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J. STALIN

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POLITICAL REPORT  
OF THE  
CENTRAL COMMITTEE  
TO THE  
FOURTEENTH CONGRESS  
OF THE C.P.S.U.(B.)

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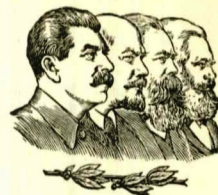
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**J. STALIN**

**POLITICAL REPORT  
OF THE  
CENTRAL COMMITTEE  
TO THE  
FOURTEENTH CONGRESS  
OF THE C.P.S.U.(B.)<sup>1</sup>**

*December 18, 1925*



FOREIGN LANGUAGES PUBLISHING HOUSE

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## PUBLISHER'S NOTE

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Comrades, during the past two weeks you have had the opportunity to hear reports on the activities of the C.C. from the Thirteenth to the Fourteenth Congress, from a number of members of the C.C. and members of the Political Bureau; comprehensive reports which, in the main, were absolutely correct. I suppose there would be scarcely any sense in repeating these reports. I think that this circumstance eases my task at the present moment, and I would deem it expedient in view of this to confine myself to presenting a number of problems connected with the activities of the C.C. of our Party from the Thirteenth to the Fourteenth Congress.

Usually, the report of the C.C. commences with the external situation. I will not violate this custom. I, too, will begin with the external situation.

## I THE INTERNATIONAL SITUATION

The fundamental and new, the decisive feature, which has affected all the events in the sphere of foreign relations during this period, is the fact that a certain, temporary equilibrium of forces has been established between our country, which is building Socialism, and the countries of the capitalist world; an equilibrium which has determined the present period of "peaceful coexistence" between the Land of Soviets and the capitalist countries. What we at one time regarded as a brief respite after the war became a whole period of respite. Hence, this certain equilibrium of forces and certain period of "peaceful coexistence" between the bourgeois world and proletarian world.

At the bottom of all this lies the internal weakness, the weakness and debility of world capitalism, on the one hand, and the growth of the workers' revolutionary movement in general, and particularly, the growth of strength in our country, the Land of Soviets, on the other.

What lies at the bottom of this weakness of the capitalist world?

At the bottom of this weakness lie the contradictions which capitalism cannot overcome, and within the framework of which the entire international situation is taking shape—contradictions which the capitalist countries cannot overcome, and which can be overcome only in the course of development of the proletarian revolution in the West.

What are these contradictions? They can be reduced to five groups.

The first group of contradictions are the antagonisms between the proletariat and the bourgeoisie in the capitalist countries.

The second group of contradictions are the antagonisms between imperialism and the movement for liberation in the colonies and dependent countries.

The third group of contradictions are the antagonisms that are developing, and cannot help developing, between the countries that were victorious in the imperialist war and those that were vanquished.

The fourth group of contradictions are the antagonisms that are developing, and cannot help developing, among the victor countries themselves.

And the fifth group of contradictions are the antagonisms that are developing between the Land of Soviets and the lands of capitalism as a whole.

Such are the five fundamental groups of contradictions, within the framework of which the development of our international position is proceeding.

Comrades, unless we briefly examine the nature and the growth of these contradictions, we shall not be able to understand our country's present international position. Therefore, a brief review of these contradictions must inevitably form a part of my report.

### 1. THE STABILIZATION OF CAPITALISM

And so, we will commence with the first series of contradictions, the antagonisms between the proletariat and the bourgeoisie in the capitalist countries. In this sphere, the major facts may be reduced to the following.

*Firstly.* From the chaos in production, trade and in the sphere of finance that set in after the war, and in which it found itself, from this chaos capitalism is emerging, or has already emerged. The Party called this the partial, or temporary, stabilization of capitalism. What does that mean? It means that the production and trade of the capitalist countries, which at one time have dropped frightfully in the period of the postwar crisis (I have in mind the years 1919-1920), has begun to make progress, and the political power of the bourgeoisie has begun, more or less, to

fortify itself. It means that capitalism has temporarily extricated itself from the chaos in which it found itself after the war.

Here are the figures, if we take Europe.

Production in all the advanced countries of Europe is either making progress compared with 1919, is growing, and in some places has reached 80-90 per cent of the prewar standard, or is keeping on one level. Only in England are there some spheres of production which have not yet straightened themselves out. In the main, if we take Europe as a whole, production and trade are making progress, although they have not yet reached the prewar standard. If we take the production of grain, we find that England has reached 80-85 per cent of the prewar standard, France 83 per cent, and Germany 68 per cent. In Germany, the production of grain is rising very slowly. In France it is not rising, and in England it is sinking. All this is compensated by exports of grain from America. Coal output in England in 1925 has amounted to 90 per cent of the prewar standard, in France 107 per cent of the prewar standard, in Germany 93 per cent. Steel output in England amounted to 98 per cent of the prewar standard, in France 102 per cent, in Germany 78 per cent. Consumption of raw cotton in England is equal to 82 per cent of the prewar standard, in France 83 per cent, in Germany 81 per cent. England's foreign trade shows an un-

favourable balance and amounts to 94 per cent of prewar; that of Germany is slightly higher than in 1919 and also shows an unfavourable balance; that of France is now higher than the prewar standard—102 per cent. The level of European trade as a whole, taking 1921, was 63 per cent of the prewar standard, but now, in 1925, trade has reached 82 per cent of that standard. The budgets of these countries balance in one way or another, but the balance is obtained by imposing a frightful burden of taxation upon the population. There is a fluctuation in the currency in some countries, but, in general, the former chaos is not observed.

The general picture is that the postwar economic crisis in Europe is passing away, production and trade are moving towards the prewar standard. One of the European countries, France, has already crossed the prewar standard in the fields of trade and production, while another European country—I am speaking of England—is still keeping on the same, or almost the same level, without reaching the prewar standard.

*Secondly.* Instead of a period of the rising tide of revolution that we observed in the years of the postwar crisis, we now see a period of ebb tide in Europe. This means, that the question of taking power, of the proletariat capturing power any day, is not now on the order of the day in Europe. The period of rising revolutionary tide, when the

movement pushes forward and upward and the Party's slogans cannot keep pace with the movement, as was the case in this country, for example, in 1905, or 1917—this period of rising tide still lies ahead. But it does not exist now; instead, there is a period of temporary ebb, a period in which the proletariat is mustering its forces, a period which offers big results as regards indicating new forms of the movement, as regards the existence and growth of a mass movement under the banner of the struggle for trade union unity, as regards establishing and strengthening ties between the working-class movement in the West and the working-class movement in the Soviet Union, as regards the swing to the left—the British working-class movement for example—as regards the disintegration of Amsterdam,<sup>2</sup> the deep fissures in it, etc., etc. I repeat, we are in a period of the accumulation of forces, which is of great importance for future revolutionary actions. It is the period in which the slogan of the communist movement is: take hold of the mass proletarian organizations (the trade unions, etc.) and “dismiss” the Social-Democratic leaders, as was the case in this country in 1911-1912.

*Thirdly.* The centre of financial power in the capitalist world, the centre of the financial exploitation of the whole world, has shifted from Europe to America. Formerly, the centre of the financial exploitation of the world was usually

France, Germany and England. This cannot be said now without special reservations. Now, the centre of the financial exploitation of the world is mainly the United States of America. That state is growing in every respect: in respect to production, in respect to trade, and in respect to accumulations. I will quote a few figures. The production of grain in North America has risen above the prewar level: it is now 104 per cent of that level. Coal output has reached 90 per cent of the prewar standard, but the deficit is compensated by an enormous increase in the output of oil. And it must be said that the oil output of America amounts to 70 per cent of world output. Steel output has risen to 147 per cent—47 per cent higher than the prewar standard. National income amounts to 130 per cent of prewar—exceeding the prewar level by 30 per cent. Foreign trade has reached 143 per cent of the prewar standard and has an enormous favourable balance at the expense of the European countries. Of the total world gold reserve amounting to 9,000 millions, about 5,000 millions are in America. United States currency is the most stable of all currencies. As regards export of capital, America, at the present time, is almost the only country that is exporting capital in ever-growing proportions. The amount exported by France and Germany is frightfully small; England has also considerably reduced her export of capital.

*Fourthly.* The temporary stabilization of European capitalism to which I referred above has been achieved mainly with the aid of American capital, and at the price of the financial subordination of Western Europe to America. To prove this, it is sufficient to quote the figures of Europe's state debts to America. This figure amounts to no less than 26,000 million rubles. This is apart from private debts to America, i.e., American investments in European enterprises, amounting for Europe to the sum of several thousand millions. What does this show? It shows that Europe has begun to get on its feet, more or less, as a result of the influx of capital from America (and partly from England). At what price? At the price of Europe's financial subordination to America.

*Fifthly.* In view of this, in order to be able to pay interest and principal, Europe is forced to increase the burden of taxation on the population, to worsen the conditions of the workers. This is exactly what is happening in the European countries now. Already, before the payment of principal and interest has scarcely started, in England, for example, the burden of taxation in proportion to total national income has increased from 11 per cent (in 1913) to 23 per cent in 1924; in France—from 13 per cent of the national income to 21 per cent, and in Italy—from 13 per cent to 19 per cent. Needless to say, in the very near future the burden of taxation will grow still heavier. In view

of this, the material conditions of the working people in Europe, and primarily of the working class, will certainly deteriorate and the working class will inevitably become revolutionized. Symptoms of this revolutionization are already to be observed in England and in other European countries. I have in mind the definite swing to the left of the working class in Europe.

Such are the major facts which show that the temporary stabilization of capitalism which Europe has achieved is a putrid stabilization that has grown up on putrid soil.

It is very likely—I do not exclude the possibility—that production and trade in Europe will reach the prewar level. But this does not mean that capitalism will thereby reach the degree of stability it possessed before the war. That degree of stability it will never reach again. Why? Because, firstly, Europe has purchased her temporary stability at the price of financial subordination to America, which is leading to a colossal increase in the burden of taxation, to the inevitable deterioration of the conditions of the workers, and to the revolutionization of the European countries; secondly, because of a number of other reasons—about which I will speak later—that make the present stabilization undurable, unstable.

The general conclusion, if we sum up all that I have just said relative to the analysis of the first series of contradictions—the general conclusion is

that the circle of major world-exploiting states has shrunk to the utmost degree compared with the period before the war. Formerly, the major exploiters were England, France, Germany, and partly America; this circle has now shrunk to the utmost degree. Today, the major financial exploiters of the world, and, consequently, its major creditors, are North America, and partly her assistant England.

This does not mean that Europe has sunk to the position of a colony. The European countries, while continuing to exploit their colonies, have themselves now fallen into a state of subordination to America and, as a consequence, are in their turn being exploited, and will continue to be exploited by America. In this sense, the circle of major states which exploit the world financially has shrunk to the minimum, whereas the circle of exploited countries has expanded.

This is one of the reasons for the instability and inherent infirmity of the present stabilization of capitalism.

## 2. IMPERIALISM, COLONIES AND SEMI-COLONIES

Let us pass to the second series of contradictions—the antagonisms between the imperialist countries and the colonial countries.

The major facts in this sphere are: the development and growth of industry and of the pro-

letariat in the colonies, especially during and after the war; the growth of culture in general, and of the national intelligentsia in particular, in these countries; the growth of the national-revolutionary movement in the colonies and the crisis in the world domination of imperialism in general; the struggle for liberation waged by India and Egypt against British imperialism; the war for liberation waged by Syria and Morocco against French imperialism; China's struggle for liberation against Anglo-Japano-American imperialism, etc.; the growth of the working-class movement in India and China and the increasingly important role the working class in these countries are playing in the national-revolutionary movement.

From this it follows that the great powers are faced with the danger of losing their principal rear, i.e., the colonies. Here, the stabilization of capitalism is lame on both legs; for the revolutionary movement in the oppressed countries, growing step by step, is beginning in some places to assume the form of open war against imperialism (Morocco, Syria, China), whereas imperialism is obviously unable to cope with the task of curbing "their" colonies.

It is said—especially by bourgeois writers—that the Bolsheviks are to blame for the growing crisis in the colonies. I must say that they are paying us too much honour by blaming us for

this. Unfortunately, we are not yet strong enough to render all the colonial countries direct assistance in the matter of securing their liberation. It is necessary to delve deeper to find the cause. The cause is, apart from everything else, that the European states, being in debt to America, and having to pay her interest, are obliged to increase the oppression and exploitation of the colonies and dependent countries, and this cannot but lead to the intensification of the crisis and of the revolutionary movement in these countries.

All this goes to show that, in this sphere, the affairs of world imperialism are more than in a bad way. Whereas, in the sphere of the first series of contradictions, European capitalism has become partly stabilized and the question of the proletariat seizing power any day is not an immediate one for the time being, in the colonies, the crisis has reached its apex, and the question of expelling the imperialists from a number of colonies is on the order of the day.

### 3. VICTORS AND VANQUISHED

I pass to the third series of contradictions—the antagonism between the victor countries and the vanquished countries.

The major facts in this sphere are the following. Firstly, after the Versailles Peace, Europe found herself split up into two camps—the camp

of the vanquished (Germany, Austria and other countries) and the camp of the victors (the Entente plus America). Secondly, the circumstance must be noted, that the victors, who, at first, tried to strangle the vanquished countries by means of military occupation (I remind you of the Ruhr), have abandoned this line and have adopted a different method, the method of financial exploitation, first of Germany and then of Austria. This new method finds reflection in the Dawes plan, the baneful results of which are only just making themselves felt. Thirdly, the Locarno Conference,<sup>3</sup> which was supposed to have eliminated all the antagonisms between the victors and the vanquished, in spite of all the clamour around this question, actually eliminated none of the antagonisms; in fact, it only aggravated them.

The gist of the Dawes plan is that Germany must pay the Entente no less than about 130,000 million gold marks in several installments. The results of the Dawes plan are already making themselves felt in the deterioration of Germany's economic position, in the bankruptcy of a whole group of enterprises, in growing unemployment, etc. The Dawes plan, which was drawn up in America, is as follows: Europe is to pay her debts to America at the expense of Germany, who is obliged to pay Europe reparations; but as Germany is unable to pump this sum out of a vacuum, she must be given a number of free markets,

not yet occupied by other capitalist countries, so as to be able to gain fresh strength and fresh blood for the reparation payments. In addition to a number of small markets, America has in view our Russian markets. According to the Dawes plan, they are to be placed at Germany's disposal in order that she may be able to squeeze something out of them and have the wherewithal to make reparation payments to Europe, who, in her turn, must make payments to America on account of state debts. The whole of this plan is well constructed, but it was drawn up without reckoning with the host, for it means for the German people a double yoke—the yoke the German bourgeoisie imposes on the German proletariat, and the yoke foreign capital imposes on the whole of the German nation. To say that this double yoke will have no effect upon the German nation would be a mistake. That is why I think that in this respect the Dawes plan is pregnant with an inevitable revolution in Germany. It was created for the pacification of Germany, but it, the Dawes plan, must inevitably lead to a revolution in Germany. The second part of this plan, which says that Germany must squeeze money out of the Russian markets for the benefit of Europe, is also a decision taken without reckoning with the host. Why? Because, we have not the least desire to be transformed into an agrarian country for the benefit of any other country whatsoever, including

Germany. We ourselves will manufacture machines and other means of production. Therefore, to reckon that we will agree to convert our Motherland into an agrarian country for the benefit of Germany, means reckoning without the host. In this respect, the Dawes plan stands on feet of clay.

As for Locarno, it is only a continuation of Versailles, and the only object it can have is to preserve the "status quo," as they say in the language of diplomacy, i.e., to preserve the existing order of things, under which Germany is the vanquished country and the Entente the victor. The Locarno Conference gives this order of things juridical sanction in the sense that Germany's new frontiers are preserved to the advantage of Poland, are preserved to the advantage of France; that Germany loses her colonies and at the same time pinioned and forced to lie in a Procrustes' bed, must take all measures to pump out 130,000 million gold marks. To believe that Germany, which is growing and pushing forward, will resign herself to this situation means counting on a miracle. If, in the past, after the Franco-Prussian War, the question of Alsace-Lorraine, one of the points of the antagonisms that existed at that time, served as one of the gravest causes of the imperialist war, what guarantee is there that the Versailles Peace and its continuation, Locarno, which legalize and give juridical sanction to Germany's loss of Silesia, the Danzig Corridor

and Danzig; the Ukraine's loss of Galicia and Western Volhynia; Byelorussia's loss of her western territory; Lithuania's loss of Vilna, etc.—what guarantee is there that this treaty, which has carved up a number of states and has created a number of points of antagonism—will not share the fate of the old Franco-Prussian Treaty which, after the Franco-Prussian War, tore Alsace-Lorraine from France?

There is no such guarantee, nor can there be.

Whereas the Dawes plan is pregnant with revolution in Germany, Locarno is pregnant with a new war in Europe.

The English Conservatives think that they can preserve the "status quo" against Germany and at the same time use Germany against the Soviet Union. Aren't they wanting too much?

There is talk about pacifism, there is talk about peace among the states of Europe. Briand and Chamberlain embrace and kiss; Stresemann is lavish in his compliments to England. This is all nonsense. We know from the history of Europe that every time treaties were concluded for the alignment of forces for a new war, those treaties were called peace treaties. Treaties were concluded that determined the elements of the subsequent war, and the conclusion of such treaties was always accompanied by noise and clamour about peace. False bards of peace were always found on those occasions. I recall the case in history

after the Franco-Prussian War when Germany was the victor, when France was the vanquished, when Bismarck did everything to preserve the "status quo," i.e., the order of things after Germany's victorious war against France. At that time Bismarck stood for peace, because that peace gave him a whole series of privileges over France. France, too, stood for peace, at all events in the beginning, before she had recovered from the unsuccessful war. Well, in that period, when everybody was talking about peace and the false bards were lauding Bismarck's peaceful intentions, Germany and Austria concluded an agreement, an absolutely peaceful and absolutely pacifist agreement, which later served as one of the causes of the subsequent imperialist war. I am speaking of the agreement between Austria and Germany in 1879. Against whom was that agreement directed? Against Russia and France. What did that agreement say? Listen:

"Whereas close collaboration between Germany and Austria threatens nobody and is intended to consolidate peace in Europe on the principles laid down in the Berlin Treaty, their Majesties [i.e., the two Sovereigns] have resolved to conclude an alliance of peace and mutual accord."

Do you hear: close collaboration between Germany and Austria *for the sake of peace in Europe*. That agreement was treated as a "peace alliance," but all historians agree that this agreement served

as direct preparation for the imperialist war of 1914. A consequence of this agreement for peace in Europe, but actually for war in Europe, was another agreement, the agreement between Russia and France of 1891-1893—also for peace—for nothing else! What did that agreement say? It said:

"France and Russia, animated by an equal desire to preserve peace, have reached the following agreement."

What agreement was not *openly* stated at that time. But the secret text of the agreement said: in the event of war, Russia must put up against Germany 700,000 troops and France (I think) 1,300,000.

Both these agreements were officially called agreements for peace, friendship and tranquility in the whole of Europe.

To crown all this, six years later, in 1899, the Hague Peace Conference assembled and the question of reducing armaments was brought up there. That was at the time when, on the basis of the agreement between France and Russia, French General Staff officers arrived in Russia to draw up plans for troop movements in the event of war, and Russian General Staff officers went to France to draw up in conjunction with the French generals plans for future military operations against Germany. That was at the time when the General Staffs of Germany and Austria were drawing up

a plan and drafting the terms on which Austria and Germany were jointly to attack their neighbours in the West and in the East. At that very time (all this, of course, was done on the quiet, behind the scenes) the Hague Conference assembled, in 1899, and there peace was proclaimed and a lot of hypocritical noise was raised about reducing armaments.

Here you have an example of the matchless hypocrisy of bourgeois diplomacy, when by shouting and singing about peace they try to cover up preparations for a new war.

Have we any grounds, after this, for believing the songs about the League of Nations and Locarno? Of course not. That is why we cannot believe either Chamberlain or Briand when they kiss; or Stresemann when he is lavish with his compliments. That is why we think that Locarno is a plan for the alignment of forces for a new war and not for peace.

Interesting is the role played by the Second International in this question. It is the leaders of the Second International who are most of all cutting capers in the endeavour to assure the workers that Locarno is an instrument of peace and the League of Nations an ark of peace; that the Bolsheviks refuse to join the League of Nations because they are opposed to peace, etc. What does all the noise made by the Second International amount to, taking into account what has been

said above, and in particular, the historical case I quoted about the conclusion after the Franco-Prussian War of a whole series of agreements that were called peace agreements, but which actually proved to be war agreements? What does the present position of the Second International in relation to Locarno prove? That the Second International is not only an organization for the bourgeois corruption of the working class, but also an organization for the moral justification of all the injustices of the Versailles Peace; that the Second International is a subsidiary of the Entente, an organization whose function is, by its activities and its clamour in support of Locarno and the League of Nations, to give moral justification to all the injustices and all the oppression that have been created by the Versailles-Locarno regime.

#### 4. THE ANTAGONISMS AMONG THE VICTOR COUNTRIES

I now pass to the fourth series of contradictions, the antagonisms among the victor countries. The major facts here are that, in spite of the existence of a sort of bloc between America and England, a bloc based on an agreement between America and England against the annulment of Allied debts, in spite of this bloc, I say, the conflict of interests between England and America is not being allayed; on the contrary, it is becoming

ing more intense. One of the fundamental problems now facing the world powers is the oil problem. If, for example, we take America, we find that she produces about 70 per cent of the world oil output and consumes over 60 per cent of the total world consumption. Well, in this sphere, which constitutes the principal nerve of the entire economic and military activities of the world powers, America, everywhere and always, comes up against England's opposition. If we take the two world oil companies—Standard Oil and Koninklijke-Shell, the former representing America and the latter England—we find that the struggle between these companies is going on in all parts of the world, wherever oil is obtainable. It is precisely a struggle between America and England. For the oil problem is a vital problem; because the possession of most oil will determine who will command in the next war. The possession of most oil will determine who will command world industry and trade. Now that the navies of the advanced countries are passing over to motor drive, oil is the vital nerve of the struggle among the world states for supremacy in peace and in war. It is precisely in this sphere that the struggle between the English oil companies and the American oil companies is a mortal struggle, not always bearing an open character, it is true, but always proceeding and smouldering, as is evident from the history of the negotiations and

from the history of the clashes between England and America on this ground. It is sufficient to recall the series of notes Hughes wrote against England on the oil question when he was United States Secretary of State. This struggle is proceeding in South America, in Persia, in Europe, in those districts of Rumania and Galicia where oil is to be found, in all parts of the world, sometimes in a concealed and sometimes in an open form. This is apart from a fact of no little importance like the conflict of interests between England and America in China. You no doubt know that there the struggle is a concealed one, and that very often America, operating in a more flexible manner, refraining from the crude colonial methods which the English lords still resort to, succeeds in putting a spoke in England's wheel in China in order to oust England and lay a road for herself in China. It goes without saying that England cannot look upon this with indifference.

