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J. STALIN

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REPORT  
TO THE  
SEVENTEENTH CONGRESS  
OF THE C.P.S.U.(B.)  
ON THE WORK  
OF THE  
CENTRAL COMMITTEE



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WORKERS OF ALL COUNTRIES, UNITE!

J. S T A L I N

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SEVENTEENTH CONGRESS  
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CENTRAL COMMITTEE**

*January 26, 1934*



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I  
**THE CONTINUING CRISIS OF WORLD  
CAPITALISM AND THE POSITION  
OF THE SOVIET UNION  
IN INTERNATIONAL AFFAIRS**

Comrades, more than three years have passed since the Sixteenth Congress. That is not a very long period. But it has been fuller in content than any other period. I do not think a single period in the last decade has been so rich in events as this one.

In the *economic* sphere these years have been years of continuing world economic crisis. The crisis has affected not only industry, but also agriculture as a whole. The crisis has raged not only in the sphere of production and trade; it has also invaded the sphere of credit and money circulation, and has completely upset the established credit and currency relations among countries. While formerly people here and there still debated as to whether there was a world economic crisis or not, now this is no longer a matter of debate; for the existence of the crisis and its devastating effects are only too obvious. Now the controversy centres around another question: Is

there a way out of the crisis or not; and if there is, how is it to be effected?

In the *political* sphere these years have been years of growing tension in the relations among capitalist countries as well as within these countries. Japan's war on China and the occupation of Manchuria, which have strained relations in the Far East; the victory of fascism in Germany and the triumph of the idea of revenge, which have strained relations in Europe; the withdrawal of Japan and Germany from the League of Nations, which has given a new impetus to the growth of armaments and to the preparations for an imperialist war; the defeat of fascism in Spain, which is one more indication that the revolutionary crisis is maturing and that fascism is far from being durable—such are the most important events of the period under review. It is not surprising that bourgeois pacifism is breathing its last and that the trend towards disarmament is openly and definitely giving way to a trend towards armament and re-armament.

Amid the surging waves of economic perturbations and military-political catastrophes, the U.S.S.R. stands out alone, like a rock, continuing its work of socialist construction and its fight to preserve peace. While in the capitalist countries the economic crisis is still raging, the U.S.S.R. is advancing steadily both in the sphere of industry and in the sphere of agriculture. While in the

capitalist countries feverish preparations are in progress for a new war, for a new redivision of the world and of spheres of influence, the U.S.S.R. is continuing its systematic and persistent struggle against the menace of war and for peace; and it cannot be said that the efforts of the U.S.S.R. in this sphere have been entirely unsuccessful.

Such is the general picture of the international situation at the present moment.

Let us examine the most essential data on the economic and political situation in the capitalist countries.

#### 1. THE COURSE OF THE ECONOMIC CRISIS IN THE CAPITALIST COUNTRIES

The present economic crisis in the capitalist countries differs from all analogous crises, among other things, in the fact that it is the longest and most protracted crisis. Formerly crises would pass over in one or two years; the present crisis, however, is now in its fifth year, devastating the economy of the capitalist countries year after year and using up the fat accumulated in previous years. It is not surprising that this is the most severe of all the crises that have taken place.

How is the unprecedentedly protracted character of the present industrial crisis to be explained?

It is to be explained, first of all, by the fact that the industrial crisis has affected every capi-

talist country without exception, thus making it difficult for some countries to manoeuvre at the expense of others.

Secondly, it is to be explained by the fact that the industrial crisis has become interwoven with the agrarian crisis which has affected all the agrarian and semiagrarian countries without exception, and this could not but make the industrial crisis more complicated and more profound.

Thirdly, it is to be explained by the fact that the agrarian crisis has grown more acute in this period, and has affected all branches of agriculture, including livestock farming; that it has brought about a deterioration of agriculture, the reversion from machine labour to hand labour, the substitution of horses for tractors, a sharp reduction in, and in some cases the complete abandonment of, the use of artificial fertilizers—all of which has caused the industrial crisis to become still more protracted.

Fourthly, it is to be explained by the fact that the monopolist cartels which dominate industry strive to maintain high commodity prices, a circumstance which makes the crisis particularly painful and hinders the absorption of commodity stocks.

Lastly—and this is the most important thing—it is to be explained by the fact that the industrial crisis broke out in the conditions of the *general*

crisis of capitalism, when capitalism no longer has, nor can have, either in the major countries or in the colonial and dependent countries, the strength and stability it had before the war and the October Revolution; when industry in the capitalist countries is confronted with the heritage it received from the imperialist war in the shape of chronic undercapacity operation of industry, and of an army of millions of unemployed of which it is no longer able to rid itself.

These are the circumstances that have combined to give the present industrial crisis its extremely protracted character.

These are also the circumstances that explain the fact that the crisis has not been confined to the sphere of production and trade, but has also affected the credit system, foreign exchange, the debt settlements, etc., and has broken down the traditionally established relations between countries and between social groups in the various countries.

An important part was played by the drop in commodity prices. Notwithstanding the resistance of the monopolist cartels, the drop in prices continued with elemental force, affecting primarily and mostly the unorganized commodity owners, viz., peasants, artisans, small capitalists, and only gradually and to a smaller degree the organized commodity owners, viz., the capitalists united in cartels. The drop in prices made the



position of debtors (manufacturers, artisans, peasants, etc.) intolerable, while, on the other hand, it placed the creditors in an unprecedentedly privileged position. Such a situation was bound to lead, and actually did lead, to the mass bankruptcy of firms and of individual entrepreneurs. As a result, tens of thousands of joint stock companies have failed in the United States, Germany, Great Britain and France during the past three years. The bankruptcy of joint stock companies was followed by a depreciation of currency, which slightly alleviated the position of the debtors. The depreciation of currency was followed by the nonpayment of debts, both foreign and internal, legalized by the state. The collapse of such banks as the Darmstadt and the Dresden banks in Germany and the Kredit-Anstalt in Austria, and of concerns like Kreuger's in Sweden, the Insull Company in the United States, etc., is well known to all.

Naturally, these phenomena, which shook the foundations of the credit system, were bound to bring in their train, and actually did bring about, the cessation of payments on credits and foreign loans, the cessation of payments on inter-Allied debts, the cessation of export of capital, a further decline in foreign trade, a further decline in the export of commodities, an intensification of the struggle for foreign markets, trade war between countries, and—dumping. Yes, comrades, dump-

ing. I do not mean the alleged Soviet dumping about which only very recently certain honourable members of honourable parliaments in Europe and America were shouting until they were hoarse. I mean the real dumping that is now being practised by almost all "civilized" states, and about which the gallant and honourable members of parliaments maintain a prudent silence.

Naturally, also, these destructive phenomena accompanying the industrial crisis, which set in outside the sphere of production, could not but in their turn influence the course of the industrial crisis, aggravating it and complicating the situation still further.

Such is the general picture of the course of the industrial crisis.

Here are a few figures taken from official data which illustrate the course of the industrial crisis in the period under review.

VOLUME OF INDUSTRIAL OUTPUT  
(Per cent of 1929)

	1929	1930	1931	1932	1933
U.S.S.R. . . . .	100	129.7	161.9	184.7	201.6
U.S.A. . . . .	100	80.7	68.1	53.8	64.9
Great Britain . . .	100	92.4	83.8	83.8	86.1
Germany . . . . .	100	88.3	71.7	59.8	66.8
France . . . . .	100	100.7	89.2	69.1	77.4

As you see, this table speaks for itself.

While industry in the principal capitalist countries declined from year to year, as compared with 1929, and began to recover somewhat only in 1933—though it is still far below the level of 1929—industry in the U.S.S.R. increased from year to year, experiencing an uninterrupted rise.

While industry in the principal capitalist countries at the end of 1933 shows on the average a *reduction* of 25 per cent and more in volume of production as compared with 1929, industrial output in the U.S.S.R. has more than doubled during this period, i.e., it has *increased* more than 100 per cent. (*Applause.*)

Judging by this table it may seem that of these four capitalist countries, Great Britain is in the most favourable position. But that is not quite correct. If we compare industry in these countries with its prewar level we get a somewhat different picture.

Here is the corresponding table:

VOLUME OF INDUSTRIAL OUTPUT  
(Per cent of prewar level)

	1913	1929	1930	1931	1932	1933
U.S.S.R. . .	100	194.3	252.1	314.7	359.0	391.9
U.S.A. . . .	100	170.2	137.3	115.9	91.4	110.2
Great Britain	100	99.1	91.5	83.0	82.5	85.2
Germany . .	100	113.0	99.8	81.0	67.6	75.4
France . . .	100	139.0	140.0	124.0	96.1	107.6

As you see, industry in Great Britain and Germany has not yet come up to the prewar level, while the United States and France have exceeded it by several per cent, and the U.S.S.R. has raised, increased its industrial output during this period by more than 290 per cent as compared with the prewar level. (*Applause.*)

But there is still another conclusion to be drawn from these tables.

While industry in the principal capitalist countries declined steadily after 1930, and particularly after 1931, and reached its lowest point in 1932, in 1933 it began to recover and pick up somewhat. If we take the monthly returns for 1932 and 1933 we find still further confirmation of this conclusion; for they show that, despite fluctuations of output in the course of 1933, industry in these countries has revealed no tendency to drop to the lowest point reached in the summer of 1932.

What does this mean?

It means that, apparently, industry in the principal capitalist countries had already reached the lowest point of decline and did not return to it in the course of 1933.

Some people are inclined to ascribe this phenomenon exclusively to the influence of artificial factors, such as the war and inflation boom. There can be no doubt that the war and inflation boom plays no small part in it. This is particu-

larly true in regard to Japan, where this artificial factor is the principal and decisive force stimulating a certain revival in some industries, principally the war industries. But it would be a gross mistake to explain everything by the war and inflation boom. Such an explanation would be incorrect, if only for the reason that the changes in industry which I have described are observed, not in separate and chance districts, but in all, or nearly all, the industrial countries, including the countries with a stable currency. Apparently, in addition to the war and inflation boom, the internal economic forces of capitalism are also operating here.

Capitalism has succeeded in alleviating the position of industry somewhat *at the expense of the workers*, by speeding them up and thus intensifying their exploitation; *at the expense of the farmers*, by pursuing a policy of paying the lowest prices for the products of their labour—foodstuffs and, partly, raw materials; and *at the expense of the peasants in the colonies and in the economically weak countries*, by still further forcing down prices on the products of their labour, principally on raw materials, and also on foodstuffs.

Does this mean that we are witnessing a transition from a crisis to an ordinary depression, to be followed by a new upward trend and

industrial boom? No, it does not mean that. At any rate, at the present time there is no evidence, direct or indirect, to indicate the approach of an industrial boom in capitalist countries. Moreover, judging by all things, there can be no such evidence, at least in the near future. There can be no such evidence, because all the unfavourable conditions which prevent industry in the capitalist countries from rising to any serious extent continue to operate. I have in mind the fact that the *economic* crisis is proceeding in the conditions of the continuing *general* crisis of capitalism: the chronic undercapacity operation of industry; chronic mass unemployment; the interweaving of the industrial crisis with an agricultural crisis; the absence of tendencies towards a more or less serious renewal of fixed capital, which usually heralds the approach of a boom, etc., etc.

Evidently, what we are witnessing is a transition from the lowest point of decline of industry, from the lowest point of the industrial crisis, to a depression—not an ordinary depression, but a depression of a special kind, which does not lead to a new upward trend and industrial boom, but which, on the other hand, does not force industry back to the lowest point of decline.

## 2. THE GROWING TENSION IN THE POLITICAL SITUATION IN THE CAPITALIST COUNTRIES

A result of the protracted economic crisis has been the hitherto unprecedented tension in the political situation in capitalist countries, both within these countries and in their mutual relations.

The intensified struggle for foreign markets, the abolition of the last vestiges of free trade, prohibitive tariffs, trade war, currency war, dumping, and many other analogous measures which demonstrate extreme *nationalism* in economic policy have made the relations among the various countries extremely strained, have prepared the ground for military conflicts, and have put war on the order of the day as a means for a new redivision of the world and of spheres of influence in favour of the stronger states.

Japan's war against China, the occupation of Manchuria, Japan's withdrawal from the League of Nations, and her advance in North China have made the situation still more tense. The intensified struggle for the Pacific and the growth of naval armaments in Japan, the United States, Great Britain and France are results of this increased tension.

Germany's withdrawal from the League of Nations and the spectre of revenge have further

added to the tension and have given a fresh impetus to the growth of armaments in Europe.

It is not surprising that bourgeois pacifism is now dragging out a miserable existence, and that idle talk of disarmament is giving way to "businesslike" talk about armament and re-armament.

Again, as in 1914, the parties of bellicose imperialism, the parties of war and revenge are coming into the foreground.

Quite clearly things are heading for a new war.

The internal situation of the capitalist countries, in view of the operation of these same factors, is becoming still more tense. Four years of industrial crisis have exhausted the working class and reduced it to despair. Four years of agricultural crisis have utterly ruined the poorer strata of the peasantry, not only in the principal capitalist countries, but also—and particularly—in the dependent and colonial countries. It is a fact that, notwithstanding all attempts to manipulate statistics in order to show a drop in unemployment, the number of unemployed, according to the official figures of bourgeois institutions, reaches 3,000,000 in Great Britain, 5,000,000 in Germany and 10,000,000 in the United States, not to mention the other European countries. Add to this the more than ten million part-time work-

ers; add the millions of ruined peasants—and you will get an approximate picture of the poverty and despair of the labouring masses. The masses of the people have not yet reached the stage when they are ready to storm capitalism; but the idea of storming it is maturing in the minds of the masses—of that there can hardly be any doubt. This is eloquently testified to by such facts as, say, the Spanish revolution which overthrew the fascist regime, and the expansion of the Soviet districts in China, which the united counterrevolution of the Chinese and foreign bourgeoisie is unable to stop.

This, indeed, explains why the ruling classes in the capitalist countries are so zealously destroying or nullifying the last vestiges of parliamentarism and bourgeois democracy which might be used by the working class in its struggle against the oppressors; why they are driving the Communist Parties underground and resorting to open terrorist methods to maintain their dictatorship.

Chauvinism and preparation of war as the main elements of foreign policy; repression of the working class and terrorism in the sphere of home policy as a necessary means for strengthening the rear with a view to future wars—that is what is now particularly engaging the minds of contemporary imperialist politicians.

It is not surprising that fascism has now become the most fashionable commodity among bellicose bourgeois politicians. I am referring not only to fascism in general, but, primarily, to fascism of the German type, which is wrongly called National-Socialism—wrongly because the most searching examination will fail to reveal even an atom of Socialism in it.

