

# J. STALIN

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POLITICAL REPORT  
*of the*  
CENTRAL COMMITTEE  
*to the*  
SIXTEENTH CONGRESS  
OF THE C.P.S.U.(B.)



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FOREIGN LANGUAGES PUBLISHING HOUSE • MOSCOW

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J. S T A L I N

**POLITICAL REPORT**  
*of the*  
**CENTRAL COMMITTEE**  
*to the*  
**SIXTEENTH CONGRESS**  
**OF THE C.P.S.U.(B.)<sup>1</sup>**

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# I

## THE GROWING CRISIS OF WORLD CAPITALISM AND THE EXTERNAL SITUATION OF THE U.S.S.R.

Comrades! Since the Fifteenth Congress two and a half years have passed. Not a very long period one would think. Nevertheless, during this period most important changes have taken place in the life of peoples and states. To characterize the past period in two words it could be called the *turning point* period. It marked a turning point not only for us, for the U.S.S.R., but also for the capitalist countries all over the world. There is a fundamental difference between these two turning points, however. Whereas for the U.S.S.R. this turning point meant a turn in the direction of a new and bigger economic *upswing*, for the capitalist countries it meant a turn towards economic *decline*. Here, in the U.S.S.R., there is a *growing upswing* of socialist development both in industry and in agriculture. Among them, the capitalists, there is *growing economic crisis* both in industry and in agriculture.

Such is the picture of the present situation in a few words.

Recall the state of affairs in the capitalist countries two and a half years ago. Growth of industrial production and trade in nearly all the capitalist countries. Growth of production of raw materials and food in nearly all the agrarian countries. The halo around the United States as the land of the most full-blooded capitalism. Triumphant hymns of "prosperity." Grovelling to the dollar. Hymns in honour of the new technology, in honour of capitalist rationalization. Proclamation of an era of the "recovery" of capitalism and of the unshakable firmness of capitalist stabilization. "Universal" noise and clamour about the "inevitable doom" of the Land of Soviets, about the "inevitable collapse" of the U.S.S.R.

That was the state of affairs yesterday.

What is the picture today?

Today there is an economic crisis in nearly all the capitalist industrial countries. Today there is an agricultural crisis in all the agrarian countries. Instead of "prosperity" there is mass poverty and a colossal growth of unemployment. Instead of an upswing in agriculture there is the mass ruination of millions of peasants. The illusions about the omnipotence of capitalism in general and of North American capitalism in particular are collapsing. The triumphant hymns in honour of the dollar and of capitalist rationali-

zation are sounding more and more faint. Pessimistic wailing about the "mistakes" of capitalism is growing louder and louder. And the "universal" clamour about the "inevitable doom" of the U.S.S.R. is giving way to "universal" venomous hissing about the necessity of punishing "that country" that dares to develop its economy when crisis is reigning all around.

Such is the picture today.

Things have turned out exactly as the Bolsheviks said they would two or three years ago.

The Bolsheviks said that in view of the restricted limits of the standard of living of the vast masses of the workers and peasants, the further development of technology in the capitalist countries, the growth of productive forces and of capitalist rationalization, must inevitably lead to a severe economic crisis. The bourgeois press jeered at the "queer prophecies" of the Bolsheviks. The Right deviators dissociated themselves from this Bolshevik forecast and for the Marxist analysis substituted liberal chatter about "organized capitalism." But how did things actually turn out? They turned out exactly as the Bolsheviks said they would.

Such are the facts.

Let us now examine the data on the economic crisis in the capitalist countries.

## THE WORLD ECONOMIC CRISIS

a) In studying the crisis, the first thing that strikes the eye are the following facts:

1. The present economic crisis is a crisis of *overproduction*. This means that more goods have been produced than the market can absorb. It means that more textiles, fuel, factory-made goods and food have been produced than can be purchased for cash by the bulk of the consumers, i.e., the masses of the people, whose incomes remain on a low level. Since, under capitalism, the purchasing power of the masses of the people remains at the lowest level, the capitalists keep their "superfluous" goods, textiles, grain, etc., in their warehouses or even destroy them in order to bolster up prices, they cut down production and discharge their workers, and the masses of the people are compelled to suffer hardship because too much goods have been produced.

2. The present crisis is the first postwar *world* economic crisis. It is a world crisis not only in the sense that it embraces all, or nearly all, the *industrial* countries in the world; and even France, which is systematically injecting into her organism the billions of marks received as reparations payments from Germany, has been unable to avoid some depression, which, as all facts show, must develop into a crisis. It

is a world crisis also in the sense that the *industrial* crisis has coincided with an *agricultural* crisis, which has affected the production of all forms of raw materials and food in the chief *agrarian* countries in the world.

3. The present world crisis is developing *unevenly* notwithstanding its *universal* character; it affects different countries at different times and in different degrees. The industrial crisis began first of all in Poland, Rumania and in the Balkans. It developed there throughout the whole of last year. Obvious symptoms of an incipient agricultural crisis were already visible at the end of 1928 in Canada, the United States, Argentina, Brazil and Australia. During the whole of this period United States industry showed an upward trend. In the middle of 1929 industrial production in the United States reached an almost record level. A break began only in the latter half of 1929, and then a crisis in industrial production swiftly developed and threw the United States back to the level of 1927. This was followed by an industrial crisis in Canada and Japan. Then came bankruptcies and crisis in China and in the colonial countries, where the crisis was aggravated by the drop in the price of silver, and where the crisis of overproduction is combined with the ruination of the peasant farms, which have been reduced to utter exhaustion by feudal exploitation and unbearable taxation. As regards Western

Europe, there the crisis began to gain force only at the beginning of this year, but not everywhere to the same degree, and even in that period France still showed an increase in industrial production.

I do not think there is any need to dwell particularly on the statistics that illustrate the existence of a crisis. Nobody now disputes the existence of a crisis. I will therefore confine myself to quoting one small but characteristic table that was published recently by the German Institute of Economic Research. This table depicts the development of the mining industry and the chief branches of large-scale manufacturing industry in the United States, Great Britain, Germany, France, Poland and the U.S.S.R. since 1927; the 1928 level of production is taken as 100.

Here is the table:

Year	U.S.S.R.	U.S.A.	Great Britain	Germany	France	Poland
1927....	82.4	95.5	105.5	100.1	86.6	88.5
1928....	100	100	100	100	100	100
1929....	123.5	106.3	107.9	101.8	109.4	99.8
1930.... (first quarter)	171.4	95.5	107.4	93.4	113.1	84.6

What does this table show?

It shows, first of all, that the United States, Germany and Poland are experiencing a *sharply*

*expressed crisis* in large-scale industrial production; in the first quarter of 1930, in the *United States*, after the *boom* in the first half of 1929, the level of production dropped 10.8 per cent compared with 1929 and sank to the level of 1927; in *Germany*, after three years of *stagnation*, the level of production dropped 8.4 per cent compared with last year and sank to 6.7 per cent below the level of 1927; in *Poland*, after last year's *crisis*, the level of production dropped 15.2 per cent compared with last year and sank to 3.9 per cent below the level of 1927.

Secondly, the table shows that *Great Britain* has been marking time for three years, round about the 1927 level, and is experiencing severe economic *stagnation*; in the first quarter of 1930 her level of production dropped 0.5 per cent compared with last year, thus entering the first phase of a *crisis*.

Thirdly, the table shows that of all the big capitalist countries only in France is there some *growth* of large-scale industry; but whereas the increase in 1928 amounted to 13.4 per cent and that in 1929 to 9.4 per cent, the increase in the first quarter of 1930 is only 3.7 per cent over that of 1929, thus presenting from year to year a picture of a *descending* curve of growth.

Lastly, the table shows that of all the countries in the world, in the U.S.S.R. alone is there an *extremely rapid upswing* of large-scale indus-

try; the level of production in the first quarter of 1930 is more than *twice* as high as that in 1927, and the increase rose from 17.6 per cent in 1928 to 23.5 per cent in 1929 and to 32 per cent in the first quarter of 1930, thus presenting from year to year a picture of an *ascending* curve of growth.

It may be said that although this was the state of affairs up to the end of the first quarter of this year, it is not precluded that a turn for the better took place in the second quarter of this year. The returns for the second quarter, however, emphatically refute such an assumption. They show, on the contrary, that the situation became still worse in the second quarter. These returns show: a further *drop in share prices* on the New York Stock Exchange and a new *wave of bankruptcies* in the United States; a further *decline in production*, *reduction of workers' wages*, *growth of unemployment* in the United States, Germany, Great Britain, Italy, Japan, South America, Poland, Czechoslovakia, and so forth; the entry of a number of branches of industry in France into a state of *stagnation*, which, in the present international economic situation, is a symptom of incipient crisis. The number of unemployed in the United States is now over 6,000,000, in Germany about 5,000,000, in Great Britain over 2,000,000, in Italy, South America and Japan a million each, in Poland, Czechoslo-

vakia and Austria half a million each. This is apart from the further intensification of the agricultural crisis, which is ruining millions of farmers and toiling peasants. The overproduction crisis in agriculture has reached such a pitch that in order to keep up prices and their profits the bourgeoisie in Brazil threw into the sea 2,000,000 bags of coffee; in America they have begun to use corn for fuel instead of coal; in Germany, millions of poods of rye are being converted into pigs' food; and as regards cotton and wheat, all measures are being taken to reduce the crop area 10-15 per cent.

Such is the general picture of the developing world economic crisis.

b) Now that the destructive effects of the world economic crisis are spreading, sending to the bottom whole strata of medium and small capitalists, ruining entire groups of the labour aristocracy and farmers, and dooming millions of workers to starvation, everybody is asking: what is the cause of the crisis, what is at the bottom of it, how can it be combated, how can it be abolished? The most diverse "theories" about crises are being invented. Whole schemes are being proposed for "mitigating," "preventing," and "liquidating" crises. The bourgeois oppositions are blaming the bourgeois governments for "failing to take all measures" to prevent the crisis. The "Democrats" blame the "Republicans" and

the "Republicans" blame the "Democrats," and all together blame the Hoover group with its "Federal Reserve System,"<sup>2</sup> which failed to "curb" the crisis. There are even wiseacres who ascribe the world economic crisis to the "machinations of the Bolsheviks." I have in mind the well-known "industrialist" Rechberg who, properly speaking, little resembles an industrialist, but reminds one more than anything of an "industrialist" among literary men and a "literary man" among industrialists. (*Laughter.*)

It goes without saying that none of these "theories" and schemes has anything in common with science. It must be admitted that the bourgeois economists have proved to be utter bankrupts in face of the crisis. More than that, they have been found to be lacking even in that little sense of reality which their predecessors did possess sometimes. These gentlemen forget that crises cannot be regarded as something fortuitous under the capitalist system of economy. These gentlemen forget that economic crises are the inevitable result of capitalism. These gentlemen forget that crises were born with the birth of the rule of capitalism. There have been periodical crises for over a hundred years, recurring every 12, 10, 8 and less years. During this period bourgeois governments of all ranks and colours, bourgeois leaders of all degrees and ability, all without exception, tried their strength at the task of

"preventing" and "abolishing" crises. But they all suffered defeat. They suffered defeat because economic crises cannot be prevented or abolished within the framework of capitalism. Is it surprising that the present-day bourgeois leaders have also suffered defeat? Is it surprising that far from mitigating the crisis, far from relieving the conditions of the vast masses of the working people, the measures taken by the bourgeois governments actually lead to new outbreaks of bankruptcy, to new waves of unemployment, to the swallowing up of the less powerful capitalist combines by the more powerful capitalist combines?

The basis, the cause, of economic overproduction crises is the capitalist system of economy itself. At the bottom of crises lies the contradiction between the social character of production and the capitalist form of appropriation of the results of production. An expression of this fundamental contradiction of capitalism is the contradiction between the colossal *growth* of capitalism's potentialities of production, calculated to yield the *maximum* of capitalist profit, and the relative *reduction* of the purchasing power of the vast masses of the working people whose standard of living the capitalists always try to keep at the *lowest* level. To be successful in competition and to squeeze out the utmost profit, the capitalists are compelled to develop technology, to intro-

duce rationalization, to intensify the exploitation of the workers and to increase the output capacity of their enterprises to the utmost limits. So as not to lag behind one another, all the capitalists are compelled, in one way or another, to take this path of furiously developing production potentialities. The home market and the foreign market, however, the purchasing power of the vast masses of workers and peasants who, in the long run, constitute the bulk of the purchasers, remain on a low level. Hence overproduction crises. Hence the well-known results, recurring more or less periodically, as a consequence of which goods remain unsold, production is reduced, unemployment grows and wages are cut, and all this still further intensifies the contradiction between the level of production and the level of purchasing power. Overproduction crises are a manifestation of this contradiction in turbulent and destructive forms.

If capitalism could adapt production not to the obtaining of the utmost profit, but to the systematic improvement of the material conditions of the masses of the people, and if it could turn profits not to the satisfaction of the whims of the parasitic classes, not to perfecting the methods of exploitation, not to the export of capital, but to the systematic improvement of the material conditions of the workers and peasants, there would be no crises. But then capitalism

would not be capitalism. To abolish crises it is necessary to abolish capitalism.

This is at the bottom of economic crises of overproduction in general.

We cannot, however, confine ourselves to this in characterizing the *present* crisis. The present crisis cannot be regarded as a mere recurrence of the old crises. It is occurring and developing under certain new conditions, which must be brought out if we are to obtain a complete picture of the crisis. It is complicated and intensified by a number of special circumstances which must be understood if we are to obtain a clear idea of the present economic crisis.

What are these special circumstances?

These special circumstances can be reduced to the following characteristic facts:

1. The crisis has most severely affected the *principal* capitalist country, the United States, the citadel of capitalism, in which is concentrated no less than half the total production and consumption of all the countries in the world. It goes without saying that this circumstance cannot but lead to a colossal expansion of the sphere of influence of the crisis, to the intensification of the crisis and to the accumulation of extra difficulties for world capitalism.

2. In the course of development of the economic crisis, the industrial crisis in the major capitalist countries did not merely coincide but be-

came *interwoven* with the agricultural crisis in the agrarian countries, thereby aggravating the difficulties and predetermining the inevitability of a general decline in economic activity. Needless to say, the industrial crisis will intensify the agricultural crisis, and the agricultural crisis will prolong the industrial crisis, which cannot but lead to the intensification of the economic crisis as a whole.

3. Present-day capitalism, unlike the old capitalism, is *monopoly* capitalism, and this presupposes that the capitalist combines must inevitably strive to keep up the high monopolist prices of goods, notwithstanding the existence of overproduction. Naturally, this circumstance, which makes the crisis particularly painful and ruinous for the masses of the people who constitute the bulk of the buyers of goods, cannot but lead to the prolongation of the crisis, cannot but retard its dissolution.

4. The present economic crisis is developing on the basis of the *general crisis* of capitalism which arose already in the period of the imperialist war, sapped the foundations of capitalism and facilitated the advent of the economic crisis.

What does that mean?

It means, first of all, that the imperialist war and its aftermath intensified the decay of capitalism and upset its equilibrium, that we are now

living in an epoch of wars and revolutions, that capitalism has already ceased to be the *sole* and *all-embracing* system of world economy, that parallel with the *capitalist* system of economy there is the *socialist* system, which is growing, thriving, stands opposed to the capitalist system, and by its very existence demonstrates the decaying state of capitalism, shakes its foundations.

It means, further, that the imperialist war and the victory of the revolution in the U.S.S.R. have shaken the foundations of imperialism in the *colonial and dependent* countries, that the authority of imperialism has already been undermined in those countries, that it is no longer able to boss those countries in the old way.

It means, further, that during the war and after it, a young native capitalism appeared and grew up in the colonial and dependent countries, which is successfully competing in the markets with the old capitalist countries, intensifying and complicating the struggle for markets.

It means, lastly, that the war left the majority of capitalist countries a burdensome heritage in the shape of *enterprises chronically working under capacity* and of an *army of unemployed numbering millions*, which has been transformed from a reserve into a *permanent army of unemployed*; this created for capitalism a mass of difficulties even before the present economic crisis,

and must complicate matters still more during the crisis.

Such are the circumstances which intensify and aggravate the world economic crisis.

It must be admitted that the present economic crisis is the gravest and most profound world economic crisis that has ever occurred.

2

### INTENSIFICATION OF THE CONTRADICTIONS OF CAPITALISM

A most important result of the world economic crisis is that it is laying bare and intensifying the contradictions inherent in world capitalism.

a) It is laying bare and intensifying the *antagonisms between the major imperialist countries*, the struggle for markets, the struggle for raw materials, the struggle for the export of capital. None of the capitalist states is now satisfied with the present distribution of spheres of influence and colonies. They realize that the relation of forces has changed and that it is necessary to change the distribution of markets, sources of raw materials, spheres of influence, and so forth, accordingly. The chief antagonism here is that between the United States and Great Britain. Both in the sphere of exporting manufactured goods and in the sphere of exporting capital, the

struggle is raging chiefly between the United States and Great Britain. It is enough to read any journal dealing with economics, any document concerning exports of goods and capital, to be convinced of this. The principal arena of the struggle is South America, China, the colonies and the dominions of the old imperialist states. Superiority of forces in this struggle—and a definite superiority—is on the side of the United States.

After the major antagonism come not major, but fairly important antagonisms: between America and Japan, between Germany and France, between France and Italy, between Great Britain and France, and so forth.

There can be no doubt whatever that owing to the developing crisis, the struggle for markets, for raw materials and for the export of capital will grow more intense month after month and day after day.

Means of struggle: tariff policy, cheap goods, cheap credits, regrouping of forces and new military-political alliances, growth of armaments and preparation for new imperialist wars, and finally—war.

I have spoken about the crisis embracing all branches of production. There is one branch, however, that has not been affected by the crisis. That branch is the armament industry. It is growing continuously, notwithstanding the crisis. The

bourgeois states are furiously arming and re-arming. What for? Not for friendly chats, of course, but for war. And the imperialists need war, for it is the only means by which to redivide the world, to redivide markets, sources of raw materials and spheres for the investment of capital.

It is quite understandable that in this situation so-called pacifism is living its last days, that the League of Nations is rotting alive, that "disarmament schemes" fall down the hole, and that conferences for the reduction of naval armaments become transformed into conferences for renewing and enlarging navies.

This means that the danger of war will grow at an accelerated rate.

Let the Social-Democrats chatter about pacifism, about peace, about the peaceful development of capitalism, and so forth. The experience of Social-Democrats being in power in Germany and England shows that for them pacifism is only a screen to conceal the preparation of new wars.

b) It is laying bare and will intensify the *antagonisms between the victorious countries and the vanquished countries*. Among the latter I have in mind chiefly Germany. Undoubtedly, in view of the crisis and the aggravation of the problem of markets, increased pressure will be brought to bear on Germany, which is not only

a debtor, but also a very big exporting country. The peculiar relations that have developed between the victorious countries and Germany could be depicted in the form of a pyramid on the apex of which America, France, England and the others are seated in lordly fashion, holding the Young plan,<sup>3</sup> which bears the inscription: "Pay up!"; and underneath lies Germany, flattened out, exhausting herself and compelled to exert all her efforts to obey the order to pay billions in indemnities. You want to know what this is, don't you? It is "the spirit of Locarno."<sup>4</sup> To think that such a situation will have no effect upon world capitalism means failing to understand anything in life. Anyone who thinks that the German bourgeoisie will be able to pay 20,000 million marks within the next ten years and that the German proletariat, which is living under the double yoke of "its own" and the "foreign" bourgeoisie, will allow the German bourgeoisie to squeeze these 20,000 million marks out of it without serious battles and shocks, must be crazy. Let the German and French politicians pretend that they believe that this miracle will happen. We Bolsheviks do not believe in miracles.

c) It is laying bare and intensifying the *antagonisms between the imperialist states and the colonial and dependent countries*. The growing economic crisis cannot but increase the pressure the imperialists exercise upon the colonies and

dependent countries which constitute the chief markets for goods and sources of raw materials. Indeed, this pressure is increasing to the utmost degree. It is a fact that the European bourgeoisie is now in a state of war with "their" colonies in India, Indo-China, Indonesia and North Africa. It is a fact that "independent" China is already actually partitioned into spheres of influence and that the militarist clique of counterrevolutionary Kuomintangites, warring among themselves and ruining the Chinese people, are obeying the will of their masters in the imperialist camp.

The mendacious story that the staffs of the Russian embassies are to blame for the disturbance of "peace and order" in China must now be regarded as having been utterly exposed. There have been no Russian embassies for a long time either in South or Central China. But there are British, Japanese, German, American and other embassies there. There have been no Russian embassies for a long time either in South or Central China. But there are German, English and Japanese military advisors with the warring Chinese militarists. There have been no Russian embassies there for a long time. But there are British, American, German, Czechoslovak and all other kinds of guns, rifles, aircraft, tanks and poison gases. Well? Instead of "peace and order" a most unbridled and most devastating militarist war is now raging in South and Central China, fi-

nanced and instructed by the "civilized" states of Europe and America. We get a rather piquant picture of the "civilizing" activities of the capitalist states. The only thing we would like to know is: what have the Russian Bolsheviks to do with it?

It would be ridiculous to think that the imperialists will not have to pay the penalty for these outrages. The Chinese workers and peasants have already retaliated to them by forming Soviets and a Red Army. It is said that a Soviet government has already been set up there. I think that if this is true, there is nothing surprising about it. There can be no doubt that only Soviets can save China from utter collapse and pauperization.

As regards India, Indo-China, Indonesia, Africa and the others, the growth of the revolutionary movement in those countries, which at times assumes the form of a national war for liberation, leaves no room for doubt. Messieurs the bourgeoisie count on flooding these countries with blood and on relying on police bayonets by calling people like Gandhi to their assistance. There can be no doubt that police bayonets make a poor prop. Tsarism, in its day, also tried to rely on police bayonets, but everybody knows what kind of a prop they turned out to be. As regards assistants of the Gandhi type, tsarism had a whole herd of them in the shape of liberal compromi-

ers of every kind, but nothing came of this except discomfiture.

d) It is laying bare and intensifying the antagonisms between the bourgeoisie and the proletariat in the capitalist countries. The crisis has already increased the pressure the capitalists exercise on the working class. The crisis has already given rise to another wave of capitalist rationalization, to the further deterioration of the conditions of the working class, to increased unemployment, to the enlargement of the permanent army of unemployed, to the reduction of wages. It is not surprising that these circumstances are revolutionizing the situation, intensifying the class struggle and pushing the workers towards new class battles.

In connection with this, the Social-Democratic illusions among the masses of workers are being dispelled and are falling away. After the experience of Social-Democrats being in power, when they broke strikes, organized lockouts and shot down workers, the false promises of "industrial democracy," "peace in industry," and "peaceful methods" of struggle sound like cruel mockery to the workers. Will many workers be found today capable of believing the false sermons of the social-fascists? The well-known workers' demonstrations of August 1, 1929 (against the war danger) and of March 6, 1930 (against unemployment)<sup>5</sup> show that the best members of the work-

ing class have already turned away from the social-fascists. The economic crisis will strike another blow at the Social-Democratic illusions among the workers. Not many workers will be found now, after the bankruptcies and ruination caused by the crisis, who will believe that it is possible for "every worker" to become rich by holding shares in "democratized" joint-stock companies. Needless to say, the crisis will strike a crushing blow at all these and similar illusions.

The desertion of the masses of the workers from the Social-Democrats, however, signifies their turn towards Communism. This is what is actually taking place. The growth of the trade union movement that is associated with the Communist Party, the successes the Communist Parties have achieved at elections, the wave of strikes in which the Communists are taking a leading part, the development of economic strikes into political protests organized by the Communists, the mass demonstrations of workers who sympathize with Communism which met with a lively response in the working class—all this shows that the masses of the workers regard the Communist Party as the only party that is capable of fighting capitalism, the only party that is worthy of the workers' confidence, the only party under whose leadership it is possible to enter, and worth while entering, the struggle for emancipation from capitalism. This means that the masses are turning

towards Communism. It is the guarantee that our fraternal Communist Parties will grow into big mass parties of the working class. The Communists, however, must be able to appraise the situation and make proper use of it. By developing an uncompromising struggle against Social-Democracy, which is capital's agency in the working class, and by reducing to dust all and sundry deviations from Leninism, which bring grist to the mill of Social-Democracy, the Communist Parties have shown that they are on the right road. They must definitely fortify themselves on this road; for only if they do that can they count on winning over the majority of the working class and successfully prepare the proletariat for the forthcoming class battles. Only if they do that can we count on a further increase in the influence and prestige of the Communist International.

