state as a whole. Thus, the unity of politics and economics is a most important principle in the work of directing socialist construction.

II

Under socialist economy, the economic-organizational functions of the Soviet State acquire exceptional importance.

Without the directing, organizing and transforming role of the Soviet State, the development of socialist economy and its further evolution towards Communism is impossible.

V.I. Lenin foresaw that with the growth of Socialism the functions of the Socialist State in directing the national economy would steadily develop. In the speech he delivered at the First Congress of Councils of National Economy on May 26, 1918, Lenin said that of the numerous functions carried out by our state, the economic functions in particular were destined to grow, develop and become firmly established.

Developing Lenin's teaching on the functions of the Soviet State, Comrade Stalin, in the report he delivered at the Eighteenth Congress of the C.P.S.U.(B.), showed that the Soviet State had passed through two phases in its development. In the first phase, he said, the economic organizational and cultural-educational functions of the state had not yet been developed to any considerable degree; in the second phase, after the liquidation of the exploiting classes, "... the main task of our state inside the country is the work of peaceful economic organization and cultural education."*

The economic role of the Soviet State differs in principle, differs radically from the economic role of the bourgeois state.

In capitalist society, the national economy is not controlled by the state; on the contrary, the state is controlled by capitalist economy.

The bourgeois state only indirectly influences the spontaneously developing capitalist economy by means of individual acts of intervention in economic life; and in doing so it relies on the apparatus of violence and coercion. It is not the function of the bourgeois state directly to guide and manage the national economy; this remains the sphere of private enterprise.

The Soviet State exercises planned guidance of the whole of the national economy. The planned guidance of the national economy is the most important part of the economic-organizational function of the Soviet State.

In exercising planned guidance of the national economy, the Soviet State operates the economic law of Socialism. Socialist planning possesses the force of the economic law of Socialism primarily because it is an objective necessity for socialist economy which is based on the public ownership of the means of production.

The essence of planning lies in that the Party and the Soviet State organize and direct the labour of millions of people on a country-wide scale, arm the masses of the working people with clear prospects which enthuse these masses, stimulate their creative initiative and thereby inspire them to perform deeds of labour heroism in the struggle to fulfil and overfulfil the tasks planned.

The essence of the socialist plan as the economic law of motion is not limited solely to the enumeration of figures and tasks; as Comrade Stalin pointed out, only red tape officials and bureaucrats can think that. *The socialist plan is embodied in the living labour activity of millions of people, who carry out the plan* under the guidance of the Party and the Soviet State.

Lenin and Stalin always attached exceptional importance to this directing, organizing power of socialist planning.

The Soviet State utilizes this power with immense success: 1) to ensure the economic independence of our country and to strengthen its power of defence; 2) to make secure the undivided sway of socialist relations of production in our further progress towards the higher phase, Communism; 3) to establish such proportions in the development of our national economy as will ensure the successful fulfilment of all stipulated tasks, and to rectify disproportions with the aid of

* J.V. Stalin, Problems of Leninism, Moscow 1947, p. 637.

reserves of means of production and labour power.

Under capitalism, the proportions between social reproduction and the realization of the social product are established spontaneously by the fluctuation in market prices above or below prices of production. The laws of capitalism operate by means of constant disturbances, digressions and disproportions. The only means of temporarily eliminating the glaring disproportions in capitalist production, which express the antagonistic contradictions inherent in capitalism, are periodical overproduction crises.

Socialist reproduction takes place on the basis of consciously established proportions between the mining and manufacturing industries, between industry and agriculture, between the transport system and other branches of the national economy, between growth of production and growth of consumption, etc. A noteworthy feature of socialist planned economy is that it combines proportion in the development of production with continuous and increasingly rapid progress.

In planning for definite proportions in the development of the national economy, the Soviet State does not regard them as immutable; it in every way encourages the creative initiative of the masses in the struggle to overfulfil plans, and this makes it necessary to revise plans already adopted.

Having reserves of means of production and labour power at its command, the Soviet State is able to introduce necessary changes in the national-economic plans while they are being carried out and fix new proportions; it thereby ensures further progress of a rapidity unprecedented in human history without causing economic disturbances such as are inevitable under capitalism.