In this connection the victory of fascism in Germany must be regarded not only as a symptom of the weakness of the working class and a result of the betrayals of the working class by the Social-Democratic Party, which paved the way for fascism; it must also be regarded as a symptom of the weakness of the bourgeoisie, of the fact that the bourgeoisie is no longer able to rule by the old methods of parliamentarism and bourgeois democracy, and, as a consequence, is compelled in its home policy to resort to terroristic methods of rule—as a symptom of the fact that it is no longer able to find a way out of the present situation on the basis of a peaceful foreign policy, and that, as a consequence, it is compelled to resort to a policy of war.

That is the situation.

As you see, things are heading towards a new imperialist war as a way out of the present situation.



Of course, there are no grounds for assuming that a war can provide a real way out. On the contrary, it will confuse the situation still more. More than that, it is sure to unleash revolution and jeopardize the very existence of capitalism in a number of countries, as was the case in the course of the first imperialist war. And if, notwithstanding the experience of the first imperialist war, the bourgeois politicians clutch at war as a drowning man clutches at a straw, that shows that they have gotten into a hopeless mess, have reached an impasse, and are ready to rush headlong over the precipice.

It will not be amiss, therefore, briefly to examine the plans for the organization of war which are now being hatched in the circles of bourgeois politicians.

Some think that war should be organized against some one of the Great Powers. They think of inflicting a crushing defeat upon that power and of improving their own affairs at its expense. Let us assume that they organize such a war. What may be the upshot? As is well known, during the first imperialist war it was also intended to destroy one of the Great Powers, viz., Germany, and to profit at her expense. And what was the upshot of this? They did not destroy Germany; but they sowed such a hatred for the victors in Germany, and created such a rich soil for revenge, that they have not been able to clear

up the revolting mess they made even to this day, and will not, perhaps, be able to do so for quite some time. But they did get the smash-up of capitalism in Russia, the victory of the proletarian revolution in Russia, and—of course—the Soviet Union. What guarantee is there that the second imperialist war will produce “better” results for them than the first? Would it not be more correct to assume that the opposite will be the case?

Others think that war should be organized against a country that is weak in the military sense, but represents an extensive market—for example, against China, which, it is claimed, cannot even be described as a state in the strict sense of the word, but is merely “unorganized territory” which needs to be seized by strong states. They evidently want to divide her up completely and improve their affairs at her expense. Let us assume that they organize such a war. What may be the upshot? It is well known that at the beginning of the nineteenth century Italy and Germany were regarded in the same light as China is today, i.e., they were considered “unorganized territories” and not states, and they were subjugated. But what was the upshot of this? As is well known, the upshot was wars for independence waged by Germany and Italy, and the amalgamation of these countries into independent states. The upshot was increased hatred for the

oppressors in the hearts of the peoples of these countries, the results of which have not been removed to this day and will not, perhaps, be removed for quite some time. The question arises: What guarantee is there that the same thing will not result from an imperialist war against China?

Still others think that war should be organized by a "superior race," say, the German "race," against an "inferior race," primarily against the Slavs; that only such a war can provide a way out of the situation, for it is the mission of the "superior race" to fecundate the "inferior race" and rule over it. Let us assume that this queer theory, which is as far removed from science as the sky from earth, let us assume that this queer theory is put into practice. What may be the upshot? It is well known that ancient Rome looked upon the ancestors of the present-day Germans and French in the same way as the representatives of the "superior race" now look upon the Slavonic tribes. It is well known that ancient Rome treated them as an "inferior race," as "barbarians," destined to live in eternal subordination to the "superior race," to "great Rome"; and between ourselves be it said, ancient Rome had some grounds for this, which cannot be said of the representatives of the "superior race" of today. (*Thunderous applause.*) But what was the upshot of this? The upshot was that the non-

Romans, i.e., all the "barbarians," united against the common enemy and brought Rome down with a crash. The question arises: What guarantee is there that the claims of the representatives of the "superior race" of today will not lead to the same grievous results? What guarantee is there that the fascist literary politicians in Berlin will be more fortunate than the old and experienced conquerors in Rome? Would it not be more correct to assume that the opposite will be the case?

Finally, there are others who think that war should be organized against the U.S.S.R. Their plan is to defeat the U.S.S.R., divide up its territory, and profit at its expense. It would be a mistake to believe that it is only certain military circles in Japan who think in this way. We know that similar plans are being hatched in the leading political circles of certain states in Europe. Let us assume that these gentlemen pass from words to deeds. What may be the upshot? There can hardly be any doubt that such a war would be the most dangerous war for the bourgeoisie. It would be the most dangerous war, not only because the peoples of the U.S.S.R. would fight to the very death to preserve the gains of the revolution; it would be the most dangerous war for the bourgeoisie for the added reason that it would be waged not only at the fronts, but also behind the enemy's lines. The bourgeoisie need

have no doubt that the numerous friends of the working class of the U.S.S.R. in Europe and in Asia will do their best to strike a blow in the rear at their oppressors who start a criminal war against the fatherland of the working class of all countries. And let not Messieurs the bourgeoisie blame us if some of the governments so near and dear to them, which today rule happily "by the grace of God," are missing on the morrow after such a war. (*Thunderous applause.*) One such war against the U.S.S.R. has been waged already, if you remember, fifteen years ago. As is well known, the universally esteemed Churchill clothed this war in a poetic formula—"the campaign of fourteen states." You remember, of course, that this war rallied the working people of our country into one united camp of heroic warriors, who stalwartly defended their workers' and peasants' motherland against the foreign foe. You know how it ended. It ended in the ejection of the invaders from our country and the establishment of revolutionary Councils of Action in Europe. It can hardly be doubted that a second war against the U.S.S.R. will lead to the complete defeat of the aggressors, to revolution in a number of countries in Europe and in Asia, and to the destruction of the bourgeois-landlord governments in those countries.

Such are the war plans of the perplexed bourgeois politicians.

As you see, they are not distinguished either for their brilliance or for their valour. (*Applause.*)

But while the bourgeoisie chooses the path of war, the working class in the capitalist countries, brought to despair by four years of crisis and unemployment, is taking the path of revolution. This means that a revolutionary crisis is maturing and will continue to mature. And the more the bourgeoisie becomes entangled in its war combinations, the more frequently it resorts to terroristic methods in its fight against the working class and the labouring peasantry, the more rapidly will the revolutionary crisis develop.

Some comrades think that, once there is a revolutionary crisis, the bourgeoisie must be in a hopeless position; that its end is therefore predetermined; that the victory of the revolution is thus assured, and that all they have to do is to wait for the fall of the bourgeoisie and to draw up victorious resolutions. This is a profound mistake. The victory of the revolution never comes by itself. It must be prepared for and won. And only a strong proletarian revolutionary party can prepare for and win victory. Moments occur when the situation is revolutionary, when the rule of the bourgeoisie is shaken to its very foundations, and yet the victory of the revolution does not come, because there is no revolutionary party of the proletariat sufficiently strong and influen-

tial to lead the masses and to take power. It would be unwise to believe that such "cases" cannot occur.

It will not be amiss in this connection to recall Lenin's prophetic words on revolutionary crises, uttered at the Second Congress of the Communist International:

"We have now come to the question of the revolutionary crisis as the basis of our revolutionary action. And here we must first of all note two widespread errors. On the one hand, the bourgeois economists represent this crisis simply as 'unrest,' as the English so elegantly express it. On the other hand, revolutionaries sometimes try to prove that the crisis is absolutely hopeless. That is a mistake. There is no such thing as an absolutely hopeless situation. The bourgeoisie is behaving like an arrant brigand who has lost his head: it commits blunder after blunder, thus making the situation more acute and hastening its own doom. All this is true. But it cannot be 'proved' that there is absolutely no chance of its gulling some minority of the exploited with some concessions or other, or of suppressing some movement or uprising of some section or another of the oppressed and exploited. To try to 'prove' beforehand that a situation is 'absolutely' hopeless would be sheer pedantry, or juggling with concepts and catchwords. In this and similar questions the only real 'proof' is practice. The bourgeois system all over the world is experiencing a most profound revolutionary crisis. And the revolutionary parties must now 'prove' by their practical actions that they are intelligent and organized enough, are in contact enough with the exploited masses, are determined and skilful enough to utilize this crisis for a successful and victorious revolution." (Lenin, Vol. XXV, pp. 340-41.)

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

It is quite easy to understand how difficult it has been for the U.S.S.R. to pursue its peace policy in this atmosphere which is poisoned with the miasma of war combinations.

In the midst of this eve-of-the-war hullabaloo which is going on in a number of countries, the U.S.S.R. during these years has stood firmly and indomitably by its position of peace: fighting against the menace of war; fighting to preserve peace; meeting half-way those countries which for one reason or another stand for the preservation of peace; exposing and tearing the masks from those who are preparing for and provoking war.

What did the U.S.S.R. rely on in this difficult and complicated struggle for peace?

a) On its growing economic and political might.

b) On the moral support of the vast masses of the working class in every country, who are vitally interested in the preservation of peace.

c) On the prudence of those countries which for one motive or another are not interested in disturbing the peace, and which want to develop commercial relations with such a punctual client as the U.S.S.R.

d) Finally—on our glorious army, which stands ready to defend our country against attacks from without.

It was on this basis that we began our campaign for the conclusion of pacts of nonaggression and of pacts defining the aggressor with neighbouring states. You know that this campaign has been successful. As you know, pacts of nonaggression have been concluded not only with the majority of our neighbours in the West and in the South, including Finland and Poland, but also with such countries as France and Italy; and pacts defining the aggressor have been concluded with those same neighbouring states, including the Little Entente.

On this basis, also, the friendship between the U.S.S.R. and Turkey has been consolidated; relations between the U.S.S.R. and Italy have been improved and have become indisputably satisfactory; relations with France, Poland and other Baltic states have improved; relations have been restored with the U.S.A., China, etc.

Of the many facts reflecting the successes of the peace policy of the U.S.S.R. two facts of indisputably material significance should be noted and singled out.

1. I have in mind, first, the change for the better that has taken place recently in the relations between the U.S.S.R. and Poland and between the U.S.S.R. and France. As is well known,

our relations with Poland in the past were not at all good. Representatives of our state were assassinated in Poland. Poland regarded herself as the barrier of the Western states against the U.S.S.R. All and sundry imperialists counted on Poland as their vanguard in the event of a military attack upon the U.S.S.R. The relations between the U.S.S.R. and France were no better. We need only recall the facts relating to the trial of the Ramzin wreckers' group in Moscow to bring back the picture of the relations between the U.S.S.R. and France. But now these undesirable relations are gradually beginning to disappear. They are giving way to other relations, which cannot be otherwise described than as relations of rapprochement. It is not only that we have concluded pacts of nonaggression with these countries, although these pacts in themselves are of great importance. The point is, primarily, that the atmosphere of mutual distrust is beginning to be dissipated. This does not mean, of course, that the incipient process of rapprochement can be regarded as sufficiently stable and as guaranteeing ultimate success. Surprises and zigzags in policy, for example in Poland, where anti-Soviet sentiments are still strong, cannot by far be regarded as precluded. But a change for the better in our relations, irrespective of its results in the future, is a fact worthy of being noted and singled out as a



factor in the advancement of the cause of peace.

What is the cause of this change? What stimulates it?

Primarily, the growth of the strength and might of the U.S.S.R.

In our times it is not the custom to give any consideration to the weak—consideration is given only to the strong. Besides, there have been some changes in the policy of Germany which reflect the growth of revanchist and imperialist sentiments in Germany.

In this connection some German politicians say that the U.S.S.R. has now taken an orientation towards France and Poland; that from an opponent of the Versailles Treaty it has become a supporter of that treaty, and that this change is to be explained by the establishment of the fascist regime in Germany. That is not true. Of course, we are far from being enthusiastic about the fascist regime in Germany. But fascism is not the issue here, if only for the reason that fascism in Italy, for example, has not prevented the U.S.S.R. from establishing the best relations with that country. Nor is it a question of any alleged change in our attitude towards the Versailles Treaty. It is not for us, who have experienced the shame of the Brest-Litovsk Peace, to sing the praises of the Versailles Treaty. We merely do not agree to the world being flung into the abyss of a new war

on account of this treaty. The same must be said of the alleged new orientation taken by the U.S.S.R. We never had any orientation towards Germany, nor have we any orientation towards Poland and France. Our orientation in the past and our orientation at the present time is towards the U.S.S.R., and towards the U.S.S.R. alone. (*Loud applause.*) And if the interests of the U.S.S.R. demand rapprochement with one country or another which is not interested in disturbing peace, we take this step without hesitation.

No, that is not the point. The point is that Germany's policy has changed. The point is that even before the present German politicians came into power, and particularly after they came into power, a contest began in Germany between two political lines: between the old policy, which was reflected in the well-known treaties between the U.S.S.R. and Germany, and the "new" policy, which, in the main, recalls the policy of the former German Kaiser, who at one time occupied the Ukraine, marched against Leningrad, and converted the Baltic countries into a military base for this march; and this "new" policy is obviously gaining the upper hand over the old policy. The fact that the advocates of the "new" policy are gaining supremacy in all things, while the supporters of the old policy are in disfavour, cannot be regarded as an accident. Nor can the well-

known statements made by Hugenberg in London, nor the equally well-known declarations of Rosenberg, who directs the foreign policy of the ruling party in Germany, be regarded as accidents. That is the point, comrades.

2. Secondly, I have in mind the restoration of normal relations between the U.S.S.R. and the United States of America. There cannot be any doubt that this act is of great significance for the whole system of international relations. It is not only that it improves the chances of preserving peace, and that it improves the relations between the two countries, strengthens commercial intercourse between them, and creates a base for their mutual collaboration. The point is that it is a landmark between the old position, when in various countries the U.S.A. was regarded as the bulwark for all sorts of anti-Soviet trends, and the new position, when this bulwark has been voluntarily removed, to the mutual advantage of both countries.

Such are the two main facts which reflect the successes of the Soviet peace policy.

It would be wrong, however, to think that everything went smoothly in the period under review. No, not everything went smoothly, by a long way.

Recall, say, the pressure that was brought to bear upon us by England; the embargo on our exports, the attempt to interfere in our internal

affairs to see how the land lies and thereby to test our power of resistance. True, nothing came of this attempt, and later the embargo was lifted; but the unpleasant taste left after these sallies is still felt in everything affecting the relations between England and the U.S.S.R., including the negotiations for a commercial treaty. And these sallies against the U.S.S.R. must not be regarded as accidental. It is well known that a certain section of the British conservatives cannot live without such sallies. And precisely because they are not accidental we must bear in mind that in the future, too, sallies will be made against the U.S.S.R., all sorts of menaces will be created, attempts will be undertaken to damage the U.S.S.R., etc.