Such is the state of the major contradictions of world capitalism, which have become intensified to the utmost by the world economic crisis.

What do all these facts show?

That the stabilization of capitalism is coming to an end.

That the upsurge of the mass revolutionary movement will increase with fresh vigour.

That in a number of countries the world economic crisis will grow into a political crisis.

This means, firstly, that the bourgeoisie will

seek a way out of the situation through further fascization in the sphere of domestic policy, and will utilize all the reactionary forces, including Social-Democracy, for this purpose.

It means, secondly, that the bourgeoisie will seek a way out through a new imperialist war in the sphere of foreign policy.

It means, lastly, that the proletariat, in fighting capitalist exploitation and the war danger, will seek a way out through revolution.

3

THE RELATIONS BETWEEN THE U.S.S.R.  
AND THE CAPITALIST STATES

a) I have spoken above about the contradictions of world capitalism. In addition to these, however, there is one other contradiction. I am speaking of the antagonism between the capitalist world and the U.S.S.R. True, this antagonism must not be regarded as being of the same order as *the internal contradictions of capitalism*. It is an antagonism between capitalism as a whole and the country that is building Socialism. This, however, does not prevent it from corroding and shaking the very foundations of capitalism. More than that, it is exposing all the contradictions of capitalism to the roots, tying them in one knot and transforming them into a life and death

question of the capitalist order itself. That is why, every time the contradictions of capitalism become acute, the bourgeoisie turns its gaze towards the U.S.S.R. and asks whether it would not be possible to solve this or that contradiction of capitalism, or all the contradictions together, at the expense of the U.S.S.R., of that Land of Soviets, that citadel of revolution which, by its very existence, is revolutionizing the working class and the colonies, which is hindering the organization of a new war, hindering a new division of the world, hindering the capitalists from lording it in its extensive home market which they need so much, especially now, in view of the economic crisis?

Hence the tendency towards adventurist attacks on the U.S.S.R. and towards intervention, a tendency which will certainly grow owing to the development of the economic crisis.

The most striking expression of this tendency at the present time is present-day bourgeois France, the birthplace of the philanthropic "Pan-Europe" scheme,<sup>6</sup> the "cradle" of the Kellogg Pact,<sup>7</sup> the most aggressive and militarist of all the aggressive and militarist countries in the world.

But intervention is a two-edged sword. The bourgeoisie knows this perfectly well. It will be all right, it thinks, if intervention goes off smoothly and ends in the defeat of the U.S.S.R. But

what if it ends in the defeat of the capitalists? There has been intervention once and it ended in failure. If the first intervention, when the Bolsheviks were weak, ended in failure, what guarantee is there that the second will not end in failure? Everybody sees that the Bolsheviks are ever so much stronger now, economically, politically and as regards preparedness for the country's defence. And what about the workers in the capitalist countries, who will not permit intervention in the U.S.S.R., who will fight intervention and, if anything happens, may attack the capitalists in the rear? Would it not be better to proceed along the line of increasing commercial intercourse with the U.S.S.R., to which the Bolsheviks do not object?

Hence the tendency towards continuing peaceful relations with the U.S.S.R.

Thus, we have two series of facts, and two different tendencies operating in opposite directions:

1. The policy of disrupting economic intercourse between the U.S.S.R. and the capitalist countries; provocative attacks upon the U.S.S.R.; open and secret activities in preparation of intervention against the U.S.S.R. These are the factors that menace the U.S.S.R.'s international position. It is the operation of these factors that explain such facts as the rupture of relations with the U.S.S.R. by the British Conservative Cabinet;

the seizure of the Chinese Eastern Railway by the Chinese militarists; the financial blockade of the U.S.S.R.; the clerical "crusade," headed by the Pope, against the U.S.S.R.; the organization by agents of foreign states of the wrecking activities of our specialists; the organization of explosions and incendiarism, such as were carried out by some of the employees of "Lena Goldfields";<sup>3</sup> the attempt on the lives of representatives of the U.S.S.R. (Poland); faultfinding with our exports (United States, Poland), and so forth.

2. Sympathy towards and support of the U.S.S.R. on the part of the workers in capitalist countries; growth of the economic and political might of the U.S.S.R.; increase in the U.S.S.R.'s power of defence; the peace policy undeviatingly pursued by the Soviet government. These are the factors that strengthen the U.S.S.R.'s international position. It is the operation of these factors that explains such facts as the successful settlement of the dispute over the Chinese Eastern Railway; the restoration of relations with Great Britain; growth of economic intercourse with capitalist countries, and so forth.

It is the conflict between these factors that determines the U.S.S.R.'s external situation.

b) It is said that the stumbling block to the improvement of economic relations between the U.S.S.R. and the bourgeois states is the question of the debts. I think that this is not an argument

in favour of paying the debts, but a pretext advanced by the aggressive elements for interventionist propaganda. Our policy on this question is perfectly clear and sound. On the condition that we are granted credits, we are willing to pay a small part of the prewar debts, regarding them as additional interest on the credits. Without this condition we cannot and ought not pay. More is demanded of us? On what grounds? Is it not well known that these debts were contracted by the tsarist government that was overthrown by the Revolution, and for whose obligations the Soviet Government can take no responsibility? There is talk about international law, about international obligations. But on the grounds of what international law did Messieurs the "Allies" sever Bessarabia from the U.S.S.R. and hand her over to the Rumanian boyars to be enslaved by them? On the grounds of what international obligations did the capitalists and governments of France, Great Britain, America, and Japan attack the U.S.S.R., invade it, and for three whole years plunder it and ruin its inhabitants? If this is what is called international law and international obligations, then what will you call robbery? (*Laughter, applause.*) Is it not obvious that by committing these predatory acts Messieurs the "Allies" have deprived themselves of the right to appeal to international law, to international obligations?

It is also said that the establishment of "nor-

mal" relations is hindered by the propaganda conducted by the Russian Bolsheviks. With the object of averting the pernicious effects of propaganda, Messieurs the bourgeoisie, every now and again, fence themselves off with "cordons" and "barbed-wire fences" and graciously bestow the honour of guarding these "fences" upon Poland, Rumania, Finland, and others. It is said that Germany is burning with envy because she is not being permitted to guard the "cordons" and "barbed-wire fences." Does it need any proof that this chatter about propaganda is not an argument against establishing "normal relations," but a pretext for interventionist propaganda? How can people who do not want to appear ridiculous "fence themselves off" from the ideas of Bolshevism if the soil in their own country is propitious for these ideas? Tsarism in its time also "fenced itself off" from Bolshevism, but, as is well known, its "fence" proved to be useless. It proved to be useless because Bolshevism everywhere does not penetrate from outside, but grows within the country. There are no countries, one would think, more "fenced-off" from the Russian Bolsheviks than China, India and Indo-China. But what do we find? Bolshevism is growing in those countries, and will continue to grow, in spite of all "cordons," because, evidently, there are conditions there that are favourable for Bolshevism. What has the propaganda of the Russian Bolsh-

viks to do with it? If Messieurs the capitalists could somehow "fence themselves off" from the economic crisis, from mass poverty, from unemployment, from low wages and from the exploitation of labour, it would be another matter; then there would be no Bolshevik movement in their countries. But the whole point is that every rascal tries to justify his weakness or impotence by pleading Russian Bolshevik propaganda.

It is also said that another stumbling block is our Soviet system, collectivization, the struggle against the kulaks, anti-religious propaganda, the struggle against wreckers and counterrevolutionaries among "men of science," the banishment of Besedovskys, Solomons, Dmitrievskys, and other lackeys of capital. But this is becoming quite amusing. It appears that they don't like the Soviet system. But we don't like the capitalist system. (*Laughter, applause.*) We don't like their system, under which tens of millions of unemployed are compelled to live in poverty and starvation, while a small group of capitalists own wealth amounting to billions. Since, however, we have agreed not to intervene in the internal affairs of other countries, is it not obvious that it is not worth while reverting to this question? Collectivization, struggle against the kulaks, struggle against wreckers, anti-religious propaganda, and so forth, are the inalienable right of the workers and peasants of the U.S.S.R., sealed by our Con-

stitution. It is our duty to abide by the Constitution of the U.S.S.R. with the utmost consistency, and we will do so. It goes without saying, therefore, that whoever refuses to reckon with our Constitution can pass on, can go wherever they please. As for the Besedovskys, Solomons, Dmitrievskys and their ilk, we will in future, too, kick out such people like damaged goods that are useless and harmful for the revolution. Let them be made heroes of by those who have a special predilection for offal. (*Laughter.*) The millstones of our revolution grind exceedingly well. They take all that is useful and give it to the Soviets and cast aside the offal. It is said that in France, among the Parisian bourgeoisie, there is a big demand for damaged goods. Well, let them import them to their heart's content. True, this will overburden somewhat the import side of France's balance of trade, against which Messieurs the bourgeoisie always protest, but that is their business. Let us not intervene in the internal affairs of France. (*Laughter, applause.*)

That is how the matter stands with the "obstacles" that hinder the establishment of "normal" relations between the U.S.S.R. and other countries.

It turns out that these "obstacles" are fictitious "obstacles" raised as a pretext for anti-Soviet propaganda.

Our policy is a policy of peace and of in-

creasing commercial intercourse with all countries. The result of this policy is an improvement in our relations with a number of countries and the conclusion of a number of agreements for trade, technical assistance, and so forth. Another result is the U.S.S.R.'s adherence to the Kellogg Pact, the signing of the well-known protocol along the lines of the Kellogg Pact with Poland, Rumania, Lithuania, and other countries, the signing of the protocol on the prolongation of the treaty of friendship and neutrality with Turkey. And lastly, a result of this policy is the fact that we have succeeded in maintaining peace, in not allowing the enemy to draw us into conflicts, in spite of a number of provocative acts and adventurist attacks on the part of the warmongers. We will continue to pursue this policy of peace with all our might and with all the means at our disposal. We do not want a single foot of foreign territory; but of our territory we will not surrender a single inch to anyone. (*Applause.*)

Such is our foreign policy.

The task is to continue this policy with all the perseverance that is characteristic of Bolsheviks.

## II

### THE INCREASING UPSWING OF SOCIALIST CONSTRUCTION AND THE INTERNAL SITUATION IN THE U.S.S.R.

Let us pass to the internal situation in the U.S.S.R.

In contrast to the capitalist countries, where an economic *crisis* and *growing unemployment* reign, the internal situation in our country presents a picture of the *increasing upswing* of the national economy and of the *progressive diminution* of unemployment. Large-scale industry has grown, and the rate of its development has increased. Heavy industry has become firmly established. The socialist sector of industry has made great headway. A new force has arisen in agriculture—the sovkhoses and kolkhozes. A year or two ago we had a crisis in grain production, and in our grain purchasing operations we had to depend mainly on individual farming; now, however, the centre of gravity has shifted to the kolkhozes and sovkhoses, and the grain crisis can

be regarded as being, in the main, solved. The bulk of the peasant masses has definitely turned towards the kolkhozes. The resistance of the kulaks has been broken. The internal situation in the U.S.S.R. has been still further consolidated.

Such is the general picture of the internal situation in the U.S.S.R. at the present time.

Let us examine the concrete facts.

## 1

### GROWTH OF THE NATIONAL ECONOMY AS A WHOLE

a) In 1926-27, i.e., at the time of the Fifteenth Congress of the Party, the gross output of *agriculture as a whole*, including forestry, fishing, etc., amounted in prewar rubles, to 12,370 million rubles, i.e., 106.6 per cent of the prewar level. In the following year, however, i.e., in 1927-28, it was 107.2 per cent, in 1928-29 it was 109.1 per cent, and this year, 1929-30, judging by the course of development of agriculture, it will be no less than 113-114 per cent of the prewar level.

Thus we have a steady, although relatively slow, increase in agricultural production as a whole.

In 1926-27, i.e., at the time of the Fifteenth Congress of the Party, the gross output of *industry as a whole*, large and small scale, including flour milling, amounted in prewar rubles to 8,641

million rubles, i.e., 102.5 per cent of the prewar level. In the following year, however, i.e., in 1927-28, it was 122 per cent, in 1928-29 it was 142.5 per cent, and this year, 1929-30, judging by the course of industrial development, it will be no less than 180 per cent of the prewar level.

Thus we have an unprecedentedly rapid growth of industry as a whole.

b) In 1926-27, i.e., at the time of the Fifteenth Congress of the Party, *freight turnover* on our entire *railway system* amounted to 81,700 million ton-kilometres, i.e., 127 per cent of the prewar level. In the following year, however, i.e., in 1927-28, it was 134.2 per cent, in 1928-29 it was 162.4 per cent, and this year, 1929-30, it, by all accounts, will be no less than 193 per cent of the prewar level. As regards new railway construction, in the period under review, i.e., counting from 1927-28, the railway system has grown from 76,000 kilometres to 80,000 kilometres, which is 136.7 per cent of the prewar level.

c) If we take the *trade turnover* in the country in 1926-27 as 100 (31,000 million rubles), the volume of trade in 1927-28 will show an increase to 124.6 per cent, that of 1928-29 to 160.4 per cent, and this year, 1929-30, the volume of trade will, by all accounts, reach 202 per cent, i.e., twice as much as that of 1926-27.

d) If we take the *combined balances* of all our *credit institutions* on October 1, 1927 at 100

(9,173) million rubles), those on October 1, 1928 will show an increase to 141 per cent, and those on October 1, 1929 will show an increase to 201.1 per cent, i.e., twice as large as that in 1927.

e) If the *combined state budget* for 1926-27 is taken as 100 (6,371 million rubles) that for 1927-28 will show an increase to 125.5 per cent, that of 1928-29 to 146.7 per cent and for 1929-30 to 204.4 per cent, i.e., twice as large as the budget for 1926-27 (12,605 million rubles).

f) In 1926-27, our *foreign trade turnover* (exports and imports) was 47.9 per cent of the prewar level. In 1927-28, however, our foreign trade turnover rose to 56.8 per cent, in 1928-29 to 67.9 per cent, and in 1929-30 it, by all accounts, will be no less than 80 per cent of the prewar level.

g) As a result, we have the following picture of the growth of the total *national income* during the period under review (in 1926-27 prices): in 1926-27, the national income, according to the returns of the State Planning Commission, amounted to 23,127 million rubles; in 1927-28 it amounted to 25,396 million rubles—an increase of 9.8 per cent; in 1928-29 it amounted to 28,596 million rubles—an increase of 12.6 per cent; in 1929-30 the national income ought, by all accounts, to amount to no less than 34,000 million rubles, thus showing an increase for the year of 20 per cent. The average annual increase during

the period under review is, therefore, over 15 per cent.

Bearing in mind that the average annual increase in the national income in countries like the United States, Great Britain and Germany amounts to no more than 3-8 per cent, it must be admitted that the rate of increase of the national income of the U.S.S.R. is truly a *record* one.

2

## SUCCESES IN INDUSTRIALIZATION

Our national economy is growing not spontaneously, but in a definite direction, namely, in the direction of industrialization; its keynote is: industrialization, its keynote is: growth of the relative weight of industry in the general system of the national economy; its keynote is: transformation of our country from an agrarian into an industrial country.

a) The dynamics of the correlation between industry as a whole and agriculture as a whole from the point of view of the relative weight of industry in the *gross* output of the entire national economy during the period under review present themselves in the following way: in prewar times, industry's share of the gross output of the national economy was 42.1 per cent and that of agriculture 57.9 per cent; in 1927-28 industry's share was 45.2 per cent and that of agriculture 54.8 per

cent; in 1928-29, industry's share was 48.7 per cent and that of agriculture 51.3 per cent; in 1929-30 industry's share ought to, by all accounts, be no less than 53 per cent and that of agriculture no more than 47 per cent.

This means that the relative weight of industry is already beginning to preponderate over the relative weight of agriculture in the general system of national economy, and that we are on the eve of the transformation of our country from an *agrarian* into an *industrial* country. (*Applause.*)

b) The picture shows a still more striking turn of the scales in favour of industry when it is looked at from the angle of its relative weight as regards output of *market* goods by the national economy. In 1926-27, industry's share of the total market goods produced by the national economy was 68.8 per cent and that of agriculture 31.2 per cent. In 1927-28, however, industry's share was 71.2 per cent and that of agriculture 28.8 per cent; in 1928-29 industry's share was 72.4 per cent and that of agriculture 27.6 per cent, and in 1929-30, industry's share will, by all accounts, be 76 per cent and that of agriculture 24 per cent.

This exceptionally unfavourable position of agriculture is due, among other things, to its character as small-peasant and small-commodity agriculture. It goes without saying that this situation should change to a certain extent to the degree that large-scale agriculture develops

through the sovkhozes and kolkhozes and produces more for the market.

c) The development of industry in general, however, does not present a complete picture of the rate of industrialization. To obtain a complete picture we must also ascertain the dynamics of the correlation between heavy industry and light industry. Therefore, as the most striking index of the growth of industrialization, we must take the progressive growth of the relative weight of the production of *instruments and means of production* (heavy industry) in total industrial production. In 1927-28, the share of output of instruments and means of production in the total output of *all* industry amounted to 27.2 per cent and that of the output of consumers' goods 72.8 per cent. In 1928-29, however, the share of the output of instruments and means of production amounted to 28.7 per cent as against 71.3 per cent, and in 1929-30, the share of the output of instruments and means of production, will, by all accounts, already amount to 32.7 per cent as against 67.3 per cent.

If, however, we take not all industry, but *only* that part which is planned by the Supreme Council of National Economy, and which embraces all the main branches of industry, the correlation between the output of instruments and means of production and the output of consumers' goods will present a still more favourable picture, name-

ly: in 1927-28, the share of the output of instruments and means of production amounted to 42.7 per cent as against 57.3 per cent; in 1928-29—44.6 per cent as against 55.4 per cent, and in 1929-30, it will, by all accounts, amount to no less than 48 per cent as against 52 per cent output of consumers' goods.

The keynote of the development of our national economy is industrialization, the strengthening and development of our own heavy industry.

Hence, we have already raised and are further developing our heavy industry, the basis for our economic independence.

### 3

#### THE KEY POSITION OF SOCIALIST INDUSTRY AND ITS RATE OF GROWTH

The keynote of the development of our national economy is industrialization. But we do not need any kind of industrialization. We need a kind of industrialization that will ensure the growing preponderance of the *socialist forms of industry* over the *small-commodity* and, still more, over the *capitalist* forms of industry. The characteristic feature of our industrialization is that it is *socialist* industrialization; which guarantees the victory of the *socialized* sector of industry over the *private* sector, the small-commodity and capitalist sector.

Here are a few figures that illustrate the growth of capital investments and of gross output according to sectors:

a) Taking the growth of *capital investments* in industry according to sectors, we get the following picture. *Socialized sector*: 1926-27—1,270 million rubles, 1927-28—1,614 million rubles; 1928-29—2,046 million rubles; 1929-30—4,275 million rubles. *Private and capitalist sector*: 1926-27—63,000,000 rubles; 1927-28—64,000,000 rubles; 1928-29—56,000,000 rubles; 1929-30—51,000,000 rubles.

This means, firstly, that during this period capital investments in the socialized sector more than *trebled* (335 per cent).

It means, secondly, that during this period capital investments in the private and capitalist sector were *reduced by one-fifth* (81 per cent).

The private and capitalist sector is living on its old capital and is moving towards its doom.

b) Taking the growth of *gross output* of industry according to sectors we get the following picture. *Socialized sector*: 1926-27—11,999 million rubles; 1927-28—15,389 million rubles; 1928-29—18,903 million rubles; 1929-30—24,740 million rubles. *Private and capitalist sector*: 1926-27—4,043 million rubles; 1927-28—3,704 million rubles; 1928-29—3,389 million rubles; 1929-30—3,310 million rubles.

This means, firstly, that during the three

years, the gross output of the socialized sector of industry more than *doubled* (206.2 per cent).

It means, secondly, that in the same period the gross industrial output of the private and capitalist sector was *reduced* by nearly *one-fifth* (81.9 per cent).

If, however, we take the output not of all industry, but only of *large-scale* (rated) industry and examine it according to sectors, we will get the following picture of the relation between the socialized and private sectors. Relative weight of the socialized sector in the output of the country's large-scale industry: 1926-27—97.7 per cent; 1927-28—98.6 per cent; 1928-29—99.1 per cent; 1929-30—99.3 per cent. Relative weight of the private sector in the output of the country's large-scale industry: 1926-27—2.3 per cent; 1927-28—1.4 per cent; 1928-29—0.9 per cent; 1929-30—0.7 per cent.

As you see, the capitalist elements in large-scale industry have already gone to the bottom.

Obviously, the question as to "who will win," the question as to whether Socialism will defeat the capitalist elements in industry, or whether the latter will defeat Socialism, has already been settled in favour of the socialist forms of industry. Settled finally and irrevocably. (*Applause.*)

c) Particularly interesting are the figures that illustrate the *rate of development* during the period under review of *state* industry that is

planned by the Supreme Council of National Economy. If the 1926-27 gross output of socialist industry planned by the Supreme Council of National Economy is taken as 100, the 1927-28 gross output of that industry will show a rise to 127.4 per cent, that of 1928-29 to 158.6 per cent and that of 1929-30 will show a rise to 209.8 per cent.

This means that the output of socialist industry planned by the Supreme Council of National Economy, which embraces all the main branches of industry and the whole of heavy industry, has *more than doubled* during the three years.

It cannot but be admitted that no other country in the world can show such a furious rate of development of its large-scale industry.

This circumstance gives us grounds for speaking of the five-year plan in four years.

d) Some comrades are sceptical about the slogan "*the five-year plan in four years.*" Only very recently one section of comrades regarded our five-year plan, which was endorsed by the Fifth Congress of Soviets,<sup>9</sup> as fantastic; not to mention the bourgeois writers whose eyes pop out of their heads at the very sound of the words "five-year plan." But what is the actual situation as regards fulfilment of the five-year plan during the first two years? What does the investigation of the fulfilment of the optimal variant of the five-year plan tell us? Not only does it tell us that

we can carry out the five-year plan in four years; it also tells us that in a number of branches of industry we can carry it out in three and even in two and a half years. This may sound incredible to the sceptics in the opportunist camp, but it is a fact which it would be foolish and ridiculous to deny.

Judge for yourselves.

According to the five-year plan, the output of the *oil industry* was to have amounted to 977,000,000 rubles in 1932-33. Actually, its output already in 1929-30 amounts to 809,000,000 rubles, i.e., 83 per cent of the amount fixed in the five-year plan for 1932-33. Thus, we are fulfilling the five-year plan for the oil industry in a matter of two and a half years.

The output of the *peat industry*, according to the five-year plan, was to amount to 122,000,000 rubles in 1932-33. Actually, already in 1929-30 its output amounts to over 115,000,000 rubles, i.e., 96 per cent of the output fixed in the five-year plan for 1932-33. Thus, we are fulfilling the five-year plan for the peat industry in two and a half years, if not before.

According to the five-year plan, the output of the *general machine-building industry* was to amount to 2,058 million rubles in 1932-33. Actually, already in 1929-30 its output amounts to 1,458 million rubles, i.e., 70 per cent of the output fixed in the five-year plan for 1932-33. Thus, we are

fulfilling the five-year plan for the general machine-building industry in two and a half to three years.

According to the five-year plan the output of the *agricultural machine-building industry* was to amount to 610,000,000 rubles in 1932-33. Actually, already in 1929-30 its output amounts to 400,000,000 rubles, i.e., over 60 per cent of the amount fixed in the five-year plan for 1932-33. Thus, we are fulfilling the five-year plan for the agricultural machine-building industry in three years, if not before.