III

The economic-organizational functions of the Soviet State are not limited to the planning of socialist national economy; they also include the direct management of state, socialist enterprises and the daily, operative guidance of the development of kolkhoz production through the elected bodies of the agricultural artels.

This management is exercised through administrative bodies which issue orders and instructions of an authoritative and coercive character, the execution of which is obligatory.

We have already seen that in Soviet economy socialist planning possesses the force of economic law. The plan for the development of the national economy within a given period of time—a year, or five years—after it is endorsed by the Supreme Soviet, acquires the force of the law of the state. This makes the plans for the development of the national economy obligatory and lends them enormous authority.

The fact that the plan for the development of the national economy is regarded as the law of the state makes it obligatory for every enterprise to carry out its plan, makes the enterprise responsible to the state for the fulfilment of its plan, a responsibility defined by law, and makes it necessary for the state to take measures of coercion against *those who violate plan discipline*.

In the Soviet State the nature and character of state coercion undergo a fundamental change.

Under capitalism, state coercion is an instrument for the suppression of the masses of the working people, for the utmost intensification of their exploitation.

Under Socialism state coercion is employed in the interests of the people, it is used to protect and ensure plan and labour discipline, it is used against those who violate and disrupt discipline, who strive to give socialist society as little as they can and to get from it as much as they can.

The overwhelming majority of the citizens of the Soviet Union recognize the necessity of strictly obeying the decisions and orders of the Soviet State, and do so freely and voluntarily. In this case, state coercion resembles, as Lenin figuratively expressed it, the conducting of a good orchestra. Only in relation to those who violate plan and labour discipline does it assume the harsh form of dictatorship.

Marx regarded state violence used for the purpose of expropriating the expropriators in the period of the proletarian dictatorship as an economic potential.

In a letter to Schmidt, Engels wrote: "Or why do we fight for the political dictatorship of the proletariat if political power is economically impotent? Force (that is state power) is also an economic power."^{*}

^{*} Karl Marx and Friedrich Engels, Correspondence 1846.1895, International Publishers, New York, p. 484.

The administrative-managerial means that the organs of the Soviet State resort to, must be distinguished from the economic means, i.e., the utilization of the economic levers of socialist production and distribution.

The economic levers of planned guidance are based on: 1) utilization of the factor of material incentive for raising socialist production, and 2) application of the principle of the labour equivalent both in relation to payment for work and to the relations between separate socialist enterprises.

Bourgeois economists cannot conceive of the development of production without competition and the quest of profit, and they forecast the doom of the socialist system of economy on the alleged grounds that it kills the material stimuli for the development of the productive forces of human society. Actually, however, Socialism kills the private capitalist stimuli for the development of production and develops new and powerful material stimuli for raising socialist production that were unknown in pre-socialist forms of society. Socialism gives the worker a real incentive to work, and this is one of the decisive motive forces of the development of socialist economy.

Firstly, in socialist society, work is a social function; it means working for your own and society's benefit, and not for the profit of capitalists. Secondly, Socialism, as Engels put it, frees labour power from the role of a commodity, which means that in socialist society the worker's share of the social product depends not on the value of his labour power, but on the quantity and quality of the work he performs for the benefit of society.

Thirdly, in socialist society, the surplus product that is produced by the labour of the workers does not go to maintain parasitic, exploiting classes, and not to expand the relations of capitalist exploitation, but is used to serve the social needs of the working people, is used for expanded socialist reproduction, for raising the material and cultural standards of the working people and for strengthening the country's power of defence. In other words, it is used in the interests of the working people themselves.

For the first time in history, the socialist principle of distribution according to work performed creates all the necessary conditions for properly combining private with public interests.

The Soviet State applies the socialist principle of payment according to work performed as an economic law of Socialism and employs different forms of remuneration: piecework, bonuses, and other forms in state enterprises, and distribution according to workday units and supplementary payments for work in the kolkhozes. In the hands of the Soviet State, these diverse, concrete forms of distribution according to work done are a decisive lever for the development of industry and agriculture.

An extremely important role is assigned to these means of raising socialist production in the new Stalin five-year plan (1946-1950). In this five-year plan greater importance than before is attached to the economic levers for raising production in the kolkhozes.