I will not speak at length on the antagonism of interests between France and England arising from the struggle for supremacy on the European continent. This is a commonly-known fact. It is also clear that the conflict of interests between England and France is proceeding not only on the question of hegemony on the Continent, but also in the colonies. Information has got into the press that the war in Syria and Morocco against French imperialism was organized not without England's

participation. I have no documents, but I think that this information is not without foundation.

Nor will I dwell on the antagonism of interests between America and Japan—that, too, is common knowledge. It is enough to recall the recent American naval manoeuvres in the Pacific and the Japanese naval manoeuvres to understand why this is done.

Lastly, I must note a fact which must surprise everybody, namely, the colossal growth of armaments in the victor countries. I am speaking about the victors, about the antagonisms among the victor states. These victors call themselves allies. True, America does not belong to the Entente, but she fought in alliance with it against Germany. Well, these allies are now arming themselves to the utmost. Against whom are they arming? In the past, when the Entente countries piled up armaments, they usually pleaded Germany as the excuse, saying that she was armed to the teeth and constituted a danger to world peace, and that it was therefore necessary to arm for defence. But what about now? Germany as an armed force no longer exists; she has been disarmed. Nevertheless, the growth of armaments is now proceeding in the victor countries as it has never done before. How, for example, is the monstrous growth of the air force in France to be explained? How is the monstrous growth of armaments, and especially of the navy, in Eng-

land to be explained? How is the monstrous growth of naval armaments in America and Japan to be explained? What and whom are Messieurs the "Allies," who jointly vanquished Germany and have disarmed her, afraid of? What are they afraid of, and why are they arming? And where is the pacifism of the Second International which is shouting about peace and does not see—pretends that it does not see—that the "Allies," who officially call each other friends, are feverishly arming against a "nonexistent" enemy? What have the League of Nations and the Second International done to put a stop to this furious growth of armaments? Don't they know that with the growth of armaments "the guns begin to shoot of their own accord"? Don't expect a reply from the League of Nations and the Second International. The point here is that the conflict of interests among the victor countries is growing and becoming more tense, that a collision among them is becoming inevitable; and they, in anticipation of a new war, are arming with all their might and with all their means. I will not be exaggerating if I say that in this case we have not a friendly peace among the victor countries, but an armed peace, a state of armed peace that is pregnant with war. What is now going on in the victor countries reminds us very much of the situation that prevailed before the war of 1914—a state of armed peace.

The rulers of Europe are now trying to cover up this fact with clamour about pacifism. But I have already said what this pacifism is worth and what value should be attached to it. The Bolsheviks have been demanding disarmament<sup>4</sup> ever since the time of Genoa. Why do not the Second International and all the others who are chattering about pacifism back our proposal?

This circumstance proves once again that the stabilization, the temporary, partial stabilization that Europe has achieved at the price of its own enslavement, is undurable, for the antagonisms among the victor countries are growing and becoming more tense, not to speak of the antagonisms between the victor countries and the vanquished countries.

##### 5. THE CAPITALIST WORLD AND THE SOVIET UNION

I pass to the fifth series of contradictions, the antagonisms between the Soviet Union and the capitalist world.

The major factor in this sphere is that an all-embracing world capitalism no longer exists. After the Land of Soviets came into being, after old Russia was transformed into the Soviet Union, all-embracing world capitalism ceased to exist. The world has split up into two camps: the camp of imperialism and the camp that is fighting imperialism. This is the first point that must be noted.

The second point that must be noted in this sphere is that two major countries are coming out at the head of the capitalist countries—England and America, as an Anglo-American alliance. Our country—the Soviet Union—is coming out at the head of the discontented who are engaged in mortal struggle against imperialism.

The third point is that two major, but opposite, centres of attraction are being created and, in conformity with this, two lines of gravitation towards these centres all over the world: the Anglo-American—for the bourgeois governments, and the Soviet Union for the workers of the West and for the revolutionaries of the East. The power of attraction of the Anglo-American centre lies in its wealth; credits can be obtained there. The power of attraction of the Soviet Union lies in its revolutionary experience, its experience in the struggle for the emancipation of the workers from capitalism and of the oppressed nations from imperialism. I am speaking of the gravitation of the workers of Europe and of the revolutionaries of the East towards our country. You know what a visit to our country means to a European worker, or to a revolutionary from an oppressed country, how they make pilgrimages to our country, and what an attraction our country has for all that is honest and revolutionary all over the world.

Two camps, two centres of attraction.

The fourth point is that in the other camp, the camp of capitalism, there is no unity of interests and no solidarity; that a conflict of interests, disintegration, a struggle between victors and vanquished, a struggle among the victors themselves, a struggle among all the imperialist countries over colonies, over profits, reign there; and because of all this, stabilization in that camp cannot be durable. On the other hand, in our country a healthy stabilization is proceeding and gaining strength, our economy is growing, our socialist construction is growing, and throughout the whole of our camp all the discontented elements and strata in the West and in the East are gradually and steadily rallying around the proletariat of our country, rallying around the Soviet Union.

In that camp, the camp of capitalism—there is strife and disintegration. In our camp, the camp of Socialism—there is solidarity and ever-increasing unity of interests against the common foe—against imperialism.

Such are the major facts that I wanted to note in the sphere of the fifth series of contradictions—the antagonisms between the capitalist world and the Soviet world.

I want particularly to dwell on the fact which I have called the gravitation of the revolutionary and socialist elements all over the world towards the proletariat of our country. I have in mind the workers' delegations which come to our

country, delegations which carefully inspect every detail of our work of construction in order to convince themselves that we are able not only to destroy, but also to build the new. What is the significance of these workers' delegations—this pilgrimage of the workers to our country—delegations which today reflect an entire stage in the development of the working-class movement in the West? You have heard how leaders of the Soviet State have met an English workers' delegation, and a German workers' delegation. Have you noticed that our comrades, directors of different spheres of our administration, not only gave the representatives of the workers' delegations information, but actually reported to them? I was not in Moscow at the time, I was away, but I read the newspapers, and I read that Comrade Dzerzhinsky, the director of the Supreme Council of National Economy, did not merely give the German workers' delegation information, but reported to them. This is something new and special in our life, and special attention should be paid to it. I read that the directors of our oil industry—Kosior in Grozny and Serebrovsky in Baku—did not merely give the workers' delegates information as is done to tourists, but reported to these workers' delegations as is done to superior supervising authorities. I read that all our higher institutions, the Council of People's Commissars and the Central Executive Committee of Soviets, right

down to the local Executive Committees of Soviets, were willing to report to the workers' delegations, whose visits to us they regarded as the friendly, fraternal inspection by the working class of the West of our work of construction, as inspection of our workers' state.

What do all these facts show? They show two things. First, that the working class of Europe, at all events the revolutionary section of the working class of Europe, regards our state as its own child, that the working class sends its delegations to our country not out of curiosity, but in order to see how things are here, and what is being done; for, evidently, they regard themselves as being morally responsible for everything that we are building here. Second, that the revolutionary section of the working class of Europe, having adopted our state, and regarding it as their child, are ready to defend it and to fight for it if necessary. Mention another state, even the most democratic, that would dare to submit to the fraternal inspection of workers' delegations from other countries! You cannot mention such a state, because there is no other state like it in the world. Only our state, the workers' and peasants' state, is capable of taking such a step. But, in placing the utmost confidence in the workers' delegations, our country thereby wins the utmost confidence of the working class of Europe. And this confidence is more valuable to us than all

loans, because this confidence that the workers place in our state is the fundamental antidote to imperialism and its interventionist machinations.

This is what lies at the bottom of the change in the mutual relations between our state and the proletariat in the West that has taken, or is taking, place on the basis of the workers' pilgrimages to our country. This is the new factor, which many have failed to discern, but which is decisive at the present time. For if we will be regarded as a part, as the child of the working class of Europe, if on these grounds, the working class of Europe takes upon itself moral responsibility, takes upon itself the task of defending our state against capitalism in case of intervention, say, the task of defending our interests against imperialism, what does it show? It shows that our forces are growing and will continue to grow rapidly day after day. It shows that the weakness of capitalism will increase rapidly day after day. For without the workers it is impossible to wage war nowadays. If the workers refuse to fight against our Republic, if they regard our Republic as their child in whose fate they are closely interested, then war against our country becomes impossible. That is the secret, that is the root, that is the significance of the pilgrimage to our country that we have had, of which we will have more, and which it is our duty to encourage to the utmost as a pledge of solidarity and a pledge of the

strengthening of the ties of friendship between the workers of our country and the workers of the Western countries.

Perhaps it will not be superfluous to say a word or two about the number of these delegations that have visited our country. I heard recently that at the Moscow Conference a comrade asked Rykov: "Are these delegations not costing us too much?" Comrades, we must not say such things. We must never talk about the workers' delegations that visit us in that strain. It is disgraceful to talk like that. We cannot and must not shrink from any expense, or any sacrifice, to help the working class in the West to send their delegates to us, to help them to convince themselves that the working class, after capturing power, is capable not only of destroying capitalism, but also of building Socialism. They, the workers of the West, many of them at any rate, are still convinced that the working class cannot do without the bourgeoisie. This prejudice is the chief ailment of the working class in the West, instilled into it by the Social-Democrats. We shall not shrink from any sacrifice to give the working class in the West the opportunity, through their delegates, to become convinced that the working class, after capturing power, is capable not only of destroying the old order, but also of building Socialism. We shall not shrink from any sacrifice to give the working class in the West the oppor-

tunity to become convinced that our country is the only state in the world that is a workers' state, which they in the West ought to fight for and which they ought to defend against capitalism. (Applause.)

Three kinds of delegations have visited us: delegations of intellectuals, schoolteachers, and others; delegations of adult workers, I think, counting roughly, about ten; and delegations of young workers. In all, 550 delegates and tourists have visited our country. Another sixteen delegations, registered with the All-Union Central Council of Trade Unions are expected. We will continue to promote these visits in the future in order to strengthen the ties between the working class of our country and the working class in the West, and thereby erect a barrier against all and every possibility of intervention.

Such are the characteristic features of the fundamental contradictions that are corroding capitalism.

What follows from all these contradictions? What do they show? They show that the capitalist world is being corroded by a whole series of inherent contradictions which are enfeebling capitalism; that, on the other hand, our world, the world of Socialism, is becoming more and more closely welded, more united; that because of this, on precisely this ground, arose that temporary equilibrium of forces that put an end to war

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against us, that ushered in the period of "peaceful coexistence" between the Soviet State and the capitalist states.

I must mention two other facts which helped to bring it about that instead of a period of war we have a period of "peaceful coexistence."

The first fact is that at the present moment America does not want war in Europe. It is as though she were saying to Europe: I have loaned you billions; sit still and behave yourself if you want to get more money in future, if you don't want your currency to flop; sit and work, earn money and pay the interest on your debts. That this advice of America's, even if it is not decisive for Europe, at all events cannot but exercise influence, scarcely needs proof.

The second fact is that since the victory of the proletarian revolution in our country, a whole vast country with tremendous markets and tremendous sources of raw materials, has dropped out of the world capitalist system, and this, of course, could not but affect the economic situation in Europe. The loss of one-sixth of the globe, loss of the markets and the sources of raw materials of our country, means for capitalist Europe reduced production, means a severe shaking for production, and so, in order to put a stop to this alienation of European capital from our country, from our markets and sources of raw materials, it was found necessary to agree to a cer-

tain period of "peaceful coexistence" with us, in order to be able to get to our markets and sources of raw materials—without this, it appears, it is impossible to achieve any economic stability in Europe.

## 6. THE U.S.S.R.'S EXTERNAL SITUATION

Such are all the factors that have created a certain equilibrium between the camp of Socialism and the camp of capitalism all over the world; that have ushered in a period of respite in place of the period of war; that have transformed the brief respite into a whole period of respite, and have enabled us to conduct a sort of "collaboration," as Ilyich called it, with the capitalist world.

Hence the series of "recognitions" of the U.S.S.R. which has commenced, and which must continue.

I will not enumerate the countries that have "recognized" us. I think that of the big countries, America is the only one that has not done so. Nor will I dilate on the fact that after these "recognitions" we concluded a number of trade agreements, with Germany and Italy, for example. I will not deal at length with the fact that our foreign trade has grown considerably, that America as a country which exports cotton to us, and England and Germany as countries which import

our grain and agricultural produce, are exceptionally interested in this trade. There is one thing I must say, namely, that this year is the first year in which we are on anything like a large scale, since the advent of the period of "coexistence" with the capitalist states, entering into rich and wide commercial relations with the capitalist world.

This, of course, does not mean that we have already put a stop to all those, so to speak, reservations, and to all those, what shall we call them, claims and counterclaims that have existed and still exist between our state and the Western states. We know that it is demanded of us that we should pay the debts. Europe has not forgotten this, and probably will not forget it, at any rate, not so soon. We are told that our pre-war debts to Europe amount to 6,000 millions, that the war debts are estimated at over 7,000 million rubles, hence, a total of 13,000 millions. Allowing for depreciation of currency, and subtracting from this sum the share of the border countries, it works out that we owe the West-European states no less than 7,000 millions. It is known that our counterclaims in connection with the intervention of England, France and America during the Civil War amount, I think, to the figure (if we take Larin's calculations) of 50,000 million rubles. Consequently, they owe us five times more than we owe them. (*Larin, from his*

*seat*: "We will get it.") Comrade Larin says that in good time we will get all this. (*Laughter.*) If, however, we make a more conservative calculation, as the People's Commissariat for Finance does, it will amount to no less than 20,000 million. Even then we stand to gain. (*Laughter.*) But the capitalist countries refuse to reconcile themselves to this, and we still figure in their lists as debtors.

It is on this ground that the snags and stumbling blocks arise during negotiations with the capitalists. That was the case with England, and no doubt it will be the case with France too.

What is the position of the Central Committee of our Party on this question?

It is still what it was when the agreement was being concluded with MacDonald.<sup>5</sup>

We cannot repeal the well-known law of our country that was passed in 1918, annulling the tsar's debts.<sup>6</sup> We shall stand by that law. We cannot repeal those decrees which were proclaimed, and which gave legal sanction to the expropriation of the expropriators in our country. We stand by those laws and will continue to do so. But we are not averse to making certain exceptions, in the course of practical negotiations, in the case of England and of France, as regards the former tsar's debts, to pay a small part provided we get something for it. We are not averse to satisfying the former private owners by granting

them concessions, but again, on the understanding that the terms of these concessions are not usurious. On this basis we were able to reach agreement with MacDonald. The undercurrent of these negotiations was the idea of actually annulling the war debts. It was precisely for this reason that this agreement was frustrated. By whom? Undoubtedly, by America. Although America did not take part in the negotiations between Rakovsky and MacDonald, although MacDonald and Rakovsky reached the point of drafting an agreement, and although this draft agreement provided a way out for both parties and the interests of both parties were more or less satisfied by this draft, nevertheless, in view of the fact that this draft was based on the idea of annulling the war debts, and America did not want to create such a precedent, for she stood to lose the billions that Europe owed her, she, i.e., America, "advised," and the agreement vanished.

Nevertheless, we still stand on the basis of the afore-mentioned draft.

Of the questions concerning our foreign policy, of the questions that arose in the period under review, questions that are exceptionally delicate and urgent, that concern the relations between our government and the governments of the West-European countries, I would like to mention two: first, the question that the English Conservatives have raised more than once and will

raise again—the question of propaganda; and second, the question of the Communist International.

We are accused of conducting special propaganda in Europe, and in the colonies and dependent countries, against imperialism. The English Conservatives assert that the Russian Communists are the people whose mission it is to destroy the might of the British empire. I would like to say here that all this is utter nonsense. We do not need any special propaganda, either in the West or in the East, now that workers' delegations visit our country, see for themselves the order of things here and carry their information about the order of things here to all the Western countries. We do not need any other propaganda. This is the best, the most potent and most effective propaganda for the Soviet system and against the capitalist system. (*Applause.*)

We are told that we are conducting propaganda in the East. I assert that this too is utter nonsense. We do not need any special propaganda in the East, now that, as we know, the whole of our state system rests on the basis of the coexistence and fraternal collaboration of the extremely diverse nationalities in our country. Any Chinese, any Egyptian, any Indian who comes to our country and stays here six months has the opportunity to convince himself that ours is the only country that understands the spirit of the

oppressed peoples and is able to arrange collaboration between the proletarians of the former dominant nationality and the proletarians of the former oppressed nationalities. We need no other propaganda, no other agitation in the East except that the delegations that come here from China, India and Egypt, after working and looking round, should carry their information about our order of things all over the world. This is the best propaganda, and is more effective than all other forms, than all other kinds, of propaganda.

But there is a force that can destroy, and certainly will destroy the British empire. That force is the English Conservatives. That is the force that will, certainly, inevitably lead the British empire to its doom. It is sufficient to recall the Conservatives' policy when they came into power.<sup>7</sup> What did they begin with? They began by putting the curb on Egypt, by increasing the pressure on India, by intervening in China, and so forth. Such was the policy of the Conservatives. Who is to blame, who is to be accused, if the English lords are incapable of pursuing any other policy? Is it difficult to understand that by proceeding on these lines the Conservatives must, as surely as twice two are four, lead the British empire to inevitable doom?

A few words about the Comintern. Hirelings of the imperialists and authors of forged letters are spreading rumours in the West to the effect

that the Comintern is an organization of conspirators and terrorists, that Communists are touring the Western countries for the purpose of hatching plots against the European rulers. Among other things, the Sofia explosion in Bulgaria is being linked with Communists. I must declare what every cultured person must know, if he is not an utter ignoramus, and if he has not been bribed—I must declare that Communists have never had, have not now and never can have anything in common with the theory and practice of individual terrorism; that Communists have never had, have not now and never can have anything in common with the theory of plotting against individual persons. The theory and practice of the Comintern is to organize the mass revolutionary movement against capitalism. This is true. This is the aim of the Communists. Only ignoramuses and idiots can confuse plots and individual terrorism with the Comintern's policy in the mass revolutionary movement.

Two words about Japan. Some of our enemies in the West are rubbing their hands with glee, as much as to say: there, a revolutionary movement has begun in China—of course, the Bolsheviks have bribed the Chinese people—who else could bribe a nation numbering 400,000,000?—and this will lead to a scrap between the "Russians" and the Japanese. All this is nonsense, comrades. The forces of the revolutionary movement

in China are immense. They have not yet made themselves fully felt. They will make themselves felt in the future. The rulers in the East and West who do not see these forces and do not reckon with them to the degree that they deserve will suffer for this. We, as a state, cannot refrain from reckoning with this force. We are of the opinion that China is faced with the same problem that faced North America when she was uniting in a single state, that faced Germany when she was taking shape as a state and was uniting, and that faced Italy when she was uniting and freeing herself from external enemies. Here, truth and justice are entirely on the side of the Chinese revolution. That is why we sympathize and will continue to sympathize with the Chinese revolution in its struggle to liberate the Chinese people from the yoke of the imperialists and to unite China in a single state. Whoever does not and will not reckon with this force certainly stands to lose. I think that Japan will understand that she too must reckon with this growing force of the national movement in China, which is pushing forward and sweeping everything from its path. It is precisely because he did not understand this, that Chang Tso-lin is going under. But he is going under also because he based his whole policy on the calculation that strife would break out between the U.S.S.R. and Japan, that relations between them would become strained. Every gener-

al, every ruler of Manchuria who bases his policy on the calculation that strife will break out between us and Japan, that our relations will become strained, is bound to go under. Only the one who bases his policy on the calculation that our relations with Japan will improve, that there will be rapprochement between us and Japan, will remain on his feet; only such a general and such a ruler can sit firmly in Manchuria, because we have no interests that lead to the straining of our relations with Japan. Our interests run along the line of rapprochement between our country and Japan.

## 7. THE PARTY'S TASKS

I pass to the question of our Party's tasks in connection with the external situation.

I think that here, our Party's tasks, meaning its work, should be outlined in two spheres: the sphere of the *international* revolutionary movement, and in the sphere of the Soviet Union's *foreign policy*.

What are the tasks in the sphere of the *international* revolutionary movement?

The tasks are, firstly, to work in the direction of strengthening the Communist Parties in the West, of their winning the majority among the masses of the workers. Secondly, to work in the direction of intensifying the struggle of the work-

ers in the West for trade union unity, of strengthening the friendship between the proletariat in our Union and the proletariat in the capitalist countries. This includes the pilgrimages I spoke about and the significance of which I described above. Thirdly, to work in the direction of strengthening the link between the proletariat in our country and the movement for liberation in the oppressed countries, for they are our allies in the struggle against imperialism. And fourthly, to work in the direction of strengthening the socialist elements in our country, in the direction of securing the victory of these elements over the capitalist elements, a victory that will be of decisive significance for the revolutionization of the workers of all countries. Usually, when speaking about our Party's tasks in the sphere of the international revolutionary movement, our comrades confine themselves to the first three tasks and forget about the fourth task, namely, that our struggle in our country, the struggle to secure the victory of the socialist elements in our country over the capitalist elements, our struggle in construction, is also of international significance, for our country is the base of the international revolution, for our country is the principal lever for expanding the international revolutionary movement; and if our work of construction here, in our country, is proceeding at the proper tempo, it means that we are performing our work in all

the other channels of the international revolutionary movement precisely in the way the Party demands that we should do it.

Such are the Party's tasks in the sphere of the international revolutionary movement.

Now about the Party's tasks in the sphere of our Union's *foreign* policy.