According to the five-year plan, the output of the *electrical engineering industry* was to amount to 896,000,000 rubles in 1932-33. Actually, already in 1929-30 it amounts to 503,000,000 rubles, i.e., over 56 per cent of the amount fixed in the five-year plan for 1932-33. Thus, we are fulfilling the five-year plan for the electrical engineering industry in three years.

Such is the unprecedented rate of development of our socialist industry.

We are going forward at an accelerated rate and in technical-economic respects are overtaking the advanced capitalist countries.

e) This does not mean, of course, that we have already overtaken them as regards dimensions of output, that our industry has already reached the *level* of industrial development of the advanced capitalist countries. No, this is far from

being the case. The *rate* of industrial development must not be confused with the *level* of industrial development. Many of us confuse the two and believe that since we have achieved an unprecedented rate of industrial development we have thereby reached the level of industrial development of the advanced capitalist countries. But this is fundamentally wrong.

Take, for example, the production of electricity, in which our rate is very high. From 1924 to 1929 we achieved an increase in the output of electricity of nearly 600 per cent, whereas in the same period the output of electricity in the United States increased only to 181 per cent, in Canada to 218 per cent, in Germany to 241 per cent and in Italy to 222 per cent. As you see, our rate is truly unprecedented, and exceeds that of all other states. But if we take the level of development of electricity production in those countries, in 1929, for example, and compare it with the level of development of the U.S.S.R., we will get a picture that will be far from comforting for the U.S.S.R. Notwithstanding the unprecedented rate of development of electricity production in the U.S.S.R., in 1929 output amounted to only 6,465 million kw-hr, whereas that of the United States amounted to 126,000 million kw-hr, Canada 17,628 million kw-hr, Germany 33,000 million kw-hr, and Italy 10,850 million kw-hr.

The difference, as you see, is colossal.

It follows, then, that in level of development we are behind all these states.

Or take, for example, our output of pig iron. If our output of pig iron for 1926-27 is taken as 100 (2.9 million tons), the output for the three years from 1927-28 to 1929-30 will show an almost *twofold* increase, to 190 per cent (5.5 million tons). The rate of development, as you see, is fairly high. But if we look at it from the point of view of the level of development of pig iron production in our country and compare the output in the U.S.S.R. with that in the advanced capitalist countries, the picture will be far from comforting. To begin with, we are reaching and will exceed the prewar level of pig iron production only this year, 1929-30. This alone drives us to the inexorable conclusion that unless we still further accelerate the rate of development of our metallurgical industry we will run the risk of jeopardizing our entire industrial production. As regards the level of development of the pig iron industry in our country and in the West, we have the following picture: the output of pig iron in 1929 in the United States amounted to 42.3 million tons; in Germany—13.4 million tons; in France—10.45 million tons; in Great Britain—7.7 million tons; but in the U.S.S.R. the output of pig iron at the end of 1929-30 will amount to only 5.5 million tons.

No small difference, as you see.

It follows, therefore, that as regards level of development of pig iron production we are behind all these countries.

What does all this show?

It shows that:

- 1) the rate of development of industry *must not be confused* with its level of development;
- 2) we are hellishly *behind* the advanced capitalist countries as regards level of development of industry;
- 3) only the *further acceleration* of the development of our industry will enable us to overtake and outstrip the advanced capitalist countries in technical-economic respects;
- 4) people who talk about the necessity of *reducing* the rate of development of our industry are enemies of Socialism, agents of our class enemies. (*Applause.*)

4

#### AGRICULTURE AND THE GRAIN PROBLEM

Above I spoke about the state of agriculture as a whole, including forestry, fishing, etc., without dividing agriculture into its main branches. If we single out from agriculture as a whole its main branches, such as, for example, grain production, livestock farming and the production of

industrial crops, the situation, according to the returns of the State Planning Commission and the People's Commissariat of Agriculture of the U.S.S.R., will present itself as follows:

a) If the *grain crop* area in 1913 is taken as 100, we will get the following picture of the movement of the grain crop area from year to year: 1926-27—96.9 per cent; 1927-28—94.7 per cent; 1928-29—98.2 per cent; and this year, 1929-30, the grain crop area will, by all accounts, be 105.1 of the prewar level.

Conspicuous is the drop in the grain crop area in 1927-28. This drop is not due to the degradation of grain farming that the ignoramuses in the Right opportunist camp have been chattering about, but to the failure of the winter crop on an area of 7,700,000 hectares (20 per cent of the winter crop area in the U.S.S.R.).

If, further, the *gross* output of grain in 1913 is taken as 100, we will get the following picture: 1927—91.9 per cent; 1928—90.8 per cent; 1929—94.4 per cent, and in 1930 we will, by all accounts, reach 110 per cent of the prewar standard.

Conspicuous here is also the drop in the gross output of grain in 1928 due to the failure of the winter crop in the Ukraine and in North Caucasus.

As regards the *market* part of the gross output of grain (grain consumed outside the rural districts), we have a still more instructive picture.

If the market part of the grain output of 1913 is taken as 100, then that part in 1927 will amount to 37 per cent; in 1928—36.8 per cent, in 1929—58 per cent, and this year, 1930, it will, by all accounts, amount to no less than 73 per cent of the prewar level.

Thus, it follows, that as regards grain crop area and gross grain output, we are reaching the prewar level and slightly exceeding it only this year, 1930.

It follows, further, that as regards the *market* part of the grain output, we are still far below the prewar standard and will remain below this year too by about 25 per cent.

This is what is at the bottom of our grain difficulties, which became particularly acute in 1928.

This, too, is what is at the bottom of our grain problem.

b) The picture is approximately the same, but with more alarming symptoms, in the sphere of *livestock farming*.

If the number of head of livestock of all kinds in 1916 is taken as 100, we will get the following picture for the respective years: in 1927 the number of horses amounted to 88.9 per cent of the prewar level; large horned cattle—114.3 per cent; sheep and goats—119.3 per cent; pigs—111.3 per cent. In 1928, horses—94.6 per cent; large horned cattle—118.5 per cent; sheep and goats—

126 per cent; pigs—126.1 per cent. In 1929, horses—96.9 per cent; large horned cattle—115.6 per cent; sheep and goats—127.8 per cent; pigs—103 per cent. In 1930, horses—88.6 per cent; large horned cattle—89.1 per cent; sheep and goats—87.1 per cent; pigs—60.1 per cent of the 1916 standard.

As you see, if we take the figures for the last year into consideration, we have obvious signs of the beginning of a decline in livestock farming.

The picture is still less comforting from the standpoint of the *market produce* of livestock farming, particularly as regards meat and pork fat. If we take the gross output of meat and pork fat for each year as 100, the market part of these two items will be for the respective years: 1926—33.4 per cent; 1927—32.9 per cent; 1928—30.4 per cent; 1929—29.2 per cent.

Thus, we have obvious signs of the instability and economic unreliability of small livestock farming which produces little for the market.

It follows, therefore, that instead of exceeding the 1916 standard in livestock farming we have in the past year obvious signs of a drop below this standard.

Thus, after the grain problem, which we are already solving in the main successfully, we are faced with the meat problem, the acuteness of which is already making itself felt, and which is still awaiting solution.

c) A different picture is unfolded before us by the development of *industrial* crops, which provide the raw materials for our light industry. If the industrial *crop area* in 1913 is taken as 100, we will have the following: *Cotton*, in 1927—107.1 per cent; 1928—131.4 per cent; 1929—151.4 per cent; 1930—217 per cent of the prewar level. *Flax*, in 1927—86.6 per cent; 1928—95.7 per cent; 1929—112.9 per cent; 1930—125 per cent of the prewar level. *Sugar beets*, in 1927—106.6 per cent; 1928—124.2 per cent; 1929—125.8 per cent; 1930—169 per cent of the prewar level. *Oil crops*, in 1927—179.4 per cent; 1928—230.9 per cent; 1929—219.7 per cent; 1930—no less than 260 per cent of the prewar level.

A similarly, in the main, favourable picture is presented by the *gross output* of industrial crops. If the gross output of 1913 is taken as 100, we will get the following: *Cotton*, in 1928—110.5 per cent; in 1929—119 per cent; in 1930 we will have, by all accounts, 182.8 per cent of the prewar level. *Flax*, in 1928—71.6 per cent; in 1929—81.5 per cent; in 1930 we will have, by all accounts, 101.3 per cent of the prewar level. *Sugar beets*, in 1928—93 per cent; in 1929—58 per cent, in 1930 we will have, by all accounts, 139.4 per cent of the prewar level. *Oil crops*, in 1928—161.9 per cent; in 1929—149.8 per cent, in 1930 we will have, by all accounts, 220 per cent of the prewar level.

As regards industrial crops, we thus have a more favourable picture, if we leave out of account the 1929 beet crop, which was damaged by moths.

Incidentally, here too, in the sphere of industrial crops, serious fluctuations and signs of instability are possible and probable in the future in view of the predominance of small farming, similar to the fluctuations and signs of instability that are demonstrated by the figures for flax and oil crops, which come least under sovkhoz and kolkhoz influence.

We are thus faced with the following problems in agriculture:

- 1) the problem of strengthening the position of industrial crops by supplying the districts concerned with sufficient quantities of cheap grain produce;

- 2) the problem of raising the level of livestock farming and of solving the meat problem by supplying the districts concerned with sufficient quantities of cheap grain produce and fodder;

- 3) the problem of finally solving the grain farming problem as the major problem in agriculture at the present moment.

It follows, therefore, that the grain problem is the chief link in the agricultural system and the key to the solution of all the other problems in agriculture.

It follows, therefore, that the solution of the grain problem is the first in order of the problems in agriculture.

But solving the grain problem, and thereby making it possible for agriculture to make a really big upswing, means completely liquidating the backwardness of agriculture; it means equipping it with tractors and agricultural machines, supplying it with new cadres of scientific workers, raising productivity of labour, and increasing market output. Unless this is done, it is useless to dream of solving the grain problem.

Can all this be done on the basis of small, individual, peasant farming? No, it cannot. It cannot be done because small-peasant farming is unable to take and use the new machines, it is unable to raise productivity of labour to a sufficient degree, it is unable to increase the market output of agriculture to a sufficient degree. There is only one way to do this, namely, to organize *large-scale* agriculture, to organize big farms equipped with modern machines.

The Land of Soviets, cannot, however, take the line of organizing big *capitalist* farms. It can, and must, take only the line of organizing big farms of a *socialist* type, equipped with modern machines. Our *sovkhozes* and *kolkhozes* are precisely farms of this type.

Hence the task to organize sovkhozes and to unite the small, individual, peasant farms into

big collective farms, for this is the *only* way to solve the problem of agriculture in general, and the grain problem in particular.

This is the line the Party took in its everyday practical work after the Fifteenth Congress, especially after the serious grain difficulties that arose in the beginning of 1928.

It must be noted that our Party brought up this fundamental problem as a practical task already at the Fifteenth Congress, when we were not yet experiencing serious grain difficulties. In the well-known resolution of the Fifteenth Congress "On Work in the Rural Districts" it plainly says:

"In the present period, the task of uniting and transforming the small, individual, peasant farms into big collectives must be taken up as the Party's *fundamental task* in the rural districts."<sup>10</sup>

Perhaps it will not be superfluous to quote the relevant passage from the Central Committee's report to the Fifteenth Congress in which the problem of liquidating the backwardness of agriculture on the basis of collectivization was also sharply and definitely raised. This is what was stated there:

"What is the way out? The way out is to turn the small and scattered peasant farms into large united farms based on the common cultivation of the land; to turn to the collective cultivation of the land on the basis of a new and higher technique.

"The way out is to unite the small and dwarf peasant farms gradually but surely, *not by pressure, but by example and persuasion*, into large farms based on common, cooperative, collective cultivation of the land with the use of agricultural machines and tractors and scientific methods of intensive agriculture.

"*There is no other way out.*"<sup>11</sup>

5

THE TURN OF THE PEASANTRY TOWARDS  
SOCIALISM AND THE RATE OF SOVKHOZ-  
KOLKHOZ DEVELOPMENT

The turn of the peasantry towards collectivization did not begin all at once. This turn could not begin all at once. True, the Party proclaimed the slogan of collectivization already at the Fifteenth Congress; but the proclamation of a slogan is not enough to cause a mass turn of the peasantry towards Socialism. At least one more circumstance is needed for this, namely, that the masses of the peasantry themselves should be convinced that the proclaimed slogan is a correct one and that they should accept it as their own. Therefore, this turn was prepared gradually.

It was prepared by the whole course of our development, by the whole course of development of our industry, and primarily by the development of those industries which supply machines and tractors for agriculture. It was prepared by the

policy of resolutely fighting the kulaks and by the course of our grain purchases in the new forms that were adopted in 1928 and 1929, which placed kulak farming under the control of the poor and middle peasant masses. It was prepared by the development of the agricultural co-operatives, which accustomed the individualist peasantry to collective methods. It was prepared by the network of kolkhozes, in which the peasantry verified the advantages of collective forms of farming compared with individual farming. Lastly, it was prepared by the network spread over the whole of the U.S.S.R. of sovkhoses equipped with modern machines, which enabled the peasants to convince themselves of the potency and superiority of modern machines.

It would be a mistake to regard our sovkhoses only as sources of grain supplies. Actually, the sovkhoses, with their modern machines, with the assistance they render the peasants in their vicinity, and the unprecedented scale of farming they conduct, were the leading force that facilitated the turn of the peasant masses and moved them on to the path of collectivization.

This was the basis on which arose that mass kolkhoz movement of millions of poor and middle peasants which began in the latter half of 1929, and which ushered in the period of the great change in the life of our country.

What measures did the Central Committee

take to enable it to meet this movement fully equipped and to lead it?

The measures the Central Committee took ran along three lines: the line of organizing and financing sovkhoses; the line of organizing and financing kolkhozes; and lastly, the line of organizing the manufacture of tractors and agricultural machines and of supplying the rural districts with them through machine and tractor stations, through tractor columns, and so forth.

a) As early as 1928, the Political Bureau of the Central Committee adopted a decision to organize in the course of three or four years *new sovkhoses*, calculating that by the end of this period these sovkhoses will provide not less than 100,000,000 poods of market grain. Later, this decision was endorsed by the Plenum of the Central Committee. The Grain Trust was organized and entrusted with the task of carrying out this decision. Parallel with this, a decision was adopted to strengthen the *old sovkhoses* and to enlarge their crop area. The Sovkhoz Centre was organized and entrusted with the task of carrying out this decision.

I cannot help mentioning that these decisions were met with daggers drawn by the opportunist section of our Party. There was talk about the money invested in the sovkhoses being "money thrown away." There was also criticism from men of "science," supported by the opportunist

elements in the Party, to the effect that it was impossible and senseless to organize big sovkhoses. The Central Committee, however, continued to pursue its line and pursued it to the end in spite of everything.

In 1927-28, the sum of 65,700,000 rubles (not counting short term turnover credits) was assigned for financing the sovkhoses. In 1928-29, the sum of 185,800,000 rubles was assigned. Lastly, this year 856,200,000 rubles have been assigned. During the period under review, 18,000 tractors of a total of 350,000 hp. were placed at the disposal of the sovkhoses.

What are the results of these measures?

In 1928-29, the *crop area* of the *Grain Trust* amounted to 150,000 hectares, in 1929-30—1,060,000 hectares, in 1930-31 it will amount to 4,500,000 hectares, in 1931-32 it will amount to 9,000,000 hectares, and in 1932-33, i.e., towards the end of the five-year plan period, it will amount to 14,000,000 hectares. In 1928-29 the crop area of the *Sovkhoz Centre* amounted to 430,000 hectares, in 1929-30—860,000 hectares, in 1930-31 it will amount to 1,800,000 hectares, in 1931-32 it will amount to 2,000,000 hectares, and in 1932-33 it will amount to 2,500,000 hectares. In 1928-29, the crop area of the *Associated Ukrainian Sovkhoses* amounted to 170,000 hectares, in 1929-30—280,000 hectares, in 1930-31 it will amount to 500,000 hectares and in 1932-33 it will

amount to 720,000 hectares. In 1928-29, the crop area of the *Sugar Union* (grain crop) amounted to 780,000 hectares, in 1929-30—820,000 hectares, in 1930-31 it will amount to 860,000 hectares, in 1931-32 it will amount to 980,000 hectares, and in 1932-33 it will amount to 990,000 hectares.

This means, firstly, that at the end of the five-year plan period, the grain crop area of the Grain Trust alone will be *as large* as that of the whole of Argentina today. (*Applause.*)

It means, secondly, that at the end of the five-year plan period, the grain crop area of all the sovkhoses together will be 1,000,000 hectares *larger* than that of the whole of Canada today. (*Applause.*)

As regards the *gross* and *market* grain output of the sovkhoses, we have the following picture of the movement year by year: in 1927-28, the gross output of all the sovkhoses amounted to 9,500,000 centners, of which market grain amounted to 6,400,000 centners, in 1928-29—12,800,000 centners, of which market grain amounted to 7,900,000 centners; in 1929-30, we will have, according to all accounts, 28,200,000 centners, of which market grain will amount to 18,000,000 centners (108,000,000 poods); in 1930-31 we will have 71,700,000 centners, of which market grain will amount to 61,000,000 centners (370,000,000 poods), and so on and so forth.

Such are the present and anticipated results of our Party's sovkhos policy.

According to the decision of the Political Bureau of the Central Committee of April 1928 on the organization of new sovkhoses, we were to have received from the new sovkhoses no less than 100,000,000 poods of market grain in 1931-32. Actually, it turns out that in 1931-32, we will already have from the new sovkhoses alone more than 200,000,000 poods. This means a twofold fulfilment of the program.

It follows, therefore, that the people who ridiculed the decision of the Political Bureau of the Central Committee had fiercely ridiculed themselves.

According to the five-year plan that was endorsed by the Congress of Soviets, at the end of the five-year plan period the sovkhoses controlled by all organizations were to have a total crop area of 5,000,000 hectares. Actually, this year the crop area of the sovkhoses already amounts to 3,800,000 hectares, and next year, i.e., in the third year of the five-year period, their crop area will amount to 8,000,000 hectares.

This means that we will fulfil and overfulfil the five-year program of sovkhos development in three years.

According to the five-year plan, at the end of the five-year period the gross grain output of the sovkhoses was to amount to 54,300,000 centners.

Actually, this year, the gross grain output of the sovkhoses already amounts to 28,200,000 centners, and next year it will amount to 71,700,000 centners.

This means that in gross grain output we will fulfil and overfulfil the five-year plan in three years.

*The five-year plan in three years!*

Let the bourgeois scribes and their opportunist toadies chatter now about it being impossible to fulfil and overfulfil the five-year plan of sovkhos development in three years.

b) As regards *kolkhoz* development, we have an even more favourable picture.

As early as July 1928, the Plenum of the Central Committee adopted the following decision concerning *kolkhoz* development:

"Undeviatingly to carry out the task set by the Fifteenth Congress 'to unite and transform the small, individual, peasant farms into big collective farms' as *voluntary associations* organized on the basis of modern technology and representing a higher form of grain farming as regards the socialist transformation of agriculture as well as regards ensuring a radical increase in its productivity and market output" (cf. resolution of the July Plenum of the Central Committee "On Grain Purchasing Policy In Connection With the General Economic Situation," 1928).<sup>12</sup>

Later, this decision was endorsed in the resolutions of the Sixteenth Conference of the Party and in the special resolution of the November

Plenum of the Central Committee, 1929, on the kolkhoz movement.<sup>13</sup> After the radical turn of the peasants towards the kolkhozes had become evident in the latter half of 1929, and when the bulk of the middle peasants joined the kolkhozes, the Political Bureau of the Central Committee adopted the special decision of January 5, 1930 "On the Rate of Collectivization and State Measures to Assist Kolkhoz Development."

In this resolution, the Central Committee:

1) placed on record the existence of a *mass turn of the peasantry* towards the kolkhozes and the possibility of overfulfilling the five-year plan of kolkhoz development in the spring of 1930;

2) placed on record the existence of the material and other conditions necessary for *substituting kolkhoz production for kulak production* and, in view of this, proclaimed the necessity of passing from the policy of restriction to the policy of eliminating the kulaks as a class;

3) laid down the prospect that already in the spring of 1930 the crop area cultivated on a socialized basis *would considerably exceed 30,000,000 hectares*;

4) divided the U.S.S.R. into three groups of districts and fixed *for each of them approximate dates* for the completion, in the main, of collectivization;

5) *revised the land survey method* in favour of the kolkhozes and the forms of financing ag-

riculture, assigning for the kolkhozes in 1929-30 credits amounting to no less than 500,000,000 rubles;

6) defined the *artel form* of the kolkhoz movement as the *chief link in the kolkhoz system* at the present time;

7) rebuffed the opportunist elements in the Party who tried to retard the kolkhoz movement on the plea that there was a shortage of machines and tractors;

8) lastly, warned Party workers against the likelihood of going to extremes in the kolkhoz movement, and against the danger of decreeing kolkhoz development from above, which would involve the danger of the substitution of mock collectivization for the genuine and mass kolkhoz movement.

It must be observed that this decision of the Central Committee was met in a worse than unfriendly spirit by the opportunist elements in our Party. There was talk and whispering about the Central Committee indulging in fantasies, about it "squandering" the people's money on "non-existent" kolkhozes. The Right opportunists rubbed their hands in gleeful anticipation of "certain" failure. The Central Committee, however, perseveringly continued to pursue its line and pursued it to the end in spite of everything, in spite of the philistine sniggering of the Rights, and in spite of the extremes and giddiness of the "Lefts."

In 1927-28, the sum of 76,000,000 rubles was assigned for financing the kolkhozes, in 1928-29—170,000,000 rubles, and finally, this year, 473,000,000 rubles have been assigned. In addition, 65,000,000 rubles have been assigned for the collectivization fund. Exemptions have been laid down for the kolkhozes which increase their financial resources by 200,000,000 rubles. The kolkhozes have been supplied with confiscated kulak farm property to the value of over 400,000,000 rubles. The supply has been ensured for use on kolkhoz fields of no less than 30,000 tractors of a total of 400,000 hp., not counting the 7,000 of the Tractor Centre which serve the kolkhozes, and the assistance in the way of tractors rendered the kolkhozes by the sovkhoses. This year the kolkhozes have been granted seed loans and seed assistance amounting to 10,000,000 centners of grain (61,000,000 poods). Lastly, direct organizational assistance has been rendered the kolkhozes by the setting up of machine and horse bases to a number exceeding 7,000, in which the total number of horses available for use is no less than 1,300,000.

What are the results of these measures?

The kolkhoz crop area in 1927 amounted to 800,000 hectares, in 1928—1,400,000 hectares, in 1929—4,300,000 hectares, in 1930—no less than 36,000,000 hectares, counting both spring and winter crops.

This means, firstly, that in three years the kolkhoz crop area has grown more than fortyfold. (*Applause.*)

It means, secondly, that our kolkhozes now have a crop area *as large* as that of France and Italy put together. (*Applause.*)

As regards *gross* grain output and the part available for *the market*, we have the following picture. In 1927 we had from the kolkhozes 4,900,000 centners, of which market grain amounted to 2,000,000 centners; in 1928—8,400,000 centners, of which 3,600,000 centners was market grain; in 1929—29,100,000 centners, of which 12,700,000 centners was market grain; in 1930 we will have, according to all accounts, 256,000,000 centners (1,550 million poods), of which market grain will amount to no less than 82,000,000 centners (over 500,000,000 poods).

It must be admitted that not a single branch of our industry, which, in general, is developing at a fairly rapid rate, has shown such an unprecedented rate as our kolkhoz development.

What do all these figures show?

They show, first of all, that during three years the gross grain output of the kolkhozes has increased over fiftyfold, and the market part of it over fortyfold.

They show, secondly, that the possibility exists of our receiving from the kolkhozes this

year *more than half* of the total market grain output of the country.

They show, thirdly, that henceforth, the fate of our agriculture and of its major problems will be determined not by the individual peasant farms, but by the kolkhozes and sovkhozes.

They show, fourthly, that the process of eliminating the kulaks as a class in our country is going full steam ahead.