Nor can we lose sight of the relations between the U.S.S.R. and Japan, which stand in need of very considerable improvement. Japan's refusal to conclude a pact of nonaggression, of which Japan stands in no less need than the U.S.S.R., once again emphasizes the fact that all is not well in the sphere of our relations. The same must be said of the rupture of negotiations concerning the Chinese-Eastern Railway due to no fault of the U.S.S.R.; and also of the outrageous actions of the Japanese agents on the C.E.R., the illegal arrests of Soviet employees on the C.E.R., etc. All this apart from the fact that one section of the military people in Japan, with the avowed approval of another section of the military, is openly

advocating in the press the necessity for a war against the U.S.S.R. and the seizure of the Maritime Province; while the government of Japan, instead of calling these instigators of war to order, pretends that it has nothing to do with the matter. It is not difficult to understand that such circumstances cannot but create an atmosphere of uneasiness and uncertainty. Of course, we will persistently continue our policy of peace and will strive to bring about an improvement in our relations with Japan, because we want to improve these relations. But it does not depend entirely upon us. That is why we must at the same time take all measures to guard our country against surprises, and be prepared to defend it in the event of attack. (*Loud applause.*)

As you see, besides successes in our peace policy we also have a number of negative occurrences.

Such is the situation as regards the foreign relations of the U.S.S.R.

Our foreign policy is clear. It is a policy of preserving peace and of strengthening commercial relations with all countries. The U.S.S.R. does not think of threatening anybody—let alone of attacking anybody. We stand for peace and champion the cause of peace. But we are not afraid of threats and are prepared to return the instigators of war blow for blow. (*Loud applause.*) Those who want peace and seek busi-

ness relations with us will always have our support. But those who try to attack our country will receive a crushing repulse to teach them not to poke their pig snouts into our Soviet garden (*Thunderous applause.*)

Such is our foreign policy. (*Thunderous applause.*)

The task is to continue this policy with unflagging perseverance and consistency.

## II

### THE CONTINUED PROGRESS OF THE NATIONAL ECONOMY AND THE INTERNAL SITUATION IN THE U.S.S.R.

I now pass to the question of the internal situation in the U.S.S.R.

From the point of view of the internal situation in the U.S.S.R. the period under review presents a picture of ever-increasing progress, both in the sphere of national economy and in the sphere of culture.

This progress has not been merely a simple quantitative accumulation of strength. This progress is remarkable in that it has introduced fundamental changes into the structure of the U.S.S.R., and has radically changed the face of the country.

During this period, the U.S.S.R. has become radically transformed and has cast off the integument of backwardness and medievalism. From an agrarian country it has become an industrial country. From a country of small individual agriculture it has become a country of collective, large-scale mechanized agriculture. From an ignorant, illiterate and uncultured country it has become—or rather it is becoming—a literate and cultured

country covered by a vast network of higher, secondary and elementary schools teaching in the languages of the nationalities of the U.S.S.R.

New industries have been created: machine-tool construction, automobile, tractor, chemical, motor construction, aircraft, harvester combines, the construction of powerful turbines and generators, high-grade steel, ferro-alloys, synthetic rubber, nitrates, artificial fibre, etc., etc. (*Prolonged applause.*)

During this period thousands of new, up-to-date industrial plants have been built and put into operation. Giants like the Dnieprostroi, Magnitostroi, Kuznetskstroi, Chelyabstroi, Bobriki, Uralmashstroi and Krammashstroi have been built. Thousands of old plants have been reconstructed and provided with modern technical equipment. New plants have been built, and industrial centres created, in the national republics and in the border regions of the U.S.S.R.: in Byelorussia, in the Ukraine, in the North Caucasus, in Transcaucasia, in Central Asia, in Kazakhstan, in Buryat-Mongolia, in Tataria, in Bashkiria, in the Urals, in East and West Siberia, in the Far East, etc.

More than 200,000 collective farms and 5,000 state farms have been organized, with new district centres and industrial centres serving them.

New large towns, with large populations, have sprung up in what were formerly almost vacant spaces. The old towns and industrial centres have grown enormously.

The foundations have been laid for the Urals-Kuznetsk Combine, which unites the coking coal of Kuznetsk with the iron ore of the Urals. Thus, we may consider that the dream of a new metallurgical base in the East has become a reality.

The foundations for a powerful new oil base have been laid in the regions of the western and southern slopes of the Ural range—in the Ural Region, Bashkiria and Kazakhstan.

It is obvious that the enormous capital investments of the state in all branches of national economy, which in the period under review amounted to over 60,000,000,000 rubles, has not been ill-spent, and is beginning to bear fruit.

As a result of these achievements the national income of the U.S.S.R. has increased from 29,000,000,000 rubles in 1929 to 50,000,000,000 in 1933; whereas there has been an enormous decline in the national income of all capitalist countries without exception during this period.

It goes without saying that all these achievements and all this progress had to lead—and really did lead—to the further consolidation of the internal situation in the U.S.S.R.

How was it possible for these colossal changes to take place in a matter of three or four years on the territory of a vast state with a backward technique and a backward culture? Was it not a miracle? It would have been a miracle had this development proceeded on the basis of capitalism

and individual small farming. But it cannot be described as a miracle if we bear in mind that this development took place on the basis of expanding socialist construction.

It goes without saying that this enormous progress could take place only on the basis of the successful building of Socialism; on the basis of the collective work of scores of millions of people; on the basis of the advantages which the socialist system of economy has over the capitalist and individual-peasant system.

It is not surprising, therefore, that the colossal progress in the economy and culture of the U.S.S.R. during the period under review has also signified the elimination of the capitalist elements, and the relegation of individual-peasant economy to the background. It is a fact that the socialist system of economy in the sphere of industry now represents 99 per cent of the total; and in agriculture, according to area sown to grain crops, it represents 84.5 per cent of the total, whereas individual-peasant economy accounts for only 15.5 per cent.

It follows, then, that capitalist economy in the U.S.S.R. has already been eliminated and that the individual-peasant sector in the countryside has been forced back to a secondary position.

At the time when the New Economic Policy was being introduced Lenin said that we had the elements of five forms of economy in our country:



1) patriarchal economy (largely natural economy); 2) small commodity production (the majority of the peasants who sell grain); 3) private capitalism; 4) state capitalism; 5) Socialism. Of all these forms of economy, Lenin said, the socialist form of economy must in the end gain the upper hand. We can now say that the first, the third and the fourth forms of economy no longer exist; the second form of economy has been forced into a secondary position, while the fifth form of economy—the socialist form of economy—now holds unchallenged sway and is the sole commanding force in the whole national economy. (*Loud prolonged applause.*)

Such is the result.

This result is the basis of the stability of the internal situation in the U.S.S.R., the basis of the firmness of its front and rear positions in the midst of the capitalist encirclement.

Let us now examine the concrete material relating to the various questions of the economic and political situation in the Soviet Union.

### 1. PROGRESS OF INDUSTRY

Of all branches of the national economy, the one that has grown most rapidly is industry. During the period under review, i. e., since 1930, the output of our industry has more than doubled—namely, it has increased by 101.6 per cent; and

compared with the prewar level it has grown almost fourfold—namely, by 291.9 per cent.

This means that industrialization has been going on full steam ahead.

As a result of the rapid growth of industrialization the output of industry has advanced to first place in the total volume of production of the whole of our national economy.

Here is the corresponding table:

PROPORTION OF INDUSTRIAL OUTPUT IN GROSS  
OUTPUT OF NATIONAL ECONOMY  
(Per cent of total, in prices of 1926-27)

	1913	1929	1930	1931	1932	1933
1. Industry (with- out small in- dustry) . . .	42.1	54.5	61.6	66.7	70.7	70.4
2. Agriculture. .	57.9	45.5	38.4	33.3	29.3	29.6
Total . . .	100.0	100.0	100.0	100.0	100.0	100.0

This means that our country has definitely and finally become an industrial country.

Of decisive significance for the industrialization of the country is the growth of the output of instruments and means of production in the gross output representing the development of industry. The figures for the period under review show that this item has become predominant in the gross output of industry.

Here is the corresponding table:

**PROPORTION OF OUTPUT OF THE TWO MAIN  
GROUPS OF LARGE-SCALE INDUSTRIES**  
(In prices of 1926-27)

	Volume of output (in billions of rubles)				
	1929	1930	1931	1932	1933
Total large-scale industry .	21.0	27.5	33.9	38.5	41.9
Of which:					
Group "A": instruments and means of production . .	10.2	14.5	18.8	22.0	24.3
Group "B": consumers' goods . . . . .	10.8	13.0	15.1	16.5	17.6
	Per cent of total				
Group "A": instruments and means of production . .	48.5	52.6	55.4	57.0	58.0
Group "B": consumers' goods . . . . .	51.5	47.4	44.6	43.0	42.0
Total . . .	100.0	100.0	100.0	100.0	100.0

As you see, this table requires no explanation.

In our country, which is still young as regards technical development, industry has a special task to fulfil. It must reconstruct on a new technical basis not only itself, not only all branches of industry, including the light industries, the food industries, and the timber industry; it must also reconstruct all forms of transport and all branches of agriculture. It can fulfil this task, however, only if the machine-building industry—which is the main lever for the reconstruction of

the national economy—occupies a predominant place in it. The figures for the period under review show that our machine-building industry has advanced to the leading place in the total volume of industrial output.

Here is the corresponding table:

**PROPORTION OF OUTPUT OF VARIOUS BRANCHES  
OF INDUSTRY IN GROSS OUTPUT**  
(Per cent of total)

	U.S.S.R.			
	1913	1929	1932	1933
Coal . . . . .	2.9	2.1	1.7	2.0
Coke . . . . .	0.8	0.4	0.5	0.6
Oil (extraction) . . . . .	1.9	1.8	1.5	1.4
Oil (refining) . . . . .	2.3	2.5	2.9	2.6
Iron and steel . . . . .	No data	4.5	3.7	4.0
Nonferrous metals . . . . .	" "	1.5	1.3	1.2
Machine-building . . . . .	11.0	14.8	25.0	26.1
Basic chemicals . . . . .	0.8	0.6	0.8	0.9
Cotton textiles . . . . .	18.3	15.2	7.6	7.3
Woolen textiles . . . . .	3.1	3.1	1.9	1.8

This shows that our industry is developing on a sound foundation, and that the key to reconstruction—the machine-building industry—is entirely in our hands. All that is required is that we use it skilfully and rationally.

The development of our industry during this period according to social sectors presents an interesting picture.

Here is the corresponding table:

**GROSS OUTPUT OF LARGE-SCALE INDUSTRY ACCORDING TO SOCIAL SECTORS**  
(In prices of 1926-27)

	In millions of rubles				
	1929	1930	1931	1932	1933
Total output . . . . .	21,025	27,477	33,903	38,464	41,968
Of which:					
I. Socialized industry . . . . .	20,891	27,402	No data	38,436	41,940
Of which:					
a) State industry . . . . .	19,143	24,989	"	35,587	38,932
b) Cooperative industry . . . . .	1,748	2,413	"	2,849	3,008
II. Private industry . . . . .	134	75	"	28	28
Per cent of total					
Total output . . . . .	100	100	100	100	100
Of which:					
I. Socialized industry . . . . .	99.4	99.7	No data	99.93	99.93
Of which:					
a) State industry . . . . .	91.1	90.9	"	92.52	92.76
b) Cooperative industry . . . . .	8.3	8.8	"	7.41	7.17
II. Private industry . . . . .	0.6	0.3	"	0.07	0.07

From this table it is evident that we have put an end to the capitalist elements in industry and that the socialist system of economy is now the sole system, the system holding a position of monopoly, in our industry. (*Applause.*)

However, of all the achievements scored by industry in the period under review the most important is the fact that it has succeeded in this period in fostering and training thousands of new men and women, of new leaders of industry—a whole stratum of new engineers and technicians—hundreds of thousands of young skilled workers who have mastered the new technique and who have advanced our socialist industry. There can be no doubt that without these men and women industry could not have achieved the successes it has achieved, and of which it has a perfect right to be proud. The figures show that in this period about 800,000 more or less qualified workers have been graduated from factory training schools, and over 180,000 engineers and technicians from higher technical educational institutions, universities and technical schools; all of these are now working in industry. If it is true that the problem of cadres is a most important problem of our development, then it must be admitted that our industry is beginning really to cope with this problem.

Such are the main achievements of our industry.

It would be wrong, however, to think that industry has only successes to record. No, it also has its defects. The principal of these are:

a) The continuing lag of the *iron and steel industry*;

b) The lack of order in the *nonferrous metals industries*;

c) The underestimation of the great importance of developing the mining of *local coal* for the general fuel balance of the country (Moscow Region, Caucasus, Urals, Karaganda, Central Asia, Siberia, the Far East, the Northern Territory, etc.);

d) The absence of proper attention to the question of organizing new *centres of the oil industry* in the Urals, Bashkiria, and Emba districts;

e) The absence of serious concern for the development of the production of *consumers' goods* both in the light and food industries and in the timber industry;

f) The absence of proper attention to the question of developing *local industry*;

g) An absolutely intolerable attitude towards the question of improving the *quality of products*;

h) The continuing backwardness in the matter of increasing the *productivity of labour*, reducing the *cost of production*, and inculcating *business accounting*;

i) The fact that bad organization of work and wages, lack of personal responsibility in work,

and wage equalization have not yet been eliminated;

j) The fact that *bureaucratic routine* methods of management in the economic Commissariats and their departments, including the People's Commissariats of the light and food industries, have not yet been eliminated by far.

The absolute necessity for the speedy elimination of all these defects need hardly be explained. As you know, the iron and steel and nonferrous metals industries failed to fulfil their plan throughout the First Five-Year Plan period; nor have they fulfilled the plan of the first year of the Second Five-Year Plan period. If they continue to lag behind they may become a drag on industry and cause disruptions in its work. As to the creation of new centres of the coal and oil industries, it is not difficult to understand that unless this urgent task is fulfilled both industry and transport may be run aground. The question of producing consumers' goods and of developing local industry, as well as the questions of improving the quality of output, of increasing the productivity of labour, of reducing production costs, and of inculcating business accounting also need no further explanation. As for the bad organization of work and wages, and the bureaucratic routine methods of management, the case of the Donbas and of the factories in the light and food industries has shown that this dangerous disease

has affected all our industries and hinders their development. If it is not removed, industry will just hobble along.