Firstly, to work in the direction of fighting against new wars, in the direction of preserving peace and ensuring so-called normal relations with the capitalist countries. The basis of our government's policy, its foreign policy, is the idea of peace. The struggle for peace, the struggle against new wars, exposure of all the steps that are being taken to prepare a new war, exposure of those steps that cover up actual preparation of war with the flag of pacifism—such are our tasks. It is precisely for this reason that we refuse to join the League of Nations, for the League of Nations is an organization for covering up the preparatory work for war; for, to join the League of Nations, we must choose, as Comrade Litvinov has rightly expressed it, between the hammer and the anvil. Well, we do not wish to be either a hammer for the weak nations or an anvil for the strong ones. We want neither the one nor the other; we stand for peace, we stand for the exposure of all those steps that lead to war, no matter by what pacifist bunting they may be concealed. Whether the League of Nations or Locar-

no makes no difference—they can't fool us with a flag, nor frighten us with noise.

Secondly, to work in the direction of expanding our trade with the outside world on the basis of the monopoly of foreign trade.

Thirdly, to work in the direction of rapprochement with the countries that were vanquished in the imperialist war, with those capitalist countries which have been most wronged and swindled and, as a consequence of this, are in opposition to the ruling alliance of great powers.

Fourthly, to work in the direction of strengthening our link with the dependent and colonial countries.

Such are the tasks that face the Party at the present time in the sphere of international relations and of the international working-class movement.

## II

### THE INTERNAL SITUATION IN THE SOVIET UNION

I pass to the second part of the Central Committee's report. This part deals with the internal situation in our state and with the Central Committee's policy on questions concerning the internal situation. I would like to quote several figures. Although no few figures have been published in the press recently, nevertheless, we cannot, unfortunately, avoid quoting some here.

#### 1. THE NATIONAL ECONOMY AS A WHOLE

But permit me, before passing to the figures, to expound several general postulates which define our work in the building of socialist economy (I intend to start with our economy).

*First postulate.* We are working and building within a capitalist encirclement. This means that our economy and work of construction will develop in antagonism, in conflicts between our system of economy and the capitalist system of econ-

omy. This antagonism we cannot possibly avoid. It is the framework within which the struggle between the two systems, the socialist and the capitalist systems, must proceed. It means, furthermore, that our economy must be built up not only in opposition to the capitalist economy outside our country, but also in opposition to the different elements within it, the opposition of the socialist elements to the capitalist elements.

Hence the conclusion: we must build our economy in such a way as to prevent our country from becoming an appendage of the world capitalist system, to prevent it from being drawn into the general system of capitalist development as its subsidiary enterprise, so that our economy should develop not as a subsidiary enterprise of world capitalism, but as an independent economic unit, based mainly on the home market, based on the link between our industry and peasant husbandry in our country.

There are two general lines: one proceeds from the assumption that our country must for a long time yet remain an agrarian country, must export agricultural produce and import equipment; that we must take this stand and develop along this line in the future. In essence, this line demands that we should pack up our industry. It found expression recently in Shanin's theses (perhaps some of you have read them in *Ekonomicheskaya Zhizn*<sup>8</sup>). To follow this line would

mean that our country would never be able, or almost never be able, to become really industrialized; that instead of being an economically independent unit based on the home market, our country would, objectively, become an appendage of the general capitalist system. This line means the abandonment of our construction tasks.

That is not our line.

There is another general line, which proceeds from the assumption that we must exert all efforts to make our country an economically self-reliant, independent country based on the home market; a country that will serve as a centre of attraction for all those countries which gradually drop out of capitalism and enter the channel of socialist economy. This line demands the utmost expansion of our industry, in proportion and in conformity, however, with the resources at our command. It emphatically rejects the policy of converting our country into an appendage of the world capitalist system. It is our line of construction that the Party adheres to and will continue to adhere to in the future. This line is obligatory as long as the capitalist encirclement exists.

It will be different when the revolution is victorious in Germany or in France, or in both countries together, when the building of Socialism commences there on a higher technical basis. We will then pass from the policy of transforming our country into an independent economic

unit to the policy of steering our country into the general channel of socialist development. But until that happens, we shall imperatively need that minimum of independence for our national economy without which it will be impossible to safeguard our country from economic subordination to the world capitalist system.

That is the first postulate.

The *second postulate*, by which we should also be guided in our work of construction as by the first, is that we must always take into account the specific feature of our management of the national economy that distinguishes it from such management in capitalist countries. There, in the capitalist countries, private capital reigns; there, the blunders committed by individual capitalist trusts, syndicates, or one or other group of capitalists, are rectified by the anarchy of the market. If too much is produced—a crisis ensues; but later, after the crisis, the economy assumes its normal course. If they indulge too much in imports and an unfavourable balance of trade results—the rate of exchange will be shaken, inflation will ensue, imports will drop and exports will rise. All this in the form of crises. No blunder of any magnitude, no overproduction of any magnitude, or serious discrepancy between production and total demand takes place in capitalist countries without these blunders, mistakes and discrepancies being rectified by some crisis or

other. That is how they live in capitalist countries. But we cannot live like that. There we see crises, economic, commercial and financial, which affect individual groups of capitalists. Here, in our country, it is different. Every serious hitch in trade, in production, every serious miscalculation in our economy does not result in some individual crisis or other, but hits the whole of our national economy. In our country, every crisis, commercial, financial or industrial, may develop into a general crisis that will hit the whole state. That is why special circumspection and foresight in construction are demanded of us. That is why we here must manage our economy according to a plan so as to reduce miscalculations to a minimum, so that our management of economy should be conducted with archforesight, archcircumspection and archinfallibility. But as, comrades, we, unfortunately, are not distinguished for either exceptional foresight, exceptional circumspection or exceptional ability to manage our economy without error, as we are only just learning how to build, we make mistakes, and will continue to do so in the future. That is why, in building, we must have reserves; we must have reserves with which to rectify our blunders. Our entire work during the past two years shows that we are not insured either against fortuities or against errors. In the sphere of agriculture, very much depends in this country not

only on the way we manage, but also on the forces of nature (crop failures, etc.). In the sphere of industry, very much depends not only on the way we manage, but also on the home market, which we have not yet mastered. In the sphere of foreign trade, very much depends not only on us, but also on the behaviour of the West-European capitalists; and the more our exports and imports grow, the more dependent we become upon the capitalist West, the more vulnerable we become to the blows of our enemies. To insure ourselves against all these fortuities and inevitable mistakes, we must accustom ourselves to the idea that we must accumulate reserves.

We are not insured against crop failures in agriculture. That is why we need reserves. We are not insured against the fortuities of the home market as regards the development of our industry. Not to mention the fact that, living on our own accumulated resources, we must be exceptionally frugal and restrained in spending accumulated resources; we must try to invest every kopek wisely, i.e., in such an enterprise, the development of which is absolutely necessary at each given moment. Hence the need for reserves for industry. We are not insured against fortuities in the sphere of foreign trade (masked boycott, masked blockade, etc.). Hence the need for reserves.

We could double the sum allocated for agricultural credits; but if we did that we would not

have a sufficient reserve for financing industry; the development of industry would then lag far behind agriculture; the output of manufactured goods would shrink, and we would get an inflation in the price of manufactured goods and all the consequences arising therefrom.

We could double the assignments for the expansion of industry; but this would cause such a rapid rate of industrial development that we would not be able to maintain because of the great shortage of spare capital, and it would certainly lead to a breakdown, not to speak of the fact that we would not have a reserve from which to provide credits for agriculture.

We could speed up the development of our imports, chiefly imports of equipment, we could double the amount we import now in order to speed up the development of industry; but this might cause an excess of imports over exports, which would result in an unfavourable balance of trade and in the depreciation of our currency, i.e., the only basis on which it is possible to plan and develop industry would be undermined.

We could recklessly speed up exports to the utmost, ignoring the state of the home market; but this would certainly cause great complications in the towns in the shape of a rapid rise in the price of agricultural produce and, consequently, the undermining of wages, a certain

degree of artificially organized starvation with all the consequences arising therefrom.

We could go all out and raise the workers' wages not only to the prewar level, but higher; but this would reduce the tempo of development of our industry, because under our conditions, with the absence of foreign loans, the absence of credits, etc., the expansion of industry is possible only on the basis of the accumulation of a certain amount of profit necessary for financing, supplying industry, which, however, would be precluded, i.e., accumulations of any serious magnitude would be precluded if the tempo of raising wages were excessively accelerated.

And so on, and so forth.

Such are the two fundamental guiding postulates that must serve as the torch, the beacon, in our work of construction in our country.

Permit me now to pass to the figures.

But just one more digression. Our system of economy is somewhat mixed—no less than five forms. There is one form that is almost on the level of natural economy: the peasant farms that produce very little for the market. There is a second form of economy, the commodity production form—the peasant farms which produce chiefly for the market. There is a third form of economy—private capitalism, which is not dead, which has revived and will continue to revive, up to certain limits, as long as we have

NEP. The fourth form of economy is state capitalism, i.e., the capitalism that we have permitted and are able to control and restrict in the way the proletarian state wishes. Lastly, there is the fifth form—socialist industry, i.e., our state industry, in which not two antagonistic classes are represented in production—the proletariat and the bourgeoisie—but one class—the proletariat.

I would like to say a word or two about these five forms of economy, because otherwise it will be difficult to understand the group of figures I propose to give you and the trend that is observed in the development of our industry; the more so that Lenin dealt in considerable detail with these five economic forms in our social system<sup>9</sup> and taught us to take the struggle among these forms into account in our work of construction.

I would like to say a word or two about state capitalism, and about state industry which is socialistic in type, in order to clear up the misunderstandings and confusion that have arisen in the Party around this question.

Would it be right to call our state industry, state capitalist industry? No. Why? Because under the dictatorship of the proletariat, state capitalism is a form of organization of production in which two classes are represented: an exploiting class which owns the means of production, and an exploited class which does not own the

means of production. No matter what special form state capitalism may assume, in substance, it must after all remain capitalistic. When Ilyich analyzed state capitalism, he had in mind primarily concessions. Let us take concessions and see whether two classes are represented in them. Yes, they are represented. The capitalist class, i.e., the concessionaires, who exploit and temporarily own the means of production, and the proletarian class, whom the concessionaire exploits. That we have no elements of Socialism here is evident if only from the fact that nobody would dare turn up at a concession enterprise to start a campaign to increase productivity of labour; for everybody knows that a concession enterprise is not a socialist enterprise, that it is an enterprise alien to Socialism.

Let us take another type of enterprise—state enterprises. Are they state capitalist enterprises? No, they are not. Why? Because in them are represented not two classes, but one class, the working class, which, through its state, owns the instruments and means of production and is not exploited; for the major part of what is produced in these enterprises over and above wages is used for the further expansion of industry, i.e., for the improvement of the conditions of the working class as a whole.

It may be said that, after all, this is not complete Socialism, bearing in mind the survivals of

bureaucracy that have remained in the organs of administration of these enterprises. This is true. But this does not contradict the fact that state industry belongs to the socialist type of production. There are two types of production: the capitalist type, including state capitalism, where there are two classes, where production is carried on for the profit of the capitalist; and there is another type, the socialist type of production, where there is no exploitation, where the means of production belong to the working class, and where the enterprises are run not for the profit of an alien class, but for the expansion of industry for the benefit of the workers as a whole. This is exactly what Lenin said: our state enterprises are a consistently socialist type of enterprises.

Here an analogy with our state could be drawn. Our state too is not called a bourgeois state, for, according to Lenin, it is a new type of state, the *proletarian* type of state. Why? Because our state apparatus functions not for the purpose of oppressing the working class, as is the case with all bourgeois states without exception, but for the purpose of freeing the working class from the oppression of the bourgeoisie. That is why our state is a proletarian type of state, although any amount of trash and survivals of the olden days can be found in the state apparatus. Lenin, who proclaimed our Soviet system as a proletarian type of state, castigated it for its bureau-

cratic survivals more strongly than anybody else. Nevertheless, he kept on reiterating that our state is a new proletarian type of state. The type of state must be distinguished from the heritage and survivals which still remain in the system and apparatus of state. It is also equally imperative to distinguish the bureaucratic survivals in state enterprises from the type of structure of industry that we call the socialist type. It is wrong to say that because there are mistakes, bureaucracy, etc., in our economic organizations or in our trusts, our state industry is not socialistic. It is wrong to say that. If that were true, then our state, which is of the proletarian type, would not be proletarian. I can name a whole number of bourgeois apparatuses that function better and more economically than our proletarian state apparatus; but that does not mean that our state apparatus is not proletarian, that the type of our state apparatus is not superior to the bourgeois type. Why? Because although that bourgeois apparatus functions better, it functions for the capitalist, whereas our proletarian state apparatus, even if it does wobble sometimes, after all, functions for the proletariat and against the bourgeoisie.

This fundamental difference must not be forgotten.

The same must be said about state industry. We must not, because of the discrepancies and

survivals of bureaucracy that are to be found in the organs of administration of our state enterprises, and which will exist for some time yet, we must not because of these survivals and defects forget that, by their nature, our enterprises are socialist enterprises. At the Ford plants, for example, which function efficiently, there may be less thieving, but after all, they function for the benefit of Ford, a capitalist, whereas our enterprises, where thieving takes place sometimes, and things do not always run smoothly, after all, function for the benefit of the proletariat.

Now this fundamental difference must not be forgotten.

Let us now pass to the figures concerning our national economy as a whole.

Agriculture. Its gross output in 1924-25, comparing its level with the prewar level, the level of 1913, reached 71 per cent. In other words, the output in 1913 amounted to over 12,000 million rubles at prewar prices, and in 1924-25, the output amounted to over 9,000 million rubles. Next year, in 1925-26, we anticipate, on the basis of the data in the possession of our planning bodies, a further rise that will bring the output up to 11,000 million rubles, i.e., up to 91 per cent of the prewar level. Agriculture is growing—such is the natural conclusion to be drawn from this.

Industry. Taking all industry, state, concession and private, the gross output of all industry

in 1913 amounted to 7,000 million rubles; in 1924-25, the gross output amounted to 5,000 million. This is 71 per cent of the prewar standard. Our planning bodies anticipate that next year output will reach 6,500 million, i.e., will amount to about 93 per cent of the prewar standard. Industry is rising. This year it rose faster than agriculture.

Special reference must be made to the question of electrification. The GOELRO plan in 1921 provided for the erection in the course of 10-15 years of thirty electric power stations of a total capacity of 1,500,000 kw. at a cost of 800,000,000 gold rubles. Before the October Revolution, the total capacity of electric power stations amounted to 402,000 kw. Up to the present we have built stations with a total capacity of 152,350 kw. and it is planned to start in 1926 a total capacity of 326,000 kw. If development continues at this rate, the plan for the electrification of the U.S.S.R. will be fulfilled in ten years, i.e., approximately by 1932 (the shortest date planned for). Parallel with the growth in electric power construction runs the growth of the electrical engineering industry, the 1925-26 program of which provides for bringing output up to 165-170 per cent of the prewar level. It must be observed, however, that the erection of big hydro-electric power stations leads to a large overexpenditure of funds compared with what had been

planned. For example, the original estimates for the Volkhov project amounted to 24,300,000 "tentative" rubles, but by September 1925 they had risen to 95,200,000 chervoni rubles, which is 59 per cent of the funds spent on the erection of the priority stations, although the capacity of the Volkhov project amounts to 30 per cent of the capacity of those stations. The original estimates of the Zemo-Avchaly station amounted to 2,600,000 gold rubles, but the latest request amounts to about 16,000,000 chervoni rubles, of which about 12,000,000 have already been spent.

If we take and compare the output of state and cooperative industry, which is united in one way or another, with the output of private industry, we will get the following: in 1923-24, the output of state and cooperative industry amounted to 76.3 per cent of the total industrial output for the year, while that of private industry amounted to 23.7 per cent; in 1924-25, however, the output of state and cooperative industry amounted to 79.3 per cent of the total, and that of private industry was no longer 23.7 per cent, but 20.7 per cent.

The proportion of private industry to the total diminished in this period. It is anticipated that next year the share of state and cooperative industry will amount to about 80 per cent, while that of private industry will sink to 20 per cent.

In absolute figures, private industry is growing, but as state and cooperative industry is growing faster, the proportion of private industry to the total is progressively diminishing.

This is a fact that must be reckoned with, and which shows that socialist industry undoubtedly preponderates over private industry.

If we take the property concentrated in the hands of the state and the property in the hands of private business people, we will find that in this sphere too—I have the State Planning Commission's control figures in mind—preponderance is on the side of the proletarian state, for the state possesses capital funds amounting to no less than 11,700 million (chervoni rubles), whereas private owners, mainly peasant farms, possess funds amounting to no more than 7,500 million.

This fact shows that socialized funds constitute a very large share of the total, and this share is growing compared with the share of property in the non-socialized sector.

For all that, our system as a whole cannot yet be called either capitalistic or socialistic. Our system as a whole is transitional from capitalism to Socialism—a system in which privately-owned peasant production still preponderates in the total volume of production, but in which the share of socialist industry is continuously growing. The share of socialist industry is growing in such a way that, taking advantage of its con-

centration and organization, taking advantage of the fact that we have the dictatorship of the proletariat, that transport is in the hands of the state, that the credit system and the banks are ours—taking advantage of all this, our socialist industry, the share of which in the total volume of national production is growing step by step, this industry is advancing and is beginning to gain the upper hand over private industry, to adapt to itself and to lead all the other forms of economy. Such is the fate of the countryside—it must follow the lead of the towns, of large-scale industry.

This is the fundamental conclusion that follows if we raise the question of the character of our system, of the share socialist industry represents in this system, of the share private capitalist industry represents, and lastly, of the share small commodity—chiefly peasant—production represents in the total national economy.

A word or two about our state budget. You no doubt know that it has grown to 4,000 million rubles. Counting in prewar rubles, our state budget amounts to no less than 71 per cent of the state budget of prewar times. Further, if to the amount of the state budget we add the amounts of the local budgets, as far as they can be calculated, our total state budget will amount to no less than 74.6 per cent of the 1913 budget. A characteristic feature is that in our state budget the proportion of nontax revenues is much high-

er than that of revenues from taxes. All this also shows that our economy is growing and making progress.

The question of the profits we obtained from our state and cooperative enterprises last year is of utmost importance, because ours is a country poor in capital, a country that does not obtain big loans from abroad. We must closely scrutinize our industrial and commercial enterprises, our banks and cooperative societies, in order to ascertain what we can get from them for the purpose of further expanding our industry. In 1923-24, state industry of Union importance and the Glavmetal yielded, I think, about 142,000,000 chervoni rubles profit. Of this sum, 71,000,000 was assigned to the exchequer. In 1924-25 we already have 315,000,000. Of this sum it is planned to assign 173,000,000 to the exchequer.

State trade of Union importance yielded in 1923-24 about 37,000,000, of which sum 14,000,000 went as state revenue. In 1925, the amount is smaller—22,000,000, as a result of our policy of reducing prices. Of this sum about 10,000,000 will go as state revenue.

From our foreign trade in 1923-24 we obtained a profit of over 26,000,000 rubles, of which sum about 17,000,000 went as state revenue. In 1925, foreign trade will yield, or rather, has already yielded, 44,000,000. Of this sum 29,000,000 will go as state revenue.

According to the calculations of the People's Commissariat for Finance, in 1923-24 the banks yielded a profit of 46,000,000, of which 18,000,000 went as state revenue; in 1924-25 the profit amounted to over 97,000,000, of which 51,000,000 has gone as state revenue.

The consumers' cooperatives in 1923-24 yielded a profit of 57,000,000 and the agricultural cooperatives—4,000,000.

The figures I have just quoted are more or less understated. You know why. You know how our economic organizations calculate with the view to keeping as much as possible for the expansion of their business. If these figures seem small to you, as indeed they are, then bear in mind that they are slightly understated.

A few words about our foreign trade turnover.

If we take our total trade turnover for 1913 at 100, we will find that our foreign trade in 1923-24 reached 21 per cent of the prewar level, and in 1924-25—26 per cent of the prewar level. Exports in 1923-24 amounted to 522,000,000 rubles; imports—439,000,000; total turnover—961,000,000; favourable balance—83,000,000. In 1923-24 we had a favourable balance of trade. In 1924-25 exports amounted to 564,000,000; imports—708,000,000; total turnover—1,272 million; balance—minus 144,000,000. This year we wound up our foreign trade with an unfavourable balance of 144,000,000.

Permit me to dwell on this somewhat.

People here are often inclined to attribute the unfavourable balance of trade that we have had in the past economic year to the fact that this year we imported a large quantity of grain owing to the crop failure. But we imported grain amounting to 83,000,000, whereas the trade deficit amounts to 144,000,000. What does this deficit lead to? To this, that by buying more than we sell, by importing more than we export, we upset our balance of payments and thereby upset our currency. We received directives from the Thirteenth Party Congress that the Party should at all costs secure a favourable balance of trade.<sup>10</sup> I must admit that all of us, the Soviet bodies and the Central Committee, are guilty of a grave error in failing to carry out the directives that were given us. It was difficult to carry them out; but still, we could have obtained at least a small favourable balance if we had exerted some effort. We are guilty of this grave error and the Congress must rectify it. Incidentally, the Central Committee itself took steps to rectify it in November this year at a special meeting at which it examined the figures of our imports and exports and passed a decision that next year—at this meeting we sketched the chief elements of our foreign trade for next year—that next year our foreign trade should wind up with a favourable balance of at least 100,000,000. This is essential. It is

absolutely essential for a country like ours, where we have little capital, where there are no, or exceedingly little, imports of capital from abroad, where the balance of payments, its equilibrium, must be maintained by the balance of trade to prevent our chervoni currency from being shaken and, by saving our currency, to retain the possibility of further expanding our industry and agriculture. You have all experienced what an unstable currency means. We must not fall into such an unfortunate position again; we must take all measures to eradicate all factors that may in future land us in conditions that may shake our currency.

Such are the figures and considerations concerning our national economy as a whole, concerning industry and agriculture in particular, concerning the proportion of socialist industry relative to the other forms of economy, and concerning the leading ideas in the building of Socialism that I spoke about, and on the basis of which the Central Committee of our Party stands.

## 2. INDUSTRY AND AGRICULTURE

If, further, we take the questions that directly concern industry and agriculture in their interrelations at the present time and in the immediate future, they can be reduced to the following points.