They show, lastly, that such economic changes have already taken place in the country as give us all grounds for asserting that we have succeeded in turning the rural districts to the new path, to the path of collectivization, thereby guaranteeing the successful building of Socialism not only in the towns, but also in the countryside.

In its decision of January 5, 1930, the Political Bureau of the Central Committee laid down for the spring of 1930 a program of kolkhoz crop area to be cultivated on socialized principles amounting to 30,000,000 hectares. Actually, we already have 36,000,000 hectares. Thus, the Central Committee's program has been overfulfilled.

It follows, therefore, that the people who ridiculed the Central Committee's decision had fiercely ridiculed themselves. The opportunist chatterboxes in our Party have gained no comfort either from the petty-bourgeois element or from the extremes in the kolkhoz movement.

According to the five-year plan, by the end of the five-year plan period, we were to have a kolkhoz crop area of 20,600,000 hectares. Actually, we already have this year a kolkhoz crop area of 36,000,000 hectares.

This means that we have already, in two years, overfulfilled the five-year plan of kolkhoz development by over fifty per cent. (*Applause.*)

According to the five-year plan, by the end of the five-year period we were to have a gross grain output from the kolkhozes amounting to 190,500,000 centners. Actually, already this year we will have a gross grain output from the kolkhozes amounting to 256,000,000 centners.

This means that we have already in two years overfulfilled the five-year program of kolkhoz grain output by over 30 per cent.

*The five-year plan in two years! (Applause.)*

Let the opportunist gossips chatter now about it being impossible to fulfil and overfulfil the five-year plan of kolkhoz development in two years.

#### IMPROVEMENT IN THE MATERIAL AND CULTURAL CONDITIONS OF THE WORKERS AND PEASANTS

Thus, it follows that the progressive growth of the socialist sector in the sphere of industry and in the sphere of agriculture is a fact that cannot be subjected to the slightest doubt.

What can this signify from the point of view of the material conditions of the working people?

It signifies that, thereby, the foundations have already been laid for a radical improvement in the material and cultural conditions of the workers and peasants.

Why, how?

Because, firstly, the growth of the socialist sector signifies, first of all, a diminution of the exploiting elements in town and country, a reduction in their relative weight in the national economy. And this means that the workers' and peasants' share of the national income must inevitably grow as a result of the reduction of the share of the exploiting classes.

Because, secondly, with the growth of the socialized (socialist) sector, the share of the national income that hitherto had gone to feed the exploiting classes and their hangers-on, must henceforth remain in production, to be used for the expansion of production, for building new factories and mills, for improving the conditions of life of the working people. And this means that the working class must grow numerically and in strength, and that unemployment must diminish, be dissolved.

Because, lastly, the growth of the socialized sector, inasmuch as it leads to the improvement in the material conditions of the working class, signifies a progressive increase in the capacity

of the home market, an increase in the demand for manufactured goods on the part of the workers and peasants. And this means that the growth of the home market will outstrip the growth of industry and push it forward towards continuous expansion.

All these and similar circumstances lead to a steady improvement in the material and cultural conditions of the workers and peasants.

a) Let us begin with the *numerical growth* of the working class and the *diminution of unemployment*.

In 1926-27, the number of wagedworkers (not including unemployed) was 10,990,000. In 1927-28, however, we had 11,456,000, in 1928-29—11,997,000 and in 1929-30, we will, by all accounts, have no less than 13,129,000. Of these, manual workers (including agricultural labourers and seasonal workers) numbered in 1926-27—7,069,000, in 1927-28—7,404,000, in 1928-29—7,758,000, in 1929-30—8,533,000. Of these, workers employed in large-scale industry (not including office employees) numbered in 1926-27—2,439,000, in 1927-28—2,632,000, in 1928-29—2,858,000, in 1929-30—3,029,000.

Thus, we have a picture of the progressive numerical growth of the working class; and whereas the number of wagedworkers has increased 19.5 per cent during the three years and the number of manual workers 20.7 per cent, the number

of industrial workers has increased 24.2 per cent.

Let us pass to the question of *unemployment*. It must be said that in this sphere considerable confusion reigns both at the People's Commissariat for Labour and at the All-Union Central Council of Trade Unions.

On the one hand, according to the returns of these institutions we have about a million unemployed, of whom, those to any degree skilled constitute only 14.3 per cent, and about 73 per cent are those engaged in so-called intellectual labour and unskilled workers; the vast majority of the latter are women and young persons not engaged in industrial occupations.

On the other hand, according to the same returns, we are suffering from a frightful shortage of skilled labour, the labour exchanges can barely meet 20 per cent of the demands for labour by our factories and we are obliged hurriedly, literally on the run, to train absolutely unskilled people and make skilled workers out of them in order to satisfy at least the minimum requirements of our factories.

Try to get some sense out of this confusion. It is clear, at all events, that these unemployed do not constitute a *reserve* and still less a *permanent* army of unemployed for our industry. Well? Even according to the returns of the Commissariat for Labour it appears that lately the num-

ber of unemployed has *diminished* compared with last year by over 700,000. This means that by May 1, this year, the number of unemployed had dropped by over 42 per cent.

This is another result of the growth of the socialist sector of our national economy.

b) We get a still more striking result when we examine the matter from the point of view of the distribution of the national income according to classes. The question of the national income according to classes is a fundamental question from the point of view of the material and cultural conditions of the workers and peasants. It is not for nothing that the bourgeois economists of Germany, England and the United States try to confuse this question for the benefit of the bourgeoisie when, every now and again, they publish their "absolutely unbiassed" investigations on this subject.

According to the German Statistical Board, in 1929, wages constituted 70 per cent of Germany's national income, and the share taken by the bourgeoisie was 30 per cent. According to the Federal Trade Commission and the National Bureau of Economic Research, the workers' share of the national income of the United States in 1923 amounted to over 54 per cent and the capitalists' share over 45 per cent. Lastly, according to the economists Bowley and Stamp, the share of the working class of Great Britain's national

income in 1924 amounted to a little less than 50 per cent and the capitalists' share amounted to a little over 50 per cent of Great Britain's national income.

It goes without saying, that the results of these investigations cannot be taken on faith. This cannot be done because apart from flaws of a purely economic order, these investigations have yet another flaw, the object of which is partly to conceal the incomes of the capitalists and to minimize them, and partly to exaggerate the incomes of the working class by including in it officials who receive enormous salaries. And this is apart from the fact that these investigations often do not include the incomes of farmers and of rural capitalists in general.

Comrade Varga has subjected these statistics to a critical analysis, and this is the result he obtained. It appears that the share taken by workers, and working people generally in town and country who do not exploit the labour of others, amounted in Germany to 55 per cent of the national income, in the United States—54 per cent, in Great Britain—45 per cent; the capitalists' share in Germany was 45 per cent, in the United States—46 per cent, and in Great Britain—55 per cent.

That is how the matter stands in the biggest capitalist countries.

How does it stand in the U.S.S.R.?

Here are the returns of the State Planning Commission. It appears that:

a) The share taken by the *workers and working peasants who do not exploit the labour of others* constituted in our country, in 1927-28, 75.2 per cent of the total national income (urban and rural wageworkers took 33.3 per cent); in 1928-29—76.5 per cent (urban and rural wageworkers took 33.2 per cent); in 1929-30—77.1 per cent (urban and rural wageworkers took 33.5 per cent).

b) The share of the *kulaks and urban capitalists* constituted in 1927-28—8.1 per cent; in 1928-29—6.5 per cent; in 1929-30—1.8 per cent.

c) The share of *handicraftsmen*, the majority of whom are working people, constituted in 1927-28—6.5 per cent; in 1928-29—5.4 per cent; in 1929-30—4.4 per cent.

d) The share of the *state sector*, the income of which is the income of the working class and of the working people generally, constituted in 1927-28—8.4 per cent; in 1928-29—10 per cent; in 1929-30—15.2 per cent.

e) Lastly, the share of the so-called *miscellaneous* (meaning pensions) constituted in 1927-28—1.8 per cent; in 1928-29—1.6 per cent; in 1929-30—1.5 per cent.

Thus, it follows, that whereas *in the advanced capitalist countries the share of the national income taken by the exploiting classes consti-*

tutes about 50 per cent and even more, here, in the U.S.S.R., the share of the national income taken by the exploiting classes constitutes no more than 2 per cent.

This, properly speaking, explains the astonishing fact that in the United States, in 1922, according to the American bourgeois writer *Denny* "one per cent of the estate holders owned 59 per cent of the total wealth," and in Great Britain, in 1920-21, according to the same *Denny*, "less than two per cent of the owners held 64 per cent of the total wealth" (cf. *Denny*, "America Conquers Britain").

Can such things happen in our country, in the U.S.S.R., in the Land of Soviets? Obviously, they cannot. There have long been no "owners" of this kind in the U.S.S.R., nor can there be any.

But if in the U.S.S.R., in 1929-30, only 2 per cent of the national income falls to the share of the exploiting classes, what happens to the remaining bulk of the national income?

Obviously, it remains in the hands of the workers and working peasants.

Herein lies the strength and prestige of the Soviet system among the vast masses of the working class and the peasantry.

This is the basis of the systematic improvement in the material welfare of the workers and peasants of the U.S.S.R.

f) In the light of these decisive facts, the sys-

tematic increase in the real wages of the workers, the increase in the workers' social insurance budget, the increased assistance to poor and middle peasant farms, the increased assignments for workers' housing, for the improvement of the workers' living conditions and for mother and child care, and as a consequence, the progressive growth of the population of the U.S.S.R. and the decline in mortality, particularly in infant mortality, become quite understandable.

It is known, for example, that the *real wages* of the workers, including social insurance and allocations from profits for the workers' welfare fund, have risen to 167 per cent of the prewar level. During the past three years, the workers' social insurance budget alone has grown from 980,000,000 rubles in 1927-28 to 1,400 million rubles in 1929-30. The sums spent on mother and child care during the past three years (1927-28—1929-30) amounted to 494,000,000 rubles. The sums spent on pre-school education (kindergartens, playgrounds, etc.) during the same period amounted to 204,000,000 rubles. The sums spent on workers' housing amounted to 1,880 million rubles.

This does not mean, of course, that everything that is necessary has already been done for seriously raising real wages, that real wages could not have been raised to a higher degree. If this has not been done, it is because of the bu-

reaucracy in our supply organizations in general, and primarily and particularly because of the bu-reaucracy in our consumers' cooperatives. According to the returns of the State Planning Commission, in 1929-30, the socialized sector of internal trade covers over 99 per cent of the wholesale and over 89 per cent of the retail turn-over. This means that the cooperatives are systematically ousting the private sector and are becoming the monopolists in the sphere of trade. This is a good thing, of course. The bad thing is that in a number of cases this monopoly operates to the detriment of the consumers. It appears, that in spite of the almost monopolist position they occupy in trade, the cooperatives prefer to supply the workers with more "payable" goods, which yield bigger profits (haberdashery, etc.), and avoid supplying them with less "payable" although more essential goods for the workers (agricultural produce). As a result, the workers are obliged to satisfy about 25 per cent of their requirements in agricultural produce in the private market and to pay higher prices. This is apart from the fact that the cooperative administrations are concerned most of all with their balances and are therefore reluctant to reduce retail prices in spite of the categorical instructions of the leading centres. It follows, therefore, that in this case the cooperatives function not as a socialist sector, but as a peculiar sector that is

infected with some sort of a NEPman spirit. The question is, who needs cooperatives of this sort, and what benefit do the workers derive from their monopoly since they do not carry out the function of seriously raising the workers' real wages?

If, in spite of this, real wages in our country are steadily rising from year to year, it shows that our social system, our system of distribution of the national income, and our entire wages policy, are such that they are able to neutralize and eliminate all and sundry unfavourable factors emanating from the cooperatives.

If to this circumstance we add a number of other factors, such as the increase in the role of public catering, lower rents for workers, the vast number of stipends paid to workers and workers' children, cultural services, and so forth, we may boldly say that the percentage of increase of workers' wages is much higher than is indicated in the statistics of some of our institutions.

All this, taken together, plus the introduction of a 7-hour day for over 830,000 industrial workers (33.5 per cent), plus the introduction of a five-day week for over a million and a half industrial workers (63.4 per cent), plus the extensive network of rest homes, sanatoria and health resorts for workers, which 1,700,000 workers have attended during the past three years, all this creates conditions of work and life for the working class that enable us to rear a new generation

of healthy workers filled with the joy of life and capable of raising the might of the Land of Soviets to the proper level and of protecting it with their lives from attacks by its enemies. (*Applause.*)

As regards assistance to the peasants, individual and collective farm, I have in mind also assistance to poor peasants, this, in the past three years (1927-28—1929-30) amounted to the sum of no less than 4,000 million rubles, provided in the shape of credits and assignments from the state budget. As is known, assistance in the shape of seeds alone was granted the peasants during the past three years to the amount of 154,000,000 poods.

It is not surprising that the workers and peasants in our country are living fairly well on the whole, that general mortality has dropped 36 per cent and infant mortality 42.5 per cent below the prewar level, and that the *annual increase* in population in our country is about three million. (*Applause.*)

As regards the cultural conditions of the workers and peasants, in this sphere too we have some achievements, which, however, cannot under any circumstances satisfy us as they are still small. Leaving out of account workers' clubs of all kinds, village reading rooms, libraries and liquidation of illiteracy classes, which this year are being attended by 10,500,000 persons, the situa-

tion as regards cultural and educational matters is as follows. This year elementary schools are being attended by 11,638,000 pupils; secondary schools—1,945,000; industrial and technical, transport and agricultural schools and classes for training workers of ordinary skill—333,100; secondary technical and other trade schools—238,700, colleges, general and technical—190,400. All this has enabled us to raise literacy in the U.S.S.R. to 62.6 per cent of the population, compared with 33 per cent in prewar times.

The chief thing now is to pass to universal compulsory elementary education. I said the "chief" thing, because this would be a decisive step in the cultural revolution. And it is high time we took this step, for we now possess all that is needed to organize compulsory universal elementary education in all districts in the U.S.S.R.

Up till now we have been obliged to "economize in all things, even in schools" in order to "save, to restore heavy industry" (*Lenin*). During the past period, however, we have already restored heavy industry and are developing it further. Hence, the time has arrived when we must set to work completely to introduce universal, compulsory elementary education.

I think that the Congress will do the right thing if it adopts a definite and absolutely categorical decision on this matter. (*Applause.*)

# DIFFICULTIES OF GROWTH, THE CLASS STRUGGLE AND THE OFFENSIVE OF SOCIALISM ALONG THE WHOLE FRONT

I have spoken about our achievements in developing our national economy. I have spoken about our achievements in the sphere of industry, in the sphere of agriculture, in the sphere of reconstructing the whole of our national economy on socialist principles. Lastly, I have spoken about our achievements in improving the material conditions of the workers and peasants.

It would be a mistake, however, to think that we achieved all this "easily and quietly," in the process of drift, so to speak, without exceptional effort and exertion of will power, without struggle and turmoil. Such things are not achieved by drift. Actually, we achieved this in a resolute struggle against difficulties, in a serious and prolonged struggle to surmount difficulties.

Everybody among us talks about difficulties; but not everybody understands the character of these difficulties. And yet, the problem of difficulties is of serious importance for us.

What are the characteristic features of our difficulties, what hostile forces are hidden behind them, and how are we surmounting them?

a) When characterizing our difficulties we must bear in mind at least the following circumstances.

First of all we must take into account the circumstance that our present difficulties are difficulties of the *reconstruction* period. What does this mean? It means that they differ fundamentally from the difficulties of the *restoration* period of our economy. Whereas in the restoration period the problem was to keep the old factories running and to assist agriculture on its old basis, today the problem is fundamentally to rebuild, to reconstruct both industry and agriculture, to alter their technical basis by equipping them with modern technology. It means that we are faced with the task of reconstructing the entire technical basis of our national economy. And this calls for new and bigger investments in the national economy, for new and more experienced cadres, who will be capable of mastering the new technology and of developing it still further.

Secondly, we must bear in mind the circumstance that in our country the reconstruction of the national economy is not limited to rebuilding it on a new technical basis, but that, on the contrary, parallel with this, it calls for the reconstruction of social-economic relationships. Here I have in mind, mainly, agriculture. In industry, which is already united and socialized, technical reconstruction already has, in the main, a finished

social-economic basis. Here, the task of reconstruction is to accelerate the process of eliminating the capitalist elements from industry. The matter is not so simple in agriculture. The reconstruction of the technical basis of agriculture pursues the same aims, of course. The specific feature of agriculture in our country, however, is that small-peasant farming still predominates in it, that small farming is unable to master the new technology and that, in view of this, the reconstruction of the technical basis of agriculture is *impossible* unless the old social-economic order is at the same time reconstructed, unless the small, individual farms are united into big, collective farms, unless the roots of capitalism in agriculture are torn up.

Naturally, these circumstances cannot but complicate our difficulties, cannot but complicate our work in surmounting these difficulties.

Thirdly, we must bear in mind the circumstance that our work on the socialist reconstruction of our national economy, in breaking up the economic connections of capitalism and turning all the forces of the old world topsy-turvy, cannot but rouse the desperate resistance of these forces. This is what is happening, as you know. The malicious wrecking activities of the upper stratum of the *bourgeois intelligentsia* in all branches of our industry, the brutal struggle the *kulaks* are waging against the collective forms of farm-

ing in the rural districts, the sabotage of the Soviet government's measures by the *bureaucratic elements* in the state apparatus who are the agents of our class enemy—such, so far, are the chief forms of the resistance put up by the moribund classes in our country. Obviously, these circumstances cannot serve to facilitate our work of reconstructing our national economy.

Fourthly, we must bear in mind the circumstance that the resistance of the moribund classes in our country is not taking place isolatedly from the outside world; it is receiving the support of our capitalist encirclement. Capitalist encirclement must not be regarded simply as a geographical concept. Capitalist encirclement means that the U.S.S.R. is surrounded by hostile class forces which are ready to support our class enemies within the U.S.S.R. morally, materially, by means of a financial blockade and, if the opportunity offers, also by military intervention. It has been proved that the wrecking activities of our specialists, the anti-Soviet activities of the kulaks, and the incendiarism and explosions at our factories and installations are subsidized and inspired from outside. The imperialist world is not interested in the U.S.S.R. rising firmly on its feet and becoming able to overtake and outstrip the advanced capitalist countries. Hence, the assistance it renders the forces of the old world in the U.S.S.R. Naturally, this circumstance too

cannot serve to facilitate our work of reconstruction.

The characterization of our difficulties will not be complete, however, if we fail to bear in mind one other circumstance. I mean the specific character of our difficulties. I mean that our difficulties are not difficulties due to *decline*, or difficulties due to *stagnation*, but difficulties of *growth*, difficulties of *ascent*, difficulties due to *progress*. This means that our difficulties differ fundamentally from the difficulties encountered by the capitalist countries. When difficulties are talked about in the United States they have in mind difficulties due to *decline*, for America is now going through a crisis, i.e., economic decline. When difficulties are talked about in England they have in mind difficulties due to *stagnation*, for England, for a number of years already, has been in a state of stagnation, i.e., cessation of progress. When we speak about our difficulties, however, we have in mind not decline and not stagnation in development, but the *growth* of our forces, the *upswing* of our forces, our economic *progress*. How many points shall we *move further forward* by a given date? What per cent *more* goods shall we produce? How many million *more* hectares shall we sow? How many months *earlier* shall we erect a factory, a mill, a railway?—such are the questions that we have in mind when we speak of difficulties. Consequently, our

difficulties, unlike those encountered by America, say, or England, are difficulties of *growth*, difficulties due to *progress*.

What does this signify? It signifies that our difficulties are such as *contain within themselves the possibility of surmounting them*. It signifies that the distinguishing feature of our difficulties is that *they themselves give us a basis for surmounting them*.

What follows from all this?

From this follows, first of all, that our difficulties are not difficulties due to minor and casual “derangements,” but difficulties arising from the class struggle.

From this follows, secondly, that behind our difficulties, stand our class enemies, that these difficulties are complicated by the desperate resistance of the moribund classes in our country, by the support these classes receive from outside, by the presence of bureaucratic elements in our own institutions, by the lack of confidence and conservativeness among certain sections of our Party.

From this follows, thirdly, that to surmount these difficulties it is necessary, first of all, to repulse the attacks of the capitalist elements, to crush their resistance and thereby clear the road for rapid progress.

From this follows, lastly, that the very character of our difficulties, being difficulties of

*growth*, creates for us the *possibilities* necessary for crushing our class enemies.

There is only one means, however, of taking advantage of these *possibilities* and of converting them into *reality*, of crushing the resistance of our class enemies and of surmounting the difficulties, and that is to organize an *offensive* against the capitalist elements along the *whole front* and to isolate the opportunist elements in our own ranks who are hindering the offensive, who are rushing in panic from one side to another and spreading in the Party doubt about the possibility of victory. (*Applause.*)

There are no other means.

Only people who have lost their heads can seek a way out in Bukharin's childish formula about the capitalist elements peacefully growing into Socialism. In our country development has not proceeded and is not proceeding according to Bukharin's formula. Development has proceeded, and is proceeding, according to Lenin's formula "who will win." Either we vanquish and crush them, the exploiters, or they will vanquish and crush us, the workers and peasants of the U.S.S.R.—that is how the question stands, comrades.

Thus, *the organization of the offensive of Socialism along the whole front*—that is the task that arose before us in developing our work of reconstructing the *entire* national economy.

This is exactly how the Party interpreted its mission in organizing the offensive against the capitalist elements in our country.

b) But is an offensive, and an offensive along the whole front at that, at all conceivable under the conditions of NEP?

Some think that an offensive is incompatible with NEP, that, in essence, NEP is a retreat, that since the retreat has ended, NEP must be abolished. This is nonsense, of course. It is nonsense that emanates either from the Trotskyites, who have never understood anything about Leninism and who think of "abolishing" NEP "in two ticks," or from the Right opportunists, who have also never understood anything about Leninism and think that by chattering about "the threat to abolish NEP" they can haggle us into abandoning the offensive. If NEP was nothing but a retreat, Lenin would not have said at the Eleventh Congress of the Party, when we were pursuing NEP with all consistency that "the retreat has ended." When Lenin said that the retreat had ended, did not he also say that we think of pursuing NEP "seriously and for a long time"? It is sufficient to put this question to understand the utter absurdity of this talk about NEP being incompatible with an offensive. Actually, NEP not only presupposes a *retreat* and permitting the revival of private trade, permitting the revival of capitalism while

ensuring the regulating role of the state (the initial stage of NEP). Actually, NEP also presupposes, at a certain stage of development, the *offensive* of Socialism against the capitalist elements, the *restriction* of the field of activity of private trade, the relative and absolute *reduction* of capitalism, the increasing *preponderance* of the socialized sector over the nonsocialized sector, the victory of Socialism over capitalism (the present stage of NEP). NEP was introduced to ensure the victory of Socialism over the capitalist elements. In passing to the offensive along the whole front, we do not yet abolish NEP, for private trade and the capitalist elements still remain, "free" trade still remains—but we are certainly abolishing the initial stage of NEP, while developing its next stage, the present stage, which is the last stage of NEP.

This is what Lenin said in 1922, a year after NEP was introduced:

"We are now retreating, going back as it were; but we are doing this in order first to retreat and then to get a better run for a bigger leap forward. This was the only condition on which we agreed to retreat in pursuing our New Economic Policy. We do not yet know where and how we must now regroup, adapt and reorganize our forces in order to start our persistent advance after our retreat. In order to carry out all these operations in proper order we must, as the proverb says, measure not ten times, but a hundred times before we decide" (Vol. XXVII, pp. 361-62).

Clear, one would think.

But the question is: has the time already arrived to pass to the offensive, is the moment ripe for an offensive?

Elsewhere, Lenin said in that same year, 1922, that it was necessary to:

"Link up with the peasant masses, with the rank-and-file working peasants and begin to move forward immeasurably, infinitely more slowly than we dreamed, but so that the whole mass will actually move forward with us"... that "if we do that we shall in time get an acceleration of this movement such as we cannot dream of now" (Vol. XXVII, pp. 231-32).