The Soviet State applies the same principle of personal material incentive in directing and managing state enterprises: this finds expression in cost accounting. At the Second All-Russian Congress of Political Education Departments, V. I. Lenin said: "... every important branch of national economy must be built up on the principle of personal incentive."^{*} Building every important branch of the national economy on the principle of personal incentive means-making the pay of each worker dependent upon the work he performs, and making the material position of each enterprise dependent upon the work performed by that enterprise.

The socialist enterprise must balance expenditure with income, work economically, raise productivity of labour, reduce cost of production, increase its profitableness, and fulfil and overfulfil its plan. The amount of funds assigned to a given state enterprise depends upon the work it performs, upon the degree to which it fulfils its plan.

The encouragements to good work by the enterprises are of two kinds: material, in the shape of bonuses; and moral, in the shape of Challenge Banners, decorations of honour, etc.

On the other hand, the socialist principle of payment according to work performed and of cost accounting is based on the principle of the labour equivalent, which is applied with the aid of the law of value and commodity-money relations.

As Marx showed in his *Critique of the Gotha Program*, the socialist principle of payment

^{*} V.I. Lenin, Selected Works, Vol. IX, p. 265.

according to work performed is based on the same principle of the labour equivalent that the exchange of commodities is based on. The application of the labour equivalent principle to the payment for labour means that: “After a deduction is made of the amount of labour which goes to the public fund, every worker ... receives from society as much as he has given to it.”*

The characteristic form of payment for labour under Socialism, as distinct from Communism, is that which directly depends upon the quantity and quality of the work performed. The equivalent on which the socialist principle of payment for labour is based constitutes the value it contains, and is paid in the form of money.

When there is still a lack of abundance of consumers’ goods, the money form of payment for labour is the most flexible form. It enables the socialist principle of payment for labour to be more consistently applied and the multifarious requirements of the workers in socialist society to be better served.

The Soviet State employs commodity-money relations, and the law of value on which they are based, as implements for exercising the cost accounting method of managing the state, socialist enterprises. In order to exist and to carry on expanded reproduction, the socialist enterprise must receive from society compensation, both in money and in kind, for the labour it has expended. Therefore, the cost accounting method of managing state enterprises is based on the principle of equivalent compensation for the labour expended by each enterprise, which compensation is paid in money on the basis of the law of value in an altered form.

Marx pointed out that, in the last analysis, all economy amounts to economy of time.

This object is achieved with the aid of cost accounting based on the law of value. The importance of cost accounting as a method of managing state enterprises lies in that it stimulates economy and efficiency in production, reduction of cost of production, and increase in the profitableness of the enterprise.

Among the levers for raising socialist production, of exceptional importance is the policy of reducing cost of production that the Soviet State steadily pursues. In its five-year plans, the Soviet State provides for definite percentages of reduction of cost of production and thereby pushes our factory managers on to the path of socialist rationalization of production, the path of technical progress.

Reduction of cost of production is the basis of the policy of reducing prices that is pursued by the Soviet State, a policy that leads to the strengthening of the currency, the raising of real wages, the expansion of the market for industry and agriculture and the growth of socialist accumulation.

The law of value is also utilized in the sphere of trade—state, cooperative and kolkhoz—in the sphere of credit for the purpose of controlling production and distribution with the aid of finance, in the sphere of the currency, etc.

The enormous advantage enjoyed by the socialist system of economy is that, basing itself on the public, socialist ownership of the means of production, the Soviet State has converted the law of value from an elemental force dominating the will of man into an instrument for the planned direction of the national economy.

Such are the economic levers the Soviet State employs in the planned direction of the national economy and in the management of the socialist enterprises.

IV

During the thirty years of its existence, the Soviet State, guided by the Communist Party, has achieved successes of world-historic importance as a result of planning the national economy, and skilfully employing the economic levers and the new motive forces brought into being by the socialist mode of production.

The First Five-Year Plan was a plan for building the foundations of socialist economy.

By carrying out the policy of industrialization, the Soviet State eliminated one of the chief contradictions of the transition period, namely, the contradiction between the most progressive form of political power and a backward national economy.

* V.I. Lenin, *The State and Revolution*, Moscow 1949, p.128.

By carrying out the policy of collectivizing the majority of peasant farms, the Soviet State eliminated the contradiction between socialist industry and scattered, small peasant farming, which inevitably engendered capitalist elements.

This prepared the ground for the Second Five-Year Plan, which set the tasks of liquidating the exploiting classes, of completing the technical reconstruction of the country, and of building, in the main, socialist society.