*Firstly.* We are still an agrarian country: agricultural production predominates over industrial production. The main thing in industry is that it has already reached the limit of prewar standards, that further steps in industry mean developing it on a new technical basis, the utilization of new equipment, and the extensive building of new plants. This is a very difficult matter. Stepping across this threshold, passing from the policy of utilizing to the utmost all that we have had in industry to the policy of building up a new industry on a new technical basis, on the basis of building new plants, crossing this threshold, calls for amounts of capital. As, however, we suffer from a considerable shortage of capital, the further development of our industry will, in all probability, proceed at a less rapid tempo than it has done up till now.

This is not the case in agriculture. It cannot be said that all the potentialities inherent in agriculture on its present technical basis are already exhausted. Unlike industry, agriculture can make rapid progress for a certain time even on its present technical basis. Even simply raising the culture of the peasant, literacy, even a simple thing like cleaning seed, could increase the gross output of agriculture 10-15 per cent. Count up what this means for the entire country. Such are the potentialities still inherent in agriculture.

That is why the further development of agriculture does not, for the time being, encounter the technical difficulties that our industry does. That is why the discrepancy between the balance of industry and the balance of agriculture will continue to grow during the next few years, because agriculture possesses a number of inherent potentialities which are far from being used up yet, and which are to be used during the next few years.

What are our tasks in connection with this circumstance?

First of all, to raise our large-scale state industry at all cost in spite of the difficulties that confront us. Next, to raise the *local* type of Soviet industry. Comrades, we cannot concentrate only on the development of Union industry, because Union industry, our centralized trusts and syndicates, cannot satisfy all the diverse tastes and requirements of a 140,000,000 population. To be able to satisfy these requirements, we must set life, industrial life, bubbling in every district, in every area, in every gubernia, region and national republic. Unless we unleash the forces inherent in the localities for economic construction, unless we lend local industry every support, beginning with the districts and areas, unless we unleash all these forces, we will not achieve that general uplift of economic construction in our country that Lenin spoke about.

Unless we do this, unless we link the interests and advantages of the centre with the interests and advantages of the localities, we will not solve the problem of releasing initiative in construction, the problem of the general economic uplift in the country, the problem of securing the speediest industrialization of the country.

*Secondly.* Before, the problem in relation to fuel was that of overproduction. Now we are approaching the problem of a fuel crisis, because our industry is growing faster than the fuel supply. We are approaching the level on which our country stood under the bourgeois system, when there was a shortage of fuel, and we were obliged to import it. In other words, the position is that there is a discrepancy between the fuel balance and the balance of industry, its requirements. Hence the task of accelerating the development of our fuel industry, of improving its technical methods, so that its development should overtake, should be able to overtake, the development of industry.

*Thirdly.* There is some discrepancy between the metals balance and the balance of the national economy as a whole. If we calculate the minimum metal requirements and the maximum possibility of producing metals, we will find that we have a shortage running into tens of millions. Under these conditions, our economy, and our

industry in particular, cannot make further progress. That is why this circumstance must receive special attention. Metal is the foundation of foundations of our industry, and its balance must be made to correspond to the balance of industry and transport.

*Fourthly.* The discrepancy between the balance of our skilled labour power and the balance of industry. A series of figures have been published in the press and I will not quote them; all I will say is that requirements of additional skilled labour power in industry as a whole in 1925-26 amount to 433,000 men, and we can supply only a fourth of these requirements.

*Fifthly.* I would like to mention one other defect and discrepancy, namely, that the rate at which railway rolling stock is being used exceeds all limits. The demand for rolling stock is so great that next year we will be obliged to use locomotives and freight cars not 100 per cent of capacity but 120-130 per cent. Thus, the fixed capital of the People's Commissariat for Railways will be subjected to excessive wear and tear, and we may be faced with disaster in the near future if we do not take resolute measures.

Such are all the defects and discrepancies that exist in our national economy in general, and in our industry in particular, and which must be removed.

### 3. QUESTIONS CONCERNING TRADE

Permit me now to pass to questions concerning trade. The figures show that in this sphere, as in the industrial sphere, the relative proportion of the state principle is gaining ground over the private capitalist principle. If we take the total internal trade turnover before the war as being equal to 20,000 million commodity rubles, then that for 1923-24 will be equal to 10,000 million, i.e., 50 per cent of the prewar turnover; that for 1924-25 equals 14,000 million, i.e., 70 per cent. The general growth of internal trade turnover is beyond doubt. Speaking of the state's share in this turnover, we find that in 1923-24, the state's share was equal to 45 per cent of the total internal trade turnover; the share of the cooperatives was 19 per cent, and the share of private capital 35 per cent. In the following year, i.e., in 1924-25, the state's share was equal to 50 per cent; the share of the cooperatives, instead of 19 per cent, was 24.7 per cent, and the share of private capital, instead of 35 per cent, was 24.9 per cent. The share of private capital in the total turnover is dropping; the share of the state and of the cooperatives is rising. If we divide the turnover into two parts, wholesale and retail, we will see the same trend. The state's share of wholesale trade in 1923-24 amounted to over 62 per cent of the total turnover; in 1924-25 it

amounted to 68.9 per cent. An obvious increase. The share of the cooperatives shows an increase from 15 to 19 per cent. The share of private trade was 21 per cent; now it is 11 per cent. In retail trade, the state's share in 1923-24 was equal to 16 per cent; in 1924-25 it was almost 23 per cent. The cooperatives' share of retail trade last year was equal to 25.9 per cent, and in 1924-25 it was equal to 32.9 per cent. The growth is beyond doubt. Private capital's share of the retail trade in 1923-24 was equal to 57 per cent; now, however, it is 44.3 per cent. We have obviously crossed the threshold in the sphere of retail trade. Last year, private capital predominated in retail trade; this year, the state and the cooperatives predominate.

The growth of the importance of the state and the cooperatives in the purchase of raw materials and grain is shown by the following figures: oilseed in 1924-25—65 per cent; flax—94 per cent; raw cotton—almost 100 per cent; grain in 1923-24—75 per cent and in 1924-25—70 per cent. Here we have a slight drop. On the whole, the growth of the state and cooperative principles in the sphere of internal trade is beyond doubt both in the wholesale and in the retail branch.

Although the percentage of the state's share of grain purchases is preponderant, nevertheless, it is not growing as much as it did last year, and this points to mistakes that have been committed

in the purchasing of grain. The point is that the miscalculations that were made in the purchasing of grain were miscalculations not only on the part of the Soviet bodies, but also of the Central Committee, for it is the latter's duty to supervise the Soviet bodies, and it is responsible for everything they do. The miscalculation was that, in planning, we failed to take into account the fact that the state of the market, the conditions for grain purchases this year, presented something new, something special, compared with what the case was last year and the year before. This is the first year in which we came into the grain market without coercive measures, in which we had reduced the burden, the pressure of taxation to a minimum, and in which the peasants and the government's agents came face to face in the market as equals. These were the circumstances that were left out of account by our planning bodies, which intended to purchase 70 per cent of the total purchases for the year by January 1, 1926. We failed to take into account the fact that the muzhik is also able to manoeuvre, that he puts by his currency commodity—wheat—for the future in anticipation of a further rise in prices and prefers, for the time being, to come into the market with other, less valuable grain. This is what we failed to take into account. In connection with this, the purchases plan has been revised; the grain exports plan has been re-

duced and the imports plan is also being correspondingly reduced. The exports and imports plan is being revised; it has to show a favourable balance of trade of not less than a hundred million rubles, but it has not yet been finally drawn up.

#### 4. CLASSES, THEIR ACTIVITY, THEIR CORRELATION

The development of the national economy in the country has led to an improvement in the material conditions primarily of the working class. The declassing of the working class is a thing of the remote past. The restoration and growth of the working class is proceeding at a rapid rate. Here are the figures: on April 1, 1924, counting all workers, in all forms of industry, including small-scale, including seasonal workers and agricultural labourers, according to the returns of the People's Commissariat for Labour, we had 5,500,000 workers, of whom 1,000,000 were agricultural labourers and 760,000 unemployed. On October 1, 1925, we already had over 7,000,000 workers, of whom 1,200,000 are agricultural labourers and 715,000 unemployed. The growth of the working class is beyond doubt.

The average monthly wage per worker in industry as a whole, in chervoni rubles, amounted in April 1925 to 35 rubles, or 62 per cent of prewar. In September 1925—50 rubles, or 88.5

per cent of prewar. Some branches have leaped over the prewar level. The average daily real wage per worker in commodity rubles amounted in April 1925 to 0.88 rubles; in September 1925 it amounted to 1 ruble 21 kopeks. The average output per man-day worked amounted in industry as a whole, in prewar rubles, to 4.18 in April 1924, but in 1925 it amounted to 6.14, i.e., 85 per cent of prewar. If we take the relation between wages and productivity of labour month by month we will find that they run in two rows: wages rise, and productivity of labour rises. But in June and July wages rose; productivity of labour, however, rose to a lesser degree than wages. This was due to vacations and to the influx in the factories and works of new strata of workers—semi-peasants.

Now as regards *wage funds*. Wage funds, according to the returns of the People's Commissariat for Labour (I have in mind industry, leaving out other branches), in 1923-24, amounted to 808,000,000; in 1924-25—over 1,200 million; the estimate for 1925-26 is 1,700 million rubles.

I will not, comrades, speak of the needs for which the *social insurance* funds are used, everybody knows that. Permit me to mention one general figure to enable you to judge how much the proletarian state spends on workers' insurance. The total number of insured workers in 1924-25 was 6,700,000; the estimate for 1925-26

is 7,000,000. The average contribution in 1924-25 amounted to 14.6 per cent of the pay roll; the estimate for 1925-26 is 13.84 per cent of the pay roll. Expressing this in gross figures, the amount expended on this in 1924-25 was 422,000,000 rubles; the estimate for 1925-26 is 588,000,000. Perhaps it will not be superfluous to inform you that from the fund that was allocated last year a certain sum was left in the social insurance offices amounting to 71,000,000 rubles.

As regards the peasants, the increase in the output of agriculture was naturally bound to find reflection in an improvement in the material conditions of the peasant population. According to the returns of our planning bodies, the individual consumption of the peasant population, the per cent of increase in this consumption, is higher than the per cent of increase in the consumption of the urban population. The muzhik has begun to feed better, and he retains a far larger share for his husbandry, for his individual consumption, than was the case last year.

What assistance did the proletarian state render the husbandry of the poor peasants and those who had suffered from the crop failure? The People's Commissariat for Finance estimates that financial assistance to poor peasants in 1924-25 amounted, in tentative figures, not quite exact, to 100-105 million rubles, of which tax and insurance exemptions amounted to about 60,000,000

rubles; furthermore, disbursements from the fund for combating the consequences of the crop failure amounted to 24,000,000 rubles, and credits—12,000,000 rubles. Assistance to sufferers from the crop failure in 1924 covered an area with a population of over 7,000,000. The total spent for this purpose amounted to 108-110 million rubles, of which 71,000,000 came from the state budget and 38,000,000 from the funds of public organizations and banking institutions. In addition to this, a fund of 77,000,000 has been set up for combating drought. Such was the assistance the proletarian state rendered the poor strata of the peasantry, not adequate assistance, of course, but such as deserves a word or two of comment.

Improvement of the material conditions of the working class and of the peasantry is a fundamental premise, without which we can make no progress in our sphere of construction. We see that this premise already exists.

A few words about the increase in the activity of the masses. The chief thing in our internal situation, that which strikes the eye, and which one cannot possibly turn away from, is that as a consequence of the improvement in the material conditions of the workers and peasants there has been an increase in their political activity, they have become more critical in their attitude towards our shortcomings, are speaking

more loudly about the defects in our practical work. We have entered a period of revived activity among all classes and all social groupings. The working class has become more active, the peasantry, with all its groupings, has become more active, and the new bourgeoisie, its agents in the rural districts (the kulaks), and its representatives among the intelligentsia, have become more active. This fact served as the basis for the turn in our policy which is expressed in the decisions of the Fourteenth Party Conference. The policy of reviving the Soviets, the policy of reviving the cooperatives and the trade unions, the concessions to the peasantry as regards precisising the question of renting land and hiring labour, the material assistance rendered the poor peasants, the policy of a stable alliance with the middle peasants, the liquidation of the remnants of war communism—that, mainly, expresses the Party's new course in the rural districts. What the situation was in the rural districts at the end of last year and in the beginning of this, you know very well. General discontent among the peasantry was growing, and here and there attempts at revolt were even made. Such were the circumstances that determined the Party's new course in the rural districts.

Such are the foundations of the Party's policy towards the peasantry in the period of the revival of the activity and organization of the masses;

a policy calculated to regulate relationships in the rural districts, to raise the prestige of the proletariat and its Party there, and to ensure a stable alliance of the proletariat and poor peasants with the middle peasantry.

You know that this policy has fully justified itself.

#### 5. LENIN'S THREE SLOGANS ON THE PEASANT QUESTION

Did we act rightly in steering a course towards the middle peasantry? How does the matter stand with the new course from the aspect of principle? Have we any directions from Lenin on this score?

It is said that the Second Congress of the Comintern adopted a resolution on the peasant question stating that the only ally the proletariat can have in the epoch of the struggle for power are the poor peasants, that the middle peasants can only be neutralized. Is that true? It is true. When writing this resolution<sup>11</sup> Lenin had in mind parties that were proceeding towards power. We, however, are a Party that is already in power. That is where the difference lies. On the question of the peasantry, on the question of alliance between the workers and the peasantry, or individual strata of the peasantry, Leninism has three fundamental slogans corresponding to the three

periods of the revolution. The whole point is correctly to discern the transition from one slogan to the other, from the other to the third.

Formerly, when we were proceeding towards the bourgeois revolution, when we Bolsheviks first sketched our tactics in relation to the peasantry, Lenin said: alliance with *the whole* of the peasantry against the tsar and the landlords, with the Cadet bourgeoisie neutralized. With this slogan we, at that time, proceeded towards the bourgeois revolution and we achieved victory. This was the first stage of our revolution.

Later, when we had reached the second stage, October, Lenin issued a new slogan corresponding to the new situation: the proletariat's alliance with the *rural poor* against the entire bourgeoisie with the middle peasantry *neutralized*. This is the slogan that is necessary for Communist Parties that are proceeding towards power. And even when they have won power, but have not consolidated it, they cannot count on an alliance with the middle peasantry. The middle peasant is cautious. He waits to see who comes out on top, and only when you have gained the upper hand, when you have expelled the landlords and the bourgeoisie, will he enter into alliance with you. That is the nature of the middle peasant. Hence, at the second stage of the revolution our slogan was no longer alliance of the workers *with the*

whole peasantry, but alliance of the proletariat with the poor peasants.

And after that? After that, when we had sufficiently consolidated our power, when we had repulsed the attacks of the imperialists and had entered the period of extensive socialist construction, Lenin advanced a third slogan—*stable alliance* of the proletariat and poor peasantry with the middle peasantry. This is the only correct slogan, corresponding to the new period of our revolution, the period of extensive construction. It is correct not only because we can now count on an alliance, but also because, in building Socialism, we have to operate not only with millions, but tens of millions of people in the rural districts. It is impossible to build Socialism otherwise. Socialism does not embrace only the towns. Socialism is an organization of economy that unites industry and agriculture on the basis of the socialization of the means and instruments of production. If these two branches of economy are not united, Socialism is impossible.

That is how the matter stands with the slogans of Leninism on alliance with the peasantry.

What Lenin said at the Second Congress of the Comintern was absolutely correct, for when you are proceeding towards power, or have not yet managed to consolidate power after capturing it, you can count only on an alliance with the poor peasantry and on neutralizing the mid-

dle peasantry. But when you have consolidated your position, have captured power, have begun to build, and you already have to operate with tens of millions of people, alliance of the proletariat and poor peasants with the middle peasants is the only correct slogan.

This transition from the old slogan "alliance of the proletariat with the poor peasantry," from the old slogan of neutralizing the middle peasantry, to the slogan of stable alliance with the middle peasantry took place as far back as the Eighth Congress of our Party. Permit me to quote a passage from Ilyich's speech in opening the Congress. Here it is:

"The best representatives of Socialism of the old days—when they still believed in revolution and served it theoretically and ideologically—spoke of *neutralizing* the peasantry, i.e., of turning the middle peasantry into a social stratum, which, if it did not actively aid the revolution of the proletariat, at least would not hinder it, would remain neutral and would not take the side of our enemies. This abstract, theoretical presentation of the problem is perfectly clear to us. *But it is not enough.* We have entered *a phase of socialist construction in which we must draw up concrete and detailed basic rules and instructions, tested by the experience of our work in the rural districts, by which we must be guided in order to achieve a stable alliance with the middle peasantry.*"\*<sup>12</sup>

Such is the theoretical basis of the Party's policy, calculated to achieve in the present histor-

\* All italics mine.—J. St.

ical period a stable alliance with the middle peasantry.

Whoever thinks of using the resolution of the Second Congress of the Comintern, which Lenin wrote, to refute these words of Lenin's, let him say so frankly.

That is how the question stands in theory. We do not take a separate part of Lenin's teaching, we take the whole. Lenin had three slogans in relation to the peasantry: one—during the bourgeois revolution; another—during the October Revolution, and a third—after the consolidation of the power of the Soviets. Whoever thinks of substituting one general slogan for these three, is committing a most grievous error.

That is how the question stands in theory. In practice, it stands as follows: after carrying through the October Revolution, after expelling the landlords and distributing the land among the peasants, clearly, we have more or less middle-ized Russia, as Lenin expressed it, and today the middle peasants constitute the majority in the rural districts, notwithstanding the process of differentiation.

Differentiation is, of course, proceeding. Under NEP, at the present stage, it cannot be otherwise. But it is proceeding at a slow pace. Recently, I read a handbook, issued, I think, by the Agitation and Propaganda Department of the Central Committee itself, and another handbook, issued,

if I am not mistaken, by the Agitprop Department of the Leningrad organization. If we are to believe these handbooks, it appears that under the tsar, the poor peasants in this country constituted somewhere about 60 per cent, but now they constitute 75 per cent; that under the tsar the kulaks constituted 5 per cent, but now, 8 or 12 per cent; under the tsar there were so many middle peasants, but now there are fewer. I don't want to indulge in strong language, but it must be said that these figures are worse than counterrevolution. How can a man who thinks on Marxist lines say a thing like that, and print it, in a handbook, too? As a member of the Central Committee, I, too, of course, am answerable for this incredible blunder. If, under the tsar, a policy of creating kulaks was practised, when land was private property and the land was being mobilized (which exceptionally aggravates differentiation), if the government was of the kind that forced differentiation to the utmost, and, for all that, the poor peasants constituted no more than 60 per cent, how could it happen that under our government, under the Soviet Government, when there is no private property in land, i.e., when the land is withdrawn from circulation and this obstacle to differentiation exists, after we expropriated the kulaks for a couple of years and have not entirely abandoned the expropriating method to this day, when we are conducting a special

credit and cooperative policy which is unfavourable for differentiation—how could it happen that with these obstacles it turns out, as is claimed, that there is more differentiation today than under the tsar, many more kulaks and poor peasants than in the past? How can people who call themselves Marxists talk such utter piffle? It's enough to make you laugh, and cry. (*Laughter.*)

The same must be said about the unlucky grain and fodder balance drawn up by the Central Statistical Board, in June, according to which the well-to-do peasants had 61 per cent of the surplus market grain, the poor peasants none, while the middle peasants had the rest. The funny thing about this is that several months later the CSB came out with a different figure: not 61 per cent, but 52 per cent. And recently, the CSB came out again, not with 52 per cent this time, but 42 per cent. Is that the way to calculate? We believe that the CSB is a citadel of science. We are of the opinion that without the CSB's figures not a single administrative body could calculate or plan. We think that the CSB should provide objective statistics free from all preconceived opinions, for the attempt to fit statistics to any given preconceived opinion is a crime. But after this, how can we believe the CSB's figures if it has ceased to believe them itself?

More briefly. Since we have middleized the rural districts as a result of the agrarian revolu-

tion, since the middle peasants constitute the majority in the rural districts, notwithstanding the process of differentiation, and since our work of construction and Lenin's cooperative plan call for the enlistment of the bulk of the peasant masses in this work, then the policy of alliance with the middle peasants is, under NEP conditions, the only correct policy.

Such is the practical aspect of the question.

See how Lenin formulated our tasks when he substantiated the New Economic Policy. Before me lies the draft of the pamphlet *The Food Tax*, written by Lenin, in which he clearly and distinctly gives the fundamental guiding lines:

"Now, increasing the output of produce is becoming (has become) the *pivot*, the *touchstone*. . . . Consequently: 'stakes' on the middle peasants in agriculture.

"The diligent peasant as the 'central figure' of our agricultural upswing." (Cf. Vol. XXVI, pp. 312-313.)

Thus, stakes on the middle peasant in agriculture, the diligent peasant as the central figure of our agricultural upswing. That is what Comrade Lenin wrote in 1921.

This, comrades, is the idea that served as the basis of the decisions and of the concessions to the peasantry that we adopted at the Fourteenth, April Conference of our Party.