The same question arises: has the time already arrived for such an acceleration of the movement, for accelerating the rate of our development; did we choose the right moment when we passed to the decisive offensive along the whole front in the latter half of 1929?

To this question the Party has already given a clear and definite answer.

Yes, that moment has arrived.

Yes, the Party chose the right moment to pass to the offensive along the whole front.

This is proved by the growing activity of the working class and by the unprecedented growth of the Party's prestige among the vast masses of the working people.

It is proved by the growing activity of the masses of the poor and middle peasants, and by

the radical turn of these masses towards kolkhoz development.

It is proved by our achievements in industrial development as well as in sovkhoz and kolkhoz development.

It is proved by the fact that we are now able not only to substitute kolkhoz and sovkhoz production for kulak production, but exceed the latter several times over.

It is proved by the fact that we have already succeeded, in the main, in solving the grain problem and in accumulating a certain amount of grain reserves by shifting the centre of the production of market grain from the sphere of individual production to the sphere of kolkhoz and sovkhoz production.

Such is the proof that the Party chose the right moment to pass to the offensive along the whole front and to proclaim the slogan of eliminating the Kulaks as a class.

What would have happened had we heeded the Right opportunists in the Bukharin group, had we refrained from launching the offensive, had we slowed down the rate of development of industry, had we retarded the development of kolkhozes and sovkhozes and had we based ourselves on individual peasant farming?

We would certainly have wrecked our industry, we would have sealed the doom of the socialist reconstruction of agriculture, we would have

been left without bread, and we would have cleared the way for the predominance of the kulaks. We would have been stranded.

What would have happened had we heeded the "Left" opportunists in the Trotsky-Zinoviev group and have launched the offensive in 1926-27, when we had no means whatever of substituting kolkhoz and sovkhoz production for kulak production?

We would certainly have met with failure in this matter, we would have demonstrated our weakness, we would have strengthened the position of the kulaks and of the capitalist elements generally, we would have pushed the middle peasants into the embrace of the kulaks, we would have disrupted our socialist development and would have been left without bread. We would have been stranded.

The results would have been the same.

It is not for nothing that our workers say: "When you go to the 'left' you arrive on the right." (Applause.)

Some comrades think that the chief thing in the offensive of Socialism are measures of repression, that if there are no increasing measures of repression there is no offensive.

Is this true? It is not true, of course.

Measures of repression in the sphere of socialist development are a necessary element of the offensive, but an auxiliary, not the chief element.

The chief thing in the offensive of Socialism under our present conditions is to speed up the rate of development of our industry, to speed up the rate of sovkhoz and kolkhoz development, to speed up the rate of the economic elimination of the capitalist elements in town and country, to mobilize the masses around socialist development, to mobilize the masses against capitalism. You may arrest and deport tens and hundreds of thousands of kulaks, but if you do not at the same time do what is necessary to speed up the development of the new forms of farming, to substitute the new forms of farming for the old, capitalist forms, to undermine and liquidate the production sources of the economic existence and development of the capitalist elements in the rural districts—the kulaks will revive and grow.

Others think that the offensive of Socialism means just pushing forward, without proper preparation, without regrouping forces in the course of the offensive, without consolidating positions already captured, without utilizing reserves to develop successes, and that if signs have appeared of, say, an efflux from the kolkhozes of a section of the peasantry it means the “ebb of the revolution,” the decline of the movement, the cessation of the offensive.

Is this true? It is not true, of course.

Firstly, no offensive, even the most successful, can proceed without some checks and breaches of

the line on individual sections of the front. To argue, on these grounds, that the offensive has stopped, or has failed, reveals failure to understand the essence of an offensive.

Secondly, there has never been, nor can there be, a *successful* offensive without a regrouping of forces in the course of the offensive, without the consolidation of captured positions, without the utilization of reserves for developing success and for carrying the offensive through to the end. Just pushing forward, i.e., without abiding by these conditions, the offensive must inevitably peter out and fail. Just pushing forward means death to the offensive. This is proved by the wealth of experience of our Civil War.

Thirdly, how can an analogy be drawn between the “ebb of the revolution,” which usually takes place on the basis of a *decline* of the movement, and the efflux of a section of the peasantry from the kolkhozes, which took place on the basis of the continuing *upswing* of the movement, on the basis of the continuing *upswing* of the whole of our socialist development, both industrial and kolkhoz, on the basis of the continuing *upswing* of our revolution? What can there be in common between these two totally different phenomena?

c) What is the essence of the Bolshevik offensive under our present conditions?

The essence of the Bolshevik offensive lies, firstly, in mobilizing the class vigilance and revolutionary activity of the masses against the capitalist elements in our country; in mobilizing the creative initiative and activity of the masses themselves against bureaucracy in our institutions and organizations, which is keeping concealed the colossal reserves that lie in the depths of our system and is preventing them from being used; in organizing emulation and labour enthusiasm among the masses for raising the productivity of labour, for developing socialist construction.

The essence of the Bolshevik offensive lies, secondly, in organizing the reconstruction of the entire practical work of the trade unions, cooperative societies, Soviet and all other mass organizations to fit the requirements of the reconstruction period; in creating in them a core of the most active and revolutionary workers and in pushing aside and isolating the opportunist, trade-unionist, bureaucratic elements; in expelling from them the alien and degenerate elements and promoting new workers from the rank and file.

The essence of the Bolshevik offensive lies, further, in mobilizing the maximum of funds for financing our industry, for financing our sovkhozes and kolkhozes, in appointing the best people in our Party for the work of developing all this.

The essence of the Bolshevik offensive lies, lastly, in mobilizing the Party itself for the purpose of organizing the whole offensive; in strengthening and tightening up the Party organizations by expelling from them the elements of bureaucracy and degeneration; in isolating and thrusting aside those that express Right and "Left" deviations from the Leninist line and putting into the forefront genuine and staunch Leninists.

Such are the principles of the Bolshevik offensive at the present time.

How has the Party carried out this plan of the offensive?

You know that the Party has carried out this plan with all consistency.

It began with the Party developing wide *self-criticism*, concentrating the attention of the masses upon the defects in our work of construction, upon the defects in our organizations and institutions. The need for intensifying self-criticism was proclaimed already at the Fifteenth Congress. The Shakhty trial<sup>14</sup> and the wrecking activities in various branches of industry, which revealed the absence of revolutionary vigilance in some of the Party organizations, on the one hand, and the struggle against the kulaks and the defects revealed in our rural organizations on the other hand, gave a further impetus to self-criticism. In its appeal of June 2, 1928,<sup>15</sup> the Central

Committee gave final shape to the campaign for self-criticism, calling upon all the forces of the Party and the working class to develop self-criticism "from top to bottom and from bottom up," "without respect of person." Dissociating itself from the Trotskyite "criticism" emanating from the other side of the barricade, and the object of which was to discredit and weaken the Soviet regime, the Party proclaimed the object of self-criticism to be the ruthless exposure of the defects in our work for the purpose of *improving* our work of construction and of *strengthening* the Soviet regime. As is known, this appeal met with a most lively response among the masses of the working class and peasantry.

Further, the Party organized a wide campaign for the struggle against *bureaucracy* and issued the slogan of *purging* the Party, trade union, cooperative and Soviet organizations of alien and bureaucratized elements. The sequel to this campaign was the well-known decision of the Central Committee and Central Control Commission of March 16, 1930, concerning the promotion of workers to posts in the state apparatus and the organization of mass workers' control of the Soviet apparatus (patronage by factories).<sup>16</sup> As is known, this campaign roused tremendous enthusiasm and activity among the masses of the workers. The result of this campaign is the immense increase in the Party's prestige among the masses

of the working people, the increase in the confidence of the working class in the Party, the influx into the Party of new hundreds of thousands of workers, and the resolutions passed by workers expressing the desire to join the Party in whole shops and factories. Lastly, the result of this campaign is the freeing of our organizations of a number of conservative and bureaucratic elements, the freeing of the All-Union Central Council of Trade Unions of the old, opportunist leadership.

Further, the Party organized wide socialist *emulation* and mass *labour enthusiasm* in the factories and mills. The appeal of the Sixteenth Party Conference concerning emulation started the ball rolling. The shock brigades are pushing it on further. The Lenin Young Communist League and the working class youth which it guides are crowning the cause of emulation and shock-brigade work with decisive successes. It must be admitted that our revolutionary youth have played an exceptional role in this matter. There can be no doubt now that one of the most important, if not the most important, factor in our work of construction at the present time is socialist emulation among factories and mills, the mutual reports of hundreds of thousands of workers of results achieved in emulation, the wide development of *shock-brigade work*.

Only the blind fail to see that a tremendous

change has taken place in the mentality of the masses, in their attitude towards labour, which has radically changed the face of our mills and factories. Only very recently voices were still heard among us saying that emulation and shock-brigade work were "artificial inventions," and "unsound." Today, these "sages" do not even raise a smile, they are regarded as "sages" who have outlived their time. The cause of emulation and shock-brigade work is now won and consolidated. It is a fact that over two million workers are engaged in emulation, and that no less than a million workers belong to shock brigades.

The most remarkable feature of emulation, is the radical revolution it brings with it in men's views of labour, for it transforms labour from a degrading and painful burden, as it was regarded before, into a matter of *honour*, a matter of *glory*, a matter of *valour* and *heroism*. There is not, nor can there be, anything similar to it in capitalist countries. There, among the capitalists, the most desirable thing, deserving of public approval, is to be a bondholder, to live on interest, not to have to work, which is regarded as a despicable occupation. Here, in the U.S.S.R., on the contrary, what is becoming the most desirable thing, deserving of public approval, is the possibility of becoming a hero of labour, the possibility of becoming a hero in shock-brigade work, surround-

ed with the aureole of esteem among millions of working people.

A no less remarkable thing about emulation is the fact that it is beginning to spread also in the rural districts, and has already spread to our sovkhozes and kolkhozes. Everybody is aware of the numerous cases of genuine labour enthusiasm being displayed by the millions of sovkhoz workers and kolkhozniks.

Who could have dreamed of such successes in emulation and shock-brigade work a couple of years ago?

Further, the Party mobilized the country's financial resources for the purpose of developing sovkhozes and kolkhozes, supplied the sovkhozes with the best organizers, sent 25,000 advanced workers to assist the kolkhozes, promoted the best people among the kolkhoz peasants to leading posts in the kolkhozes and organized a network of training classes for kolkhozniks, thereby laying the foundation for the training of staunch and tried cadres for the kolkhoz movement.

Lastly, the Party reformed its own ranks in battle order, re-equipped the press, organized the struggle on two fronts, routed the remnants of Trotskyism, utterly defeated the Right deviators, isolated the conciliators, and thereby ensured the unity of its ranks on the basis of the Leninist line that is essential for a successful offensive, and properly led this offensive, pulling up and

putting in their place the gradualists in the camp of the Rights as well as the "Lefts" who went to extremes in the kolkhoz movement.

Such are the principal measures the Party carried out in conducting the offensive along the whole front.

Everybody knows that this offensive has been crowned with success in all spheres of our work.

This is the reason why we have succeeded in surmounting a number of difficulties of the period of reconstruction of our national economy.

This is the reason why we are succeeding in surmounting the greatest difficulty in our development, the difficulty of turning the bulk of the peasantry towards Socialism.

Foreigners sometimes enquire about the internal situation in the U.S.S.R. But can there be any doubt that the internal situation in the U.S.S.R. is firm and unshakable? Look at the capitalist countries, at the growing crisis and unemployment in those countries, at the strikes and lock-outs, at the anti-government demonstrations—what comparison can there be between the internal situation in those countries and the internal situation in the U.S.S.R.?

It must be admitted that the Soviet regime is now the most stable of all the regimes in the world. (*Applause.*)

## THE CAPITALIST OR THE SOCIALIST SYSTEM OF ECONOMY

Thus, we have the picture of the internal situation in the U.S.S.R.

We also have the picture of the internal situation in the major capitalist countries.

The question involuntarily arises: what would be the result if we placed the two pictures side by side and compared them?

This question is all the more interesting for the reason that the bourgeois leaders in all countries and the bourgeois press of all degrees and ranks, from the arrant capitalist to the Menshevik-Trotskyite, are all shouting in one voice about the "prosperity" of the capitalist countries, about the "doom" of the U.S.S.R., about the "financial and economic bankruptcy" of the U.S.S.R., and so forth.

And so, what is the result of the analysis of the situation in our country, the U.S.S.R., and over there, in the capitalist countries?

We will note the major, universally known facts.

Over there, in the capitalist countries there is an economic *crisis* and a *decline* in production, both in the sphere of industry and in the sphere of agriculture.

Here, in the U.S.S.R., there is an economic

*upswing* and a *growth* of production in all spheres of the national economy.

Over there in the capitalist countries, there is *deterioration* of the material conditions of the working people, *reduction* of workers' wages and *increasing* unemployment.

Here, in the U.S.S.R., there is *improvement* in the material conditions of the working people, *rising* workers' wages and *diminishing* unemployment.

Over there, in the capitalist countries, there is an *increase* of strikes and demonstrations, which lead to the *loss* of millions of workdays.

Here, in the U.S.S.R., there are no strikes, but *rising* labour enthusiasm among the workers and peasants, by which our social system *gains* millions of additional workdays.

Over there, in the capitalist countries, there is *increasing tension* in the internal situation and *growth* of the revolutionary working-class movement against the capitalist regime.

Here, in the U.S.S.R., there is *consolidation* of the internal situation and the vast masses of the working class are *united* around the Soviet regime.

Over there, in the capitalist countries, there is *intensification* of the national problem and *growth* of the national-liberation movement in India, Indo-China, Indonesia, in the Philippines, etc., developing into *national war*.

Here, in the U.S.S.R., the foundations of national fraternity have been *strengthened*, national *peace* is ensured and the vast masses of the peoples in the U.S.S.R. are *united* around the Soviet regime.

Over there, in the capitalist countries, there is *consternation* and the prospect of further *deterioration* of the situation.

Here, in the U.S.S.R., there is *confidence* in *our strength* and the prospect of further *improvement* in the situation.

They chatter about the "doom" of the U.S.S.R., about the "prosperity" of the capitalist countries, and so forth. Would it not be more correct to speak about the inevitable doom of those who have so "unexpectedly" fallen into the maelstrom of economic crisis and to this day are unable to extricate themselves from the slough of despond?

What are the causes of this grave *collapse* over there, in the capitalist countries, and of the important *successes* we have achieved here, in the U.S.S.R.?

It is said that the state of the national economy depends in a large measure upon the abundance or dearth of capital. This is true, of course! But are the crisis in the capitalist countries and the upswing in the U.S.S.R. due to abundance of capital here and to the dearth of capital over there? No, of course not. Everybody knows that

there is much less capital in the U.S.S.R. than there is in the capitalist countries. If, in this case, the matter were *decided* by the state of accumulations, there would be a crisis here and a boom in the capitalist countries.

It is said that the state of economy depends in a large measure upon the technical and organizing experience of the directing personnel. This is true, of course. But are the crisis in the capitalist countries and the upswing in the U.S.S.R. due to the dearth of technical personnel over there and to an abundance of such here? No, of course not! Everybody knows that there are far more technically experienced cadres in the capitalist countries than there are here, in the U.S.S.R. We have never concealed, and do not intend to conceal, the fact that, in the sphere of technology, we are the pupils of the Germans, the English, the French, the Italians, and, primarily and mainly, of the Americans. No, the matter is not decided by the abundance or dearth of technically experienced cadres, although the cadres problem is of great importance for the development of the national economy.

Perhaps the answer to the riddle is that the cultural level is higher in our country than in the capitalist countries? Again, no. Everybody knows that the general cultural level of the masses is lower in our country than in the United States, Great Britain, and Germany. No, it is not a mat-

ter of the cultural level of the masses, although this is of enormous importance for the development of the national economy.

Perhaps the cause lies in the personal qualities of the leaders of the capitalist countries? Again, no. Crises were born together with the advent of the rule of capitalism. For over a hundred years already there have been periodical economic crises of capitalism, occurring every 12, 10, 8 and less years. All the capitalist parties, all the more or less prominent capitalist leaders, from the greatest "geniuses" to the greatest mediocrities, have tried their strength at the task of "preventing" or "abolishing" crises. But they all suffered defeat. Is it surprising that Hoover and his group have also suffered defeat? No, it is not a matter of the capitalist leaders or parties, although both the capitalist leaders and parties are of no little importance in this matter.

What is the cause, then?

What is the cause of the fact that the U.S.S.R., notwithstanding its cultural backwardness, notwithstanding the dearth of capital, notwithstanding the dearth of technically experienced directing personnel, is in a state of increasing economic *upswing* and has achieved decisive *successes* on the economic construction front, whereas the advanced capitalist countries, notwithstanding their abundance of capital, their abundance of technical cadres and higher cultural level, are in

a state of growing economic *crisis* and in the sphere of economic development are suffering *defeat after defeat*?

The cause is the *difference* in the economic *systems* here and in the capitalist countries.

The cause is the *bankruptcy* of the capitalist system of economy.

The cause is the *advantages* of the Soviet system of economy compared with the capitalist system.

What is the Soviet system of economy?

The Soviet system of economy means that:

1) the power of the capitalist and landlord classes has been overthrown and supplanted by the power of the working class and the working peasantry;

2) the instruments and means of production, the land, factories, mills, etc., have been taken from the capitalists and transferred to the ownership of the working class and the masses of the working peasantry;

3) the development of production is subordinated not to the principle of competition and of ensuring capitalist profit, but to the principle of the planned guidance and of systematically raising the material and cultural level of the working people;

4) the distribution of the national income takes place not in a way that enriches the exploiting classes and their numerous parasitical hang-

ers-on, but in a way that ensures the systematic improvement of the material conditions of the workers and peasants and the expansion of socialist production in town and country;

5) there is a systematic improvement in the material conditions of the working people and a continuous increase in their requirements (purchasing power), which, being an increasing source of the expansion of production, safeguards the working people against overproduction crises, growth of unemployment and poverty;

6) the working class and the working peasantry are the masters of the country, working not for the benefit of capitalists, but for their own benefit, the benefit of the working people.

What is the capitalist system of economy?

The capitalist system of economy means that:

1) the capitalists are in power in the country;

2) the instruments and means of production are concentrated in the hands of the exploiters;

3) production is not subordinated to the principle of improving the material conditions of the masses of the working people, but to the principle of ensuring high capitalist profit;

4) the distribution of the national income takes place not in a way that improves the material conditions of the working people, but in a way that ensures the maximum profits for the exploiters;

5) capitalist rationalization and the rapid *growth* of production, the object of which is to ensure high profits for the capitalists, encounters an obstacle in the shape of poverty-stricken conditions and *decrease* in the material security of the vast masses of the working people, who are not always able to satisfy their needs even within the limits of the extreme minimum, which inevitably creates the ground for unavoidable overproduction crises, growth of unemployment, mass poverty;

6) the working class and the working peasantry are exploited, they work not for their own benefit, but for the benefit of another class, the exploiting class.

Such are the advantages of the *Soviet* system of economy compared with the *capitalist* system.

Such are the advantages of the *socialist* organization of economy compared with the *capitalist* organization.

This is the cause of the fact that here, in the U.S.S.R., we have an increasing economic upswing, whereas in the capitalist countries they have a growing economic crisis.

This is the cause of the fact that here, in the U.S.S.R., increasing mass consumption (purchasing power) continuously outstrips the growth of production and pushes it forward, whereas over there, in the capitalist countries, the contrary is

the case, increasing mass consumption (purchasing power) never keeps pace with the growth of production, continuously lags behind it, thus dooming industry to crises every now and again.

This is the cause of the fact that over there, in the capitalist countries they consider it quite a normal thing to destroy "superfluous" goods and to burn "superfluous" agricultural produce during a crisis in order to bolster up prices and ensure high profits, whereas here, in the U.S.S.R., anybody who would be guilty of such crimes would be sent to a lunatic asylum. (*Applause.*)

This is the cause of the fact that over there, in the capitalist countries, the workers go on strike and demonstrate, organizing the revolutionary struggle against the existing capitalist regime, whereas here, in the U.S.S.R., we have the picture of great labour emulation among millions of workers and peasants who are ready to protect their Soviet state with their lives.

This is the cause of the stability and security of the internal situation in the U.S.S.R. and of the instability and insecurity of the internal situation in the capitalist countries.

It must be admitted that a system of economy that does not know what to do with its "superfluous" goods and is obliged to destroy them at a time when want and unemployment, hunger and ruin reign among the masses—such a system of economy pronounces its own death sentence.

The past years have been a period of practical test, a period of examination of the two opposite systems of economy, the Soviet and capitalist. During these years we heard more than enough prophecies of the "doom," of the "bankruptcy" of the Soviet system. There has been even more talk and singing about the "prosperity" of capitalism. Well? These years have proved once again that the capitalist system of economy is a *bankrupt* system, and that the Soviet system of economy possesses *advantages* of which not a single bourgeois state, even the most "democratic," most "popular," etc., dare not dream.

In his speech at the Conference of the R.C.P.(B.) in May 1921, Lenin said:

"At the present time we are exerting influence on the international revolution chiefly through our economic policy. All eyes are turned towards the Soviet Russian Republic, the eyes of all the working people in all countries in the world without exception, and without exaggeration. This we have achieved. The capitalists cannot hush up, conceal, anything; that is why they most of all seize upon our economic mistakes and our weakness. In this field the struggle has become world-wide. If we solve this problem we will win on a world scale for certain and for good" (Vol. XXVI, pp. 410-11).

It must be admitted that our Party is successfully carrying out the task set by Lenin.

## THE NEXT TASKS

### a) General

1) First of all there is the problem of *the proper distribution of industry throughout the U.S.S.R.* However much we may develop our national economy, we cannot avoid the question of how properly to distribute industry, which is the leading branch of our national economy. The situation at present is that our industry, like the whole of our national economy, rests, in the main, on the coal and metallurgical base in the Ukraine. Needless to say, without such a base, the industrialization of the country is inconceivable. Well, the Ukraine fuel and metallurgical base serves us as such a base.

But can this one base satisfy in future the South, the central parts of the U.S.S.R., the North, the Northeast, the Far East and Turkestan? All the facts go to show that it cannot. The new feature of the development of our national economy is, among other things, that this base has already become inadequate. The new feature is that, while continuing to develop this base to the utmost, we must begin immediately to create a second coal and metallurgical base. This base must be the Urals-Kuznetsk Combine, the combination of Kuznetsk coking coal with the ore of

the Urals. (*Applause.*) The erection of the automobile plant in Nizhni-Novgorod, the tractor plant in Chelyabinsk, the machine-building plant in Sverdlovsk, the harvester-combine plants in Saratov and Novosibirsk; the growing nonferrous metal industry in Siberia and Kazakhstan, which calls for the creation of a network of repair plants and a number of major metallurgical plants in the East; and lastly, the decision to erect textile mills in Novosibirsk and Turkestan—all this imperatively demands that we should proceed immediately to create a second coal and metallurgical base in the Urals.

You know that the Central Committee of our Party expressed itself precisely in this spirit in its resolution on the Urals Metal Trust.<sup>17</sup>

2) Further, there is the problem of *the proper distribution of the basic branches of agriculture throughout the U.S.S.R.*, the problem of *our regions specializing in particular agricultural crops and branches of agriculture*. It goes without saying that with small-peasant farming real specialization is impossible. It is impossible because small farming is unstable, lacks the necessary reserves, each farm is obliged to grow all and sundry kinds of crops so that in the event of one crop failing it can keep going with the other crops. It also goes without saying that it is impossible to organize specialization unless the state is in possession of a certain reserve of grain.

Now that we have passed over to large-scale farming and the state possesses a reserve of grain, we can and must set ourselves the task of properly organizing specialization according to crops and branches. The starting point for this is the complete solution of the grain problem. I say "starting point," because unless the grain problem is solved, unless a large network of granaries is set up in the livestock, cotton, sugar beet, flax and tobacco districts, it will be impossible to promote the livestock and industrial crop branches, it will be impossible to organize the specialization of our regions in particular crops and branches.

The task is to take advantage of the possibilities that have now been opened for us and to push this matter forward.