Our immediate tasks are:

1. To maintain the present leading role of machine building in the system of industries.

2. To eliminate the lag of the iron and steel industry.

3. To put the nonferrous metals industries in order.

4. To develop to the utmost the mining of local coal in all the districts where it is known to be available; to develop new coal fields (for example, in the Bureya District in the Far East), and to convert the Kuzbas into a second Donbas. (*Prolonged applause.*)

5. To tackle seriously the job of organizing a centre of the oil industry in the districts on the western and southern slopes of the Ural range.

6. To expand the production of consumers' goods in all the industries controlled by the economic Commissariats.

7. To develop local Soviet industry; to give it the opportunity to display initiative in the production of consumers' goods and to lend it all possible assistance in the way of raw materials and funds.

8. To improve the quality of manufactured goods; to discontinue the practice of producing incomplete sets of goods, and to punish all those

comrades, without respect of person, who violate or evade the laws of the Soviet government concerning the quality and completeness of sets of goods.

9. To secure a systematic increase in the productivity of labour, a reduction in production costs, and the inculcation of business accounting.

10. To put an end to lack of personal responsibility in work and to wage equalization.

11. To eliminate bureaucratic routine methods of management in all the departments of the economic Commissariats, and to check up systematically on the fulfilment of the decisions and instructions of the directing centres by the subordinate organizations.

## 2. PROGRESS OF AGRICULTURE

Development in the sphere of agriculture has proceeded somewhat differently. In the period under review progress in the main branches of agriculture was much slower than in industry, but nevertheless more rapid than in the period when individual farming predominated. In livestock farming, however, there was even a reverse process—a decline in the number of livestock; only in 1933 were symptoms of progress observed, and then only in hog breeding.

Apparently the enormous difficulties attending the amalgamation of scattered small peasant farms

into collective farms, the difficult task of creating a large number of big grain and livestock farms, which had to be built practically from the ground up, and, in general, the period of *reorganization*, when individual agriculture was being remodeled and put on the new, collective-farm basis, which required considerable time and involves considerable outlay—all these factors inevitably predetermined the slow rate of progress in agriculture, as well as the relatively long period of decline in the number of livestock.

In point of fact, in agriculture the period under review was not so much a period of a rapid progress and powerful upswing as a period during which we created the conditions for such a progress and upswing in the near future.

If we take the figures for the increase in the area under all crops, and separately the figures for industrial crops, we will get the following picture of the development of agriculture in the period under review.

AREA UNDER ALL CROPS IN THE U.S.S.R.  
(In millions of hectares)

	1913	1929	1930	1931	1932	1933
Total crop area . .	105.0	118.0	127.2	136.3	134.4	129.7
a) Grain crops . .	94.4	96.0	101.8	104.4	99.7	101.5
b) Industrial crops	4.5	8.8	10.5	14.0	14.9	12.0
c) Vegetables and melons . . . . .	3.8	7.6	8.0	9.1	9.2	8.6
d) Fodder . . . . .	2.1	5.0	6.5	8.8	10.6	7.3

## AREA UNDER INDUSTRIAL CROPS IN THE U.S.S.R.

(In millions of hectares)

	1913	1929	1930	1931	1932	1933
Cotton . . . . .	0.69	1.06	1.58	2.14	2.17	2.05
Flax (long fibre)	1.02	1.63	1.75	2.39	2.51	2.40
Sugar beet . .	0.65	0.77	1.04	1.39	1.54	1.21
Oil seed . . . .	2.00	5.20	5.22	7.55	7.98	5.79

These tables reflect the two main lines in agriculture:

1. The line of the greatest possible expansion of crop areas in the period when the reorganization of agriculture was at its height, when collective farms were being formed by the tens of thousands and were driving the kulaks from the land, seizing the vacated land, and taking charge of it.

2. The line of discontinuing the practice of indiscriminate expansion of crop areas; the line of passing on from indiscriminate expansion of crop areas to improved cultivation of the land, to the introduction of proper rotation of crops and fallow, to increasing the harvest yield and, if practice shows this to be necessary, to a temporary reduction in crop areas.

As is well known, the second line, the only correct line in agriculture, was proclaimed in 1932, when the period of reorganization in agri-

culture was drawing to a close, and when the question of increasing the harvest yield became one of the fundamental questions of the progress of agriculture.

But the figures for the crop areas cannot be regarded as a sufficient index of the development of agriculture. It sometimes happens that while the crop area increases, output does not increase, or even declines, because cultivation of the soil has deteriorated, and the yield per hectare has declined. In view of this, the figures for crop areas must be supplemented by figures for gross output.

Here is the corresponding table:

GROSS OUTPUT OF GRAIN AND INDUSTRIAL  
CROPS IN THE U.S.S.R.  
(In millions of centners)

	1913	1929	1930	1931	1932	1933
Grain . . . . .	801.0	717.4	835.4	694.8	698.7	898.0
Raw cotton . . .	7.4	8.6	11.1	12.9	12.7	13.2
Flax fibre . . .	3.3	3.6	4.4	5.5	5.0	5.6
Sugar beet . . .	109.0	62.5	140.2	120.5	65.6	90.0
Oil seeds . . .	21.5	35.8	36.2	51.0	45.5	46.0

It can be seen from this table that the years in which the reorganization of agriculture was at its height, viz., 1931 and 1932, were the years in which the output of grain diminished most.

It can also be seen from this table that in the flax and cotton districts, where the reorganization

of agriculture proceeded at a slower pace, flax and cotton hardly suffered, and progressed more or less evenly and steadily, while maintaining a high level of development.

Thirdly, it can be seen from this table that there was only a slight fluctuation in the output of oil seeds, and a high level of development, as compared with the prewar level, was maintained, while in the sugar beet districts, where the reorganization of agriculture proceeded at the most rapid rate, sugar beet farming, which was the last to enter the period of reorganization, suffered its worst decline in the last year of reorganization, viz., in 1932, when output dropped below the prewar level.

Lastly, it can be seen from this table that 1933, the first year after the completion of the reorganization period, marks a turning point in the development of grain and industrial crops.

This means that from now on grain crops, to begin with, and then industrial crops, will firmly and surely advance with giant strides.

It was livestock farming that suffered most in the reorganization period.

Here is the corresponding table: [See p. 56—Ed.]

This table shows that in the period under review there was not an improvement, but a continual decline in the number of livestock in the country as compared with the prewar level. It is obvious that this table reflects, on the one



**LIVESTOCK IN THE U.S.S.R.**  
(Million head)

	1916	1929	1930	1931	1932	1933
a) Horses . . . .	35.1	34.0	30.2	26.2	19.6	16.6
b) Large cattle .	58.9	68.1	52.5	47.9	40.7	38.6
c) Sheep and goats	115.2	147.2	108.8	77.7	52.1	50.6
d) Hogs . . . . .	20.3	20.9	13.6	14.4	11.6	12.2

hand, the fact that livestock farming was dominated by big kulak elements to a greater extent, and, on the other, the intense kulak agitation for the slaughter of livestock which found favourable soil in the years of reorganization.

Furthermore, it follows from this table that the decline in the number of livestock began in the very first year of reorganization (1930) and continued right up to 1933. The decline was most marked in the first three years; in 1933, however, the first year after the termination of the period of reorganization, when the grain crops marked an advance, the decline in the number of livestock reached its minimum.

Lastly, it follows from this table that the reverse process has already commenced in hog breeding, and that in 1933 symptoms of direct progress were already to be seen.

This means that the year 1934 can and must mark a turning point towards progress in all branches of livestock farming.

How did the collectivization of peasant farms develop in the period under review?

Here is the corresponding table:

**COLLECTIVIZATION**

	1929	1930	1931	1932	1933
Number of collective farms (thousands)	57.0	85.9	211.1	211.05	224.5
Number of households in collective farms (millions)	1.0	6.0	13.0	14.9	15.2
Per cent of peasant farms collectivized	3.9	23.6	52.7	61.5	65.0

And what was the development as regards the areas under grain crops according to sectors?

Here is the corresponding table:

**AREAS UNDER GRAIN CROPS ACCORDING TO SECTORS**  
(In millions of hectares)

Sectors	1929	1930	1931	1932	1933	Per cent of total area in 1933
1. State farms	1.5	2.9	8.1	9.3	10.8	10.6
2. Collective farms . . . .	3.4	29.7	61.0	69.1	75.0	73.9
3. Individual peasant farms	91.1	69.2	35.3	21.3	15.7	15.5
Total U.S.S.R.	96.0	101.8	104.4	99.7	101.5	100.0

What do these tables show?

They show that the period of reorganization in agriculture, during which the number of collective farms and the number of their members increased at a tempestuous pace, is now at an end; that it came to an end already in 1932.

Hence, the further process of collectivization is a process of the gradual absorption of the remaining individual peasant farms and the re-education of the individual peasants by the collective farms.

This means that the collective farms have triumphed completely and irrevocably. (*Loud and prolonged applause.*)

They show also that the state farms and collective farms together control 84.5 per cent of the total area under grain in the U.S.S.R.

This means that the collective farms and state farms together have become so great a force as to determine the fate of the whole of agriculture and of all its branches.

The tables further show that the 65 per cent of the peasant farms, which are organized in collective farms, control 73.9 per cent of the total area under grain; whereas all the individual farms put together, representing 35 per cent of the entire peasant population, control only 15.5 per cent of the total area under grain crops.

If we add to this the fact that in 1933 the various deliveries to the state made by the col-

lective farms amounted to more than 1,000,000,000 poods of grain, while the individual peasants, who fulfilled their plan 100 per cent, delivered only about 130,000,000 poods; whereas in 1929-30 the individual peasants delivered to the state about 780,000,000 poods, and the collective farms not more than 120,000,000 poods—then it becomes as clear as clear can be that during the period under review the collective farms and the individual peasants have completely exchanged roles: The collective farms during this period have become the predominant force in agriculture, whereas the individual peasants have dropped to the position of a secondary force and are compelled to submit and adapt themselves to the collective-farm system.

It must be admitted that the labouring peasantry, our Soviet peasantry, has completely and irrevocably taken its stand under the red banner of Socialism. (*Prolonged applause.*)

Let the Socialist-Revolutionary, Menshevik, and bourgeois-Trotskyite gossips tell old wives' tales about the peasantry being counterrevolutionary by its very nature; about its being destined to restore capitalism in the U.S.S.R.; about its inability to serve as the ally of the working class in building Socialism, and about the impossibility of building Socialism in the U.S.S.R. The facts show that these gentlemen are slandering the U.S.S.R. and the Soviet peasantry. The facts show

**NUMBER OF TRACTORS EMPLOYED IN AGRICULTURE  
IN THE U.S.S.R.**

(Allowance made for depreciation)

	Number of tractors in thousands					Capacity in thousand hp				
	1929	1930	1931	1932	1933	1929	1930	1931	1932	1933
Total number of tractors . . . .	34.9	72.1	125.3	148.5	204.1	391.4	1,003.5	1,850.0	2,225.0	3,100.0
a) In machine and tractor stations	2.4	31.1	63.3	74.8	122.3	23.9	372.5	848.0	1,077.0	1,782.0
b) In state farms of all systems .	9.7	27.7	51.5	64.0	81.8	123.4	483.1	892.0	1,043.0	1,318.0

that our Soviet peasantry has quit the shores of capitalism for good and is headed, in alliance with the working class, for Socialism. The facts show that we have already built the foundations of socialist society in the U.S.S.R., and that all we have to do now is to erect the superstructures—a task which undoubtedly is much easier than that of building the foundations of socialist society.

The increase in crop area and in output is not the only thing, however, that reflects the strength of the collective farms and state farms. Their strength is reflected also in the increase in the number of tractors at their disposal, in the growing rate of their use of machinery. There is no doubt that in this respect our collective farms and state farms have made very marked progress.

Here is the corresponding table: [Seep. 60.—*Ed.*]

Thus, we have 204,000 tractors with a total of 3,100,000 hp working for the collective farms and state farms. As you see, this is not a small force; it is a force capable of pulling up all the roots of capitalism in the countryside; it is a force twice as great as the number of tractors that Lenin once mentioned as a remote prospect.

As regards the number of agricultural machines in the machine and tractor stations and in the state farms under the People's Commissariat of State Farms, the figures are given in the following tables:

# IN MACHINE AND TRACTOR STATIONS

	1930	1931	1932	1933
Harvester combines (thousands) . . .	7 (units)	0.1	2.2	11.5
Internal combustion and steam engines (thousands) . . .	0.1	4.9	6.2	17.6
Complex and semicom- plex grain thresh- ers (thousands) .	2.9	27.8	37.0	50.0
Electric threshing in- stallations (units) .	168	268	551	1,283
M.T.S. repair shops (units) . . . . .	104	770	1,220	1,933
Motor trucks (thou- sands) . . . . .	0.2	1.0	6.0	13.5
Passenger automobiles (units) . . . . .	17	191	245	2,800

# IN STATE FARMS CONTROLLED BY THE PEOPLE'S COMMISSARIAT OF STATE FARMS

	1930	1931	1932	1933
Harvester combines (thousands) . . . . .	1.7	6.3	11.9	13.5
Internal combustion and steam engines (thou- sands) . . . . .	0.3	0.7	1.2	2.5
Complex and semicom- plex grain threshers (thousands) . . . . .	1.4	4.2	7.1	8.0
Electric installations (units) . . . . .	42	112	164	222
Repair shops (units)				
a) For capital repairs .	72	133	208	302
b) For medium repairs .	75	160	215	476
c) For current repairs .	205	310	578	1,166
Motor trucks (thousands)	2.1	3.7	6.2	10.9
Passenger automobiles (units) . . . . .	118	385	625	1,890

I do not think these figures require explanation.

Of no little importance for the progress of agriculture was the formation of the Political Departments of the machine and tractor stations and state farms and the sending of qualified workers into agriculture. Everybody admits now that the personnel of the Political Departments played an extremely important part in improving the work of the collective farms and state farms. You know that during the period under review the Central Committee of the Party sent more than 23,000 Communists to the rural districts to reinforce the cadres in agriculture. Of these, more than 3,000 were sent to work in the Land Departments, more than 2,000 to state farms, more than 13,000 to the Political Departments of the M.T.S., and over 5,000 to the Political Departments of the state farms.

The same is to be said in regard to the task of providing new engineering, technical and agronomic forces for the collective farms and state farms. As you know, more than 111,000 workers of this category were sent into agriculture during the period under review.