As a result of the fulfilment of the Second Five-Year Plan, the technical reconstruction of industry and agriculture on the basis of modern technology was in the main completed.

The most important result of the fulfilment of the Second Five-Year Plan in the social-political sphere was the liquidation of the remnants of the exploiting classes, the rallying of the workers, peasants and the intelligentsia in a united labour front, and the consolidation of the moral and political unity and friendship of the peoples of the U.S.S.R.

This created the ground for the complete democratization of the political life of the country, for crowning the country's economic base with corresponding alterations in the political superstructure.

Comrade Stalin had already formulated this task in his report to the Seventeenth Congress of the Party. "The facts show," he said, "that we have already built the foundations of socialist society in the U.S.S.R., and that all we have to do now is to erect the superstructures—a task which undoubtedly is much easier than that of building the foundations of socialist society."*

This task was carried out with the introduction of the new, Stalin Constitution. Here we have a vivid example of how the Party and the Soviet State, taking into account the changes that have taken place in the economic basis and class structure of socialist society, introduce corresponding changes in the political superstructure.

The Stalin Constitution, the result of the profound changes that had taken place in the economy and class structure of the Soviet society, in its turn exercised enormous influence upon the development of socialist economy, and to an unprecedented degree increased the economic and political might of the Soviet State.

The Party and the Soviet State achieved these brilliant victories in a severe struggle to surmount the enormous difficulties created by the backwardness of the country's economy which had been reduced to utter ruin by many years of imperialist and civil war, under the conditions created by the hostile capitalist ring that surrounded us, and in the struggle against those worst enemies of the people, the Trotskyites and Bukharinites, those paid agents of foreign espionage organizations who tried with all their might to disrupt the work of building Socialism in our country and to turn it back to the path of capitalist development, to convert it into a colony of the imperialist powers. The socialist system of economy that has been created under the guidance of the Communist Party and the Soviet State has proved during the thirty years of its glorious existence how immensely progressive and viable it is, and what enormous advantages it possesses over the capitalist system.

The socialist system is so immensely progressive because it provides unlimited scope for the development of the productive forces.

The Soviet State operates and controls the laws of socialist economy in the process of carrying out plans and of planned guidance; these laws stand forth as the consciously set tasks of the plans for the development of the national economy.

Unlike the capitalist law of cyclical development of production, which includes economic crises as a determining factor, the law of socialist economy is continuous growth of productive forces in all branches of the national economy. This law of the socialist system of economy, consciously operated by the Soviet State, runs like a red thread through all the Stalin five-year plans.

The unprecedentedly rapid rate of development of socialist production was vividly described by Comrade Stalin in the speech he delivered at an election meeting on February 9, 1946. Comrade Stalin said: "... the transformation of our country from an agrarian into an industrial country took only about thirteen years.'

"It cannot but be admitted that thirteen years is an incredibly short period for the execution of such a gigantic task.'"

* J. V. Stalin, *Problems of Leninism*, 1947, pp. 482-483. 23

* J.V. Stalin, *Speech Delivered at an Election Meeting in the Stalin Election District*, Moscow, February 9, 1946, pp. 14-

The war demonstrated with still greater force the tendency towards continuous growth of productive forces that is characteristic of the socialist system of economy. Notwithstanding the immense wartime difficulties, and the enormous destruction and loss inflicted upon our national economy by the enemy, socialist production in industry and agriculture continued steadily to rise.

The post-war Five-Year Plan for the Restoration and Development of the National Economy takes an important step forward in the development of socialist production and continues the policy of steadily increasing the productive forces of socialist society.

While the socialist system of economy emerged stronger than ever from the severe trials of the war and is confidently moving further along the path of continuous increase of productive forces, the capitalist world, after the boom in production caused by the war, has taken the path of cyclical development, which is characterized by a drop in the level of production and an increase in unemployment, and is waiting in dread the approaching crisis of overproduction with all its attendant evils.

During the thirty years of its existence, the Soviet socialist system of economy has proved that it is the only system that brings toiling mankind emancipation from wage slavery, starvation and poverty, and makes a rise in the material and cultural standards of the people a law of economic development.