In what relation do the resolutions of the Fourteenth, April Party Conference stand to the

resolution on work among the poor peasants that the Central Committee unanimously adopted in October,<sup>13</sup> in the same way as it unanimously adopted the resolutions of the Fourteenth Conference? The chief task that confronted us at the October Plenum of the Central Committee was to prevent the disruption of the policy we had worked out at the April Conference, the policy of a stable alliance with the middle peasants; to prevent the disruption of this policy, for sentiments were observed in the Party expressing the view that the policy of a stable alliance with the middle peasants was wrong, or unacceptable. Sentiments were also observed expressing the view that the policy of a stable alliance with the middle peasants implied forgetting the poor peasants, that somebody was trying to bring about a stable alliance with the middle peasants over the heads of the poor peasants. This is silly, comrades, but it is a fact, for such sentiments were expressed. Did the question of the poor peasants constitute something new for us when we gathered at the October Plenum? Of course not. As long as there are poor peasants, we must be in alliance with them. We learned that as far back as 1903, when Lenin's pamphlet *To the Village Poor*<sup>14</sup> first appeared. Precisely because we are Marxists, because we are Communists, we must lean on the poor peasants in the rural districts. Upon whom else can we lean? This question is not a new one;

there was nothing new in it for us either in April, or October, either at the Conference or at the Plenum of the Central Committee, nor could there be anything new in it. If the question of the poor peasants did come up after all, it did so in connection with the experience we had accumulated during the elections to the Soviets. What did we find? We revived the Soviets. We began to implant Soviet democracy. But what for? After all, Soviet democracy means leadership by the working class. No Soviet democracy can be called genuine Soviet and genuine proletarian democracy if the leadership of the proletariat and of its Party is absent. But what does Soviet democracy with the leadership of the proletariat mean? It means that the proletariat must have its agents in the rural districts. Who must these agents be? Representatives of the poor peasants. In what condition did the poor peasants find themselves when we revived the Soviets? In the most incohesive and diffuse condition. It seemed, not only to certain elements among the poor peasants, but also to certain Communists, that the abandonment of expropriation of the kulaks and of administrative pressure meant abandoning the poor peasants, forgetting their interests. And instead of conducting an organized struggle against the kulaks, they began to whine in the most disgraceful manner.

What had to be done to vanquish these senti-

ments? Firstly, to carry out the task the Fourteenth Party Conference had set the Party, i.e., to define the terms, methods and measures for rendering the poor peasants material assistance. Secondly, to issue the slogan of organizing special groups, or factions, of poor peasants for the purpose of conducting an open political struggle to win over the middle peasants and to isolate the kulaks during the elections to the Soviets, elections in the cooperatives, etc.

This is exactly what Comrade Molotov did in the theses on work among the poor peasants, as a result of his three months' work on the Rural Districts Commission of the Central Committee, theses that were unanimously approved by the October Plenum of the Central Committee.

As you see, the resolution of the October Plenum of the Central Committee is the direct continuation of the decisions of the Fourteenth Conference.

It was necessary, firstly, to present the question of material assistance concretely, so as to improve the material conditions of the poor peasants; and secondly, it was necessary to issue the slogan of organizing the poor peasants. This is the new feature, introduced entirely by Comrade Molotov; the slogan of organizing groups of poor peasants was his idea.

Why was the slogan of organizing groups of poor peasants needed? It was needed for the pur-

pose of liquidating the diffuseness of the poor peasants and of giving them the opportunity to organize, with the aid of the Communists, into an independent political force capable of serving as an organized bulwark of the proletariat in the rural districts in the struggle against the kulaks, in the struggle to win over the middle peasants. The poor peasants are still imbued with the dependent mentality; they place their hopes in the GPU, in officials, in everything you please, except in themselves, in their own strength. This passivity, this dependent mentality must be obliterated from the minds of the poor peasants. We must issue to the poor peasants the slogan that they must, at last, stand on their own feet, that they must, with the aid of the Communist Party, and with the aid of the state, organize in groups; that they must learn in the arena of the Soviets, in the arena of the cooperatives, in the arena of the Peasant Committees, in all the arenas of rural public life, to fight the kulaks, but to fight not by appealing to the GPU, but in a political struggle, in an organized struggle. Only in this way can the poor peasants become steeled; only in this way can the poor peasants be organized, and only in this way can the poor peasants be transformed from a dependent group into a bulwark of the proletariat in the rural districts. That is why the question of the poor peasants was brought forward in October.

## 6. TWO DANGERS AND TWO DEVIATIONS ON THE PEASANT QUESTION

In connection with the peasant question, two deviations are observed in our Party. A deviation in the direction of belittling the kulak danger, and a deviation in the direction of exaggerating it, in the direction of belittling and underestimating the role of the middle peasants. I will not say that there is anything fatal for us in these deviations. A deviation is a deviation; a deviation is something that has not yet taken definite shape. A deviation is the beginning of a mistake. Either we allow this mistake to develop—and that will be bad; or we nip this mistake in the bud—and then the danger will be removed. A deviation is something mistaken that will produce results later if it is not checked in time.

A word or two about underestimating the kulak danger. There is talk about a kulak deviation. That is foolish, of course. There cannot be a kulak deviation in the Party. The point at issue is not a kulak deviation, but a deviation in the direction of underestimating the kulak danger. Even if there were no people who had fallen victims to this deviation, who had stepped on to the ground of this deviation, they would have appeared eventually anyhow, because development in our country is proceeding in the direction of some revival of capitalism, and the revival of

capitalism is bound to create confusion around our Party. On the other hand, socialist industry is developing in our country, and a struggle is proceeding between it and private capital. Which will outstrip the other? At present, preponderance is on the side of the socialist elements. We will subjugate both the kulaks and the urban private capitalists. But so far, the fact remains that the kulaks are growing, and we have not beaten them economically by a long way yet. The kulaks are mustering their forces, that is indisputable; and whoever fails to see this, whoever says that this is a trifle, that the kulak is a bogey, puts the Party in danger of losing its vigilance and of finding itself disarmed in the struggle against the kulaks, in the struggle against capitalism, for the kulaks are capitalism's agents in the rural districts.

There is talk about Bogushevsky. Of course, his is not a kulak deviation. He is deviating in the direction of underestimating the kulak danger. If his were a kulak deviation, he would have to be expelled from the Party. Up till now, I think, as far as I know, nobody has demanded his expulsion from the Party. This deviation is in the direction of underestimating the kulak danger in the rural districts, a deviation which hinders us from keeping the Party in a constant state of readiness for the struggle, which disarms the Party in its struggle against the capitalist elements; as is known, this deviation was condemned by

the decision of the Central Committee of the Party.

But there is another deviation—in the direction of overestimating the kulak danger, in the direction of consternation in face of the kulak danger, in the direction of panic: “The kulak is coming, Help!” A strange thing! People introduced NEP, knowing that NEP was a revival of capitalism, a revival of the kulaks, that the kulaks would inevitably raise their heads. But it was enough for the kulaks to show up for these people to start shouting “Help!” and to lose their heads. And in their consternation they went so far as to forget about the middle peasants. And yet, the fundamental task in the rural districts at the present time is to fight to win over the middle peasants, to fight to tear the middle peasants away from the kulaks, to fight in order to isolate the kulaks by establishing a stable alliance with the middle peasants. This is forgotten by those comrades who become panic-stricken in face of the kulak danger.

I think that if we delved down to the roots of these two deviations we could bring them down to the following starting points.

The first deviation consists in belittling the role of the kulaks and of the capitalist elements in the rural districts generally, in slurring over the kulak danger. It starts out from the wrong assumption that NEP does not lead to the revival of the cap-

italist elements in the rural districts, that in our country the kulaks, and the capitalist elements generally, are passing, or have already passed, into the sphere of history, that differentiation is not proceeding in the rural districts, that the kulaks are an echo of the past, a bogey, and nothing more.

What does this deviation lead to?

In practice, this deviation leads to the denial of the class struggle in the rural districts.

The second deviation consists in inflating the role of the kulaks, and of the capitalist elements generally, in the rural districts, in becoming panic-stricken in face of these elements, in denying that an alliance of the proletariat and poor peasants with the middle peasants is possible and expedient.

This deviation starts from the assumption that what is taking place in the rural districts is just the restoration of capitalism, that this process of restoration of capitalism is an all-absorbing process that embraces the whole, or the overwhelming part, also of our cooperatives, that the result of such a development must be a continuous and large-scale growth of differentiation among the peasantry, that the extreme groups, i.e., the kulaks and the poor peasants, must grow in strength and numbers year after year, that the middle group, i.e., the middle peasants, must grow weaker and be washed out, also year after year.

In practice, this deviation leads to fanning the flames of the class struggle in the rural districts, to a reversion to the Poor Peasants' Committee policy of expropriating the kulaks, consequently, to proclaiming civil war in our country, and thus, to the disruption of all our work of construction, and thereby, to the repudiation of Lenin's cooperative plan to incorporate the millions of peasant farms in the system of socialist construction.

You will ask: which deviation is worse? It is wrong to put the question that way. One is as bad as the other. And if these deviations are allowed to develop they may disintegrate and destroy the Party. Fortunately, there are forces in our Party capable of ridding it of both deviations. (*Applause.*) Although one deviation is as bad as the other, and it is foolish to ask which of them is more dangerous, nevertheless, there is another point of view from which these two deviations must be approached. Which deviation is the Party best prepared to fight—the first or the second?—that is the practical question that should be put. Both deviations are dangerous, one is as bad as the other; it is wrong to ask which of them is more dangerous; but it is right and necessary to ask: which deviation is the Party best prepared to fight? If we were to ask Communists what the Party is better prepared for—to strip the kulaks, or not to do that, but enter into alliance with the middle peasants—I

think that 99 out of a 100 Communists would say that the Party is best prepared for the slogan: beat the kulaks. Just let them—they would strip the kulaks in a jiffy. As for refraining from expropriating the kulaks and pursuing the more intricate policy of isolating the kulaks by entering into an alliance with the middle peasants—that is not so easily assimilated. That is why I think that in its struggle against both deviations, the Party must, after all, concentrate its fire on the second deviation. (*Applause.*) No plea of Marxism, no plea of Leninism can cover up the fact that the kulaks are dangerous. The kulaks are kulaks, they are dangerous, no matter how much Bogushevsky may talk about bogeys. No quotations can obliterate this from the mind of a Communist. But the postulate that a stable alliance with the middle peasants is necessary—although Lenin, in the resolution of the Second Congress, wrote about neutralizing the middle peasants—this postulate can always be slurred over, obscured, with phrases about Leninism, Marxism. Here there is a rich field for quotations, here there is a rich field for everybody who wants to confuse the Party, who wants to conceal the truth from the Party, the truth that in relation to the peasantry, Lenin had not one, but three slogans. Here, all sorts of manipulations can be performed with Marxism. And precisely for this reason, fire must be concentrated on the second deviation.

This is how the matter stands with the internal situation in the Union, with its economy, its industry and agriculture, with the classes, the activity of the classes, the revival of the Soviets, the peasantry, and so forth.

I will not stop to deal with certain questions concerning the state apparatus, which is growing and is striving to escape from the Party's guidance, in which, of course, it will not succeed.

Nor will I deal with the bureaucracy of our state apparatus; I will not do so because my report is already too long drawn out. I will not deal with this question because it is in no way a new one for the Party.

## 7. THE PARTY'S TASKS

I pass to the Party's tasks in the sphere of domestic policy.

In the sphere of *developing our national economy* as a whole we must conduct work:

- a) in the direction of further increasing the output of the national economy;
- b) in the direction of transforming our country from an agrarian into an industrial country;
- c) in the direction of ensuring within the national economy a decisive preponderance of the socialist elements over the capitalist elements;
- d) in the direction of ensuring for the national economy of the Soviet Union the necessary in-

dependence amidst our capitalist encirclement;

e) in the direction of increasing the proportion of nontax revenue in the total state budget.

In the sphere of *industry and agriculture* we must conduct work:

a) in the direction of expanding our socialist industry on a higher technical level, of increasing productivity of labour, reducing cost of production and accelerating the turnover of capital;

b) in the direction of bringing the fuel and metals balances, and also the fixed capital of the railway transport system, in conformity with the country's growing requirements;

c) in the direction of accelerating the development of Soviet local industry;

d) in the direction of increasing the fertility of the soil, raising the technical level of agriculture, developing the cultivation of industrial crops, industrializing agriculture;

e) in the direction of drawing the scattered peasant farms into socialist construction by organizing the peasant masses in cooperative societies and by raising their cultural level.

In the sphere of *trade* we must conduct work:

a) in the direction of expanding and improving the quality of the trading channels (cooperatives of all kinds, state trade);

b) in the direction of accelerating trade turnover to the utmost;

c) in the direction of reducing retail prices

and further increasing the preponderance of Soviet-cooperative trade over private trade;

d) in the direction of establishing a united front and rigid purchasing discipline among all the purchasing bodies;

e) in the direction of increasing the trade turnover with the outside world, while ensuring a favourable balance of trade, and hence, a favourable balance of payments, which is an indispensable condition for preserving the stability of our currency and a necessary guarantee against inflation.

In the sphere of *planning*, we must conduct work in the direction of absolutely ensuring the necessary reserves.

A word or two, by the way, about one of the sources of reserves—vodka. There are people who think that it is possible to build Socialism in white gloves. This is a most grievous mistake, comrades. Since we do not receive loans, since we are poor in capital, and since, furthermore, we cannot go into bondage to the West-European capitalists, we cannot accept the usurious terms they offer us and which we reject, we have but one other alternative—to seek sources in other spheres. After all, that is better than bondage. Here we have to choose between bondage and vodka, and those people who think that it is possible to build Socialism in white gloves are grievously mistaken.

In the sphere of the *correlation of classes* we must conduct work:

a) in the direction of ensuring an alliance of the proletariat and the poor peasants with the middle peasants;

b) in the direction of ensuring the leadership of the proletariat in this alliance;

c) in the direction of politically isolating and economically ousting the kulaks and the urban capitalists.

In the sphere of *Soviet administration*, we must work in the direction of resolutely combating bureaucracy, in the direction of enlisting the broad masses of the working class in this struggle.

I would like to say a word or two about the new bourgeoisie and its ideologists—the Smena-Vekhites. Smena-Vekkhism is the ideology of the new bourgeoisie, which is growing and gradually linking up with the kulaks and the civil service intelligentsia. The new bourgeoisie has advanced its own ideology, the Smena-Vekh ideology, according to which the Communist Party is bound to degenerate, while the new bourgeoisie is bound to consolidate itself, and, it appears, imperceptibly to ourselves, we Bolsheviks are bound to reach the threshold of the democratic republic, then cross that threshold and with the assistance of some "Caesar," who will come forward from the ranks of the military, or from the civil service, it is not certain which, are bound to find our-

selves in the position of an ordinary bourgeois republic.

Such is the new ideology with which attempts are being made to fool our civil service intelligentsia, and not only the latter, but also certain circles that stand close to us. I will not refute the thesis that our Party is degenerating. It is not worth while refuting nonsense. Our Party is not degenerating, and will not do so. It is not made of such stuff, and it was not forged by such a man, that it should degenerate. (*Applause.*) Our cadres, young and old, are growing ideologically. It is a fortunate thing for us that we have managed to publish several editions of Lenin's works. People are now reading, learning and beginning to understand. Not only the leaders, but also the average Party members are beginning to understand, and they cannot be fooled. Shouting about degeneration will not frighten anybody now. People know what's what. They can shout as much as they please, they may try to frighten us with quotations as much as they please, but the average Party member will listen and understand, because he now possesses the works of Lenin. (*Applause.*) This fact is one of the fundamental guarantees that our Party will not step off the road of Leninism. (*Loud applause.*)

I have mentioned the Smena-Vekhites only in order, in a few words, to answer all those who are counting on the degeneration of our Party

and our Central Committee. Ustryalov is the author of this ideology. He is in our service on the railways. It is said that he is serving well. I think that, if he is serving well, let him go on dreaming about the degeneration of our Party. Dreaming is not prohibited in our country. Let him dream to his heart's content. But let him know that while dreaming about our degeneration, he must, at the same time, bring grist to our Bolshevik mill. Otherwise, it will go hard with him: (*Applause.*)

### III THE PARTY

I pass to the question of the Party. I do not put the Party at the end of my report because it is the last in importance of all the factors of our development. No, not because of that, but because, with us, the Party crowns the whole edifice.

I have spoken about the successes the proletarian dictatorship has achieved in the sphere of foreign and domestic policy; in the sphere of external manoeuvring under the conditions of our capitalist encirclement and in the sphere of socialist construction within the country. But these successes could not have been achieved had our Party not been equal to these tasks, had it not become big and strong. The Party's importance in this respect, as the guiding force, is immeasurable. The dictatorship of the proletariat is not exercised automatically; it is exercised primarily by the Party's forces, under its guidance. Without the Party's guidance, under the present conditions of our capitalist encirclement, the dictatorship of the proletariat would have been impossible. It

would be enough to shake the Party, to weaken it, for the dictatorship of the proletariat to sway and become weak in an instant. It is precisely for this reason that the entire bourgeoisie in all countries talks with such fury about our Party.

By this I do not at all wish to say that our Party is identical with the state. Not in the least. The Party is the guiding force in our state. It would be foolish to say on these grounds, as some comrades do, that the Political Bureau is the supreme organ of the state. That is not true. It is confusion that brings grist to the mill of our enemies. The Political Bureau is the supreme organ not of the state, but of the Party; and the Party is the supreme guiding force in the state. The Central Committee and the Political Bureau are organs of the Party. I do not want to identify the state institutions with the Party. All I want to say is that on all fundamental questions concerning our domestic and foreign policy, the Party played the guiding role. And it was solely due to this that we achieved success in our domestic and foreign policy. That is why the question of the Party's composition, of its ideological level, of the Party's cadres, of its ability to guide the presentation of questions concerning economic construction and Soviet administration, of its weight in the working class and among the peasantry, and lastly, of its internal condition generally—is a fundamental question of our policy.

First of all, about the Party's composition. The total numerical strength of the Party by April 1, 1924, not including the Lenin Enrollment, is expressed by the figure 446,000 Party members and candidates. Of these, workers numbered 196,000, i.e., 44 per cent; peasants, 128,000, i.e., 28.8 per cent; office employees and others, 121,000, i.e., 27.2 per cent. By July 1, 1925, we had in the Party not 446,000, but 911,000 members and candidates; of these, workers—534,000, i.e., 58.6 per cent; peasants—216,000, i.e., 23.8 per cent; office employees and others—160,000, i.e., 17.6 per cent. On November 1, 1925, we had 1,025,000 Communists.

What percentage of the working class (if we take the whole working class) is organized in our Party? At the Thirteenth Congress I said in my report on organization that the total number of workers in our country was 4,100,000 (including agricultural workers). I did not then include the workers employed in small industry who could not be counted, as social insurance had not yet been extended and statistics did not deal with them. At that time I gave the figures for January 1924. Later, when it became possible to count the workers employed in small industry, it was found that by July 1, 1924, the total number of workers was 5,500,000, including agricultural workers. Of these workers, 390,000, i.e., 7 per cent of the entire working class, were members of the Party.

By July 1, 1925, the workers numbered 6,500,000; of these, 534,000, i.e., 8 per cent of the entire working class, were members of the Party. By October 1, 1925, we had 7,000,000 workers, agricultural and industrial, small, medium and large-scale industry without distinction. Of these, 570,000, i.e., 8 per cent, were in the Party.

I am saying all this in order to show how unwise it is to talk about getting 90 per cent of the entire working class in the country organized in the Party in one or two years.

Now let us see in what proportion the working class section of the R.C.P.(B.) stands to the number of workers employed in registered industry. The number of permanent workers, not seasonal, in large-scale registered industry, state and non-state, including also the munitions industry, the principal railway workshops and principal depots—the number of workers in all these branches, by January 1, 1924, was 1,605,000. At that time we had 196,000 workers in the Party. This amounts to 12 per cent of the entire working class in large-scale industry. If we take the number of workers at the bench who are Party members and see what percentage of the entire working class in large-scale industry they represent, we will find that by January 1, we had in the Party 83,000 workers at the bench, and they constituted 5 per cent of the total number of workers in large-scale industry. All this was by January 1, 1924.

By June 1, 1924, there were 1,780,000 workers in large-scale industry; in the Party at that time there were 389,000, i.e., 21.8 per cent of the total number of workers in large-scale industry. Of workers at the bench there were 267,000 in the Party, i.e., 15 per cent of the total working class in large-scale industry. By January 1, 1925, there were 1,845,000 workers in large-scale registered industry; the total number of workers in the Party, those at the bench and those not at the bench, was 429,000, i.e., 23.2 per cent of the working class in large-scale industry; of workers at the bench, we had in the Party 302,000, i.e., 16.3 per cent of the total working class in large-scale industry. By July 1, 1925, there were 2,094,000 workers in large-scale industry; number of workers in the Party—534,000, i.e., 25.5 per cent; number of workers at the bench—383,000, i.e., 18.2 per cent of the total working class in large-scale industry.

You see that, whereas in relation to the entire working class the growth of the proportion of workers organized in the Party to the total working class is slower than the growth of the working class itself, in large-scale industry we have the opposite: the growth of the percentage of workers in the Party is faster than the growth of the working class in this large-scale industry. This must be noted in order to have in mind what the face of the Party is like when we speak of its

working-class core; it consists mainly of workers in large-scale industry.

Can we now, looking at all this, speak of bringing the number of workers at the bench in the Party up to 90 per cent in the course of one year? No, we cannot, because we do not want to be fantastic. Because, since we have 380,000 workers at the bench in the Party, then, to get all the rest—that is about 700,000 not at the bench—to constitute 10 per cent, we would have to raise the Party membership in the course of one year to 7,000,000. The comrades have simply failed to count, and have got into difficulties with their figure of 90 per cent.

Is the weight of the Party in the working class growing? This self-evident truth scarcely needs proof. You know that our Party is so to say a party elected by the working class. In this respect we have achieved what no other party in the world has achieved. This fact alone shows that our Party's weight in the ranks of the working class is immeasurable, and that our Party enjoys a monopoly in the working class.

As regards our Party's weight in the rural districts, the situation is rather bad. At the time of the Thirteenth Congress, the rural population from the age of 18 to 60 in our country was 53,000,000; at the present time—the time of the Fourteenth Congress—it is over 54,000,000. But the Communists in village nuclei at the time of the Thirteenth

Congress numbered 136,000, i.e., 0.26 per cent of the total adult rural population, at the present time we have 202,000 peasants in the Party, i.e., 0.37 per cent. Our Party's growth in the rural districts is frightfully slow. I do not want to say that it ought to grow in seven-league strides, but the percentage of the peasantry that we have in the Party is, after all, very insignificant. Our Party is a workers' party. Workers will always preponderate in it. This is an expression of the fact that we have the dictatorship of the proletariat. But it is also clear that without an alliance with the peasantry, the dictatorship of the proletariat is impossible; the Party must have a certain percentage of the best people among the peasantry in its ranks as an essential foothold in the rural districts. From this aspect, matters are still far from well.