During the period under review, over 1,900,000 tractor drivers, harvester combine drivers and operators, and automobile drivers were trained and sent to work by the organizations

under the People's Commissariat of Agriculture alone.

During the same period more than 1,600,000 chairmen and members of management boards of collective farms, foremen for field work, foremen on livestock ranches, and bookkeepers were trained or received additional training.

This, of course, is not enough for our agriculture. But still, it is something.

As you see, the state has done all it possibly could to help the departments of the People's Commissariat of Agriculture and of the People's Commissariat of State Farms to direct the work of collective-farm and state-farm development.

Can it be said that the best use has been made of these possibilities?

Unfortunately, this cannot be said.

To begin with, these People's Commissariats are more infected than others with the disease of bureaucratic office routine. Decisions are made, but not a thought is given to checking up on their fulfilment, to calling to order those who disobey the instructions and orders of the leading bodies, and to promoting honest and conscientious workers.

One would think that the existence of an enormous number of tractors and machines would impose upon the land departments the obligation to keep these valuable machines in good condition, to see to their timely repair, to employ them

more or less efficiently. What is being done in this respect? Unfortunately, very little. The maintenance of tractors and machines is unsatisfactory. Repairs are also unsatisfactory, because even to this day these people refuse to understand that the basis of repairs is current and medium repairs, and not capital repairs. As for the utilization of tractors and machines, the unsatisfactory position in this respect is so clear and well known that it needs no proof.

One of the immediate tasks in agriculture is to introduce proper rotation of crops and to secure the extension of clean fallow and the improvement of seeds in all branches of agriculture. What is being done in this respect? Unfortunately, very little as yet. The state of affairs in regard to grain and cotton seed is so muddled that it will take a long time to straighten things out.

One of the effective means of increasing the yield of industrial crops is to supply them with fertilizers. What is being done in this respect? Very little as yet. Fertilizers are available, but the organizations of the People's Commissariat of Agriculture fail to get them; and when they do get them they do not take the trouble to deliver them on time to the places where they are required, and to see to it that they are utilized properly.

In regard to the state farms, it must be said that they still fail to cope with their tasks. I do

not in the least underestimate the great revolutionizing role of our state farms. But if we compare the enormous sums the state has invested in the state farms with the actual results they have achieved to date, we will find an enormous discrepancy with an adverse balance against the state farms. The principal reason for this discrepancy is the fact that our state grain farms are too unwieldy; the directors cannot manage such huge farms. The farms are also too specialized, they have no rotation of crops and fallow land; they do not engage in livestock breeding. Evidently, it will be necessary to split up the state farms and make them less specialized. One might think that it was the People's Commissariat of State Farms that raised this question opportunely and succeeded in solving it. But that is not so. The question was raised and settled on the initiative of people who had no connection whatsoever with the People's Commissariat of State Farms.

Finally, there is the problem of livestock breeding. I have already reported on the gravity of the situation with regard to livestock. One might think that our Land Departments would display feverish activity in an effort to put an end to the livestock crisis; that they would raise the alarm and mobilize their people to attack the livestock problem. Unfortunately, nothing of the kind has happened, or is happening. Not only have they failed to raise the alarm about the serious live-

stock situation, but, on the contrary, they try to gloss over the question, and sometimes in their reports even try to conceal from the public opinion of the country the real state of affairs in regard to livestock, which is an absolutely impermissible thing for Bolsheviks to do. To hope, after this, that the Land Departments will be able to bring livestock farming on to the highroad and raise it to its proper level would be building on sand. The whole Party, all our workers, Party and non-Party, must take this matter in hand, bearing in mind that the livestock problem today is just as urgent as the grain problem—now successfully solved—was yesterday. There is no need to prove that our Soviet men and women, who have overcome many a serious obstacle in the path to the goal, will be able to overcome this obstacle as well. (*Thunderous applause.*)

Such is a brief and far from complete enumeration of defects which must be removed, and an enumeration of the tasks which must be fulfilled in the nearest future.

But the matter does not end with these tasks. There are other tasks in agriculture, concerning which a few words must be said.

First of all, we must bear in mind that the old division of our regions into industrial regions and agrarian regions has now become obsolete. We no longer have exclusively agrarian regions to supply grain, meat and vegetables to the indus-

trial regions; nor have we exclusively industrial regions which can hope to obtain all the necessary produce from other regions. Development is leading to the point when all our regions will be more or less industrial; and they will become increasingly so as this development proceeds. This means that the Ukraine, the North Caucasus, the Central Chernozem Region, and other formerly agrarian districts can no longer supply the industrial centres with as much produce as they supplied in the past because now they have to feed their own towns and their own workers, whose number will be increasing. But from this it follows that every region will have to develop its own agricultural base, so as to have its own supply of vegetables, potatoes, butter and milk, and, to some extent, grain and meat, if it does not want to get into difficulties. You know that this is quite practicable and is already being done.

The task is to pursue this line to the end at all costs.

Furthermore, we should note the fact that the accepted division of our regions into consuming regions and producing regions is also beginning to lose its hard and fast character. This year "consuming" regions such as the Moscow and Gorky regions delivered nearly 80,000,000 poods of grain to the state. This, of course, is no small item. In the so-called consuming zone there are about 5,000,000 hectares of virgin soil, covered

with scrub. It is well known that the climate in this zone is not bad; precipitation is ample, and droughts unknown. If this land were cleared of scrub and a number of organizational measures were undertaken, it would be possible to obtain a vast area for grain crops, which at the usually high yield in these districts could supply no less grain for the market than is now supplied by the Lower and Middle Volga. This would be a great help for the industrial centres in the north.

Evidently the task is to develop large tracts for grain crops in the districts of the consuming zone.

Finally, there is the question of combating drought in the trans-Volga regions. Afforestation, the planting of forest shelter belts in the eastern districts of the trans-Volga is a matter of enormous importance. As you know, this work has been started already, although it cannot be said that it is being carried on with sufficient intensity. Further, we must not allow the matter of irrigating the trans-Volga regions—the most important thing in combating drought—to be indefinitely postponed. It is true that this work has been held up somewhat by certain external circumstances which caused a considerable diversion of forces and funds to other purposes. But now there is no longer any reason why this work should be further postponed. We cannot do without a large and absolutely stable grain base on the Volga

which shall be independent of the vagaries of the weather and which shall provide annually about 200,000,000 poods of grain for the market. This is absolutely necessary, in view of the growth of the towns on the Volga, on the one hand, and of the possibility of all sorts of complications in the sphere of international relations, on the other.

The task is to set to work seriously to organize the irrigation of the trans-Volga regions. (*Applause.*)

### 3. THE RISE IN THE MATERIAL AND CULTURAL STANDARD OF THE WORKING PEOPLE

We have thus depicted the state of our industry and agriculture: their development in the period under review and their position at the present moment.

To sum up, we have:

a) A mighty advance in production both in industry and in the main branches of agriculture.

b) The final victory, on the basis of this advance, of the socialist system of economy over the capitalist system both in industry and in agriculture; the socialist system has become the sole system in the whole of the national economy, and the capitalist elements have been forced out of all spheres of the national economy.



c) The final abandonment of individual small commodity farming by the overwhelming majority of the peasants; their amalgamation in collective farms on the basis of collective labour and the collective ownership of the means of production; the complete victory of collective farming over individual small commodity farming.

d) The ever-increasing expansion of the collective farms through the absorption of individual peasant farms, whose number is thus diminishing month by month—the individual peasant farms being, in fact, converted into an auxiliary force for the collective farms and state farms.

It goes without saying that this historic victory over the exploiters could not but lead to a radical improvement in the material standard of the working people and in their conditions of life generally.

The elimination of the parasitic classes has led to the disappearance of the exploitation of man by man. The labour of the worker and the peasant is freed from exploitation. The incomes which the exploiters used to squeeze out of the labour of the people now remain in the hands of the working people and are used partly for the expansion of production and the enlistment of new detachments of working people in production, and partly for the purpose of directly increasing the incomes of the workers and peasants.

Unemployment, that scourge of the working class, has disappeared. In the bourgeois countries millions of unemployed suffer want and privation owing to lack of work; but in our country there are no longer any workers who have no work and no earnings.

With the disappearance of kulak bondage, poverty in the countryside has disappeared. Every peasant, whether a collective farmer or an individual farmer, now has the opportunity of enjoying a human existence, if only he wants to work conscientiously and not to be a loafer, a tramp, and a despoiler of collective-farm property.

The abolition of exploitation, the abolition of unemployment in the towns, and the abolition of poverty in the countryside are such historic achievements in the material standard of the working people as are beyond even the dreams of the workers and peasants in bourgeois countries, even in the most "democratic" ones.

The very appearance of our large towns and industrial centres has changed. An inevitable feature of the big towns in bourgeois countries are the slums, the so-called working-class districts on the outskirts of the towns—a heap of dark, damp, and dilapidated dwellings, mostly of the basement type, where usually the poor live in filth and curse their fate. The revolution in the U.S.S.R. has swept the slums out of our towns. They have been replaced by blocks of bright and well-built

workers' houses; in many cases the working-class districts of our towns present a better appearance than the central districts.

The appearance of our rural districts has changed even more. The old type of village, with the church in the most prominent place, with the best houses—those of the police officer, the priest, and the kulaks—in the foreground, and the dilapidated huts of the peasants in the background, is beginning to disappear. Its place is being taken by the new type of village, with its public buildings, clubs, radio, cinemas, schools, libraries, and crèches; with its tractors, harvester combines, threshing machines, and automobiles. The former important personages of the village, the kulak-exploiter, the blood-sucking usurer, the profiteering merchant, the "little father" police officer, have disappeared. Now, the prominent personages of the village are the leading workers in the collective farms and state farms, in the schools and clubs; the senior tractor and combine drivers, the team leaders in field work and livestock raising, and the best men and women shock workers on the collective-farm fields.

The contrast between town and country is disappearing. The peasants are ceasing to regard the town as the centre of their exploitation. The economic and cultural bond between town and country is becoming stronger. The country now receives assistance from the town and from ur-

ban industry in the shape of tractors, agricultural machinery, automobiles, workers, and funds. And the rural districts, too, now have their own industry, in the shape of the machine and tractor stations, repair shops, all sorts of industrial undertakings in the collective farms, small electric power plants, etc. The cultural gulf between town and country is being bridged.

Such are the main achievements of the working people in the sphere of improving their material conditions, their everyday life, and their cultural standard.

On the basis of these achievements we have the following to record for the period under review:

a) An increase in the national income from 35,000,000,000 rubles in 1930 to 50,000,000,000 rubles in 1933. In view of the fact that the income of the capitalist elements, including concessionaires, at the present time represents less than one-half of one per cent of the total national income, almost the whole of the national income is distributed among the workers and other employees, the labouring peasants, the cooperative societies, and the state.

b) An increase in the population of the Soviet Union from 160,500,000 at the end of 1930 to 168,000,000 at the end of 1933.

c) An increase in the number of workers and other employees from 14,530,000 in 1930 to

21,883,000 in 1933. The number of manual workers increased during this period from 9,489,000 to 13,797,000; the number of workers employed in large-scale industry, including transport, increased from 5,079,000 to 6,882,000; the number of agricultural workers increased from 1,426,000 to 2,519,000, and the number of workers and other employees engaged in trade increased from 814,000 to 1,497,000.

d) An increase in the total payroll of the workers and other employees from 13,597,000,000 rubles in 1930 to 34,280,000,000 rubles in 1933.

e) An increase in the average annual wages of industrial workers from 991 rubles in 1930 to 1,519 in 1933.

f) An increase in the social insurance fund for workers and other employees from 1,810,000,000 rubles in 1930 to 4,610,000,000 rubles in 1933.

g) The adoption of a seven-hour day in all surface industries.

h) State aid to the peasants in the form of 2,860 machine and tractor stations, involving an investment of 2,000,000,000 rubles.

i) State aid to the peasants in the form of credits to the collective farms amounting to 1,600,000,000 rubles.

j) State aid to the peasants in the form of seed and food loans amounting, in the period under review, to 262,000,000 poods of grain.

k) State aid to poorer peasants in the shape of partial or complete exemption from taxation and insurance payments, amounting to 370,000,000 rubles.

As regards the cultural development of the country, we have the following to record for the period under review:

a) The introduction of universal compulsory elementary education throughout the U.S.S.R., and an increase in literacy among the population from 67 per cent at the end of 1930 to 90 per cent at the end of 1933.

b) An increase in the number of pupils and students attending schools of all grades from 14,358,000 in 1929 to 26,419,000 in 1933, including an increase from 11,697,000 to 19,163,000 in the number of pupils attending *elementary* schools, from 2,453,000 to 6,674,000 in the number attending *secondary* schools, and from 207,000 to 491,000 in the number of students attending institutions of *higher* learning.

c) An increase in the number of children receiving preschool education from 838,000 in 1929 to 5,917,000 in 1933.

d) An increase in the number of higher educational institutions, general and special, from 91 in 1914 to 600 in 1933.

e) An increase in the number of scientific research institutes from 400 in 1929 to 840 in 1933.

f) An increase in the number of clubs and similar institutions from 32,000 in 1929 to 54,000 in 1933.

g) An increase in the number of cinema theatres, cinema installations in clubs, and travelling cinemas, from 9,800 in 1929 to 29,200 in 1933.

h) An increase in the circulation of newspapers from 12,500,000 in 1929 to 36,500,000 in 1933.

Perhaps it will not be amiss to point out that the number of workers among the students in our higher educational institutions represents 51.4 per cent of the total, and that of labouring peasants 16.5 per cent; whereas in Germany, for instance, the number of workers among the students in higher educational institutions in 1932-33 represented only 3.2 per cent and that of small peasants only 2.4 per cent of the total.

We must note as a pleasing fact and as an indication of the progress of culture in the rural districts, the increased activity of the women collective farmers in social and organizational work. We know, for example, that about 6,000 women collective farmers are chairmen of collective farms, more than 60,000 are members of management boards of collective farms, 28,000 are team leaders, 100,000 are group organizers, 9,000 are managers of collective-farm dairies, and 7,000 are tractor drivers. Needless to say, these figures are incomplete; but even these fig-

ures are sufficient to indicate the great progress of culture in the rural districts. This fact, comrades, is of tremendous significance. It is of tremendous significance because women represent half the population of our country; they represent a huge army of workers; and they are called upon to bring up our children, our future generation, that is to say, our future. That is why we must not permit this huge army of working people to linger in darkness and ignorance! That is why we must welcome the growing social activity of the working women and their promotion to leading posts as an indubitable indication of the growth of our culture. (*Prolonged applause.*)

Finally, I must point out one more fact, but of a negative character. I have in mind the intolerable fact that our pedagogical and medical "faculties" are still neglected. This is a great defect bordering on violation of the interests of the state. We must remove this defect without fail, and the sooner this is done the better.