3) Next comes the problem of *cadres* in the sphere of industry and in the sphere of agriculture. Everybody is aware of the lack of technical experience of our directing personnel, of our specialists, technicians and business executives. The matter has been complicated by the fact that a section of the specialists, having connections with former owners and prompted from abroad, was found to be at the head of the wrecking activities. It has been still more complicated by the fact that in this matter a number of our Communist business executives failed to display revolutionary vigilance and in many cases found them-

selves in spiritual captivity to the wrecker elements. Yet, we are faced with the colossal task of reconstructing the whole of our national economy, for which a large number of new cadres capable of mastering the new technology is needed. In view of this, the cadres problem has become a truly vital problem for us.

This problem is being solved by measures running along the following lines:

- 1) resolute struggle against the wreckers;
- 2) displaying the maximum care and consideration for the vast majority of specialists and technicians who have dissociated themselves from the wreckers (I have in mind not smooth-tongued poseurs of the Ustryalov type, but the genuine scientific workers who are working honestly and unpretentiously, hand in hand with the working class);
- 3) the organization of technical aid from abroad;
- 4) sending our business executives abroad to study and generally to acquire technical experience;
- 5) transferring technical schools and colleges to the respective economic organizations with the view to training quickly a sufficient number of technicians and specialists from among members of the working class and the peasantry.

The task is to develop work in the direction of carrying out these measures.

4) The problem of *combating bureaucracy*. The danger of bureaucracy lies, first of all, in that it keeps concealed the colossal reserves that are hidden in the depths of our system and prevents them from being utilized, in that it strives to nullify the creative initiative of the masses, ties it hand and foot with red tape and reduces every new undertaking by the Party to petty and useless trivialities. The danger of bureaucracy lies, secondly, in that it does not tolerate *the check up of fulfilment* and strives to convert the major directions of the leading organizations into mere sheets of paper divorced from life. It is not only, and not so much, the old bureaucrats who have been left in our institutions who constitute this danger; it is also, and particularly, the new bureaucrats, the Soviet bureaucrats; and the "Communist" bureaucrats are by no means the least among them. I have in mind those "Communists" who try to substitute official orders and "decrees" in the potency of which they believe like a fetish, for the creative initiative and activity of the vast masses of the working class and peasantry.

The task is to smash bureaucracy in our institutions and organizations, to eradicate bureaucratic "habits" and "customs" and to clear the road for the utilization of the reserves of our social system, for developing the creative initiative and activity of the masses.

This is not an easy task. It cannot be carried out in "two ticks." But it must be carried out at all costs if we want really to transform our country on socialist principles.

In the struggle against bureaucracy, the Party is working along four lines: the line of developing *self-criticism*, the line of organizing *check up of fulfilment*, the line of *purging* the apparatus and, lastly, the line of *promoting* from below to posts in the apparatus of devoted workers from among members of the working class.

The task is to exert all efforts to carry out all these measures.

5) The problem of increasing *productivity of labour*. If there is not a systematic increase in productivity of labour in the sphere of industry and in the sphere of agriculture we will not be able to carry out the task of reconstruction, we will fail not only to overtake and outstrip the advanced capitalist countries, but even to maintain our independent existence. Therefore, the problem of increasing productivity of labour is of first rate importance for us.

The measures the Party is taking to solve this problem run along three lines: the line of systematically *improving the material conditions* of the working people, the line of implanting *comradely labour discipline* in industrial and agricultural enterprises, and lastly, the line of organizing *socialist emulation* and *shock-brigade work*.

All this on the basis of improving technology and the rational organization of labour.

The task is to further develop the mass campaign for carrying out these measures.

6) The problem of *supplies*. This includes the problem of providing the working people in town and country with *sufficient supplies* of necessary produce, the problem of adapting the *cooperative apparatus* to the needs of the workers and peasants, of systematically raising the *real wages* of the workers, the problem of *reducing the prices* of manufactured goods and agricultural produce. I have already spoken about the shortcomings of the consumers' cooperatives. These shortcomings must be eliminated and we must see to it that the *policy of reducing prices* is carried out. As regards the inadequate supply of goods (the "goods shortage"), we are now in a position to enlarge the raw materials base of the light industries and increase the output of urban consumers' goods. The bread supply can be regarded as assured. The situation is more difficult as regards the supply of meat, dairy produce and vegetables. Unfortunately, this difficulty cannot be removed within a few months. The removal of this difficulty will take at least a year. In a year's time, thanks primarily to the organization of sovkhoses and kolkhoses for this purpose, we will be in a position to ensure full supplies of meat, dairy produce and vegetables. What does controlling the supply of

this produce mean when we already have grain reserves, textiles, increased housing operations for workers and cheap municipal services? It means controlling all the major factors that determine the worker's budget and his real wages. It means guaranteeing the rapid rise of workers' wages for certain and for good.

The task is to develop the work of all our organizations in this direction.

7) The problem of *credits* and *currency*. The rational organization of credit and of properly manoeuvring our financial reserves is of great importance for the development of our national economy. The measures the Party is taking to solve this problem run along two lines: the line of concentrating all short-term credit operations in the State Bank, and the line of organizing the payment by cheque system in the socialized sector. This, firstly, transforms the State Bank into a nation-wide apparatus for keeping account of the production and distribution of goods; and secondly, it will withdraw a large amount of currency from circulation. There cannot be the slightest doubt that this will introduce (is already introducing) order in the entire credit system and strengthen our chervonets.

8) The problem of *reserves*. It has been already stated several times and there is no need to repeat that a state, and our state in particular, cannot do without reserves. We have some re-

serves of grain, goods and foreign currency. During this period our comrades have been able to feel the beneficial effects of these reserves. But "some" reserves is not enough. We need bigger reserves in every line.

Hence, the task is to accumulate reserves.

#### b) *Industry*

1) The chief problem is to force the development of the *iron and steel industry*. You must bear in mind that we have reached and are exceeding the prewar level of pig iron output only this year, in 1929-30. This is a serious menace to the whole of our national economy. To remove this menace we must force the development of the iron and steel industry. By the end of the five-year period we must reach an output not of 10,000,000 tons as is laid down in the five-year plan, but 15-17 million tons. We must achieve this at all costs if we want really to develop the work of industrializing our country.

The Bolsheviks must show that they are able to cope with this task.

This does not mean, of course, that we must abandon *light* industry. No, it does not mean this. Up till now we have been economizing in all things, including light industry, in order to restore heavy industry. But we have already restored heavy industry. Now it only needs developing further. Now we can turn to light industry and

push it forward at an accelerated rate. One of the new features in the development of our industry is that we are now in a position to develop at an accelerated rate both heavy and light industry. The overfulfilment of the cotton, flax and sugar-beet crop plans this year, and the solution of the kendir and artificial silk problems, all show that we are in a position really to push forward the light industry.

2) The problem of *rationalizing, reducing the cost and improving the quality* of production. We can no longer tolerate the gaps in the sphere of rationalization, nonfulfilment of the plan to reduce cost of production and the outrageous quality of the goods turned out by a number of our enterprises. These gaps and defects are harmfully affecting the whole of our national economy and hindering it from making further progress. It is time, high time, that this disgraceful stain was removed.

The Bolsheviks must show that they are able to cope with this task.

3) The problem of *one-man management*. Infringements in the sphere of introducing one-man management in the factories are also becoming intolerable. Every now and again the workers complain: "There is no master in the factory," "confusion reigns at work." We can no longer allow our factories to be converted from organisms of production into parliaments. Our Party

and trade union organizations must at last understand that unless we ensure one-man management and establish strict responsibility for the course of work we shall not be able to cope with the task of reconstructing industry.

### c) Agriculture

1) The problem of *livestock farming and industrial crops*. Now that we have, in the main, solved the grain problem, we can simultaneously take up and solve both the livestock farming problem, which is a vital problem at the present time, and the industrial crops problem. In solving these problems we must proceed along the same lines as we proceeded in solving the grain problem. That is to say, by organizing sovkhoses and kolkhozes, which are the strongholds of our policy, gradually transform the technical and economic basis of present-day small-peasant livestock farming and industrial crops growing. The Livestock Farming Trust, the Sheep Farming Trust, the Pig Farming Trust and the Dairy Farming Trust, plus livestock kolkhozes, and the existing sovkhoses and kolkhozes which grow industrial crops—such are our points of departure for solving the problems that face us.

2) The problem of *further promoting sovkhos and kolkhoz development*. It is scarcely necessary to dwell at length on the point that this is the *primary* problem of the whole of our development

in the rural districts. Now, even the blind can see that the peasants have made an enormous radical turn from the old to the new, from kulak bondage to free collective life. There is no going back to the old. The kulaks are doomed and will be eliminated. Only one road remains, the kolkhoz road. And the kolkhoz road is no longer for us an unknown and unexplored road. It has been explored and tried in a thousand ways by the peasant masses themselves. It has been explored and appraised as a new road that leads the peasants to emancipation from kulak bondage, from want and ignorance. This is the basis of our achievements.

How will the new movement in the rural districts develop further? The sovkhozes will be in the forefront as the backbone of the reorganization of the old way of life in the rural districts. They will be followed by the numerous kolkhozes, which are the strongholds of the new movement in the rural districts. The combination of the work of these two systems will create the conditions for the complete collectivization of all the regions in the U.S.S.R.

One of the most remarkable achievements of the kolkhoz movement is that it has already brought to the forefront thousands of *organizers* and tens of thousands of *agitators* in favour of kolkhozes from among *the peasants themselves*. Not we alone, the skilled Bolsheviks, but the kol-

khoz peasants themselves, tens of thousands of peasant organizers of and agitators in favour of kolkhozes will now carry forward the banner of collectivization. And the peasant agitators are splendid agitators for the kolkhoz movement, for they will find arguments in favour of kolkhozes, intelligible and acceptable to the rest of the peasant masses, of which we skilled Bolsheviks cannot even dream.

Here and there voices are heard saying that we must abandon the policy of solid collectivization. We have information to the effect that there are advocates of this "idea" even in our Party. This can be said, however, only by people who, voluntarily or involuntarily, have joined up with the enemies of Communism. The solid collectivization method is that essential method, without which it will be impossible to carry out the five-year plan for the collectivization of all the regions of the U.S.S.R. How can it be abandoned without betraying Communism, without betraying the interests of the working class and the peasantry?

This does not mean, of course, that everything will go "smoothly" and "normally" for us in the kolkhoz movement. There will still be vacillation within the kolkhozes. There will still be flows and ebbs. But this cannot and must not daunt the builders of the kolkhoz movement. Still less can it serve as a serious obstacle to the powerful

development of the kolkhoz movement. A sound movement, such as our kolkhoz movement undoubtedly is, will achieve its goal in spite of everything, in spite of individual obstacles and difficulties.

The task is to train the forces and to organize what is needed for the further development of the kolkhoz movement.

3) The problem of *bringing the apparatus as close as possible to the districts and villages*. There can be no doubt that we would have been unable to cope with the enormous task of reconstructing agriculture and of developing the kolkhoz movement had we not introduced *district reform*. The enlargement of the volosts and their transformation into districts, the abolition of gubernias and their transformation into smaller units (okrugs), and lastly, the formation of regions as the immediate bases of the Central Committee—such are the general features of the district reform. The object of the district reform is to bring the Party and Soviet and the economic and cooperative apparatus closer to the districts and villages in order to achieve the timely solution of the urgent problems of agriculture, of its upswing, of its reconstruction. In this sense, I repeat, the district reform has been of immense benefit for the whole of our development.

But has everything been done really and effectively to bring the apparatus closer to the dis-

tricts and villages? No, not everything has been done. The centre of gravitation of kolkhoz development has now shifted to the district organizations. They are now the centres to which run all the threads of kolkhoz development and of all other economic work in the rural districts—cooperative, Soviet, credits and state purchases. Are the district organizations sufficiently supplied with the necessary staffs they need to cope with these immense and diverse tasks? There can be no doubt that they are extremely insufficiently supplied with staffs. What is the way out? What must be done to fill this gap and to supply the district organizations with sufficient staffs, which they need for all branches of our work? At least two things must be done:

1) abolish the okrugs (*applause*), which are becoming an unnecessary barrier between the regions and districts, and use the staffs released from the okrugs to augment the staffs of the district organizations;

2) link the district organizations directly with the regions (Territorial Committees, national Central Committees).

This will complete the district reform, complete the process of bringing the apparatus closer to the districts and villages.

There was applause here at the prospect of abolishing the okrugs. Of course, the okrugs must be liquidated. It would be a mistake, however, to

think that this gives us the right to decry the okrugs, as some comrades do in the columns of *Pravda*. It must not be forgotten that the okrugs have borne the brunt of the tremendous work that has been done, and in their time played a great historical role. (*Applause.*)

I also think that it would be a mistake to display too much haste in abolishing the okrugs.<sup>18</sup> The Central Committee has adopted a decision to abolish the okrugs. It does not think, however, that this must be done immediately. Obviously, the necessary preparatory work must be done before the okrugs are abolished.

#### *d) Transport*

Lastly, the *transport* problem. There is no need to dwell at length on the enormous importance of transport for the whole of the national economy. And not only for our national economy. As is known, transport is of the utmost importance also for the defence of the country. In spite of the enormous importance of transport, however, the transport system, the reconstruction of this system, still lags behind the general rate of development. Does it need proof that in such a situation we run the risk of transport becoming the "bottleneck" of our national economy, which may retard our progress? Is it not time to put an end to this situation?

This situation is particularly bad in river

transport. It is a fact that the Volga steamship service has barely reached 60 per cent, and the Dnieper steamship service 40 per cent of the pre-war level. Sixty and forty per cent of the prewar level—this is all that river transport can enter in its record of "achievements." A big "achievement" to be sure! Is it not time to put an end to this disgraceful state of affairs? (*Voices: "It is!"*)

The task is to take up the transport problem, at last, in the Bolshevik manner and to push it forward.

\* \* \*

Such are the Party's next tasks.

What is needed to carry out these tasks?

Primarily and chiefly it is necessary to *continue* the sweeping offensive against the capitalist elements along the whole front and *carry it to the end*.

This is the centre and basis of our policy at the present time. (*Applause.*)

### III THE PARTY

I pass to the question of the Party.

I have spoken about the advantages of the Soviet system of economy compared with the capitalist system. I have spoken about the colossal possibilities our social system creates for us to fight for the complete victory of Socialism. I said that without these possibilities, without utilizing them, we could not have achieved the successes we have gained in the past period.

But the question arises: has the Party been able to make proper use of the possibilities created by the Soviet system; has it not kept these possibilities concealed, thereby preventing the working class from developing its revolutionary might to the utmost; has it been able to squeeze out of these possibilities all that could be squeezed out of them for the purpose of promoting socialist construction along the whole front?

The Soviet system creates colossal *possibilities* for achieving the complete victory of Socialism. But *possibility* is not *reality*. To transform possibility into reality a number of conditions are needed, among which the Party's line and the correct pursuit of this line play by no means the least role.

A few examples.

The Right opportunists assert that NEP guarantees us the victory of Socialism; therefore, there is no need to worry about the rate of industrialization, about developing sovkhozes and kolkhozes, and so forth, because victory is assured in any case, in the process of drift, so to speak. This, of course, is wrong and absurd. To speak like that means denying that the Party plays a role in the building of Socialism, denying that the Party is responsible for the work of building Socialism. Lenin did not at all say that NEP guarantees us the victory of Socialism. Lenin merely said that "economically and politically NEP fully guarantees us the *possibility* of building the foundations of socialist economy."<sup>19</sup> But possibility is not *reality*. To convert possibility into reality we must first of all cast aside the opportunist theory of drift, we must rebuild (reconstruct) our national economy and conduct a determined offensive against the capitalist elements in town and country.

The Right opportunists also assert that there

are no grounds inherent in our social system for a split between the working class and the peasantry, therefore we need not worry about establishing a correct policy in respect to the social groups in the rural districts, because the kulaks will grow into Socialism in any case, and the alliance between the workers and the peasants will be guaranteed in the course of drift, so to speak. This too is wrong and absurd. Such a thing can be said only by people who fail to understand that the policy of a party, and of a party that is in power at that, is the chief factor that determines the fate of the alliance between the workers and peasants. Lenin did not at all preclude the possibility of a split between the working class and the peasantry. Lenin said that "the grounds for such a split *are not necessarily inherent* in our social system," but "*if serious class disagreements arise between these classes, a split will be inevitable.*"

In view of this, Lenin was of the opinion that:

"The main function of our Central Committee and Central Control Commission, as well as of our Party as a whole, is to watch very closely the circumstances which may cause a split and to *forestall* them; for, in the last resort, the fate of our Republic will depend upon whether the masses of the peasants will march with the working class and loyally maintain their alliance with it, or permit the 'NEPmen,' i.e., the new bourgeoisie, to drive a wedge between them and the workers, to split them off from the workers."<sup>20</sup>

Consequently, a split between the working class and the peasantry is not precluded, but it is not at all inevitable, for our social system contains the *possibility* of averting such a split and of strengthening the alliance between the working class and the peasantry. What is needed to convert this possibility into reality? To convert the possibility of *averting* a split into reality we must first of all bury the opportunist theory of drift, tear up the roots of capitalism by organizing kolkhozes and sovkhozes, and pass from the policy of restricting the exploiting tendencies of the kulaks to the policy of eliminating the kulaks as a class.

It follows, therefore, that a strict distinction must be drawn between the *possibilities* inherent in our social system and *utilizing* these possibilities, converting these possibilities into *reality*.

It follows that cases are quite conceivable when the possibilities of victory exist, but the Party does not see them, or is incapable of utilizing them properly, with the result that instead of victory comes defeat.

The same question arises: has the Party been able properly to utilize the *possibilities* and *advantages* inherent in our Soviet system? Has it done everything to *convert these possibilities into reality* and thus guarantee our development the maximum of successes?

In other words: has the Party and its Central Committee correctly guided the building of Socialism in the past period?

What is needed for correct Party guidance under present conditions?

Correct Party guidance needs, apart from everything else, that the Party should have a correct line, that the masses should understand that the Party's line is correct and should actively support it; that the Party should not confine itself to drawing up a general line, but should, day in and day out, guide the carrying out of this line; that the Party should wage a determined struggle against deviations from the general line, and against conciliation with such deviations; that in the struggle against deviations the Party should forge the unity of its ranks and iron discipline.

What has the Party and its Central Committee done to carry out these conditions?

1

# QUESTIONS CONCERNING THE GUIDANCE OF SOCIALIST CONSTRUCTION

a) The Party's principal line at the present moment is *transition* from the offensive of Socialism on *separate sections* of the economic front to an offensive *along the whole front* both in the

sphere of industry and in the sphere of agriculture.

The Fourteenth Congress was mainly the Congress of *industrialization*.

The Fifteenth Congress was mainly the Congress of *collectivization*.

This was preparation for the *general* offensive.

As distinct from the past stages, the period immediately before the Sixteenth Congress was the period of the *general* offensive of Socialism *along the whole front*, the period of intensified socialist construction in the sphere of industry and in the sphere of agriculture.

The Sixteenth Congress of the Party is the congress of the *sweeping offensive* of Socialism *along the whole front*, of the elimination of the kulaks as a class, and of the realization of solid collectivization.

Here you have in a few words the substance of our Party's general line.

*Is this line correct?*

Yes, it is correct. The facts show that our Party's general line is the only correct line. (*Applause.*)

This is proved by the successes and achievements we have gained on the socialist construction front. It cannot be, and it was not, the case, that the decisive victory the Party has achieved on the socialist construction front in town and

country during the past period should be the result of an incorrect policy. Only a correct general line could have given us such a victory.

It is proved by the frenzied howl against our Party's policy raised lately by our class enemies, the capitalists and their press, by the Pope, and bishops of all kinds, by the Social-Democrats and the "Russian" Mensheviks of the Abramovich and Dan type. The capitalists and their flunkies are abusing our Party—hence, our Party's general line is correct. (*Applause.*)

It is proved by the fate of Trotskyism, with which everybody is now familiar. The gentlemen in the Trotsky camp chattered about the "degeneration" of the Soviet system, about "Thermidor," about the "inevitable victory" of Trotskyism, and so forth. But actually, what was the result? The result was the collapse, the end of Trotskyism. One section of the Trotskyites, as is known, broke away from Trotskyism and in numerous declarations of its representatives has admitted that the Party is right, and has acknowledged the counterrevolutionary character of Trotskyism. Another section of the Trotskyites really degenerated and became typical petty-bourgeois counterrevolutionaries, actually became an information bureau of the capitalist press on affairs concerning the C.P.S.U.(B.). But the Soviet system which was to have "degenerated" (or "had already degenerated") continues to thrive and to build So-

cialism, successfully breaking the backbone of the capitalist elements in our country and their petty-bourgeois toadies.

It is proved by the fate of the Right deviators, with which everybody is now familiar. They chattered and howled about the Party line being "fatal," about the "probable catastrophe" in the U.S.S.R., about the necessity of "saving" the country from the Party and its leadership, and so forth. But actually, what was the result? Actually, the result was that the Party has achieved gigantic successes on all the fronts of socialist construction, whereas the group of Right deviators who wanted to "save" the country, and later admitted that they were wrong, are now lying aground.

It is proved by the growing revolutionary activity of the working class and the peasantry, by the active support of the Party's policy by the vast masses of the working people, and lastly, by that unprecedented labour enthusiasm of the workers and kolkhoz peasants, the immensity of which astonishes both the friends and the enemies of our country. This is apart from such signs as the growth of confidence in the Party, the applications from workers to join the Party in whole shops and factories, the growth of the Party membership between the Fifteenth and Sixteenth Congresses by over 600,000, and the 200,000 new members who joined the Party in the first quarter

of this year alone. What does all this show if not that the vast masses of the working people realize that our Party's line is correct and that they are willing to support it?

It must be admitted that these facts would not have existed if our Party's general line had not been the only correct line.

b) But the Party cannot confine itself to drawing up a general line. It must also, day in and day out, keep check on how the general line is being carried out in practice. It must guide the carrying out of the general line, improve and perfect the adopted plans of economic development in the course of the work and rectify and avert mistakes.

*How has the Central Committee of our Party performed this work?*

The Central Committee's work in this sphere has proceeded mainly along the line of amending and precisising the five-year plan in the direction of accelerating tempo and cutting schedules, along the line of checking up the fulfilment of the given tasks by the economic organizations.

Here are a few of the major decisions adopted by the Central Committee amending the five-year plan in the direction of accelerating tempo and cutting schedules of fulfilment.

*In the iron and steel industry:* the five-year plan provides for the annual output of pig iron

to be brought up to 10,000,000 tons in the last year of the five-year period; in its decision the Central Committee found that this rate is not enough, and laid it down that by the last year of the five-year period the annual output of pig iron must be brought up to 17,000,000 tons.

*Tractor building:* the five-year plan provides for the annual output of tractors to be brought up to 55,000 in the last year of the five-year period; in its decision the Central Committee found that this target is not enough, and laid it down that the annual output of tractors in the last year of the five-year period must be brought up to 170,000.

The same must be said about *automobile building*, where, instead of an annual output of 100,000 cars (trucks and passenger cars) in the last year of the five-year period as provided for in the five-year plan, it was decided to bring it up to 200,000.

The same applies to *nonferrous metallurgy*, where the five-year plan target has been raised over 100 per cent; and to *agricultural machine building*, where the five-year plan target has been raised by over 100 per cent.

This is apart from *harvester-combine building*, for which no provision at all was made in the five-year plan, and the annual output of which must be brought up at least to 40,000 in the last year of the five-year period.

*Sovkhoz development:* the five-year plan provides for the expansion of the crop area to 5,000,000 hectares by the end of the five-year period; in its decision the Central Committee found that this rate was not enough and laid it down that by the end of the five-year period the sovkhoz crop area must be brought up to 18,000,000 hectares.

*Kolkhoz development:* the five-year plan provides for the expansion of the crop area to 20,000,000 hectares by the end of the five-year period; in its decision the Central Committee found that this rate was obviously not enough (it has already been exceeded this year) and laid it down that by the end of the five-year period the collectivization of the U.S.S.R. must be, in the main, completed, and by that time the kolkhoz crop area must cover nine-tenths of the crop area of the U.S.S.R. now cultivated by individual farmers. (*Applause.*)

And so on and so forth.