Further, I must note a general rise in our Party's ideological level. As regards the organizational side, Comrade Molotov will report on this, and therefore, I will not dwell on it; but I cannot refrain from saying one thing, namely, that all the evidence shows that the ideological level of our leading cadres, young and old, has risen considerably. This can be illustrated by the discussion we had with trotskyism last year. As you know, the point at issue was the revision of Leninism, changing the leadership of the Party while on the march, so to speak. How solidly the

Party encountered that anti-Party wave, you all know. What does that show? It shows that the Party has grown up. Its cadres have become strong; it is not afraid of discussion. Today, unfortunately, we have entered into a period of new discussion. I am sure that the Party will quickly overcome this discussion too and nothing exceptional can happen. (*Voices: "Quite right!" Applause.*) In order not to anticipate events and not to irritate people, I will not at the present moment touch upon the essence of the Leningrad comrades' behaviour at their conference and on the way the Moscow comrades reacted to it. I think the members of this Congress will speak about this themselves, and I will sum up in my reply to the debate.

I am ending my report.

I have spoken about our foreign policy, about the contradictions that are corroding the capitalist world. I said that these contradictions can be overcome only by a workers' revolution in the West.

Furthermore, I have spoken about the contradictions within the framework of which our interrelations, the interrelations between the Soviet Union and the capitalist states, pursue their course. I said that these states will strive to convert our country into an appendage of the capitalist system, that they will try intervention against us, and we will repel them; that in this we count

on the utmost support of the working class in the West, particularly after the workers of the West have begun to visit us frequently and to fraternize with us. We are of the opinion that this fraternization will cost the capitalists dear. We are overcoming these contradictions too. But in the last analysis, we cannot overcome the external contradiction between the world of capitalism and the world of Socialism solely by our own efforts; for that we need the assistance of a victorious proletarian revolution in a number of countries.

Furthermore, I have spoken about the contradictions within our country, between the capitalist elements and the socialist elements. I said that we can overcome these contradictions by our own efforts. Whoever does not believe that this is possible is a liquidator, does not believe in socialist construction. We will overcome these contradictions; we are already doing so. Of course, the sooner assistance comes from the West the better, the sooner will we overcome these contradictions in order to deliver the finishing stroke to private capital and to achieve the complete victory of Socialism in our country, the building of complete socialist society. But even if we do not receive outside assistance we will not become despondent, we will not become panic-stricken, we will not abandon our work (*applause*) and will not be daunted by difficulties. Whoever is weary, whoever is scared by difficulties, whoever is losing his

head, let him make way for those who have retained their courage and staunchness. (*Applause.*) We are not the kind of people to be daunted by difficulties. We are Bolsheviks, we have been steeled by Leninism, and consequently, we do not run away from difficulties, but face and overcome them. (*Voices: "Quite right!" Applause.*)

Furthermore, comrades, I have spoken about our Party's achievements, and mistakes. Of mistakes there have been not a few. In the field of foreign trade, in the field of grain purchases and in several other of our fields of work we have committed no few mistakes. Ilyich taught us not to become conceited. We will not become conceited. There have been no few mistakes. But there are also achievements. Whatever the case may be, we have achieved one thing, something we cannot possibly be deprived of. That is, that by our extensive construction work, by our Bolshevik assault on the economic front, by the successes we have gained in this field, we have shown the whole world that the workers, after capturing power, are able not only to beat capitalism, not only to destroy, but also to build the new society, to build Socialism. Of this achievement, our having made this truth obvious, we cannot be deprived. This is the biggest and most difficult of all our achievements up till now. For we have shown the working class in the West and the oppressed nations in the East that the workers

who throughout history were able only to work for masters, while the masters ruled, that these workers, after capturing power, have proved capable of governing a vast country, of building Socialism under the most difficult conditions.

What is needed to enable the proletarians of the West to win? First of all, confidence in their own strength, the consciousness that the working class can do without the bourgeoisie, that the working class is capable not only of destroying the old, but also of building the new, of building Socialism. The entire work of Social-Democracy consists in imbuing the workers with doubt, with distrust in their own strength, with disbelief in the possibility of achieving victory over the bourgeoisie by force. The significance of all our work, of all our construction, lies in that this work and this construction convince the working class in the capitalist countries that it can do without the bourgeoisie and can build the new society by its own efforts.

The workers' pilgrimages to our country, the fact that the workers' delegations that come to our country finger every detail of our work of construction and try to get the feel of our achievements in construction, all shows that the working class of the capitalist countries, in spite of the Social-Democrats, are beginning to acquire confidence in their own strength and in the ability of the working class to build the new society on the ruins of the old.

I will not say that we have achieved much during the year under review, but, after all, one thing must be admitted, and that is, that by our achievements in socialist construction we have demonstrated and proved that the working class, after overthrowing the bourgeoisie and taking power into its own hands, is capable of rebuilding capitalist society on socialist principles. This we have achieved, and nobody will deprive us of this no matter what happens. This achievement is inestimable. For what does this achievement mean? It means, imbuing the workers in the capitalist countries with confidence in their own strength, with confidence in their victory. It means, placing into their hands a new weapon against the bourgeoisie. That they are taking up this weapon and are prepared to use it is evident if only from the fact that workers' pilgrimages to our country are not ceasing, but are growing more numerous. And when the workers in the capitalist countries gain confidence in their own strength, you may be sure that this will be the beginning of the end of capitalism and the surest sign of the victory of the proletarian revolution.

That is why I think that we are not working in vain in building Socialism. That is why I think that in this work we must achieve victory on an international scale. (*Loud and prolonged applause. Ovation from the entire Congress.*)

REPLY TO DEBATE  
ON THE POLITICAL REPORT  
OF THE CENTRAL COMMITTEE

December 23, 1925

Comrades. I will not separately answer the notes that have been sent up on individual questions, because the whole of my speech in reply to the debate will practically be an answer to these notes.

Nor do I intend to answer personal attacks or any verbal thrusts of a personal character, for I think that the Congress is in possession of sufficient material with which to verify the motives of these attacks and what is behind them.

Nor will I deal with the "cave men," the people who gathered somewhere near Kislovodsk and devised all sorts of combinations for the different organs of the Central Committee. Well, let them combine, that is their business. I would only like to emphasize that Lashevich, who talked here with aplomb in opposition to combinator politics, was himself found to be one of the combina-

tors and, it turns out, at the "cave men's" conference near Kislovodsk, played a role that was far from unimportant. Well, God be with him. (Laughter.)

I pass to the subject.

1. SOKOLNIKOV AND THE DAWESATION  
OF OUR COUNTRY

I will begin with individual rejoinders. First rejoinder—to Sokolnikov. He said in his speech: "When Stalin indicated two general lines, two lines in the building of our economy, he misled us, because he should have formulated these two lines differently, he should have talked not about importing equipment, but about importing finished goods." I assert that this statement of Sokolnikov's utterly exposes him as a supporter of Shanin's theses. I want to say that here, Sokolnikov practically speaks as an advocate of the Dawesation of our country. What did I speak about in my report? Did I speak about the exports and imports plan? Of course not. Everybody knows that *at present we are obliged* to import equipment. But Sokolnikov converts this necessity into a principle, a theory, into a prospect of development. That is where Sokolnikov's mistake lies. In my report I spoke about two fundamental, guiding, general lines in the building of our national economy. I spoke about this in order to clear

up the question of the ways of ensuring for our country independent economic development under the conditions of our capitalist encirclement. In my report I spoke about our general line, about our prospects as regards transforming our country from an agrarian into an industrial country. What is an agrarian country? An agrarian country is one that exports agricultural produce and imports equipment, but does not itself manufacture, or manufactures very little, equipment (machines, etc.) by its own efforts. If we get stranded at the stage of development at which we must import equipment and machines and not produce them by our own efforts, we will have no guarantee against the conversion of our country into an appendage of the capitalist system. That is precisely why we must steer a course towards the development of the production of means of production in our country. Can it be that Sokolnikov fails to understand an elementary thing like this? But it was this, and only this, that I spoke about in my report.

What does the Dawes plan demand? It demands that Germany should pump out money for the payment of reparations from markets, chiefly from our Soviet markets. What follows from this? From this it follows that Germany will supply us with equipment, we will import it and export agricultural produce. We, i.e., our

industry, will thus find itself tethered to Europe. This is precisely the basis of the Dawes plan. Concerning this, I said in my report, that insofar as it affects our country, the Dawes plan is built on sand. Why? "Because," I said, "we have not the least desire to be transformed into an agrarian country for the benefit of any other country whatsoever, including Germany," because, "we ourselves will manufacture machines and other means of production." To transform our country from an agrarian into an industrial country capable of producing the necessary equipment by its own efforts—such is the essence, the basis of our general line. We must so arrange things that the thoughts and strivings of our business executives be directed precisely towards this aspect, the aspect of transforming our country from one that imports equipment into one that manufactures this equipment. For this is the fundamental guarantee of the economic independence of our country. For this is the guarantee that our country will not be transformed into an appendage of the capitalist countries. Sokolnikov refuses to understand this simple and obvious thing. They, the authors of the Dawes plan, would like to restrict us to the manufacture of, say, calico; but this is not enough for us, for we want to manufacture not only calico, but also the machines needed for manufacturing calico. They would like us to restrict ourselves to the manufacture of, say, auto-

mobiles; but that is not enough for us, for we want to manufacture not only automobiles, but also the machines that make automobiles. They want to restrict us to the manufacture of, say, shoes; but that is not enough for us, for we want to manufacture not only shoes, but also the machines that make shoes. And so on, and so forth.

This is the difference between the two general lines; and this is what Sokolnikov refuses to understand.

To abandon our line means abandoning the tasks of socialist construction, means taking the viewpoint of the Dawesation of our country.

## 2. KAMENEV AND OUR CONCESSIONS TO THE PEASANTRY

Second rejoinder—to Kamenev. He said that by adopting the well-known decisions at the Fourteenth Party Conference on economic development, on reviving the Soviets, on liquidating the survivals of war communism, on precisising the question of renting land and of hiring labour, we made concessions to the kulaks and not to the peasants; that these are concessions not to the peasantry, but to the capitalist elements. Is that true? I assert that it is not true; that this is calumny against the Party. I assert that a Marxist cannot approach the question in this way; that

only a Liberal can approach the question in this way.

What are the concessions that we made at the Fourteenth Party Conference? Do these concessions fit into the framework of NEP, or not? Undoubtedly they do. Perhaps we expanded NEP at the April Conference? Let the Opposition answer: Did we expand NEP in April, or not? If we expanded it, why did they vote for the decisions of the Fourteenth Conference? And is it not well known that we are all opposed to the expansion of NEP? What is the point, then? The point is that Kamenev has got himself mixed up; for NEP includes the permission of trade, of capitalism, of hired labour; and the decisions of the Fourteenth Conference are an expression of NEP, which was introduced when Lenin was with us. Did Lenin know that in the first stages, advantage of NEP would be taken primarily by the capitalists, the merchants, the kulaks? Of course he knew. But did Lenin say that in introducing NEP we were making concessions to the profiteers and capitalist elements and not to the peasantry? No, he did not say that, nor could he do so. On the contrary, he always said that in permitting trade and capitalism, and in changing our policy in the direction of NEP, we were making concessions to the peasantry with the view to preserving and strengthening our link with it; for under present conditions, the peasantry cannot

exist without trade, without some revival of capitalism; for at the present time we cannot establish the link in any way except through trade, for only in this way can we strengthen the link and build the foundations of socialist economy. That is how Lenin approached the question of concessions. That is how the question of the concessions made in April 1925 should be approached.

Permit me to read to you Lenin's opinion on this subject. This is how he substantiated the Party's transition to the new policy, to the New Economic Policy, in his address "On the Food Tax" at the conference of Party nucleus secretaries of the Moscow Gubernia:

"I want to deal with the question of how this policy can be reconciled with the point of view of Communism; and how it comes about that the Communist Soviet State is facilitating the development of free trade. Is this good from the point of view of Communism? In order to reply to this question we must carefully examine the changes that have taken place in peasant farming. At first the position was that we saw the whole of the peasantry fighting against the rule of the landlords. The landlords were equally opposed by the poor peasants and the kulaks, although, of course, each did so with different intentions: the kulaks fought with the intention of taking the land from the landlords and developing their kulak farming on it. It was then that it became revealed that the kulaks and the poor peasants had different interests and different aims. In the Ukraine, even today, we see this difference of interests much more clearly than here. The poor peasants could obtain very

little direct advantage from the transfer of the land from the landlords to the peasants because they had neither the materials nor the implements. And we saw the poor peasants organizing to prevent the kulaks from seizing the land that had been taken from the landlords. The Soviet government assisted the Committees of Poor Peasants that sprang up in Russia and in the Ukraine. What was the result? *The result was that the middle peasants became the predominant element in the rural districts. . . .* The extremes of kulaks and poor have diminished; the majority of the population has come nearer to the position of the middle peasant. If we want to raise the productivity of our peasant farming we must first of all reckon with the middle peasant. *It was in accordance with this circumstance that the Communist Party had to mould its policy. . . . Thus, the change in the policy towards the peasantry is to be explained by the change in the position of the peasantry. The rural districts have become more middle-peasant, and in order to increase the productive forces we must reckon with this.\** (Cf. Vol. XXVI, pp. 304-305.)

And in the same volume, on page 247, Lenin draws the general conclusion:

*"We must build our state economy in conformity with the economy of the middle peasants,\*\** which we have been unable to transform in three years, and will not be able to transform in ten years."

In other words, we introduced free trade, we permitted a revival of capitalism, we introduced NEP, in order to increase the productive forces,

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\* All italics mine.—J. St.

\*\* My italics.—J. St.

to increase the quantity of produce in the country, to strengthen our link with the peasantry. The link, the interests of our link with the peasantry as the basis of our concessions on the lines of NEP—such was Lenin's approach to the subject.

Did Lenin know at that time that the profiteers, the capitalists, the kulaks would take advantage of NEP, of the concessions to the peasantry? Of course he knew. Does that mean that these concessions were practically concessions to the profiteers and kulaks? No, it does not. For advantage of NEP in general, and of trade in particular, is being taken not only by the capitalists and kulaks, but also by our state and cooperative organizations; for it is not only the capitalists and kulaks who trade, but also our state organizations and cooperatives; and when our state organizations and cooperatives learn how to trade, they will gain (they are already gaining!) the upper hand over the private traders, linking our industry with peasant farming.

What follows from this? It follows from this that our concessions proceed mainly in the direction of strengthening our link, and for the sake of our link, with the peasantry.

Whoever fails to understand this, approaches the subject not as a Leninist, but as a Liberal.

### 3. WHOSE MISCALCULATIONS?

Third rejoinder—to Sokolnikov. He says: "The considerable loss that we have sustained on the economic front since the autumn is due precisely to an overestimation of our forces, to an overestimation of our socialist maturity, overestimation of our ability, the ability of our state economy, to guide the whole of our national economy already at the present time."

It turns out, then, that the miscalculations in state purchases and in foreign trade—I have in mind the unfavourable balance of trade in 1924-25—that these miscalculations were due not to the error of our regulating bodies, but to an overestimation of the socialist maturity of our economy. And it appears that the blame rests upon Bukharin, whose "school" deliberately cultivates exaggerated ideas about the socialist maturity of our economy.

Of course, in making speeches one "may" play all sorts of tricks, as Sokolnikov often does. But, after all, one should know the limit. How can one talk such utter nonsense and downright untruth at a congress? Does not Sokolnikov know about the special meeting of the Political Bureau held in the beginning of November, at which state purchases and our foreign trade were discussed, at which the errors of the regulating bodies were rectified by the Central Committee, by

the majority of the Central Committee, which is alleged to have overestimated our socialistic potentialities? How can one talk such nonsense at a congress? And what has Bukharin's "school," or Bukharin himself, to do with it? What style is this of blaming others for one's own mistakes? Does not Sokolnikov know that the stenographic reports of the speeches delivered at the meeting of the Central Committee on the question of miscalculations were sent to all the Gubernia Party Committees? How can one fly in the face of obvious facts? One "may" play tricks when making speeches, but one should know the limit.

#### 4. HOW SOKOLNIKOV PROTECTS THE POOR PEASANTS

Fourth rejoinder—also to Sokolnikov. He said here that he, as People's Commissar for Finance, don't you see, strives in every way to ensure that our agricultural tax is collected in proportion to income, but he is hindered in this, hindered because he is not allowed to protect the poor peasants and curb the kulaks. This is not true, comrades. It is calumny against the Party. The question of officially revising the agricultural tax on the basis of income—I say officially, because actually it is an income tax—this question was brought up at the Plenum of the Central Commit-

tee in October this year, but nobody except Sokolnikov supported the proposal that it be brought up at this Congress, because it was not yet ready for presentation at the Congress. At that time Sokolnikov did not insist on his proposal. But now it turns out that Sokolnikov is not averse to using this against the Central Committee, not in the interests of the poor peasants, of course, but in the interests of the Opposition. Well, since Sokolnikov talks here about the poor peasants, permit me to inform you about a fact which exposes the actual stand taken by Sokolnikov, this alleged sworn protector of the poor peasants. Not so long ago, Comrade Milyutin, People's Commissar for Finance of the R.S.F.S.R., took a decision to exempt from taxation poor peasant farms, the tax on which amounts to less than a ruble. From Comrade Milyutin's memorandum to the Central Committee it is evident that the total sum from the tax less than a ruble, which irritates the peasantry, amounts to about 300-400 thousand rubles for the whole of the R.S.F.S.R., and that the cost of collecting this tax will be only a little less than the revenue from it. What did Sokolnikov, this protector of the poor peasants, do? He vetoed Comrade Milyutin's decision. The Central Committee received protests against this from fifteen Gubernia Party Committees. Sokolnikov would not give way. The Central Committee had to exercise pressure to compel Sokol-

nikov to rescind his veto on the absolutely correct decision of the People's Commissar for Finance of the R.S.F.S.R. not to collect taxes amounting to less than a ruble. This is what Sokolnikov calls "protecting" the interests of the poor peasants. And people like that, having such a load on their backs, have the—what's the mildest way of putting it—the audacity to speak against the Central Committee. Strange, comrades, strange.

#### 5. IDEOLOGICAL STRUGGLE OR SLANDER?

Lastly, one more rejoinder. I have in mind a rejoinder to the authors of "A Collection of Materials on Controversial Questions." Yesterday, "A Collection of Materials on Controversial Questions," only just issued, was privately distributed here, for members of the Congress only. In this collection it is stated, among other things, that in April this year I received a delegation of village correspondents and expressed sympathy with the idea of restoring private property in land. It appears that analogous "impressions" of one of the village correspondents were published in the *Bednota*;<sup>15</sup> I did not know about these "impressions," I did not see them. I learned about this in October this year. Earlier than this, in April, the Riga news agency, which is distinguished from all other news agencies by the fact that it fabri-

cates all the false rumours about us, had circulated a similar report to the foreign press, about which we were informed by our people in Paris, who telegraphed to the People's Commissariat for Foreign Affairs demanding that it be refuted. I, at that time, answered Comrade Chicherin, through my assistant, saying: "If Comrade Chicherin thinks it necessary to refute every kind of nonsense and gossip, let him refute" (cf. archives of the Central Committee).

Are the authors of this sacramental "Collection" aware of all this? Of course they are. Why, then, do they continue to circulate every kind of nonsense and lies? How can they, how can the Opposition, resort to the methods of the Riga news agency? Have they really sunk as low as that? (*A voice*: "Shame!")

Further, knowing the manners of the "cave men," knowing that they are capable of repeating the methods of the Riga news agency, I sent a refutation to the editor of the *Bednota*. It is ridiculous to refute such nonsense, but knowing with whom I am dealing, I, for all that, sent a refutation. Here it is:

#### "TO THE EDITOR OF THE *BEDNOTA*"

"Comrade editor. Recently I learned from some comrades that in a sketch, published in the *Bednota* of 5/IV, 1925, of a village correspondent's impressions of an interview with me by a delegation of village correspondents, which I had not the opportunity to read at the time, it

is reported that I expressed sympathy with the idea of guaranteeing ownership of land for 40 and more years, with the idea of private property in land, etc. Although this fantastic report needs no refutation because of its utter absurdity, nevertheless, perhaps it will not be superfluous to ask your permission to declare in the *Bednota* that this report is a gross mistake and must be attributed entirely to the author's imagination.

J. STALIN."

Are the authors of the "Collection" aware of this letter? Undoubtedly they are. Why, then, do they continue to circulate gossip and fables? What method of fighting is this? They say that this is an ideological struggle. But no, comrades, it is not an ideological struggle. In our Russian language it is called simply *slander*.

Permit me now to pass to the fundamental questions of principle.

#### 6. CONCERNING NEP

The question of NEP. I have in mind Comrade Krupskaya and the speech she delivered on NEP. She says: "In essence, NEP is capitalism permitted under certain conditions, capitalism that the proletarian state keeps on a chain..." Is that true? Yes, and no. That we are keeping capitalism on a chain, and will keep it so as long as it exists, is a fact, that is true. But to say that NEP is capitalism is nonsense, utter nonsense.

NEP is a special policy of the proletarian state calculated on permitting capitalism while the key positions are held by the proletarian state, calculated on a struggle between the elements of capitalism and the elements of Socialism, calculated on an increase in the role of the socialist elements to the detriment of the capitalist elements, calculated on the victory of the socialist elements over the capitalist elements, calculated on the abolition of classes and on the building of the foundations of socialist economy. Whoever fails to understand the transitional, dual nature of NEP departs from Leninism. If NEP were capitalism, then NEP Russia that Lenin spoke about would be capitalist Russia. But is present-day Russia a capitalist country and not a country that is passing from capitalism to Socialism? Why then, did Lenin not say simply: "*Capitalist* Russia will be socialist Russia," but preferred a different formula: "*NEP* Russia will be socialist Russia"? Does the Opposition agree with Comrade Krupskaya that NEP is capitalism, or does it not agree? I think that not a single member of this Congress will be found who would agree with Comrade Krupskaya's formula. Comrade Krupskaya (may she forgive me) talked utter nonsense about NEP. One cannot come out here in defence of Lenin against Bukharin with nonsense like that.