#### 4. PROGRESS IN TRADE AND THE TRANSPORT SERVICES

Thus we have:

- a) An increased output of manufactured goods, including consumers' goods.
- b) An increased output of agricultural produce.
- c) A growth in the requirements of the la-

bouring masses of town and country and an increased demand for produce and manufactured goods.

What is needed to coordinate these conditions and to make sure that the masses of consumers receive the necessary goods and produce?

Some comrades think that these conditions alone are sufficient for the economic life of the country to make rapid progress. That is a profound delusion. We can imagine a situation in which all these conditions exist; yet if the goods do not reach the consumers, economic life—far from making rapid progress—will, on the contrary, be dislocated and disorganized to its very foundations. It is high time we realized that in the last analysis goods are produced not for the sake of producing them, but for consumption. Cases have occurred where we have had a fair quantity of goods and produce, but instead of reaching the consumer, they flowed for years back and forth in the bureaucratic backwaters of our so-called commodity-distribution network, out of reach of the consumers. It goes without saying that under these circumstances industry and agriculture lost all stimulus to increase production; the commodity-distribution network became overstocked, while the workers and peasants had to go without these goods and produce. The result was a dislocation of the economic life of the country, notwithstanding the fact that goods and produce

were available. If the economic life of the country is to make rapid progress, and industry and agriculture are to have a stimulus for further increasing their output, one more condition is necessary—namely, fully developed *trade* between town and country, between the various districts and regions of the country, between the various branches of the national economy. The country must be covered with a vast network of wholesale distribution bases, shops and stores. There must be a ceaseless flow of goods through these bases, shops, and stores from the producer to the consumer. The state trading system, the cooperative trading system, the local industries, the collective farms, and the individual peasants must be drawn into this work.

This is what we call fully developed *Soviet trade*, trade *without* capitalists, trade *without* profiteers.

As you see, the expansion of Soviet trade is a very urgent problem, which, if not solved, will make further progress impossible.

And yet, in spite of the fact that this truth is perfectly obvious, the Party had to contend in the period under review with a number of obstacles which arose in the way of expanding Soviet trade as a result of what could briefly be described as a dislocation of the brain among a section of the Communists on the question of the necessity and importance of Soviet trade.

To begin with, there is still among a section of Communists a supercilious, contemptuous attitude towards trade in general, and towards Soviet trade in particular. These Communists, so-called, look upon Soviet trade as a matter of secondary importance, hardly worth bothering about, and regard those engaged in trade as being beyond salvation. Evidently, these people do not realize that their supercilious attitude towards Soviet trade does not express the Bolshevik point of view, but rather the point of view of shabby noblemen who are full of ambition but lack ammunition. (*Applause.*) These people do not realize that Soviet trade is our own, Bolshevik, work, and that the workers employed in trade, including those behind the counter—if only they work conscientiously—are doing our revolutionary, Bolshevik, work. (*Applause.*) It goes without saying that the Party had to give these Communists, so-called, a slight drubbing and throw their aristocratic prejudices on the refuse dump. (*Prolonged applause.*)

Then we had to overcome prejudices of another kind. I have in mind the Leftist chatter that has gained currency among another section of our functionaries to the effect that Soviet trade is a superseded stage; that it is now necessary to organize the direct exchange of products; that money will soon be abolished, because it has become mere tokens; that it is unnecessary to

develop trade, since the direct exchange of products is knocking at the door. It must be observed that this Leftist petty-bourgeois chatter, which plays into the hands of the capitalist elements who are striving to prevent the expansion of Soviet trade, has gained currency not only among a section of our Red professors, but also among certain persons in charge of trade. Of course, it is ridiculous and funny to hear these people, who are incapable of organizing the very simple business of Soviet trade, chatter about their readiness to organize the far more complicated and difficult business of a direct exchange of products. But Don Quixotes are called Don Quixotes precisely because they lack the most elementary sense of reality. These people, who are as far removed from Marxism as the sky is from the earth, evidently do not realize that we shall use money for a long time to come, right up to the time when the first stage of Communism, i.e., the socialist stage of development, has been completed. They do not realize that money is the instrument of bourgeois economy which the Soviet government has taken over and adapted to the interests of Socialism for the purpose of expanding Soviet trade to the utmost, and of thus creating the conditions necessary for the direct exchange of products. They do not realize that the direct exchange of products can replace, and be the result of, only a perfectly organized system of Soviet trade, of which

we have not a trace as yet, and are not likely to have for some time. It goes without saying that in trying to organize developed Soviet trade our Party found it necessary to give a drubbing to these "Left" freaks as well, and to scatter their petty-bourgeois chatter to the winds.

Furthermore, we had to overcome among the people in charge of trade the unhealthy habit of distributing goods mechanically; we had to put a stop to their indifference to the demand for varied assortments and to the requirements of the consumers; we had to put an end to the mechanical consignment of goods, to lack of personal responsibility in trade. For this purpose, regional and interdistrict wholesale distribution bases and tens of thousands of new shops and booths were opened.

Furthermore, we had to put an end to the monopoly position of the cooperative societies in the market. In this connection we instructed all the People's Commissariats to start trade in the goods manufactured by the industries under their control; and the People's Commissariat of Supplies was instructed to develop an extensive open trade in agricultural produce. This has led, on the one hand, to an improvement in cooperative trade as a result of emulation, and, on the other hand, to a drop in market prices and to sounder conditions in the market.

A wide network of dining rooms was established which provide food at reduced prices ("public catering"). Workers' Supply Departments were set up in the factories, and all those who had no connection with the factory were taken off the supply list; in the factories under the control of the People's Commissariat of Heavy Industry alone, 500,000 such persons had to be removed from the list.

We have ensured the proper functioning of our single centralized short-term credit bank—the State Bank, with its 2,200 district branches capable of financing commercial operations.

As a result of these measures we have the following to record for the period under review:

a) An increase in the number of shops and trading booths from 184,662 in 1930 to 277,974 in 1933.

b) A newly created network of regional wholesale distribution bases, numbering 1,011, and interdistrict wholesale distribution bases, numbering 864.

c) A newly created network of Workers' Supply Departments, numbering 1,600.

d) An increase in the number of open trade stores for the sale of bread, which now exist in 330 towns.

e) An increase in the number of public dining rooms, which at the present time cater to 19,800,000 consumers.

f) An increase in state and cooperative trade, including public dining rooms, from 18,900,000,000 rubles in 1930 to 49,000,000,000 rubles in 1933.

It would be wrong, however, to think that this expansion of Soviet trade is sufficient to satisfy the requirements of our economy. On the contrary, it has now become more clear than ever that the present state of trade cannot satisfy our requirements. Hence, the task is to develop Soviet trade still further; to draw local industry into this trade; to increase collective-farm peasant trade, and thus to achieve new and decisive successes in the sphere of increasing Soviet trade.

It must be pointed out, however, that we cannot restrict ourselves merely to the expansion of Soviet trade. While the development of our economy depends upon the development of the exchange of goods, upon the development of Soviet trade, the development of Soviet trade, in its turn, depends upon the development of our transport system, of our railways and waterways, and also of automobile transport. It may happen that goods are available, that all the possibilities exist for expanding trade, but the transport system cannot keep up with the development of trade and refuses to carry the freight. As you know, this happens rather often. Hence, transport is the weak spot which may cause a hitch, and perhaps is already causing a hitch, in the whole

of our economy, primarily in the sphere of trade.

It is true that the railway system has increased its freight turnover from 133,900,000,000 ton-kilometres in 1930 to 172,000,000,000 ton-kilometres in 1933. But this is too little, far too little for us, for our economy.

The water transport system has increased its freight turnover from 45,600,000,000 ton-kilometres in 1930 to 59,900,000,000 ton-kilometres in 1933. But this is too little, far too little for our economy.

I need not mention automobile transport, in which the number of automobiles (trucks and passenger cars) has increased from 8,800 in 1913 to 117,800 at the end of 1933. This is so inadequate for our national economy that one is ashamed to speak of it.

There can be no doubt that all these transport services could work ever so much better if the transport system did not suffer from the well-known disease called bureaucratic routine methods of management. Hence, in addition to helping the transport system by providing forces and funds, our task is to root out the bureaucratic routine attitude prevalent in the administration departments of the transport system and to make them more efficient.

Comrades, we have succeeded in finding the correct solutions for the main problems of in-



dustry, and industry is now standing firmly on its feet. We have also succeeded in finding the correct solutions for the main problems of agriculture, and we can say quite definitely that agriculture is now also standing firmly on its feet. But we are in danger of losing all these achievements if trade begins to limp and if transport becomes a fetter on our feet. Hence, the task of expanding trade and of decisively improving transport is the immediate and urgent problem; and unless this problem is solved, further progress will be impossible.

### III

#### THE PARTY

I now come to the question of the Party.

The present Congress is taking place under the flag of the complete victory of Leninism; under the flag of the liquidation of the remnants of the anti-Leninist groups.

The anti-Leninist trotskyite group has been defeated and scattered. Its organizers are now to be found in the backyards of the bourgeois parties abroad.

The anti-Leninist group of the Right deviationists has been defeated and scattered. Its organizers have long since renounced their views and are now trying in various ways to expiate the sins they committed against the Party.

The groups of nationalist deviators have been defeated and scattered. Their organizers have either completely merged with the interventionist émigrés, or else recanted.

The majority of the adherents to these anti-revolutionary groups had to admit that the line of

the Party was correct and have capitulated before the Party.

At the Fifteenth Party Congress it was still necessary to prove that the Party line was correct and to wage a struggle against certain anti-Leninist groups; and at the Sixteenth Party Congress we had to deal the final blow to the last adherents of these groups. At this Congress, however, there is nothing more to prove and, it seems, no one to fight. Everyone now sees that the line of the Party has triumphed. (*Thunderous applause.*)

The policy of industrializing the country has triumphed. Its results are obvious to everyone. What arguments can be advanced against this fact?

The policy of eliminating the kulaks and of mass collectivization has triumphed. Its results are also obvious to everyone. What arguments can be advanced against this fact?

The experience of our country has shown that it is entirely possible for Socialism to achieve victory in one country, taken singly. What arguments can be advanced against this fact?

It is obvious that all these successes, and primarily the victory of the Five-Year Plan, have utterly demoralized and smashed all and sundry anti-Leninist groups.

It must be admitted that the Party today is united as it has never been before. (*Thunderous, prolonged applause.*)

# 1. PROBLEMS OF IDEOLOGICAL-POLITICAL LEADERSHIP

Does this mean, however, that the fight is ended, and that the offensive of Socialism is to be discontinued as unnecessary?

No, it does not mean that.

Does this mean that all is well in our Party; that there will be no more deviations, and that, therefore, we may now rest on our laurels?

No, it does not mean that.

We have defeated the enemies of the Party, the opportunists of all shades, the nationalist deviators of all types. But remnants of their ideology still live in the minds of individual members of the Party, and not infrequently they find expression. The Party must not be regarded as something isolated from the people who surround it. It lives and works in its environment. It is not surprising that at times unhealthy moods penetrate into the Party from outside. And the soil for such moods undoubtedly exists in our country, if only for the reason that there still exist in town and country certain intermediary strata of the population who represent the medium that breeds such moods.

The Seventeenth Conference of our Party declared that one of the fundamental political tasks in connection with the fulfilment of the Second

Five-Year Plan is "to overcome the survivals of capitalism in economic life and in the minds of people." This is an absolutely correct idea. But can we say that we have already overcome all the survivals of capitalism in economic life? No, we cannot say that. Still less can we say that we have overcome the survivals of capitalism in the minds of people. We cannot say that, not only because the development of people's minds lags behind their economic position, but also because we are still surrounded by capitalist countries which are trying to revive and sustain the survivals of capitalism in the economic life and in the minds of the people of the U.S.S.R., and against which we Bolsheviks must always keep our powder dry.

It stands to reason that these survivals cannot but create a favourable soil for the revival of the ideology of the defeated anti-Leninist groups in the minds of individual members of our Party. Add to this the not very high theoretical level of the majority of the members of our Party, the inadequate ideological work of the Party organs, and the fact that our Party workers are overburdened with purely practical work, which deprives them of the opportunity of augmenting their theoretical knowledge, and you will understand the origin of the confusion on a number of problems of Leninism that exists in the minds of individual Party mem-

bers, a confusion which not infrequently penetrates into our press and helps to reanimate the survivals of the ideology of the defeated anti-Leninist groups.

That is why we cannot say that the fight is ended and that there is no longer any need for the policy of the socialist offensive.

A number of problems of Leninism could be taken to demonstrate how tenaciously the survivals of the ideology of the defeated anti-Leninist groups continue to subsist in the minds of certain Party members.

Take, for example, the problem of building a *classless socialist society*. The Seventeenth Party Conference declared that we are heading for the formation of a classless socialist society. It goes without saying that a classless society cannot come of itself, spontaneously, as it were. It has to be achieved and built by the efforts of all the working people, by strengthening the organs of the dictatorship of the proletariat, by intensifying the class struggle, by abolishing classes, by eliminating the remnants of the capitalist classes, and in battles with enemies both internal and external.

The point is clear, one would think.

And yet, who does not know that the promulgation of this clear and elementary thesis of Leninism has given rise to not a little confusion and to unhealthy sentiments among a section of

Party members? The thesis that we are advancing towards a classless society—which was put forward as a slogan—was interpreted by them to mean a spontaneous process. And they began to reason in this way: If it is classless society, then we can relax the class struggle, we can relax the dictatorship of the proletariat, and get rid of the state altogether, since it is fated to die away soon in any case. They dropped into a state of moon-calf ecstasy, in the expectation that soon there will be no classes, and therefore no class struggle, and therefore no cares and worries, and therefore we can lay down our arms and retire—to sleep and to wait for the advent of classless society. (*General laughter.*)

There can be no doubt that this confusion of mind and these sentiments are as like as two peas to the well-known views of the Right deviationists, who believed that the old must automatically grow into the new, and that one fine day we shall wake up and find ourselves in socialist society.

As you see, remnants of the ideology of the defeated anti-Leninist groups can be reanimated, and have not lost their tenacity by far.

It goes without saying that if this confusion of mind and these non-Bolshevik sentiments obtained a hold over the majority of our Party, the Party would find itself demobilized and disarmed.