Such, in general, is the picture of the way the Central Committee is guiding the carrying out of the Party's general line, the planning of socialist construction.

It may be said that in altering the targets of the five-year plan so radically, the Central Committee is violating the principle of planning and is discrediting the planning organizations. But only hopeless bureaucrats can talk like that. For

us Bolsheviks, the five-year plan is not something fixed once and for all. For us the five-year plan, like every other plan, is a plan adopted as a first approximation to be precised, altered and perfected in conformity with the experience gained in the localities, with the experience gained in carrying out the plan. No five-year plan can take into account all the possibilities inherent in the depths of our social system and which reveal themselves in the course of the work, in the course of carrying out the plan in the factory and mill, in the kolkhoz and sovkhoz, in the districts, and so forth. Only bureaucrats can think that the work of planning *ends* with the drafting of a plan. The drafting of a plan is only the *beginning of planning*. Real guidance of planning develops only after the plan has been drafted, after it has been tested in the localities, in the course of carrying out, amending and precisising the plan.

That is why the Central Committee and the Central Control Commission, jointly with the planning organizations of the Republic, deemed it necessary to amend and improve the five-year plan in conformity with experience gained with the view to speeding up the rate of development and cutting down schedules.

This is what Lenin said about the principle of planning and the guidance of planning at the Eighth Congress of Soviets, when the ten-year plan of the GOELRO<sup>21</sup> was being discussed:

"Our Party program cannot remain merely a Party program. It must become the program of our economic development, otherwise it is useless even as a Party program. It must be supplemented by a second Party program, by a plan for the restoration of our national economy and for-raising it to the level of modern technology. . . . We must come to the point of adopting a certain plan; of course, this will be a plan adopted only as a first approximation. This Party program will not be as unalterable as our actual Party program, which can be altered only at Party congresses. No, this program will be improved, worked out, perfected and altered every day, in every workshop, in every volost. . . . Watching the experience of science and practice, the people in the localities must undeviatingly strive to get the plan carried out earlier than had been provided for in order that the masses may see that the long period that separates us from the complete restoration of industry can be shortened by experience. This depends upon us. Let us in every workshop, in every railway depot, in every sphere, improve our economy, and then we will reduce the period. And we are already reducing it" (Vol. XXVI, pp. 45, 46, 43).

As you see, the Central Committee has proceeded along the line indicated by Lenin, altering and improving the five-year plan, cutting down schedules and speeding up the rate of development.

On what possibilities did the Central Committee rely when speeding up the rate of development and cutting down the schedules for carrying out the five-year plan? On the reserves hidden in the depths of our social system and revealed only in the course of the work, on the pos-

sibilities created for us by the reconstruction period. The Central Committee is of the opinion that the reconstruction of the technical bases of industry and agriculture *under the socialist organization of production* creates such possibilities of accelerating tempo as no capitalist country can dream of.

These circumstances alone can explain the fact that during the past three years our socialist industry has more than doubled output and that the output of this industry in 1930-31 should be 47 per cent above that of this year—and the volume of *this increase alone* will be equal to the volume of output of the *entire* prewar large-scale industry.

These circumstances alone can explain the fact that the five-year plan of sovkhoz development is being fulfilled in three years and that of kolkhoz development has been already overfulfilled in two years.

There is a theory according to which high rates of development are possible only in the restoration period and that with the transition to the reconstruction period the rate of development must diminish sharply year after year. This theory is called the theory of the "descending curve." It is a theory that justifies our backwardness. It has nothing in common with Marxism, with Leninism. It is a bourgeois theory, calculated to perpetuate the backwardness of our country. Of

the people who have had, or have, connection with our Party, only the Trotskyites and Right deviators uphold and preach this theory.

The opinion is held that the Trotskyites are superindustrialists. But this opinion is only partly correct. It is correct only insofar as it applies to the end of the *restoration* period, when the Trotskyites did, indeed, develop superindustrialist fantasies. As regards the *reconstruction* period, however, *the Trotskyites, on the question of tempo, are the extremest minimalists and the most wretched capitulators.* (Laughter. Applause.)

In their platforms and declarations the Trotskyites gave no figures concerning tempo, they confined themselves to general chatter about tempo. But there is one document in which the Trotskyites did depict in figures their understanding of the rate of development of state industry. I have in mind the memorandum of the "Special Conference on the Restoration of the Fixed Capital" of State Industry (OSVOK) drawn up on the principles of Trotskyism. It will be interesting briefly to analyze this document, which dates back to 1925-26. It will be interesting to do so, because it fully reflects the Trotskyite scheme of the descending curve.

It was proposed in this document to *invest* in state industry 1,543 million rubles in 1926-27; 1,490 million rubles in 1927-28; 1,320 million

rubles in 1928-29; 1,060 million rubles in 1929-30 (at 1926-27 prices).

Such is the picture of the *descending* Trotskyite curve.

But how much did we actually invest? Actually we invested in state industry 1,065 million rubles in 1926-27; 1,304 million rubles in 1927-28; 1,819 million rubles in 1928-29; 4,775 million rubles in 1929-30 (at 1926-27 prices).

Such is the picture of the *ascending* Bolshevik curve.

According to this document the output of state industry was to be increased 31.6 per cent in 1926-27; 22.9 per cent in 1927-28; 15.5 per cent in 1928-29; 15 per cent in 1929-30.

Such is the picture of the *descending* Trotskyite curve.

But what was actually the case? Actually, the increase in the output of state industry was 19.7 per cent in 1926-27; 26.3 per cent in 1927-28; 24.3 per cent in 1928-29; 32 per cent in 1929-30, and in 1930-31 the increase will amount to 47 per cent.

Such is the picture of the *ascending* Bolshevik curve.

As is known, Trotsky specially advocates this defeatist theory of the descending curve in his pamphlet *Towards Socialism or Capitalism?* He plainly says there that, "before the war, the expansion of industry consisted, in the main, of the

erection of new plants," whereas "in our times expansion, to a much larger degree, consists in utilizing the old plants and in keeping the old equipment running," therefore, it "naturally follows that *with the completion of the restoration process* the coefficient of growth must *considerably diminish*," and so he proposes that "during the next few years the coefficient of industrial growth be raised not only twice, but three times above the prewar 6 per cent, and perhaps even higher."

Thus, three times six per cent annual increase of industry. How much does that amount to? Only 18 per cent per annum. Hence, 18 per cent annual increase in the output of state industry is, in the opinion of the Trotskyites, the highest limit that can be reached in planning to accelerate development in the *reconstruction period*, to be striven for as the ideal. Compare this pettifogging sagacity of the Trotskyites with the actual increase in output that we have had during the last three years (1927-28—26.3 per cent; 1928-29—24.3 per cent; 1929-30—32 per cent); compare this defeatist philosophy of the Trotskyites with the estimates of the State Planning Commission for 1930-31 of a 47 per cent increase, which exceeds the *highest* rate of increase of output in the *restoration period*, and you will see how utterly reactionary is the Trotskyite theory of the "descending curve," the utter lack of faith of the

Trotskyites in the possibilities of the *reconstruction period*.

This is the reason why the Trotskyites are now singing about the "excessive" Bolshevik rates of industrial and kolkhoz development.

This is the reason why *the Trotskyites cannot now be distinguished from our Right deviators*.

It goes without saying, that had we not shattered the Trotskyite-Right-deviator "descending curve" theory, we would not have been able either to develop real planning or to speed up the rate and cut down the schedules of development. To be able to guide the carrying out of the Party's general line, to amend and improve the five-year plan of development, to increase the rate of development and to avert mistakes in construction, it was necessary first of all to shatter and liquidate the reactionary "descending curve" theory.

This is what the Central Committee did, as I have already said.

## 2

PROBLEMS OF GUIDING  
INTERNAL PARTY AFFAIRS

It may be thought that the work of guiding socialist construction, the work of carrying out the Party's general line, has proceeded in our Party calmly and smoothly, without struggle and exertion of will power. But that is not so,

comrades. Actually, this work has proceeded in the midst of a struggle against internal Party difficulties, in the midst of a struggle against all sorts of deviations from Leninism in the sphere of general policy and also in the sphere of the national problem. Our Party does not live and operate in a vacuum. It lives and operates in the thick of life and is subjected to the influence of the surrounding environment. And our environment, as is known, consists of different classes and social groups. We have launched a sweeping offensive against the capitalist elements, we have pushed our socialist industry far forward, we have widely developed sovkhoses and kolkhoses. Events like these, however, cannot but affect the exploiting classes. These events are usually accompanied by the ruin of the moribund classes, by the ruin of the kulaks in the rural districts, by the restriction of the field of activity of the petty-bourgeois strata in the towns. It goes without saying that all this cannot but intensify the class struggle, the resistance of the moribund classes to the Soviet regime's policy. It would be ridiculous to think that the resistance of these classes does not find reflection in some way or other in the ranks of our Party. And it does indeed find reflection in the Party. All and sundry deviations from the Leninist line in the ranks of our Party are precisely a reflection of the resistance of the moribund classes.

Is it possible to wage a successful struggle against class enemies without at the same time fighting against the deviations in our Party, without overcoming these deviations? No, it is not. It is not, because it is impossible to develop a real struggle against class enemies while having their agents in your rear, while leaving in your rear people who have no faith in our cause, and who strive in every way to hinder our progress.

Hence the uncompromising struggle against deviations from the Leninist line is an immediate task of the Party.

Why is the Right deviation the chief danger in the Party at the present time? Because it reflects the kulak danger; and at the present moment, the moment of the sweeping offensive and the tearing up of the roots of capitalism, the kulak danger is the chief danger in the country.

What did the Central Committee have to do to overcome the Right deviation, to deliver the finishing stroke to the "Left" deviation and clear the road for rallying the Party to the utmost around the Leninist line?

a) It had, first of all, to finish with the remnants of Trotskyism in the Party, with the survivors of the Trotskyite theory. We had routed the Trotskyite group as an opposition, and had expelled it, long ago. The Trotskyite group is now an anti-proletarian and anti-Soviet counterrevolutionary group, which is zealously informing

the bourgeoisie about the affairs of our Party. But the remnants of the Trotskyite theory, the survivals of Trotskyism, have not yet been completely winnowed from the Party. Consequently, the first thing to be done was to finish with these survivals.

What is the essence of Trotskyism?

The essence of Trotskyism is, first of all, denial of the possibility of building Socialism in the U.S.S.R. by the efforts of the working class and peasantry of our country. What does this mean? It means that if a victorious world revolution does not come to our aid in the near future, we will have to surrender to the bourgeoisie and clear the road for a bourgeois-democratic republic. Thus, we have here the bourgeois denial of the possibility of building Socialism in our country, disguised by "revolutionary" phrases about the victory of the world revolution.

Is it possible, while holding such views, to rouse the labour enthusiasm of the vast masses of the working class, to rouse them for socialist emulation, for mass shock-brigade work, for a sweeping offensive against the capitalist elements? Obviously it is not. It would be foolish to think that our working class, which has made three revolutions, will display labour enthusiasm and engage in mass shock-brigade work in order to manure the soil for capitalism. Our working class is displaying labour enthusiasm not for the

sake of capitalism, but in order finally to bury capitalism and to build Socialism in the U.S.S.R. Take from it its confidence in the possibility of building Socialism, and you will completely remove the ground for emulation, for labour enthusiasm, for shock-brigade work.

Hence the conclusion: in order to rouse labour enthusiasm and emulation among the working class and to organize a sweeping offensive, it was necessary, first of all, to bury the bourgeois theory of Trotskyism that it is impossible to build Socialism in our country.

The essence of Trotskyism is, secondly, denial of the possibility of drawing the bulk of the peasant masses into the work of socialist construction in the rural districts. What does this mean? It means that the working class is incapable of leading the peasantry in the work of transferring the individual peasant farms to collectivist lines, that if the victory of the world revolution does not come to the aid of the working class in the near future, the peasantry will restore the old bourgeois order. Thus, we have here the bourgeois denial of the ability of the proletarian dictatorship to lead, and the possibility of its leading, the peasantry to Socialism disguised with the mask of "revolutionary" phrases about the victory of the world revolution.

Is it possible, while holding such views, to rouse the peasant masses for the kolkhoz move-

ment, to organize a mass kolkhoz movement, to organize the elimination of the kulaks as a class? Obviously it is not.

Hence the conclusion: to organize a mass peasant kolkhoz movement and to eliminate the kulaks it was necessary, first of all, to bury the bourgeois theory of Trotskyism that it is impossible to bring the masses of the working peasantry to Socialism.

The essence of Trotskyism is, lastly, denial of the necessity of iron discipline in the Party, recognition of freedom for factional groupings in the Party, recognition of the necessity of forming a Trotskyite party. According to Trotskyism, the C.P.S.U.(B.) must be not a single, united militant party, but a conglomeration of groups and factions, each with its own centre, its own discipline, its own press, and so forth. What does this mean? It means proclaiming freedom for political factions in the Party. It means that freedom for political groupings in the Party must be followed by freedom for political parties in the country, i. e., bourgeois democracy. Thus, we have here recognition of freedom for factional groupings in the Party right up to permitting political parties in the land of the dictatorship of the proletariat, disguised by phrases like "inner-party democracy," "improving the regime" in the Party. That freedom for factional squabbling among groups of intellectuals is not inner-party democ-

racy, that the wide self-criticism conducted by the Party and the colossal activity of the mass of the Party membership is real and genuine inner-party democracy—Trotskyism cannot understand.

Is it possible, while holding such views about the Party, to guarantee the iron discipline in the Party, to guarantee the iron unity of the Party that is necessary for waging a successful struggle against class enemies? Obviously it is not.

Hence the conclusion: in order to guarantee the iron unity of the Party and proletarian discipline in it, it was necessary, first of all, to bury the Trotskyite theory of organization.

Actual capitulation as the *content*, "Left" phrases and "revolutionary"-adventurist posing as the *form* that disguises and advertises the defeatist content—such is the essence of Trotskyism.

This duality of Trotskyism reflects the duality of the position of the urban petty bourgeoisie, which is now being ruined, which cannot tolerate the "regime" of the proletarian dictatorship and is striving either to jump into Socialism "at once" in order to avoid being ruined (hence *adventurism* and *hysterics* in policy), or, if this is impossible, to make every conceivable concession to capitalism (hence *capitulation* in policy).

This duality of Trotskyism explains why it usually crowns its "frenzied" sham attacks upon the Right deviators by a *bloc* with them, as undisguised capitulators.

And what are the "Left" extremes that occurred in the Party in connection with the kolkhoz movement? They represent an attempt, unconscious, it is true, to revive among us the traditions of Trotskyism in practice, to revive the Trotskyite attitude towards the middle peasantry. They are the result of that mistake in policy which Lenin called "overadministration." This means that some of our comrades, infatuated by the successes of the kolkhoz movement, began to approach the problem of kolkhoz development not as builders, but mainly as administrators and, as a result, committed a number of crudest mistakes.

There are people in our Party who think that the "Left" extremists should not have been pulled up. They think that our officials should not have been punished and their infatuation should not have been counteracted even though this infatuation led to mistakes. This is nonsense, comrades. Only people who are determined to drift with the stream, can talk like that. These are the very same people who can never understand the Leninist policy of going against the stream when the situation demands it, when the interests of the Party demand it. They are khvostists,\* not Leninists. The Party succeeded in turning whole detachments of our comrades to the right road,

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\* Those who follow at the tail.—Tr.

the Party succeeded in rectifying mistakes and in gaining achievements precisely because it resolutely went against the stream in order to carry out the Party's general line. This is precisely Leninism in practice, Leninism in leadership.

That is why I think that had we not overcome the "Left" extremes we would not have achieved the successes in the kolkhoz movement that we have now achieved.

That is how the matter stands with the struggle against the remnants of Trotskyism and against recrudescences of them in practice.

The matter stands a little different with Right opportunism, which was, or is, headed by Bukharin, Rykov and Tomsky.

It cannot be said that the Right deviators do not admit that it is possible to build Socialism in the U.S.S.R. No, they admit that it is possible, and this is what distinguishes them from the Trotskyites. But the misfortune of the Right deviators is that while formally admitting that it is possible to build Socialism in one country, they do not want those ways and means of struggle without which it is impossible to build Socialism. They will not admit that the utmost development of industry is the key to the transformation of the whole of the national economy on the principles of Socialism. They do not want the uncompromising struggle against the capitalist elements and the sweeping offensive of Socialism against

capitalism. They fail to understand that all these ways and means constitute the system of measures, without which it is impossible to retain the proletarian dictatorship and to build Socialism in our country. They think that Socialism can be built on the quiet, in the process of drift, without class struggle, without an offensive against the capitalist elements. They think that the capitalist elements will either die out imperceptibly, or grow into Socialism. As, however, miracles do not happen in history, it follows that *the Right deviators are actually slipping into the viewpoint of denying that it is possible to build Socialism in our country.*

Nor can it be said that the Right deviators deny that it is possible to draw the bulk of the peasant masses into the work of building Socialism in the rural districts. No, they admit that it is possible, and this is what distinguishes them from the Trotskyites. But while admitting this formally, they will not accept the ways and means without which it is impossible to draw the peasantry into the work of building Socialism. They will not admit that sovkhoses and kolkhozes are the principal means and the "highroad" of drawing the bulk of the peasant masses into the work of building Socialism. They will not admit that unless the policy of eliminating the kulaks as a class is carried out, it will be impossible to transform the rural districts on the principles of

Socialism. They think that the rural districts can be transferred to the lines of Socialism on the quiet, in the process of drift, without class struggle, with the aid of consumers' and marketing cooperatives alone, for they are convinced that the kulaks will grow into Socialism. They think that the chief thing now is not a high rate of industrial development, and not kolkhozes and sovkhoses, but to "release" the elemental forces of the market, to "emancipate" the market and to "remove the shackles" from the individual farms, including those of the capitalist elements in the rural districts. As, however, the kulaks cannot grow into Socialism, and "emancipating" the market means arming the kulaks and disarming the working class, it follows that *the Right deviators are actually slipping into the viewpoint of denying that it is possible to draw the bulk of the peasant masses into the work of building Socialism.*

It is this, really, that explains why the Right deviators usually crown their cockfighting with the Trotskyites by backstairs negotiations with the Trotskyites for the purpose of entering into a *bloc* with them.

The chief evil of Right opportunism is that it *breaks away* from the Leninist conception of the class struggle and is slipping into the viewpoint of *petty-bourgeois liberalism.*

There can be no doubt that the victory of the Right deviation in our Party would have meant the complete disarming of the working class, the arming of the capitalist elements in the rural districts and an increase in the chances of the restoration of capitalism in the U.S.S.R.

The Right deviators do not take the stand of forming another party, and this is another thing that distinguishes them from the Trotskyites. The leaders of the Right deviators have openly admitted their mistakes and have surrendered to the Party. But it would be foolish to think, on these grounds, that the Right deviation is already buried. The strength of Right opportunism is not measured by this circumstance. The strength of Right opportunism lies in the strength of the petty-bourgeois element, in the strength of the pressure against the Party exercised by the capitalist elements in general, and by the kulaks in particular. And it is precisely because the Right deviation reflects the resistance of the chief elements of the moribund classes that the Right deviation is the principal danger in the Party at the present time.

That is why the Party deemed it necessary to wage a determined and uncompromising struggle against the Right deviation.

There can be no doubt that had we not waged a determined struggle against the Right deviation, had we not isolated its leading elements, we

would not have succeeded in mobilizing the forces of the Party and of the working class, in mobilizing the forces of the poor and middle peasant masses, for a sweeping offensive of Socialism, for organizing sovkhozes and kolkhozes, for restoring our heavy industry, for eliminating the kulaks as a class.

That is how the matter stands with the "Left" and Right deviations in the Party.

The task is to continue the uncompromising struggle *on two fronts*, against the "Lefts," who represent *petty-bourgeois radicalism*, and against the Rights, who represent *petty-bourgeois liberalism*.

The task is to continue the *uncompromising* struggle against those *conciliatory* elements in the Party who fail to understand, or pretend they do not understand, the necessity of a determined struggle on two fronts.

b) The picture of the struggle against deviations in the Party will not be complete if we do not touch upon the deviations that exist in the Party on the *national question*. I have in mind, firstly, the deviation towards Great-Russian chauvinism, and secondly, the deviation towards local nationalism. These deviations are not as conspicuous and pushful as the "Left" or the Right deviation. They could be called creeping deviations. But this does not mean that they do not exist. No, they exist, and what is most im-

portant—they are growing. There can be no doubt whatever about that. There can be no doubt, because the general atmosphere of intense class struggle cannot but cause some intensification of national friction, which finds reflection in the Party. Therefore, the features of these deviations should be exposed and dragged into the light of day.

What is the essence of the deviation towards Great-Russian chauvinism under our present conditions?

The essence of the deviation towards Great-Russian chauvinism is the striving to ignore national differences in language, culture, and way of life; in the striving to prepare for the liquidation of the national Republics and Regions; the striving to undermine the principle of national equality and to discredit the Party's policy of nationalizing the administrative apparatus, the press, the schools and other state and public organizations.

In this, the deviators of this type proceed from the view that since, with the victory of Socialism, the nations must merge into one and their national languages, must be transformed into a single common language, the time has come to abolish national distinctions and to abandon the policy of promoting the development of the national cultures of the formerly oppressed peoples.

In this they refer to Lenin, misquoting him,

and sometimes deliberately distorting and slandering Lenin.

Lenin said that under Socialism the interests of the nationalities will merge into one—does it not follow from this that it is time to put an end to the national Republics and Regions in the interests of ... internationalism? Lenin said in 1913, in his controversy with the Bundists,<sup>22</sup> that the national culture slogan is a bourgeois slogan—does it not follow from this that it is time to put an end to the national cultures of the peoples of the U.S.S.R. in the interests of ... internationalism?

Lenin said that national oppression and national barriers are destroyed under Socialism—does it not follow from this that it is time to put a stop to the policy of taking into account the specific national features of the peoples of the U.S.S.R. and pass to the policy of assimilation in the interests of ... internationalism?

And so on and so forth.

There can be no doubt that this deviation on the national question, disguised, moreover, with the mask of internationalism and with the name of Lenin, is the most subtle and therefore the most dangerous species of Great-Russian nationalism.

*Firstly*, Lenin never said that national distinctions must disappear and that national languages must merge into one common language with-

in the borders of *one state before the victory of Socialism is achieved on a world scale*. On the contrary, Lenin said something that was the very opposite of this, namely, that "national and state differences among peoples and countries... will continue to exist *for a very, very long time even after the dictatorship of the proletariat has been established on a world scale*."<sup>23</sup> (Vol. XXV, p. 227.)

How can anyone refer to Lenin and forget about this fundamental statement of his?

True, Mr. Kautsky, an ex-Marxist, and now a renegade and reformist, asserts something that is the very opposite of what Lenin teaches us. He, despite Lenin, asserts that the victory of the proletarian revolution in the Austro-German federal state in the middle of the last century would have led to the formation of *one common German language and to the Germanization of the Czechs*, because "the mere force of unshackled intercourse, the mere force of modern culture of which the Germans were the vehicles, without any forcible Germanization, *would have converted into Germans the backward Czech petty bourgeoisie, peasants and proletarians who had nothing to gain from their decayed nationality* (cf. Preface to the German edition of *Revolution and Counterrevolution*).

\* My italics.—J. St.

It goes without saying that this "conception" harmonizes perfectly with Kautsky's social-chauvinism. These were the very views that I fought in 1925 in my speech at the University for the Peoples of the East.<sup>24</sup> But can this anti-Marxist chatter of an arrogant German social-chauvinist have any positive significance for us Marxists who want to remain consistent internationalists?

Who is right, Kautsky or Lenin?