## 7. CONCERNING STATE CAPITALISM

Connected with this question is Bukharin's mistake. What was Bukharin's mistake? On what questions did Lenin dispute with Bukharin? Lenin asserted that the category state capitalism was compatible with the system of the dictatorship of the proletariat. Bukharin denied this. He was of the opinion, and with him the "Left" Communists, including Safarov, were of the opinion too, that the category state capitalism was incompatible with the system of the dictatorship of the proletariat. Lenin was right, of course. Bukharin was wrong. He admitted this mistake. But that was the nature of Bukharin's mistake. But that was in the past. Now, if in 1925, in May, he repeats that he disagrees with Lenin on the question of state capitalism, I think it is simply a misunderstanding. Either he ought frankly to withdraw this statement, or it is a misunderstanding; for the line he is now defending on the question of the nature of state industry is Lenin's line. Lenin did not come to Bukharin; on the contrary, Bukharin came to Lenin. And precisely for this reason we back Bukharin. (*Applause.*)

The chief mistake that Kamenev and Zinoviev make is that they regard the question of state capitalism scholastically, not dialectically, divorced from the historical situation. Such an approach to the question is abhorrent to the whole

spirit of Leninism. How did Lenin present the question? In 1921, Lenin, knowing that our industry was little developed and that the peasantry needed goods, knowing that it (industry) could not be raised at one stroke, that the workers, because of certain circumstances, were engaged not so much in industry as in making cigarette lighters—in this situation, Lenin was of the opinion that the best of all possibilities was to invite foreign capital, to set industry on its feet with its aid, thus introduce state capitalism and *through* it establish a link between the Soviet government and the rural districts. That line was absolutely correct at that time, because we had no other means then of satisfying the peasantry; for our industry was in a bad way, transport was at a standstill, or almost at a standstill, there was a lack, a shortage of fuel. Did Lenin at that time regard state capitalism as permissible and desirable as the predominant form in our economy? Yes, he did. But that was then, in 1921. What about now? Can we now say that we have no industry, that transport is at a standstill, that there is no fuel, etc.? No, we cannot. Can it be denied that our industry and trade are already establishing a link between industry (*our* industry) and peasant farming *directly*, by their own efforts? No, it cannot. Can it be denied that in the sphere of industry "state capitalism" and "Socialism" have already exchanged roles, considering that social-

ist industry has become predominant and the proportion of concessions and leases (the former have 50,000 workers and the latter 35,000) is small? No, it cannot. Already in 1922 Lenin said that nothing had come of concessions and leases in our country.

What follows from this? From this it follows that since 1921, the situation in our country has undergone a radical change, that in this period our socialist industry and Soviet and cooperative trade have already succeeded in becoming the predominant force, that we have already learned to establish the link between town and country by our own efforts, that the most striking forms of state capitalism—concessions and leases—have not developed to any extent during this period, that to speak *now*, in 1925, of state capitalism as the predominant form in our economy, means distorting the socialist nature of our state industry, means failure to understand the utter difference between the past and the present situation, means approaching the question of state capitalism not dialectically, but scholastically, metaphysically.

Would you not like to hear Sokolnikov? In his speech he said:

“Our foreign trade is being conducted as a state-capitalist enterprise.... Our home trading companies are also state-capitalist enterprises. I must say, comrades, that our State Bank is also a state-capitalist enterprise. What about our monetary system? Our monetary system is

based on the fact that in Soviet economy, under the conditions in which Socialism is being built, a monetary system has been adopted which is permeated with the principles of capitalist economy.”

That is what Sokolnikov says.

Soon he will go to the length of declaring that the People's Commissariat for Finance is also state capitalism. Up till now I thought, and we all thought, that the State Bank is part of the state apparatus. Up till now I thought, and we all thought, that our People's Commissariat for Foreign Trade, not counting the state-capitalist institutions that encompass it, is part of the state apparatus, that our state apparatus is the apparatus of a proletarian type of state. We all thought so up till now, for the proletarian state is the *only* master of these institutions. But now, according to Sokolnikov, these institutions, which are part of our state apparatus, are state-capitalist institutions. Perhaps our Soviet apparatus is also state capitalism and not a proletarian type of state, as Lenin said it is? Why not? Does not our Soviet apparatus utilize a “monetary system which is permeated with the principles of capitalist economy”? Such is the nonsense a man can talk himself into.

Permit me first of all to quote Lenin's opinion on the nature and significance of the State Bank. I would like, comrades, to quote a passage from a book Lenin wrote in 1917. I have in mind the pamphlet: *Can the Bolsheviks Retain State Power?*

in which Lenin still held the viewpoint of control of industry (and not nationalization) and, notwithstanding this, regarded the State Bank in the hands of the proletarian state as being nine-tenths of a socialist apparatus. This is what he wrote about the State Bank:

"The big banks are the 'state apparatus' which we need for the achievement of Socialism, and which we shall take ready-made from capitalism. Our problem here is only to *lop away* that which *capitalistically disfigures* this splendid apparatus and to make it *still bigger*, still more democratic, still more comprehensive. Quantity will be transformed into quality. A single, huge state bank, with branches in every rural area and every factory—that will already be nine-tenths of a socialist apparatus. That will be general state *bookkeeping*, general state *accounting* of the production and distribution of goods, something in the nature, so to speak, of the *skeleton* of socialist society." (Cf. Vol. XXI, p. 260.)

Compare these words of Lenin's with Sokolnikov's speech and you will understand what Sokolnikov is slipping into. I will not be surprised if he declares the People's Commissariat for Finance to be state capitalism.

What is the trouble here? Why does Sokolnikov fall into such errors?

The trouble is that Sokolnikov fails to understand the dual nature of NEP, the dual nature of trade under the present conditions of the struggle between the socialist elements and capitalist elements; he fails to understand the dialectics of de-

velopment under the conditions of the dictatorship of the proletariat, under the conditions of the transition period, in which the socialist elements utilize the methods and weapons of the bourgeoisie for the purpose of overcoming and liquidating the capitalist elements. The point is not at all that trade and the monetary system are methods of "capitalist economy." The point is that the socialist elements of our economy, in fighting the capitalist elements, master these methods and weapons of the bourgeoisie for the purpose of overcoming the capitalist elements, that they *successfully* use them *against* capitalism, use them *successfully* for the purpose of building the socialist foundation of our economy. Hence, the point is that, thanks to the dialectics of our development, the functions and purpose of these instruments of the bourgeoisie change *in principle*, fundamentally; change in favour of Socialism, to the detriment of capitalism. Sokolnikov's mistake lies in that he fails to understand all the complexity and contradictoriness of the processes that are taking place in our economy.

Permit me now to quote Lenin on the question of the historical character of state capitalism, to quote a passage on the question as to when and why he proposed state capitalism as the chief form, what obliged him to do this, and precisely under what concrete conditions he proposed it. (A voice: "Please!")

"We cannot under any circumstances forget what we very often observe, viz., the socialist attitude of the workers in factories belonging to the state, when they themselves collect fuel, raw material and food, or when the workers try properly to distribute manufactured goods among the peasantry and to deliver them by means of the transport system. *This is Socialism.* But side by side with it there is small economy, which very often exists *independently* of it. Why can it exist independently of it? *Because* large-scale industry has not been restored, *because* the socialist factories can receive only one-tenth, perhaps, of what they should receive; and in so far as they do not receive what they require, small economy remains independent of the socialist factories. The incredible state of ruin of the country, the shortage of fuel, raw materials and transport facilities, leads to small production existing *separately* from Socialism. And I ask: Under these circumstances, what is state capitalism? It is the amalgamation of small production. Capital amalgamates small production, capital grows out of small production. It is no use closing our eyes to this fact. Of course, *free trade means the growth of capitalism*; one cannot get away from it. And whoever thinks of getting away from it and brushing it aside is only consoling himself with words. If small economy exists, if free exchange exists, capitalism will appear. But does this capitalism hold out any terrors for us *if we hold the factories, works, transport and foreign trade in our hands*? And so I said then, and will say now, and I think it is incontrovertible, that this capitalism has no terrors for us. Concessions are capitalism of that kind"\* (cf. Vol. XXVI, p. 306).

That is how Lenin approached the question of state capitalism.

\* All italics mine.—J. St.

In 1921, when we had scarcely any industry of our own, when there was a shortage of raw materials, and transport was at a standstill, Lenin proposed state capitalism as a means by which he thought of linking peasant farming with industry. And that was correct. But does that mean that Lenin regarded this line as desirable *under all* circumstances? Of course not. He was willing to establish the link through the medium of state capitalism because we had no developed socialist industry. But now? Can it be said that we have no developed state industry now? Of course not. Development proceeded along a different channel, concessions scarcely took root, state industry grew, state trade grew, the cooperatives grew, and the link between town and country began to be established through socialist industry. We found ourselves in a better position than we had thought. How can one, after this, say that state capitalism is the chief form of our economy?

The trouble with the Opposition is that it refuses to understand these simple things.

## 8. ZINOVIEV AND THE PEASANTRY

The question of the peasantry. I said in my report, and speakers here have asserted, that Zinoviev is deviating towards underestimating the middle peasants; that only recently he definitely held the viewpoint of neutralizing the middle

peasants, and is only now, after the struggle in the Party, trying to go over to, establish himself on, the other viewpoint, the viewpoint of stable alliance with the middle peasants. Is all this true? Permit me to quote some documents.

In an article "On Bolshevization," Zinoviev wrote this year:

"There are a number of tasks that are *absolutely common to all the Parties in the Comintern*. Such, for example... the proper approach to the peasantry. There are three strata among the agricultural population of the whole world, which can and must be won over by us and become the allies of the proletariat (the agricultural proletariat, the semi-proletarians—the small-plot peasants and the small peasantry who do not hire labour). There is another stratum of the peasantry (the middle peasants), which must be at least *neutralized by us*"\* (*Pravda*, January 18, 1925).

This is what Zinoviev writes about the middle peasantry six years after the Eighth Party Congress, at which Lenin rejected the neutralization of the middle peasant slogan and, instead, adopted the slogan of a stable alliance with the middle peasants. Bakayev asks, what is there terrible about this? But I will ask you to compare Zinoviev's article with Lenin's thesis on staking on the middle peasants and to answer the question:

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\* All italics mine.—J. St.

has Zinoviev departed from Lenin's thesis or not.... (A voice from the hall: "It refers to countries other than Russia." Commotion.) It is not so, comrade, because in Zinoviev's article it says: "tasks which are *absolutely common to all the Parties in the Comintern*." Will you really deny that our Party is also a part of the Comintern? Here it is definitely stated: "*to all Parties*." (A voice from the benches of the Leningrad delegation: "At definite moments." General laughter.)

Compare this passage from Zinoviev's article *about neutralization* with the passage from Lenin's speech at the Eighth Party Congress in which he said that we must have a *stable alliance* with the middle peasants, and you will realize that there is nothing in common between them.

It is characteristic that after reading these lines in Zinoviev's article, Comrade Larin, that advocate of "a second revolution" in the rural districts, hastened to associate himself with them. I think that, although Comrade Larin spoke in opposition to Kamenev and Zinoviev the other day, and spoke rather well, it does not preclude the fact that we have disagreements with him and that we must here dissociate ourselves from him. This is the opinion Comrade Larin expressed about this article of Zinoviev's:

"The proper approach to the peasantry' from the point of view of the common tasks of *all*\* the Parties in the Comintern was quite correctly formulated by its Chairman, Zinoviev" (*Larin, The Soviet Countryside*, p. 80).

I see that Comrade Larin protests, saying that he makes the reservation in his book about his disagreeing with Zinoviev in so far as Zinoviev extends the neutralization of the middle peasants slogan to Russia too. It is true that in his book he makes this reservation and says that neutralization is not enough for us, that we must take "a step further" in the direction of "agreement with the middle peasants against the kulaks." But here, unfortunately, Comrade Larin drags in his scheme of a "second revolution" against kulak predominance, with which we disagree, which brings him near to Zinoviev and compels me to dissociate myself from him somewhat.

As you see, in the document I have quoted, Zinoviev speaks openly and definitely in favour of the neutralization of the middle peasants slogan, in spite of Lenin, who proclaimed that neutralization was not enough, and that a stable alliance with the middle peasants was necessary.

The next document. In his book *Leninism*, Zinoviev, quoting the following passage from Lenin, dated 1918: "With the peasantry to the end of the bourgeois-democratic revolution—with the

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\* My italics.—J. St.

poor, proletarian and semi-proletarian section of the peasantry, forward to the socialist revolution!"; draws the following conclusion:

"The fundamental ... problem that is engaging our minds at the present moment ... is elucidated in the above-quoted thesis of Lenin's fully and to the end. *To this nothing can be added, not a single word can be subtracted.*\* Here everything is said with Ilyich's terseness and salience, concisely and clearly, so that it simply asks to be put into a textbook" (*Leninism*, p. 60).

Such, according to Zinoviev, is the *exhaustive* Leninist characterization of the peasant question. With the peasantry as a whole against the tsar and the landlords—that is the bourgeois revolution. With the poor peasants against the bourgeoisie—that is the October Revolution. This is all right. It gives two of Lenin's slogans. But what about Lenin's third slogan—with the middle peasants against the kulaks for socialist construction? What has become of Lenin's third slogan? It is not in Zinoviev's book. It has vanished. Although Zinoviev asserts that "to this nothing can be added," nevertheless, if we do not add here Lenin's third slogan about a stable alliance of the proletariat and poor peasants with the middle peasants, we run the risk of misinterpreting Lenin, as Zinoviev misinterprets him. Can we regard it as an accident that

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\* My italics.—J. St.

Lenin's third slogan, which is our most urgent slogan today, vanished, that Zinoviev lost it? No, it cannot be regarded as an accident, because he holds the viewpoint of neutralizing the middle peasants. The only difference between the first and second document is that in the first, he opposed the slogan of stable alliance with the middle peasants, while in the second, he hushed up this slogan.

The third document—Zinoviev's article "The Philosophy of the Epoch." I am speaking of the first version of this article, which does not contain the changes and additions that were made later by members of the Central Committee. The characteristic feature of this article is that, like the second document, it completely hushes up the question of the middle peasants and, evading this most urgent question, talks about some kind of a vague, Narodnik-ist equality, without pointing to the class background of equality. You will find in it the rural poor, the kulaks, the capitalists, attacks on Bukharin, Socialist-Revolutionary equality, and Ustryalov; but you will not find the middle peasants or Lenin's cooperative plan, although the article is entitled "The Philosophy of the Epoch." When Comrade Molotov sent me that article (I was away at the time), I sent back a rude and sharp criticism. Yes, comrades, I am straightforward and rude, I don't deny it. (*Laughter*.) I sent back a rude criticism, because it is

intolerable that Zinoviev should for a whole year systematically hush up, or distort, the most characteristic features of Leninism on the peasant question, our Party's present-day slogan of alliance with the bulk of the peasantry. This is the answer I sent Comrade Molotov:

"Zinoviev's article 'The Philosophy of the Epoch' is a distortion of the Party line in the Lenin spirit. It treats of the Fourteenth Conference, but the main theme of this Conference—the middle peasants and the cooperatives—is evaded. The middle peasants and Lenin's cooperative plan have vanished. This is no accident. To talk, after this, about the 'struggle around the interpretation' of the decisions of the Fourteenth Conference—means pursuing a line towards the violation of these decisions. To mix up Bukharin with Stolypin, as Zinoviev does—means slandering Bukharin. On these lines it would be possible to mix up with Stolypin even Lenin, who said: 'trade and learn to trade.' At the present time the equality slogan is Socialist-Revolutionary demagoguery. There can be no equality as long as classes exist, and as long as skilled and unskilled labour exist (cf. *Lenin's State and Revolution*). We must not speak about a vague equality, but about abolishing classes, about Socialism. To say that our revolution is 'not classical' means slipping into Menshevism. In my opinion, the article must be thoroughly revised in such a way that it should not bear the character of a platform for the Fourteenth Congress.

September 12, 1925

J. STALIN."

I am ready to defend the whole of this today. Every word, every sentence.

One cannot speak about equality in a principal leading article without strictly defining what equality is meant—equality between the peasantry and the working class, equality among the peasantry, equality within the working class, between skilled and unskilled workers, or equality in the sense of abolishing classes. One cannot in a leading article hush up the Party's present-day slogans on work in the rural districts. One must not play with phrases about equality, because that means playing with fire; and one must not play with phrases about Leninism while hushing up the present-day slogan of Leninism on the question of the peasantry.

Such are the three documents: Zinoviev's article (January 1925) in favour of neutralizing the middle peasantry, Zinoviev's book *Leninism* (September 1925) which hushed up Lenin's third slogan about the middle peasants, and Zinoviev's new article "The Philosophy of the Epoch" (September 1925), which hushed up the middle peasants and Lenin's cooperative plan.

Is this constant wobbling of Zinoviev's on the peasant question accidental?

You see that it is not accidental.

Recently, in a report on the work of the Central Committee he delivered in Leningrad, Zinoviev at last made up his mind to speak in favour of the slogan of stable alliance with the middle peasants. This was after the struggle,

after the friction, after the collisions on the Central Committee. This is very good. But I am not sure that he will not repudiate this later on. For, as facts show, Zinoviev has never displayed the firmness of line on the peasant question that we need. (*Applause.*)

Here are a few facts illustrating Zinoviev's vacillations on the peasant question. In 1924, Zinoviev, at the Plenum of the Central Committee, insisted on a "peasant" policy of organizing non-party peasant factions, in the centre and in the localities, with a weekly newspaper. This proposal was rejected because of the objections raised on the Central Committee. Shortly before this, Zinoviev had even boasted that he had a "peasant deviation." This is what he said, for example, at the Twelfth Congress of the Party: "When I am told: You have a 'deviation,' you are deviating towards the peasantry—I answer: Yes, we ought not only 'deviate' towards the peasantry and its economic requirements, but also *venerate* and, if necessary, *consecrate* the economic requirements of that peasantry which follows our proletariat." Do you hear: "deviate," "venerate," "consecrate." (*Laughter, applause.*) Later, when things improved with the peasantry, when our position in the rural districts improved, Zinoviev "turned" from his adoration, cast suspicion upon the middle peasants and proclaimed the neutralization slogan. A little later he "turned" again and

demanding what was practically a revision of the decisions of the Fourteenth Conference ("The Philosophy of the Epoch") and, accusing almost the whole of the Central Committee of showing a peasant deviation, began to "deviate" more emphatically against the middle peasants. Finally, just before the Fourteenth Congress of the Party he "turns" once again, this time in favour of alliance with the middle peasants and, perhaps, will yet begin to boast that he is again ready to "consecrate" the peasantry.

What guarantee is there that Zinoviev will not wobble once again?

But, comrades, this is roly-poly, but not a policy. (*Laughter, applause.*) This is hysterics, but not politics. (*Voices: "Quite right!"*)

We are told that there is no need to pay special attention to the struggle against the second deviation. That is wrong. Since there are two deviations among us—Bogushevsky's deviation and Zinoviev's deviation—you must understand that Bogushevsky stands in no comparison with Zinoviev. Bogushevsky is done for. (*Laughter.*) Bogushevsky has not an organ of the press. But the deviation towards neutralizing the middle peasants, the deviation against stable alliance with the middle peasants, the Zinoviev deviation has an organ of the press and is still fighting the Central Committee to this day. This organ is called *The Leningradskaya Pravda*.<sup>16</sup> For what is the term

"middle-peasant Bolshevism" recently concocted in Leningrad, and about which *The Leningradskaya Pravda* foams at the mouth, if not an indication that that newspaper has departed from Leninism in the peasant question? Is it not clear from this circumstance alone, that the struggle against the second deviation is more difficult than the struggle against the first, against Bogushevsky's deviation? That is why, having before us a representative of the second deviation, a defender and protector of the second deviation like *The Leningradskaya Pravda*, we must take all measures to make the Party exceptionally prepared to fight this deviation, which is strong, complicated, and on which we must concentrate our fire. That is why the second deviation must be the object of our Party's special attention. (*Voices: "Quite right!" Applause.*)

#### 9. CONCERNING THE HISTORY OF THE DISAGREEMENTS

Permit me now to pass to the history of our internal struggle within the majority on the Central Committee. What did our disagreement start from? It started from the question: "What is to be done with Trotsky?" This was at the end of 1924. The Leningrad group at first proposed that Trotsky be expelled from the Party. Here I have in mind the period of the discussion in 1924.

The Leningrad Gubernia Party Committee passed a resolution that Trotsky be expelled from the Party. We, i.e., the majority on the Central Committee, did not agree with this (*voices*: "Quite right!"), we had some struggle with the Leningrad group and persuaded them to delete the point about expulsion from their resolution. Shortly after this, when the Plenum of the Central Committee met and the Leningrad group, together with Kamenev, demanded Trotsky's immediate expulsion from the Political Bureau, we also disagreed with this proposal of the Opposition, we obtained a majority on the Central Committee and restricted ourselves to removing Trotsky from the post of People's Commissar for War. We disagreed with Zinoviev and Kamenev, because we knew that the lopping policy was fraught with grave danger for the Party, that the lopping method, the blood-letting method—and they demanded blood—was dangerous, contagious: today you lop off one, tomorrow another, the day after tomorrow a third—what will we have left in the Party? (*Applause.*)

This first clash within the majority on the Central Committee was the expression of the fundamental difference between us on questions of organizational policy in the Party.

The second question that caused disagreement among us was that connected with Sarkis' speech against Bukharin. This was at the Twenty-First

Leningrad Conference in January 1925. Sarkis at that time accused Bukharin of advocating syndicalism. Here is what he said:

"We have read in the Moscow *Pravda* Bukharin's article on worker and village correspondents. The views that Bukharin develops have no supporters in our organization. But such views, which in their way are *syndicalist, not Bolshevik*, anti-Party, are held by a number of even responsible comrades (I repeat, not in the Leningrad, but in other organizations). These views treat of the independence and extraterritoriality of various mass worker-peasant public organizations in relation to the Communist Party" (Stenographic Report of the Twenty-First Leningrad Conference).

This speech was, firstly, a fundamental mistake on Sarkis' part, for Bukharin was absolutely right on the question of the worker and village correspondent movement; secondly, this was, not without the encouragement of the leaders of the Leningrad organization, a gross violation of the elementary rules of comradely discussion of a question. Needless to say, this was bound to aggravate relations within the Central Committee. The matter ended with Sarkis' open admission of his mistake in the press.

This incident showed that open admission of a mistake is the best way of avoiding an open discussion and of eliminating disagreements privately.