To raise the material and cultural standards of the working people is the consciously applied policy of the Socialist State because it is a workers' and peasants' state, and also because this is an economic law of Socialism. The economic necessity of raising the standard of living of the working people arises from the fact that it stimulates the growth of productivity of labour and is one of the chief factors that ensures a continuous increase in the demand for the products of industry and agriculture and thereby precludes the possibility of overproduction crises.

Raising the material and cultural standards of the working people is one of the chief distinguishing features of socialist economy.

During the Great Patriotic War, the working people of the Soviet Union were obliged to subject themselves to severe restrictions in the matter of individual consumption in order to achieve victory. Now, after the war has been brought to a victorious termination, the Soviet State is again confronted with the task of raising the material and cultural standards of the working people.

A most important law of socialist economy with which the Soviet State consciously operates in its five-year plans for the development of the national economy is the maximum combination of a rise in the individual consumption of the working people with a high rate of socialist accumulation, exceeding the highest rate of capitalist accumulation in the most flourishing periods of capitalism. Such are the chief features and advantages of the socialist system of economy which the Soviet people have created under the leadership of the Communist Party.

* * *

At the present time, the Soviet State, guided by the Party of Lenin and Stalin, has set to work on the grand historic task of gradually leading the country from the present to the higher phase, Communism. In his historic speech of February 9, 1946, Comrade Stalin depicted the grand prospect of such a rise in socialist production and culture within the next five-year plan periods as will, enable us to overtake and surpass in economic respects the most advanced capitalist countries and gradually to pass to the higher phase, Communism.

The concrete tasks that will confront the Soviet people during the next five-year plan periods are: to create the production-technical basis for Communism, to abolish the distinctions between mental and manual labour and between town and country, to create an abundance of consumers' goods, which is necessary for the transition to distribution according to requirements, and others. With the growth of the productive forces and the creation of an abundance of consumers' goods, the task of most fully and all-sidedly satisfying the requirements of the Soviet people will to an increasing degree determine the whole trend of socialist production.

Owing to their immensity, and to the existence of the imperialist camp which is hostile to us, the fulfilment of these tasks will call for the surmounting of great difficulties and the exertion of intense, heroic effort on the part of the whole of the Soviet people. At the same time, it will open unprecedented scope for the initiative and creative activity of the workers, peasants and the intelligentsia for the further development of technology, and for the further subjugation of the forces of nature and their employment in the interests of culture and general progress.

In the task of building communist society, the Soviet State is destined to play a decisive role. Its economic and cultural and educational functions will assume gigantic dimensions.

In proportion as the survivals of capitalism are eliminated from the national economy and from the minds of men, the guidance of the country's economy by the state will more and more assume the character of the conducting of a good and well-trained orchestra, as Lenin put it.

The force of state orders and instructions will to an increasing degree rest on the enhanced authority state guidance will have gained in the eyes of the Soviet people, on the enhanced public-mindedness of the working people rather than on compulsion. On the other hand, the creation of the economic basis of Communism will call for the utmost enhancement of the role of the economic levers of socialist production and distribution.

The nearer we get to the establishment of the socialist order, said Lenin, the less will there be need for a purely administrative apparatus. "After the resistance of the exploiters has been completely broken, after the working people have learned to organize socialist production... this apparatus of the old state is doomed to die, while the apparatus of the type of the Supreme Council of National Economy is destined to grow, to develop and become strong, and to perform all the main activities of organized society."*

Subsequent experience in socialist construction has confirmed Lenin's forecast concerning the growing importance of the economic-organizing organs of the state. At the same time, this experience has shown that the state cannot fade away as long as the capitalist encirclement exists. Developing the Marxist-Leninist theory of the state, Comrade Stalin drew the conclusion, characteristic of his genius, that the state will still exist under Communism, if the capitalist encirclement has not been destroyed and replaced by a socialist encirclement by that time. Hence the necessity of further strengthening the Socialist State, which is the chief instrument for building Communism.

The world-historic victories achieved during the thirty years the Soviet State has been in existence imbues us with unshakeable conviction that, under the tried leadership of the Party of Lenin and Stalin, the Soviet State will successfully carry out the great tasks that confront us in connection with the building of communist society, and the whole world will receive further striking proof of the economic might and the enormous organizing and transforming power of the Soviet State.

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* V.I. Lenin, Collected Works, Russ. ed., Vol. XXIII, p. 36.