Now take the question of the agricultural *artel* and the agricultural *commune*. Everybody admits now that under present conditions the *artel* is the only proper form of the collective-farm movement. And that is quite understandable: a) the *artel* properly combines the individual, everyday interests of the collective farmers with their public interests; b) the *artel* successfully adapts the individual, everyday interests to public interests, and thereby helps to educate the individual peasants of yesterday in the spirit of collectivism.

Unlike the *artel*, where only the means of production are socialized, the *communes*, until recently, socialized not only the means of production, but also the appurtenances of life of every member of the commune; that is to say, the members of a commune, unlike the members of an *artel*, did not individually own poultry, small livestock, a cow, grain, or household land. This means that in the commune the individual, everyday interests of the members have not so much been taken into account and combined with the public interests as they have been eclipsed by the latter in the pursuit of petty-bourgeois equalization. It is clear that this is the weakest side of the commune. This really explains why communes are not widespread, why there are but a few score of them in existence. For the same reason the communes, in order to preserve their

existence and save themselves from disruption, have been compelled to abandon the system of socializing the appurtenances of life; they are beginning to work on the principle of the work-day unit, and have begun to distribute grain among their members, to permit their members to own poultry, small livestock, a cow, etc. But from this it follows that, actually, the commune has assumed the status of the *artel*. And there is nothing bad in this, because it is necessary in the interests of the sound development of the mass collective-farm movement.

This does not mean, of course, that the commune is not needed at all, and that it no longer represents a higher form of the collective-farm movement. No, the commune is needed, and, of course, it is a higher form of the collective-farm movement. This does not apply, however, to the present commune, which arose on the basis of undeveloped technique and of a shortage of products, and which is itself assuming the status of the *artel*; it applies to the commune of the future, which will arise on the basis of a more developed technique and of an abundance of products. The present agricultural commune arose on the basis of an underdeveloped technique and a shortage of products. This really explains why it practised equalization and showed little concern for the individual, everyday interests of its members—as a result of which it is now being com-

pelled to assume the status of the *artel*, in which the individual and public interests of the collective farmers are rationally combined. The future communes will arise out of developed and prosperous *artels*. The future agricultural commune will arise when the fields and farms of the *artel* are replete with grain, with cattle, with poultry, with vegetables, and all other produce; when the *artels* have mechanized laundries, modern dining rooms, mechanized bakeries, etc.; when the collective farmer sees that it is more to his advantage to receive his meat and milk from the collective farm's meat and dairy department than to keep his own cow and small livestock; when the woman collective farmer sees that it is more to her advantage to take her meals in the dining room, to get her bread from the public bakery, and to get her linen washed in the public laundry, than to do all these things herself. The future commune will arise on the basis of a more developed technique and of a more developed *artel*, on the basis of an abundance of products. When will that be? Not soon, of course. But be it will. It would be criminal to accelerate artificially the process of transition from the *artel* to the future commune. That would confuse the whole issue, and would facilitate the work of our enemies. The transition from the *artel* to the future commune must proceed gradually, to the extent that *all* the collective farmers

become convinced that such a transition is necessary.

This is the position in regard to the question of the artel and the commune.

One would think that this was clear and almost elementary.

And yet there is a fair amount of confusion on this question among a section of the members of the Party. There are those who think that in declaring the artel to be the fundamental form of the collective-farm movement the Party has drifted away from Socialism, has retreated from the commune, from the higher form of the collective-farm movement, to a lower form. The question arises—why? Because, it is suggested, there is no equality in the artel, since differences in the requirements and in the individual lives of the members of the artel are preserved; whereas in the commune there is equality, because the requirements and the individual life of all its members have been made equal. But in the first place, there are no longer any communes which practise levelling, equalization in requirements and in individual life. Practice has shown that the communes would certainly have been doomed had they not abandoned equalization and had they not actually assumed the status of artels. Hence, it is useless talking about what no longer exists. Secondly, every Leninist knows (that is, if he is a real Leninist) that equalization in the

sphere of requirements and individual life is a piece of reactionary petty-bourgeois absurdity worthy of a primitive sect of ascetics, but not of a socialist society organized on Marxian lines; for we cannot expect all people to have the same requirements and tastes, and all people to live their individual lives on the same model. And, finally, are not differences in requirements and in individual life still preserved among the workers? Does that mean that the workers are more remote from Socialism than the members of the agricultural communes?

These people evidently think that Socialism calls for equalization, for levelling the requirements and the individual lives of the members of society. Needless to say, such an assumption has nothing in common with Marxism, with Leninism. By equality Marxism means, not equalization of individual requirements and individual life, but the abolition of classes, i. e., a) the equal emancipation of all working people from exploitation after the capitalists have been overthrown and expropriated; b) the equal abolition for all of private property in the means of production after they have been converted into the property of the whole of society; c) the equal duty of all to work according to their ability, and the equal right of all working people to receive remuneration according to the amount of work performed (socialist society); d) the equal duty of all to work

according to their ability, and the equal right of all working people to receive remuneration according to their needs (*communist society*). Furthermore, Marxism proceeds from the assumption that people's tastes and requirements are not, and cannot be, identical, equal, in quality or in quantity, either in the period of Socialism or in the period of Communism.

That is the Marxian conception of equality.

Marxism has never recognized, nor does it recognize, any other equality.

To draw from this the conclusion that Socialism calls for equalization, for the levelling of the requirements of the members of society, for the levelling of their tastes and of their individual lives—that according to the plans of the Marxists all should wear the same clothes and eat the same dishes in the same quantity—is to deal in vulgarities and to slander Marxism.

It is time it was understood that Marxism is an enemy of equalization. Even in the *Manifesto of the Communist Party* Marx and Engels scourged primitive utopian Socialism and described it as reactionary because it preached "universal asceticism and social levelling in its crudest form." In his *Anti-Dühring* Engels devoted a whole chapter to a withering criticism of the "radical equalitarian Socialism" proposed by Dühring in opposition to Marxian Socialism.

"...the real content of the proletarian demand for equality," said Engels, "is the demand for the *abolition of classes*. Any demand for equality which goes beyond that of necessity passes into absurdity."

Lenin said the same thing:

"Engels was a thousand times right when he wrote that to conceive equality as meaning anything *beyond* the abolition of classes is a stupid and absurd prejudice. Bourgeois professors have tried to make use of the idea of equality to accuse us of wanting to make all men equal to one another. They have tried to accuse the Socialists of this absurdity, which they themselves invented. But in their ignorance they did not know that the Socialists—and precisely the founders of modern scientific Socialism, Marx and Engels—said: equality is an empty phrase unless by equality is meant the abolition of classes. We want to abolish classes, and in this respect we stand for equality. But the claim that we want to make all men equal to one another is an empty phrase and a stupid invention of intellectuals." (Lenin's speech "On Deceiving the People with Slogans About Liberty and Equality," *Collected Works*, Vol. XXIV, pp. 293-94.)

Clear, one would think.

Bourgeois writers are fond of depicting Marxian Socialism in the shape of the old tsarist barracks, where everything is subordinated to the "principle" of equalization. But Marxists cannot be held responsible for the ignorance and stupidity of bourgeois writers.

There can be no doubt that the confusion in the minds of certain Party members concerning Marxian Socialism, and their infatuation with the equalitarian tendencies of agricultural communes,

are as like as two peas to the petty-bourgeois views of our Leftist blockheads, who at one time idealized the agricultural communes to such an extent that they even tried to set up communes in factories, where skilled and unskilled workers, each working at his trade, had to pool their wages in a common fund, which was then shared out equally. You know what harm these infantile equalitarian exercises of our "Left" blockheads caused our industry.

As you see, the remnants of the ideology of the defeated anti-Party groups still display rather considerable tenacity.

It is obvious that if these Leftist views were to triumph in the Party, the Party would cease to be a Marxist party; and the collective-farm movement would be utterly disorganized.

Or take, for example, the slogan "*Make all the collective farmers prosperous.*" This slogan applies not only to collective farmers; it applies still more to the workers, for we want to make all the workers prosperous—people leading a prosperous and fully cultured life.

One would think that the point was clear. There would have been no use overthrowing capitalism in October 1917 and building Socialism all these years if we were not going to secure a life of plenty for our people. Socialism does not mean destitution and privation, but the abolition of destitution and privation; it means the organ-

ization of a prosperous and cultured life for all members of society.

And yet, this clear and really elementary slogan has caused perplexity, bewilderment, and confusion among a section of our Party members. Is not this slogan, they ask, a reversion to the old slogan, "Enrich yourselves," that was rejected by the Party? If everyone becomes prosperous, they argue, and the poor cease to be with us, upon whom can we Bolsheviks then rely in our work? How can we work without the poor?

This may sound funny, but the existence of such naive and anti-Leninist views among a section of the members of the Party is an undoubted fact, which we must indeed bear in mind.

Evidently, these people do not understand that a wide gulf lies between the slogan "Enrich yourselves" and the slogan "*Make all collective farmers prosperous.*" In the first place, only *individual* persons or groups can enrich themselves; whereas the slogan concerning a prosperous life applies not to individual persons or groups, but to *all* collective farmers. Secondly, *individual* persons or groups enrich themselves for the purpose of subjugating other people and of *exploiting* them; whereas the slogan concerning a prosperous life for *all* collective farmers—with the means of production in the collective farms socialized—*precludes* all possibility of the exploitation of some persons by others. Thirdly,



the slogan "Enrich yourselves" was issued in the period when the New Economic Policy was in its initial stage, when capitalism was being partly restored, when the kulak was a power, when individual peasant farming predominated in the country and collective farming was in a rudimentary state; whereas the slogan "Make all collective farmers prosperous" was issued in the last stage of NEP, when the capitalist elements in industry had been eliminated, the kulaks in the countryside crushed, individual peasant farming forced into the background and the collective farms had become the predominant form of agriculture. This is apart from the fact that the slogan "Make all collective farmers prosperous" is not an isolated slogan, but is inseparably bound up with the slogan "Make the collective farms Bolshevik farms."

Is it not clear that in point of fact the slogan "Enrich yourselves" was a call for the *restoration* of capitalism, whereas the slogan "Make all collective farmers prosperous" is a call to *deal the final blow* to the last remnants of capitalism by increasing the economic power of the collective farms and by transforming all collective farmers into prosperous working people? (Voices: "Hear, hear!")

Is it not clear that there is not, and cannot be, anything in common between these two slogans? (Voices: "Hear, hear!")

As for the argument that Bolshevik work and Socialism are inconceivable without the existence of the poor, it is so stupid that it is embarrassing even to talk about it. The Leninists rely upon the poor when there exist capitalist elements and the poor who are exploited by the capitalists. But when the capitalist elements have been crushed and the poor have been emancipated from exploitation, the task of the Leninists is not to perpetuate and preserve poverty and the poor—the conditions for whose existence have already been eliminated—but to abolish poverty and to raise the poor to the standard of prosperity. It would be absurd to think that Socialism can be built on the basis of poverty and privation, on the basis of reducing individual requirements and the standard of living to the level of the poor, who, moreover, refuse to remain poor any longer and are pushing their way upward to prosperity. Who wants this sort of Socialism, so-called? This would not be Socialism, but a caricature of Socialism. Socialism can only be built up on the basis of a rapid growth of the productive forces of society; on the basis of an abundance of products and goods; on the basis of the prosperity of the working people, and on the basis of the rapid growth of culture. For Socialism, Marxian Socialism, means not cutting down individual requirements but developing them to the utmost, to full bloom; not the restriction of these requirements

or a refusal to satisfy them, but the full and all-round satisfaction of all the requirements of culturally developed working people.

There can be no doubt that this confusion in the minds of certain members of the Party concerning the poor and prosperity is a reflection of the views of our Leftist blockheads, who idealize the poor as the eternal bulwark of Bolshevism under all conditions, and who regard the collective farms as the arena of fierce class struggle.

As you see, here too, on this question, the remnants of the ideology of the defeated anti-Party groups have not yet lost their tenacity.

It goes without saying that had such blockhead views prevailed in our Party, the collective farms would not have achieved the successes they have gained during the past two years, and would have disintegrated in a very short time.

Or take, for example, the *national problem*. Here, too, in the sphere of the national problem, just as in the sphere of other problems, there is a confusion in the views of a section of the Party which creates a certain danger. I have spoken of the tenacity of the survivals of capitalism. It should be observed that the survivals of capitalism in people's minds are much more tenacious in the sphere of the national problem than in any other sphere. They are more tenacious because they are able to disguise themselves well in national costume. Many think that Skryp-

nik's fall was an individual case, an exception to the rule. This is not true. The fall of Skrypnik and his group in the Ukraine is not an exception. Similar aberrations are observed among certain comrades in other national republics as well.

What is the deviation towards nationalism—regardless of whether we are dealing with the deviation towards Great-Russian nationalism or with the deviation towards local nationalism? The deviation towards nationalism is the adaptation of the internationalist policy of the working class to the nationalist policy of the bourgeoisie. The deviation towards nationalism reflects the attempts of “one's own,” “national” bourgeoisie to undermine the Soviet system and to restore capitalism. The source of both these deviations, as you see, is the same. It is a *departure* from Leninist internationalism. If you want to keep both these deviations under fire, then aim primarily against this source, against those who depart from internationalism—regardless of whether we are dealing with the deviation towards local nationalism or with the deviation towards Great-Russian nationalism. (*Loud applause.*)

There is a controversy as to which deviation represents the major danger: the deviation towards Great-Russian nationalism, or the deviation towards local nationalism? Under present conditions, this is a formal, and, therefore, a pointless controversy. It would be absurd to attempt

to give ready-made recipes suitable for all times and for all conditions as regards the major and the minor danger. Such recipes do not exist. The major danger is the deviation against which we have ceased to fight, thereby allowing it to grow into a danger to the state. (*Prolonged applause.*)

In the Ukraine, only very recently, the deviation towards Ukrainian nationalism did not represent the major danger; but when we ceased to fight it and allowed it to grow to such an extent that it merged with the interventionists, this deviation became the major danger. The question as to which is the major danger in the sphere of the national problem is determined not by futile, formal controversies, but by a Marxian analysis of the situation at the given moment, and by a study of the mistakes that have been committed in this sphere.

The same should be said of *the Right and the "Left" deviations* in the sphere of general policy. Here, too, as in other spheres, there is no little confusion in the views of certain members of our Party. Sometimes, while fighting against the Right deviation, they turn away from the "Left" deviation and relax the fight against it, on the assumption that it is not dangerous, or hardly dangerous. This is a grave and dangerous error. This is a concession to the "Left" deviation which is impermissible for a member of the Party. It is all the more impermissible for the

reason that of late the "Lefts" have completely slid over to the positions of the Rights, so that there is no longer any essential difference between them.