If Kautsky is right, then how are we to explain the fact that relatively backward nationalities like the Byelorussians and Ukrainians, who are closer to the Great-Russians than the Czechs are to the Germans, have not become Russified as a result of the victory of the proletarian revolution in the U.S.S.R., but, on the contrary, have regenerated and developed as independent nations? How are we to explain the fact that nations like the Turkmens, Kirghiz, Uzbeks, Tajiks (not to speak of the Georgians, Armenians, Azerbaijanians, and others), in spite of their backwardness, far from becoming Russified as a result of the victory of Socialism in the U.S.S.R., have, on the contrary, regenerated and developed into independent nations? Is it not evident that our esteemed deviators, chasing a sham internationalism, have fallen into the clutches of Kautskyian social-chauvinism? Is it not evident that in advocating one common language within the borders of *one state*, within the borders of the

U.S.S.R., they are, in essence, striving to restore the *privileges* of the formerly predominating language, namely, the *Great-Russian* language?

Where does internationalism come in here?

*Secondly*, Lenin never said that the abolition of national oppression and the merging of the interests of nationalities into one whole is tantamount to the abolition of national distinctions. We have abolished national oppression. We have abolished national privileges and have established national equality of rights. We have abolished state frontiers in the old sense of the term, frontier posts and customs barriers between the nationalities of the U.S.S.R. We have established the unity of economic and political interests of the peoples of the U.S.S.R. But does this mean that we have thereby abolished national distinctions, national languages, cultures, ways of life, etc.? Obviously it does not mean this. But if national distinctions, languages, cultures, ways of life, etc., have remained, is it not evident that the demand for the abolition of the national Republics and Regions at the present moment in history is a reactionary demand directed against the interests of the proletarian dictatorship? Do our deviators understand that to abolish the national Republics and Regions at the present time means depriving the vast masses of the peoples of the U.S.S.R. of the possibility of receiving education in their *native* languages, depriving

them of the possibility of having schools, courts, administration, public and other organizations and institutions run in their *native* languages, depriving them of the possibility of being drawn into the work of socialist construction? Is it not evident that in chasing after a sham internationalism our deviators have fallen into the clutches of the reactionary Great-Russian chauvinists and have forgotten, completely forgotten, the slogan of the cultural revolution in the period of the proletarian dictatorship, which applies equally to *all* the peoples of the U.S.S.R., Great-Russian and non-Great-Russian?

*Thirdly*, Lenin never said that the slogan of developing national culture *under the conditions of the proletarian dictatorship* is a reactionary slogan. On the contrary, Lenin always stood for *helping* the peoples of the U.S.S.R. to develop their national cultures. It was under the guidance of none other than Lenin that the resolution on the national question was drafted and adopted at the Tenth Congress of the Party, in which it is plainly stated that:

"The Party's task is to *help* the labouring masses of the non-Great-Russian peoples to catch up with advanced central Russia, to *help* them: a) to develop and fortify their own Soviet statehood in forms corresponding to their national ways of life; b) to develop and strengthen their own courts, administrations, economic organs and organs of government to be run in their native languages and to be staffed with local people who are familiar with the way

of life and mentality of the local inhabitants; c) to develop their own press, schools, theatres, clubs, and cultural and educational institutions in general, to be run in their native languages; d) to set up and develop a wide network of general-educational and trade and technical courses to be run in the native languages."<sup>25</sup>

Is it not evident that Lenin stood wholly and entirely for the slogan of developing national culture *under the conditions of the proletarian dictatorship*?

Is it not evident that to deny the slogan of national culture under the conditions of the proletarian dictatorship means denying the necessity of raising the cultural level of the non-Great-Russian peoples of the U.S.S.R., denying the necessity of compulsory universal education for these peoples, means putting these peoples into spiritual bondage to the reactionary nationalists?

Lenin did indeed qualify the slogan of national culture *under the rule of the bourgeoisie* as a reactionary slogan. But could it be otherwise?

What is national culture under the rule of the national bourgeoisie? It is culture that is *bourgeois* in content and national in form, having the object of doping the masses with the poison of nationalism and of strengthening the rule of the bourgeoisie.

What is national culture under the proletarian dictatorship? It is culture that is *socialist* in content and national in form, having the object of

educating the masses in the spirit of Socialism and internationalism.

How is it possible to confuse these two fundamentally different things without a rupture with Marxism?

Is it not evident that in contending against the slogan of national culture under the bourgeois order, Lenin struck at the bourgeois *content* of national culture and not at its national form?

It would be foolish to suppose that Lenin regarded socialist culture as *nonnational*, as having no national form. True, the Bundists did at one time ascribe this nonsense to Lenin. But it is known from the works of Lenin that he protested sharply against this slander, emphatically dissociated himself from this nonsense. Have our esteemed deviators really followed in the footsteps of the Bundists?

What has remained, after the foregoing, of the arguments of our deviators?

Nothing, except juggling with the flag of internationalism and slander against Lenin.

Those who are deviating towards Great-Russian chauvinism are profoundly mistaken in believing that the period of building Socialism in the U.S.S.R. is the period of the collapse and liquidation of national cultures. The very opposite is the case. Actually, the period of the proletarian dictatorship and of the building of Socialism

in the U.S.S.R. is the period of the *efflorescence* of national cultures that are *socialist* in content and national in form; for, under the Soviet system, the nations themselves are not the ordinary "modern" nations, but *socialist* nations, just as, in content, their national cultures are not the ordinary bourgeois cultures, but *socialist* cultures.

Obviously, they fail to understand that national cultures must develop *with renewed force* with the introduction and firm establishment of compulsory universal elementary education in the native languages. They fail to understand that only if the national cultures are developed will it be possible really to draw the backward nationalities into the work of socialist construction.

They fail to understand that this, precisely, is the basis of the Leninist policy of *helping* and *promoting* the development of the national cultures of the peoples of the U.S.S.R.

It may seem strange that we who stand for the future *merging* of national cultures into one common (in form and in content) culture, with one common language, should at the same time stand for the *efflorescence* of national cultures at the present time, in the period of the proletarian dictatorship. But there is nothing strange about it. The national cultures must be allowed to develop and unfold, to reveal all their potentialities, in order to create the conditions for merging them into one common culture with one com-

mon language in the period of the victory of Socialism all over the world. The efflorescence of cultures that are national in form and socialist in content under the proletarian dictatorship in one country *for the purpose* of merging them into one common socialist (in form and in content) culture, with one common language, when the proletariat is victorious all over the world, when Socialism has become the way of life—herein, precisely, lies the dialectics of the Leninist presentation of the question of national culture.

It may be said that such a presentation of the question is "contradictory." But is there not the same "contradiction" in our presentation of the question of the state? We stand for the withering away of the state. At the same time we stand for the strengthening of the proletarian dictatorship, which is the mightiest and strongest state power that has ever existed. The highest development of the state power with the object of preparing the conditions *for* the withering away of state power—such is the Marxist formula. Is this "contradictory"? Yes, it is "contradictory." But this is the contradiction in life, and it fully reflects Marx's dialectics.

Or, for example, Lenin's presentation of the question of the right of nations to self-determination, including the right to secession. Lenin sometimes depicted the thesis on national self-determination in the shape of the simple formula:

"disunion for union." Think of it—disunion for union. It even sounds like a paradox. And yet, this "contradictory" formula reflects that living truth of Marx's dialectics which enables the Bolsheviks to capture the most impregnable fortresses in the sphere of the national question.

The same may be said about the formula on national culture: the efflorescence of national cultures (and languages) in the period of the proletarian dictatorship in one country with the object of preparing the conditions for their withering away and merging into one common socialist culture (and into one common language) in the period of the victory of Socialism all over the world.

Whoever has failed to understand this peculiar feature and "contradiction" of our transitional period, whoever has failed to understand these dialectics of the historical processes, is doomed for Marxism.

The misfortune of our deviators is that they do not, and do not wish to understand Marx's dialectics.

That is how the matter stands with the deviation towards Great-Russian chauvinism.

It is not difficult to understand that this deviation reflects the striving of the moribund classes of the formerly dominant Great-Russian nation to recover their lost privileges.

Hence the danger of Great-Russian chauvin-

ism as the chief danger in the Party in the sphere of the national question.

What is the essence of the deviation towards local nationalism?

The essence of the deviation towards local nationalism is the striving to separate and shut oneself up within the shell of one's own nation, is the striving to tone down class antagonisms within one's own nation, is the striving to protect oneself from Great-Russian chauvinism by deserting the general stream of socialist construction, is the striving not to see what draws together and unites the labouring masses of the nations of the U.S.S.R. and to see only what can draw them apart from one another.

The deviation towards local nationalism reflects the discontent of the moribund classes of the formerly oppressed nations with the regime of the proletarian dictatorship, their striving to isolate themselves in their national bourgeois state and to establish their class rule there.

The danger of this deviation lies in that it cultivates bourgeois nationalism, weakens the unity of the working people of the different nations of the U.S.S.R. and plays into the hands of the interventionists.

Such is the essence of the deviation towards local nationalism.

The Party's task is to wage a determined struggle against this deviation and to ensure the

conditions necessary for the international education of the labouring masses of the peoples of the U.S.S.R.

That is how the matter stands with the deviations in our Party, with the "Left" and Right deviations in the sphere of general policy, and with the deviations in the sphere of the national question.

Such is the inner Party situation.

Now that the Party has emerged victoriously from the struggle for the general line, now that our Party's Leninist line is triumphant along the whole front, many are inclined to forget the difficulties that were created for us in our work by all and sundry deviators. More than that, to this day some philistine-minded comrades still think that it was possible to dispense with the struggle against the deviators. Needless to say, these comrades are profoundly mistaken. It is enough to look back and recall the handiwork of the Trotskyites and Right deviators, it is enough to recall the history of the struggle against deviations during the past period to understand the utter vacuity and futility of this party philistinism. There can be no doubt that had we not curbed the deviators and defeated them in open struggle, we would not have achieved the successes of which our Party is now justly proud.

In the struggle against deviations from the Leninist line our Party grew and gained strength.

In the struggle against deviations it forged the *Leninist unity* of its ranks. Nobody now denies the indisputable fact that the Party has never been as united around its Central Committee as it is now. Everybody is now obliged to admit that the Party is now more *united* and *solid* than ever before, that the Sixteenth Congress is one of the few congresses of our Party at which there is no longer a definitely formed and compact opposition capable of opposing their own separate line to the Party's general line.

To what is the Party indebted for this decisive achievement?

It is indebted for this achievement to the circumstance that in its struggle against deviations it has always pursued a *principled* policy, that it never sank to backstairs combinations and diplomatic huckstering.

Lenin said that a principled policy is the *only* correct policy. We emerged victoriously from the struggle against deviations because we honestly and consistently carried out this behest of Lenin's. (*Applause.*)

\* \* \*

I will now conclude, comrades.

What is the general conclusion?

During the past period we achieved a number of decisive successes on all the fronts of socialist construction. We achieved these successes be-

cause we were able to hold aloft the great banner of Lenin. If we want to be victorious we must continue to hold aloft the banner of Lenin and keep it pure and unstained. (*Applause.*)

Such is the general conclusion.

With the banner of Lenin we triumphed in the battles for the October Revolution.

With the banner of Lenin we have achieved decisive successes in the struggle for the victory of socialist construction.

With this banner we will triumph in the proletarian revolution all over the world.

Long live Leninism! (*Loud and prolonged applause rising to an ovation throughout the hall.*)

*Pravda*, No. 177,  
June 29, 1930

## NOTES

The Sixteenth Congress of the C.P.S.U.(B) took place in Moscow on June 26-July 13, 1930. It discussed the political and organizational reports of the Central Committee of the Party; the reports of the Central Auditing Commission, of the Central Control Commission and of the C.P.S.U.(B.) delegation on the Executive Committee of the Communist International; and also reports on fulfilment of the five-year plan for industry; on the kolkhoz movement and the development of agriculture; and on the tasks of the trade unions in the reconstruction period. The Congress unanimously approved the political line and work of the Central Committee of the Party and instructed the Central Committee to ensure the continuation of the Bolshevik tempo of socialist construction, to achieve the fulfilment of the five-year plan in four years, undeviatingly to continue the sweeping offensive of Socialism along the whole front and to eliminate the kulaks as a class on the basis of solid collectivization. The Congress placed on record the world-historical importance of the turn in the development of agriculture as a result of which the kolkhoz peasantry became a genuine and firm support of the Soviet system. The Congress instructed the Central Committee to continue to pursue a firm policy of peace and to strengthen the defence capacity of the U.S.S.R. The Congress gave instruc-

tions: for the utmost development of the heavy industry and the creation of a new, powerful coal and metallurgical base in the eastern part of the country; for the reconstruction of the work of all the mass organizations and for strengthening the role of the trade unions in the work of socialist construction; and for drawing all the workers and labouring masses generally into socialist emulation. The Congress utterly exposed Right opportunism as the kulak agency within the Party and proclaimed the views of the Right opposition as being incompatible with membership of the C.P.S.U.(B.). The Congress instructed the Party organizations to intensify the struggle against deviations on the national question—Great-Russian chauvinism and local nationalism—and firmly to pursue the Leninist national policy, which ensured the wide development of the cultures—national in form and socialist in content—of the peoples of the U.S.S.R. The Sixteenth Congress is known in the annals of the Party as the Congress of the sweeping offensive of Socialism along the whole front, of the elimination of the kulaks as a class, and of the realization of solid collectivization. J. V. Stalin delivered the political report of the Central Committee of the C.P.S.U.(B.) on June 27 and replied to the debate on July 2. (Concerning the Sixteenth Congress C.P.S.U.(B.) cf. *History of the Communist Party of the Soviet Union (Bolsheviks), Short Course*, Moscow 1950, pp. 382-84. For the decisions of the Congress, 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. 394-436.)

Title page

- 2 *The Federal Reserve System*—the banking organization formed in the United States in 1913. Twelve Federal Reserve Banks in the major centres of the country combine and control all the activities of the United States

banks and are a tool of monopolist capital. The Federal Reserve System is headed by the Federal Reserve Board, the members of which are appointed by the President of the United States and is entirely controlled by the financial magnates. The bourgeois economists, apologists of American capitalism, and financial and government circles in the United States, regarded the Federal Reserve System as a means of safeguarding the country against crises. President Hoover's attempts to combat the crisis which broke out in 1929 with the aid of the Federal Reserve System failed utterly. p. 16

- 3 *The Young plan*—a plan for procuring reparations from Germany, named after its author, the American banker Young. It was adopted on June 7, 1929 by a committee of experts from France, Great Britain, Italy, Japan, Belgium, the United States and Germany, and was finally endorsed at The Hague Conference on January 20, 1930. The plan fixed the total amount of reparations to be paid by Germany at 113,900 million marks (in foreign currency), to be paid in installments in the course of 59 years. All reparations payments were to be made through the Bank for International Settlements, in which the United States held the predominant position. The formation of this bank was one of the central points of the Young plan, and it was a means by which American monopolist capital could control the trade and currencies of the European countries. The Young plan released the German industries from contributing to the reparations payments and thrust the entire burden of these payments upon the working people. The Young plan created the conditions for the more rapid restoration of Germany's war potential, which the American imperialists aimed at for the purpose of developing aggression against the U.S.S.R.

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<sup>4</sup> This refers to the treaties and agreements concluded among the imperialist states at the conference held in Locarno (Switzerland) on October 5-16, 1925. The Locarno agreements, the object of which was to consolidate the postwar order in Europe established by the Versailles Treaty, still further intensified the antagonisms between the major imperialist countries and prepared for new wars. (Concerning the Locarno Conference, cf. J. Stalin, *Political Report of the Central Committee to the Fourteenth Congress of the C.P.S.U.(B.)*, Moscow 1950, p. 19-27) p. 25

<sup>5</sup> Demonstrations and protest strikes against the war-mongers on August 1, 1929 (the fifteenth anniversary of the outbreak of the first world imperialist war) and the protest demonstrations on March 6, 1930, against rapidly growing unemployment (due to the world economic crisis of 1929) took place in many towns and industrial centres in France, Germany, Great Britain, United States, Poland and other countries in Europe and America. The protest movement was led entirely by the Communist Parties and the Communist International. p. 28

<sup>6</sup> "Pan-Europe"—a scheme to form a bloc of European states against the Soviet Union proposed by Briand, French Minister for Foreign Affairs, in May 1930. According to this plan, the united, "Federal Union" of Europe was to constitute a united anti-Soviet front, and the "European Committee," the executive organ of the "Federal Union," was to be the headquarters staff to prepare for an attack upon the U.S.S.R. Moreover, Briand's plan was to establish the hegemony of France on the European Continent, and this met with the opposition of Great Britain, Italy and the United States. Nothing came of the "Pan-Europe" scheme owing to the antagonisms among the imperialist powers. p. 32

<sup>7</sup> This refers to the pact to ban war as an instrument of national policy signed in Paris on August 27, 1928, by the United States, France, Germany, Great Britain, Poland, Italy, Japan, Czechoslovakia, Belgium and the British Dominions. The U.S.S.R. was not invited to take part in the negotiations for the conclusion of the Kellogg Pact in order to exclude her from the list of countries to which the ban on war was to apply. Masking their real designs with demagogic phrases about "universal peace," the sponsors of the pact (France, the United States, Great Britain), counted on turning it into a means of isolating the U.S.S.R. and on using it as a weapon against her. In its declaration of August 5, 1928, the Government of the U.S.S.R. exposed the true objects of the pact. Under pressure of public opinion, the governments of the United States, Great Britain and France were compelled to invite the U.S.S.R. to adhere to the pact. The Soviet Government adhered to the Kellogg Pact, was one of the first to ratify it, and invited neighbouring states to conclude agreements for putting the obligations of the Kellogg Pact immediately into force. On February 9, 1929, such an agreement was signed in Moscow by the U.S.S.R., Poland, Rumania, Estonia and Latvia, and later Turkey and Lithuania adhered to it. p. 32

<sup>8</sup> "Lena Goldfields"—a British joint-stock company which in 1925-30 had a concession in Siberia for the mining and processing of gold, copper, iron, etc. By the terms of the concession agreement the company was to develop new mines and works and to reconstruct those which had been leased to it. The company failed to carry out these terms, and far from developing the concession, reduced the existing mines and works to rack and ruin. In view of this, the Soviet Government annulled the concession and took criminal proceedings.

against the company's servants who had engaged in espionage and wrecking in the U.S.S.R. p. 34

- 9 The Fifth Congress of Soviets of the U.S.S.R. took place in Moscow on May 20-28, 1929, and discussed the following questions: the report of the Government of the U.S.S.R.; the Five-Year Plan for the Development of the National Economy of the U.S.S.R.; development of agriculture and of rural cooperatives. The chief business before the Congress was the discussion and adoption of the First, Stalin, Five-Year Plan. The Congress approved the Government's report, endorsed the Five-Year Plan for the Development of the National Economy, indicated the ways and means of developing agriculture and of rural cooperatives, and elected a new Central Executive Committee of the U.S.S.R. p. 50
- 10 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, p. 251. p. 62
- 11 Cf. J. Stalin, *Political Report of the Central Committee to the Fifteenth Congress of the C.P.S.U.(B.)* Moscow 1950, pp. 51-52. p. 63
- 12 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. 278-79. p. 69
- 13 This Plenum of the Central Committee of the C.P.S.U.(B.) took place on November 10-17, 1929, and discussed the following questions: national economy estimates for 1929-30; results and further tasks of kolkhoz development; agriculture in the Ukraine and work in the rural districts; the establishment of a Union Commissariat for Agriculture of the U.S.S.R.; fulfilment of decisions of the July Plenum of the Cen-

tral Committee (1928) on the training of technical cadres. The Plenum declared that the propaganda of the views of Right opportunism and of conciliation with it was incompatible with membership of the C.P.S.U.(B.), and decided to expel Bukharin, the ringleader of the Right-wing capitulators, from the Political Bureau of the Central Committee of the C.P.S.U.(B.). The Plenum placed on record that the Soviet Union had entered the stage of the sweeping socialist reconstruction of the rural districts and the development of large-scale socialist agriculture, and worked out a number of concrete measures to facilitate the consolidation of the kolkhozes and the wide development of the kolkhoz movement. (For the resolutions of the Plenum 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. 359-88.) p. 70

- 14 This refers to the wrecking activities of a counter-revolutionary organization of bourgeois specialists in Shakhty and other districts of the Donets coal field. This organization was discovered in the beginning of 1928. For the Shakhty trial cf. J. V. Stalin, *Collected Works*, Vol. II, pp. 35, 53-64, also *History of the Communist Party of the Soviet Union (Bolsheviks)*, *Short Course*, Moscow 1950, pp. 360-61. p. 103
- 15 This refers to the appeal of the Central Committee of the C.P.S.U.(B.) "To All Party Members and to All Workers" to develop self-criticism, published in *Pravda* No. 128, June 3, 1928. (Cf. also *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. 807-09.) p. 103
- 16 The decision of the Central Committee and Central Control Commission of the C.P.S.U.(B.) "On Promot-

ing Workers to Posts in the Soviet Apparatus and on Mass Workers' Control of the Soviet Apparatus from Below (Factory Patronage)" was published in *Pravda* No. 74, March 16, 1930.  
p. 104

<sup>17</sup> This refers to the decision of the Central Committee of the C.P.S.U.(B.) of May 15, 1930 "On the Work of the Uralmet" (the state trust that controlled the iron and steel plants in the Urals), published in *Pravda* No. 135, May 18, 1930.  
p. 120

<sup>18</sup> The decision of the Central Committee of the C.P.S.U.(B.) "On the Abolition of Okrugs" was published in *Pravda* No. 194, July 16, 1930.  
p. 134

<sup>19</sup> V. I. Lenin's Letter to V. M. Molotov on the Plan of the Political Report for the Eleventh Congress of the Party" (cf. *Collected Works*, 4th Russ. ed., Vol. 33, pp. 223-24).  
p. 137

<sup>20</sup> V. I. Lenin, "How We Should Reorganize the Workers' and Peasants' Inspection" (cf. *Collected Works*, 4th Russ. ed., Vol. 33, p. 444).  
p. 138

<sup>21</sup> The Eighth Congress of Soviets of the R.S.F.S.R. took place on December 22-29, 1920. One of the major questions before the Congress was a plan for the electrification of the country drafted by the State Commission for the Electrification of Russia (Russian initials GOELRO). In its decision the Congress appraised the electrification plan as "the first step in a great economic undertaking." In a letter to V. I. Lenin written in March 1921, J. V. Stalin wrote the following concerning the plan for the electrification of Russia: "During the past three days I have had the opportunity to read the symposium *A Plan for the Electrification of Russia* ... an excellent, well-compiled book. A masterly sketch of a really single and really state economic plan

without quotation marks. The only Marxian attempt in our times to place under the Soviet superstructure of economically backward Russia a technical-production basis that is really feasible and the only one possible under present conditions" (cf. J. V. Stalin, *Collected Works*, Vol. 5, p. 50).  
p. 147

<sup>22</sup> *Bund*—the General Jewish Workers' Union of Lithuania, Poland and Russia. Founded in 1897, it embraced mainly the Jewish artisans in the western regions of Russia. The Bund joined the R.S.D.L.P. at the latter's First Congress in March 1898. At the Second R.S.D.L.P. Congress the Bund delegates insisted on their organization being recognized as the sole representative of the Jewish proletariat. The Congress rejected its organizational nationalism, whereupon the Bund withdrew from the Party.

In 1906, following the Fourth ("Unity") Congress, the Bund reaffiliated to the R.S.D.L.P. The Bundists constantly supported the Mensheviks and waged an unceasing struggle against the Bolsheviks. Despite its formal affiliation to the R.S.D.L.P., the Bund was an organization of a bourgeois-nationalist character.

p. 167

<sup>23</sup> Cf. V. I. Lenin, "*Left-Wing*" Communism, *An Infantile Disorder*, Moscow 1950, p. 127.  
p. 168

<sup>24</sup> This refers to a speech delivered at a meeting of students of the Communist University for the Working People of the East on March 18, 1925, on "The Political Tasks of the University for the Peoples of the East" (cf. J. V. Stalin, *Collected Works*, Vol. 7, pp. 138-40).  
p. 169

<sup>25</sup> Cf. *The C.P.S.U.(B.) in the Resolutions and Decisions of Its Congresses, Conferences and Plenums of the Central Committee*, Vol. I, 1941, p. 385.  
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