The third question was that of the Leningrad Young Communist League. There are members of

Gubernia Party Committees here, and they probably remember that the Political Bureau adopted a decision relating to the Leningrad Gubernia Young Communist League, which had tried to convene in Leningrad almost an all-Russian conference of the Young Communist League without the knowledge and consent of the Central Committee of the youth league. With the decision of the C.C. of the R.C.P.(B.) you are familiar. We could not permit the existence, parallel with the Central Committee of the Young Communist League, of another centre, competing with and opposing the first. We, as Bolsheviks, could not permit the existence of dual centrism. That is why the Central Committee deemed it necessary to take measures to infuse fresh blood into the Central Committee of the youth league, which had tolerated this act of separatism, and to remove Safarov from the post of leader of the Leningrad Gubernia Committee of the Young Communist League.

This incident showed that the Leningrad comrades have a tendency to convert their Leningrad organization into a centre of struggle against the Central Committee.

The fourth question was that raised by Zinoviev of organizing in Leningrad a special magazine to be called *The Bolshevik*, the editorial board of which was to consist of: Zinoviev, Safarov, Vardin, Sarkis and Tarkhanov. We did not agree

with this and said that such a magazine, running parallel with the Moscow *Bolshevik*, would inevitably become the organ of a group, a factional organ of the Opposition; that such a step was dangerous and would undermine the unity of the Party. In other words, we prohibited the publication of this magazine. Now, attempts are being made to frighten us with the word "prohibition." But that is nonsense, comrades. We are not Liberals. For us, the interests of the Party stand above formal democracy. Yes, we prohibited the publication of a factional organ, and will prohibit things of this kind in future. (*Voices: "Quite right! Of course!" Loud applause.*)

This incident showed that the Leningrad leadership wants to segregate itself in a separate group.

Next came the question of Bukharin. I have in mind the "get rich" slogan. I have in mind the speech Bukharin delivered in April, when he let slip the phrase "get rich." Two days later the April Conference of our Party opened. None other than I, in the Conference Presidium, in the presence of Sokolnikov, Zinoviev, Kamenev and Kalinin, stated that the "get rich" slogan is not our slogan. I do not remember Bukharin making any rejoinder to this protest. When Comrade Larin asked for the floor at the Conference, to speak against Bukharin, I think, it was none other

than Zinoviev who then demanded that no speeches be permitted against Bukharin. However, after this, Comrade Krupskaya sent in an article against Bukharin, demanding that it be published. Bukharin, of course, gave tit for tat, and, in his turn, wrote an article against Comrade Krupskaya. The majority on the Central Committee decided not to publish any discussion articles, not to open a discussion, and to instruct Bukharin to state in the press that the "get rich" slogan was a mistake; Bukharin agreed to this and carried out the instruction, on his return from vacation, in an article against Ustryalov. Now, Kamenov and Zinoviev think they can frighten somebody with the "prohibition" bogey, by expressing indignation, like Liberals, at our having prohibited the publication of Comrade Krupskaya's article. You will not frighten anybody with that. Firstly, we refrained from publishing not only Comrade Krupskaya's article, but also Bukharin's. Secondly, why not prohibit the publication of Comrade Krupskaya's article if the interests of Party unity demand this of us? In what way is Comrade Krupskaya different from every other responsible comrade? Perhaps you think that the interests of individual comrades should be placed above the interests of the Party and its unity? Are not the comrades of the Opposition aware that for us, for Bolsheviks, formal

democracy is a cipher, but the real interests of the Party are everything? (*Applause.*)

Let the comrades point to a single article in the Party's Central Organ, in *Pravda*, that directly or indirectly approves of the "get rich" slogan. They cannot do so, because there are no such articles. There was one case, the only one, when *The Komsomolskaya Pravda* published an article by Stetsky, in which he tried to justify the "get rich" slogan in a mild and barely perceptible way. But what happened? The very next day the Secretariat of the Central Committee called the editors of that newspaper to order in a special letter signed by Molotov, Andreyev and Stalin. This was on June 2, 1925. Several days later, the Organization Bureau of the Central Committee, with the full consent of Bukharin, adopted a resolution to the effect that the editor of that newspaper be removed. Here is an excerpt from the letter:

"Moscow, June 2, 1925. To all the members of the editorial board of *The Komsomolskaya Pravda*.

"We are of the opinion, that certain passages in Stetsky's articles 'A New Stage in the New Economic Policy' raise doubts. In these articles, in a mild way it is true, countenance is given to the 'get rich' slogan. This is not our slogan, it is wrong, it gives rise to a whole series of doubts and misunderstandings and should find no room in a leading article in *The Komsomolskaya Pravda*. Our slogan is—socialist accumulation. We are removing the administrative obstacles to the improvement

of the welfare of the rural districts. This operation will undoubtedly facilitate all accumulation, both private-capitalist and socialist. But the Party has never yet said that it makes private accumulation its slogan...."

Is the Opposition aware of these facts? Of course it is. In that case, why don't they stop baiting Bukharin? How much longer are they going to shout about Bukharin's mistake?

I know of mistakes made by some comrades, in October 1917, for example, compared with which Bukharin's mistake is not even worthy of attention. These comrades were not only mistaken then, but had the "audacity," on two occasions, to violate a vital decision of the Central Committee adopted under the direction and in the presence of Lenin. Nevertheless, the Party forgot about these mistakes as soon as these comrades admitted their error. But compared with these comrades, Bukharin committed a slight error. And he did not violate a single Central Committee decision. How is it to be explained, then, that in spite of this, the unbridled baiting of Bukharin still continues? What do they really want of Bukharin?

That is how the matter stands with Bukharin's mistake.

Next came the question of Zinoviev's article "The Philosophy of the Epoch" and Kamenev's report at the Moscow Plenum in the autumn of this year, at the end of the summer—a question

which also aggravated our internal Party relations. I spoke about this in my speech and I will not repeat myself. The issue then was "The Philosophy of the Epoch," the mistakes in that article, how we rectified those mistakes, Kamenev's mistakes in connection with the CSB's grain and fodder balance, how Kamenev credulously accepted the CSB's figure of 61 per cent as being the proportion of the market grain in the hands of the upper groups of the peasantry, and how, later, under pressure of our comrades, he was obliged to rectify his mistake in a special statement he made in the Council of Labour and Defence, and which was published in the newspapers, to the effect that more than half of this market grain was in the hands of the middle peasants. All this undoubtedly aggravated our relations.

Then came questions connected with the October Plenum—new complications, where the Opposition demanded an open discussion, where the question of Zlutsky's so-called "Thermidor" came up, and on top of all this the Leningrad conference, which, on the very first day, opened fire on the Central Committee. I have in mind the speeches delivered by Safarov, Sarkis, Shelavin and others. I have in mind Zinoviev's speech, one of his last speeches in closing the conference, in which he called upon the conference to wage war against the Moscow members and proposed that a delegation be elected consisting of people who

were willing to fight the Central Committee. That is how it was. And that is precisely why the workmen Bolsheviks Komarov and Lobov were not included in the Leningrad delegation (they refused to accept the platform of struggle against the Central Committee). Their places in the delegation were filled by Gordon and Tarkhanov. Put Gordon and Tarkhanov in one scale and Komarov and Lobov in the other, and any unbiassed person will say that the former stand in no comparison with the latter. (*Applause.*) What were Lobov and Komarov guilty of? All they were guilty of was that they refused to go against the Central Committee. That sums up their entire guilt. But only a month before the Leningrad people nominated Komarov as first secretary of their organization. That is how it was. Was it so or not? (*Voices from the Leningrad delegation:* "It was, it was.") What could have happened to Komarov in a month? (*Bukharin:* "He degenerated in a month.") What could have happened in a month to bring it about that a member of the Central Committee, Komarov, whom you yourselves nominated as first secretary of your organization, should be kicked out of the Secretariat of the Leningrad Committee, and that you should not deem it possible to elect him as a delegate to the Congress? (*A voice from the Leningrad benches:* "He insulted the conference." *A voice:* "That's a lie, Naumov!" *Commotion.*)

## 10. THE OPPOSITION'S PLATFORM

Let us now pass to the platform advanced by Zinoviev and Kamenev, Sokolnikov and Lashevich. It is time to speak also about the Opposition's platform. It is rather an original one. Many diverse speeches have been delivered here by the Opposition. Kamenev said one thing, he pulled in one direction; Zinoviev said another thing, he pulled in another direction; Lashevich a third, Sokolnikov a fourth. But in spite of the diversity, all were agreed on one thing. On what were they agreed? What is their platform? Their platform is—reform of the Secretariat of the Central Committee. The only thing they have in common and that completely unites them is the question of the Secretariat. This is strange and ridiculous, but it is a fact.

This question has a history. In 1923, after the Twelfth Congress, the people who gathered in the "cave" (*laughter*) drew up a platform for the abolition of the Political Bureau and for politicizing the Secretariat, i.e., for transforming the Secretariat into a political and organizational directing body to consist of Zinoviev, Trotsky and Stalin. What is the idea behind this platform? What does it mean? It means leading the Party without Kalinin, without Molotov. Nothing came of this platform not only because it was unprincipled at that time, but also because, without the

comrades I have mentioned, it is impossible to lead the Party at the present time. To a question sent to me from the depths of Kislovodsk I answered in the negative, stating that, if the comrades insist, I am willing to clear out without a fuss, without a discussion, open or concealed, and without demanding guarantees for the rights of the minority. (*Laughter.*)

This was, so to speak, the first stage.

And now, it appears, the second stage has been ushered in, opposite to the first. Now they are demanding not the politicization, but the technicalization of the Secretariat; not the abolition of the Political Bureau, but its endowment with full powers.

Well, if the transformation of the Secretariat into a simple technical apparatus is really convenient for Kamenev, perhaps we ought to agree to it. I am afraid, however, that the Party will not agree to it. (*A voice: "Quite right!"*) Whether a technical Secretariat will prepare the questions it is supposed to prepare both for the Organization Bureau and for the Political Bureau, whether it will be able to do this, I have my doubts.

But when they talk about a Political Bureau endowed with full powers, such a platform deserves to be made a laughingstock. Is not the Political Bureau endowed with full powers? Are not the Secretariat and the Organization Bureau subordinate to the Political Bureau? And the

Plenum of the Central Committee? Why does not our Opposition speak about the Plenum of the Central Committee? Is it thinking of endowing the Political Bureau with fuller powers than those possessed by the Plenum?

No, the Opposition is positively unlucky with its platform, or platforms, about the Secretariat.

#### 11. THEIR "PEACEABLENESS"

What is to be done now, you will ask; what must we do to extricate ourselves from the situation that has been created? This question has engaged our minds all the time during the Congress, and also before it. We need unity of the Party ranks—that is the question now. The Opposition is fond of talking about difficulties. But there is one difficulty that is more dangerous than all difficulties, and which the Opposition has created for us—the danger of the disintegration and disorganization of the Party. (*Applause.*) We must first of all overcome this difficulty. We had this in mind when, two days before the Congress, we offered the Opposition terms of a compromise agreement calculated to secure a possible reconciliation. This is the text of our offer:

"The undersigned members of the Central Committee believe that preparation for the Party Congress was made by a number of leading comrades of the Leningrad organization contrary to the line of the Central Committee

of the Party and in opposition to the supporters of this line in Leningrad. The undersigned members of the Central Committee regard the resolution of the Moscow Conference as being absolutely correct in substance and in form, and believe that it is the Central Committee's duty to rebuff all and sundry tendencies that run counter to the Party line and disorganize the Party.

"However, with the object of preserving the unity of the Party, peace within the Party, of averting the possible danger of the alienation of the Leningrad organization, one of the best organizations in the R.C.P., from the Central Committee—the undersigned deem it possible, with the Congress endorsing the Central Committee's distinct and clear political line, to make a number of concessions. With this in view we make the following proposals:

"1. In drafting the resolution on the Central Committee's report, to take the resolution of the Moscow Conference as a basis, but to modify some of its formulations.

"2. The publication in the newspapers, or in bulletins, of the letter of the Leningrad Conference and of the Moscow Committee's reply to this letter be regarded, in the interests of unity, as inexpedient.

"3. Members of the Political Bureau... are not to speak against each other at the Congress.

"4. In speeches at the Congress, to dissociate ourselves from Sarkis (on regulating the composition of the Party) and from Safarov (on state capitalism).

"5. The mistake in connection with Komarov, Lobov and Moskvín be rectified by organizational measures.

"6. The Central Committee's decision to include a Leningrad man in the Secretariat of the Central Committee to be put into effect immediately after the Congress.

"7. With the view to strengthening connection with the Central Organ, to include one Party worker from Leningrad in the editorial board of the Central Organ.

"8. In view of the weakness of the editor of *The Leningradskaya Pravda* (Gladnev), to deem it necessary to replace him by a stronger comrade in agreement with the Central Committee.

KALININ, STALIN, MOLOTOV,  
DZERZHINSKY, and others.

December 15, 1925"

This is the compromise we offered, comrades.

But the Opposition was unwilling to come to an agreement. Instead of peace, it preferred an open and fierce struggle at the Congress. Such is the Opposition's "peaceableness."

## 12. THE PARTY WILL ACHIEVE UNITY

In the main, we still hold the viewpoint of this document. In our draft resolution we, as you know, have already modified some formulations in the interests of peace in the Party.

We are opposed to lopping. We are opposed to the lopping policy. That does not mean that leaders will be permitted with impunity to give themselves airs and sit on the Party's head. No, excuse us from that. There will be no obeisances to leaders. (*Voices: "Quite right!" Applause.*) We stand for unity, we are opposed to lopping. The lopping policy is abhorrent to us. The Party wants unity, and it will achieve it *with* Kamenev and Zinoviev if they are willing, *without* them if

they are unwilling. (Voices: "Quite right!" *Applause.*)

What is needed for unity? That the minority should submit to the majority. Without this there is no Party unity, nor can there be.

We are opposed to the publication of a special discussion sheet. *The Bolshevik* has a discussion section. That will be quite enough. We must not allow ourselves to be carried away by discussions. We are a Party that is governing a country—don't forget that. Do not forget that every disagreement at the top finds an echo in the country that is harmful to us. Not to speak of the effect it has abroad.

The organs of the Central Committee, apparently, will remain in their present shape. It is doubtful whether the Party will agree to break them up. (Voices: "Quite right!" *Applause.*) The Political Bureau is endowed with full powers as it is, it is superior to all the organs of the Central Committee except the Plenum. And the Plenum is the supreme organ—that is sometimes forgotten. Our Plenum decides everything, and it calls its leaders to order when they begin to lose their balance. (Voices: "Quite right!" *Laughter. Applause.*)

There must be unity among us, and there will be if the Party, if the Congress displays firmness of character and does not allow itself to be scared. (Voices: "We won't. We've been under fire

before.") If any of us go too far, we will be called to order—this is essential, this is necessary. The Party cannot be led except collectively. Now that Ilyich is not with us it is silly to dream of such a thing (*applause*), it is silly to talk about it.

Collective work, collective leadership, unity in the Party, unity in the organs of the Central Committee on the condition that the minority submits to the majority—that is what we need now.

As regards the Leningrad workingmen Communists, I have no doubt that they will always be in the front ranks of our Party. With them we built the Party, with them we reared it, with them we raised the standard of revolt in October 1917, with them we vanquished the bourgeoisie, with them we combated, and will combat, the difficulties in our path of construction. I am sure that the Leningrad workingmen Communists will not lag behind their friends in the other industrial centres in the struggle for the iron, Leninist unity of the Party. (*Loud applause. The Internationale is sung.*)

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## NOTES

- <sup>1</sup> The Fourteenth Congress of the C.P.S.U.(B.) took place in Moscow on December 18-31, 1925. The Congress discussed the political and organizational reports of the Central Committee, the reports of the Auditing Commission, the Central Control Commission and of the representatives of the R.C.P.(B.) on the Executive Committee of the Comintern, and also reports on: the work of the trade unions, the work of the Young Communist League, revision of the Party Rules, etc. The Congress fully approved the political and organizational line of the Central Committee, indicated the further path of struggle for the victory of Socialism, endorsed the Party's general line for the socialist industrialization of the country, rejected the defeatist plans of the Opposition and instructed the Central Committee resolutely to combat all attempts to undermine the unity of the Party. The Fourteenth Congress of the C.P.S.U.(B.) has gone into the history of the Party as the Industrialization Congress. The keynote of it was the struggle against the "new Opposition," which denied that it was possible to complete the building of Socialism in the U.S.S.R. By decision of the Fourteenth Congress, the Party adopted the name of Communist Party of the Soviet Union (Bolsheviks)—C.P.S.U.(B.). (Concerning the Fourteenth Congress of the C.P.S.U.(B.), see *History of the Communist Party of the Soviet Union. Short Course*. Moscow 1950, pp. 340-43.)

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- <sup>2</sup> Amsterdam (the Amsterdam International Federation of Trade Unions) was formed in July 1919 at an international congress held in Amsterdam. It consisted of the reformist trade unions of a number of countries of Western Europe and the U.S.A. In 1919 its affiliated membership amounted to 24,000,000, but by the end of 1923 it had dropped to 16,000,000. In subsequent years the influence and membership of the Amsterdam Federation steadily declined. During the second world war it practically ceased to function. It was dissolved in December 1945 owing to the formation of the World Federation of Trade Unions. p. 13
- <sup>3</sup> The conference held in Locarno (Switzerland) in October 5-16, 1925, at which Great Britain, France, Italy, Belgium, Poland, Czechoslovakia and Germany were represented. (Concerning the Locarno Conference see pp. 22-23 in this volume.) p. 20
- <sup>4</sup> In Genoa (Italy), from April 10 to May 19, 1922, an international economic conference was held in which England, France, Italy, Belgium, Japan and other capitalist states, on the one hand, and Soviet Russia, on the other, took part. The Genoa Conference was called for the purpose of determining the relations between the capitalist world and Soviet Russia. At the opening of the conference the Soviet delegation submitted an extensive program for the rehabilitation of Europe and also a scheme for universal disarmament. The conference rejected the Soviet delegation's proposals. On December 2, 1922, the Soviet Government convened in Moscow a conference of representatives of the neighbouring Western states (Estonia, Finland, Latvia, Poland and Lithuania), at which it submitted for discussion a plan for proportional reduction of armaments. On December 27, 1922, the Tenth All-Russian Congress of Soviets, in an appeal "To All the Peoples of the World," reaffirmed the Soviet Govern-

- ment's peace policy and called upon the working people all over the world to support this policy. In February 1924, at the Naval Conference held in Rome, the Soviet representative submitted concrete proposals for reducing naval armaments. p. 32
- 5 This refers to the general and commercial treaties between Great Britain and the U.S.S.R. signed in London on August 8, 1924, by the representatives of the Soviet Government and of the MacDonald Labour government. The English Conservative government that came into power in November 1924 refused to ratify these treaties. p. 43
- 6 The decree of the All-Russian Central Executive Committee of Soviets of Workers', Soldiers' and Peasants' Deputies annulling the state debts of the tsarist government was adopted on January 21, 1918. p. 43
- 7 This refers to the Conservative Baldwin-Austin Chamberlain government that came into power in November 1924 in place of the MacDonald Labour government. p. 46
- 8 *Ekonomicheskaya Zhizn* (*Economic Life*), a daily newspaper, organ of the economic and financial People's Commissariats and institutions of the R.S.F.S.R. and U.S.S.R. (Supreme Council of National Economy, Council of Labour and Defence, the State Planning Commission, the State Bank, the People's Commissariat for Finance, and others); issued from November 1918 to November 1937. p. 54
- 9 Cf. V. I. Lenin's works: "Left-Wing' Childishness and Petty-Bourgeois Mentality" (*Collected Works*, Third Russian edition, Vol. XXII, pp. 503-528). "Speech on the Food Tax," delivered at a meeting of secretaries and responsible representatives of nuclei of the R.C.P.(B.) of the Moscow City and the Moscow Gubernia, April 9,

- 1921, and "The Food Tax" (*ibid.*, Vol. XXVI, pp. 297-308, 317-352). "Five Years of the Russian Revolution and the Prospects of the World Revolution." (Report delivered at the Fourth Congress of the Communist International, November 13, 1922). (*Selected Works*, Two-Volume Edition, Vol. II, Moscow 1947, pp. 811-21.) p. 61
- 10 Cf. *The C.P.S.U.(B.) in the Resolutions and Decisions of Its Congresses, Conferences and Plenums of the Central Committee*, Moscow 1941, Russian edition, Vol. I, p. 566. p. 72
- 11 Cf. V. I. Lenin, "Preliminary Draft of Theses on the Agrarian Question (For the Second Congress of the Communist International)." (*Selected Works*, Two-Volume Edition, Moscow 1947, Vol. II, pp. 645-53.) p. 86
- 12 Cf. V. I. Lenin, *Collected Works*, Third Russian edition, Vol. XXIV, p. 114. p. 89
- 13 This refers to the resolution adopted by the Plenum of the Central Committee of the R.C.P.(B.) (October 3-10, 1925) on V. M. Molotov's report "On the Party's Work Among the Rural Poor" (cf. *The C.P.S.U.(B.) in the Resolutions and Decisions of Its Congresses, Conferences and Plenums of the Central Committee*, Vol. II, 1941, pp. 38-41). p. 94
- 14 Cf. V. I. Lenin, *Collected Works*, Third Russian edition, Vol. V, pp. 261-317; Fourth Russian edition, Vol. VI, pp. 325-392. p. 94
- 15 *Bednota* (*The Poor*), a daily newspaper, organ of the Central Committee of the C.P.S.U.(B.), published from March 1918 to January 1931. p. 134
- 16 *The Leningradskaya Pravda*, a daily newspaper, organ of the Leningrad Regional and City Committees of the

C.P.S.U.(B.) and Leningrad Regional and City Soviets of Working People's Deputies; started publication in 1918 under the title of *The Petrogradskaya Pravda*. In 1924 was renamed *The Leningradskaya Pravda*. At the end of 1925, *The Leningradskaya Pravda*, organ of the Northwestern Regional Bureau of the Central Committee of the R.C.P.(B.), the Leningrad Gubernia Party Committee, Leningrad Gubernia Council of Trade Unions, and the Regional Economic Conference, was utilized by the "new Opposition" for its factional anti-Party aims.

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