We have always said that the "Lefts" are in fact the Rights, only they mask their Rightness behind Left phrases. Now the "Lefts" themselves confirm the correctness of our statement. Take last year's issues of the trotskyite *Bulletin*. What do Messieurs the trotskyites demand; what do they write about; in what does their "Left" program express itself? They demand: *the dissolution of the state farms* because they do not pay; *the dissolution of the majority of the collective farms* because they are fictitious, *the abandonment of the policy of eliminating the kulaks*; *reversion to the policy of concessions*, and *the leasing to concessionaires of a number of our industrial enterprises*, because they do not pay.

There you have the program of these contemptible cowards and capitulators—their counterrevolutionary program of restoring capitalism in the U.S.S.R.!

What difference is there between this program and that of the extreme Rights? Clearly, there is none. It follows, then, that the "Lefts" have openly associated themselves with the counterrevolutionary program of the Rights in order to enter into a bloc with them and to wage a joint struggle against the Party.

How can it be said, after this, that the "Lefts" are not dangerous, or hardly dangerous? Is it not clear that those who talk such rubbish bring grist to the mill of the sworn enemies of Leninism?

As you see, here too, in the sphere of deviations from the line of the Party—regardless of whether we are dealing with deviations on general policy or with deviations on the national problem—the survivals of capitalism in people's minds, including the minds of certain members of our Party, are quite tenacious.

These, then, are a few serious and urgent problems of our ideological-political work on which there is lack of clarity, confusion, and even direct deviation from Leninism among certain strata of the Party. Nor are these the only problems which could serve to demonstrate the confusion in the views of certain members of the Party.

After this, can it be said that all is well in the Party?

Clearly, this cannot be said.

Our tasks in the sphere of ideological-political work are:

1. To raise the theoretical level of the Party to the proper plane.
2. To intensify ideological work in all the organizations of the Party.
3. To carry on unceasing propaganda of Leninism in the ranks of the Party.

4. To train the Party organizations and the non-Party *active* which surrounds them in the spirit of Leninist internationalism.

5. Not to gloss over, but boldly to criticize the deviations of certain comrades from Marxism-Leninism.

6. Systematically to expose the ideology and remnants of the ideology of trends that are hostile to Leninism.

## 2. PROBLEMS OF ORGANIZATIONAL LEADERSHIP

I have spoken of our successes. I have spoken of the victory of the Party line in the sphere of the national economy and of culture, as well as in the sphere of overcoming anti-Leninist groups in the Party. I have spoken of the world-wide historical significance of our victory. But this does not mean that we have achieved victory everywhere and in all things, and that all our problems have been solved. Such successes and such victories never occur in real life. Plenty of unsolved problems and defects of all sorts still remain. We are confronted by a host of problems demanding solution. But it does undoubtedly mean that the major part of the urgent problems has already been successfully solved, and in this sense the great victory of our Party is beyond any doubt.

But here the question arises: how was this victory brought about; how was it actually obtained; what fight was put up for it; what efforts were exerted to achieve it?

Some people think that it is sufficient to draw up a correct Party line, proclaim it from the housetops, state it in the form of general theses and resolutions, and take a vote and carry it unanimously for victory to come of itself, spontaneously, as it were. This, of course, is wrong. It is a gross delusion. Only incorrigible bureaucrats and red-tapists can think so. As a matter of fact, these successes and victories did not come spontaneously, but as the result of a fierce struggle for the application of the Party line. Victory never comes by itself—it usually has to be attained. Good resolutions and declarations in favour of the general line of the Party are only a beginning; they merely express the desire for victory, but not the victory itself. After the correct line has been laid down, after a correct solution of the problem has been found, success depends on how the work is organized; on the organization of the struggle for the application of the Party line; on the proper selection of personnel; on the way a check is kept on the fulfilment of the decisions of the leading bodies. Otherwise the correct line of the Party and the correct solutions are in danger of being seriously prejudiced. Furthermore, after the correct political line has been laid down,

organizational work decides everything, including the fate of the political line itself, its success or failure.

As a matter of fact, victory was achieved and won by a stern and systematic struggle against all sorts of difficulties that stood in the way of carrying out the Party line; by overcoming the difficulties; by mobilizing the Party and the working class for the purpose of overcoming the difficulties; by organizing the struggle to overcome the difficulties; by removing inefficient executives and choosing better ones, capable of waging the struggle against difficulties.

What are these difficulties; and wherein are they lodged?

They are difficulties attending our organizational work, difficulties attending our organizational leadership. They are lodged in ourselves, in our leading people, in our organizations, in the apparatus of our Party, state, economic, trade union, Young Communist League, and all other organizations.

We must realize that the strength and prestige of our Party, state, economic, and all other organizations, and of their leaders, have grown to an unprecedented degree. And precisely because their strength and prestige have grown to an unprecedented degree, it is their work that now determines everything, or nearly everything. There can be no justification for references to so-called ob-

jective conditions. Now that the correctness of the Party's political line has been confirmed by the experience of a number of years, and that there is no longer any doubt as to the readiness of the workers and peasants to support this line, the part played by so-called objective conditions has been reduced to a minimum; whereas the part played by our organizations and their leaders has become decisive, exceptional. What does this mean? It means that from now on nine-tenths of the responsibility for the failures and defects in our work rests, not on "objective" conditions, but on ourselves, and on ourselves alone.

We have in our Party more than two million members and candidate members. In the Young Communist League we have more than four million members and candidate members. We have over three million worker and peasant correspondents. The Aviation and Chemical Defence League has more than twelve million members. The trade unions have a membership of over seventeen million. It is to these organizations that we are indebted for our successes. And if, notwithstanding the existence of such organizations and of such possibilities, which facilitate the achievement of success, we still suffer from quite a number of defects and not a few failures in our work, then it is only we ourselves, our organizational work, our bad organizational leadership, that are to blame for this.

Bureaucracy and red tape in the administrative apparatus; idle chatter about "leadership in general" instead of real and concrete leadership; the functional structure of our organizations and lack of individual responsibility; lack of personal responsibility in work, and wage equalization; the absence of a systematic check upon the fulfilment of decisions; fear of self-criticism—these are the sources of our difficulties; this is where our difficulties are now lodged.

It would be naive to think that these difficulties can be overcome by means of resolutions and decisions. The bureaucrats and red-tapists have long become past masters in the art of demonstrating their loyalty to Party and government decisions in words, and pigeonholing them in deed. In order to overcome these difficulties it was necessary to put an end to the disparity between our organizational work and the requirements of the political line of the Party; it was necessary to raise the level of organizational leadership in all spheres of the national economy to the level of political leadership; it was necessary to see to it that our organizational work guarantees the practical realization of the political slogans and decisions of the Party.

In order to overcome these difficulties and achieve success it was necessary to *organize* the struggle to eliminate these difficulties; it was necessary to draw the masses of the workers and

peasants into this struggle; it was necessary to mobilize the Party itself; it was necessary to purge the Party and the economic organizations of unreliable, unstable and demoralized elements.

What was needed for this?

We had to organize:

1. Extensive self-criticism and exposure of the defects in our work.

2. The mobilization of the Party, state, economic, trade union, and Young Communist League organizations for the struggle against difficulties.

3. The mobilization of the masses of the workers and peasants to fight for the application of the slogans and decisions of the Party and of the government.

4. The extension of emulation and shock work among the working people.

5. A wide network of Political Departments of machine and tractor stations and state farms and the bringing of the Party and Soviet leadership closer to the villages.

6. The subdivision of the People's Commissariats, head offices, and trusts, and the establishment of closer contact in the economic sphere between the leadership and the enterprises.

7. The elimination of lack of personal responsibility in work and the elimination of wage equalization.

8. The elimination of the "functional" system; the extension of individual responsibility, and a policy aiming at the abolition of collegium management.

9. The exercise of greater control over the fulfilment of decisions, while taking the line towards reorganizing the Central Control Commission and the Workers' and Peasants' Inspection with a view to the further enhancement of the work of checking up on the fulfilment of decisions.

10. The transfer of qualified workers from offices to posts that will bring them into closer contact with production.

11. The exposure and expulsion from the administrative apparatus of incorrigible bureaucrats and red-tapists.

12. The removal from their posts of people who violate the decisions of the Party and the government, of "window-dressers" and windbags, and the promotion to their place of new people—businesslike people, capable of concretely directing the work entrusted to them and of strengthening Party and state discipline.

13. The purging of state and economic organizations and the reduction of their staffs.

14. Lastly, the purging of the Party of unreliable and demoralized persons.

These, in the main, are the measures which the Party has had to adopt in order to overcome difficulties, to raise our organizational work to the

level of political leadership, and in this way to ensure the application of the Party line.

You know that this is exactly how the Central Committee of the Party carried on its organizational work during the period under review.

In this, the Central Committee was guided by the brilliant thought uttered by Lenin to the effect that the chief thing in organizational work was—the choice of personnel and the keeping of a check on the fulfilment of decisions.

In regard to choosing the right people and dismissing those who fail to justify the confidence placed in them, I would like to say a few words.

Aside from the incorrigible bureaucrats and red-tapists, as to whose removal there are no differences of opinion among us, there are two other types of executives who retard our work, hinder our work, and hold up our advance.

One of these types of executives is represented by people who rendered certain services in the past, people who have become aristocrats, who consider that Party decisions and the Soviet laws are not written for them, but for fools. These are the people who do not consider it their duty to fulfil the decisions of the Party and of the government, and who thus destroy the foundations of Party and state discipline. What do they count upon when they violate Party and Soviet laws? They presume that the Soviet power will not have the courage to touch them, because of their past

services. These overconceited aristocrats think that they are irreplaceable, and that they can violate the decisions of the leading bodies with impunity. What is to be done with executives of this kind? They must unhesitatingly be removed from their leading posts, irrespective of past services. (*Voices: "Hear, hear!"*) They must be demoted to lower positions and this must be announced in the press. (*Voices: "Hear, hear!"*) This must be done in order to knock the pride out of these overconceited aristocrat-bureaucrats, and to put them in their proper place. This must be done in order to strengthen Party and state discipline in the whole of our work. (*Voices: "Hear, hear!" Applause.*)

And now about the second type of executives. I have in mind the windbags, I would say, honest windbags (*laughter*), people who are honest and loyal to the Soviet power, but who are incompetent as executives, incapable of organizing anything. Last year I had a conversation with one such comrade, a very respected comrade, but an incorrigible windbag, capable of drowning any living cause in a flood of talk. Here is the conversation.

*I:* How are you getting on with the sowing?

*He:* With the sowing, Comrade Stalin? We have mobilized ourselves. (*Laughter.*)

*I:* Well, and what then?

*He:* We have put the question squarely. (*Laughter.*)

*I:* And what next?



He: There is a turn, Comrade Stalin; soon there will be a turn. (*Laughter.*)

I: But still?

He: We can say that there is an indication of some progress. (*Laughter.*)

I: But for all that, how are you getting on with the sowing?

He: So far, Comrade Stalin, we have not made any headway with the sowing. (*General laughter.*)

Here you have the physiognomy of the windbag. They have mobilized themselves, they have put the question squarely, they have a turn and some progress, but things remain as they were.

This is exactly how a Ukrainian worker recently described the state of a certain organization when he was asked whether that organization had any definite line: "Well," he said, "they have a line all right, but they don't seem to be doing any work." (*General laughter.*) Evidently that organization also has its quota of honest windbags.

And when such windbags are dismissed from their posts and are given jobs far removed from operative work, they shrug their shoulders in perplexity and ask: "Why have we been dismissed? Did we not do all that was necessary to get the work done? Did we not organize a rally of shock workers? Did we not proclaim the slogans of the Party and of the government at the conference

of shock workers? Did we not elect the whole of the Political Bureau of the Central Committee to the Honorary Presidium? (*General laughter.*) Did we not send greetings to Comrade Stalin—what more do they want of us?" (*General laughter.*)

What is to be done with these incorrigible windbags? Why, if they were allowed to remain on operative work they would drown every living cause in a flood of watery and endless speeches. Obviously, they must be removed from leading posts and given work other than operative work. There is no place for windbags on operative work. (*Voices: "Hear, hear!" Applause.*)

I have already briefly reported on how the Central Committee handled the selection of personnel for the state and economic organizations, and how it pursued the work of keeping a closer check on the fulfilment of decisions. Comrade Kaganovich will deal with this in greater detail in his report on the third item of the agenda of the Congress.

I would like to say a few words, however, about future work in connection with the task of keeping a closer check on the fulfilment of decisions.

The proper organization of the work of checking up on the fulfilment of decisions is of decisive importance in the fight against bureaucracy and office routine. Are the decisions of the leading

bodies carried out, or are they pigeonholed by bureaucrats and red-tapists? Are they carried out properly, or are they distorted? Is the apparatus working conscientiously and in a Bolshevik manner, or is it working ineffectually? These things can be promptly found out only if a proper check is kept on the fulfilment of decisions. A proper check on the fulfilment of decisions is a searchlight which helps to reveal how the apparatus is functioning at any moment, exposing bureaucrats and red-tapists to full view. We can say with certainty that nine-tenths of our defects and failures are due to the lack of a properly organized system of check-up on the fulfilment of decisions. There can be no doubt that had there been such a system of check-up on fulfilment, defects and failures would certainly have been averted.

But if the work of checking up on fulfilment is to achieve its purpose, two conditions at least are required: first, that fulfilment be checked up systematically and not spasmodically; second, that the work of checking up on fulfilment in all sections of the Party, state, and economic organizations be entrusted not to second-rate people, but to people with sufficient authority, to the leaders of the organizations concerned.

The proper organization of the work of checking up on fulfilment is of supreme importance for the central leading bodies. The organizational structure of the Workers' and Peasants' Inspec-

tion does not meet the requirements of a well-functioning system for checking up on fulfilment of decisions. Several years ago, when our economic work was simpler and less satisfactory, and when we could count on the possibility of *inspecting* the work of all the People's Commissariats and of all the economic organizations, the Workers' and Peasants' Inspection was adequate. But now, when our economic work has expanded and has become more complicated, and when it is no longer necessary, or possible, to *inspect* it from one centre, the Workers' and Peasants' Inspection must be reorganized. What we need now is not an inspectorate, but the checking up on the fulfilment of the decisions of the centre—what we need now is the *control* over fulfilment of the decisions of the centre. We now need an organization that will not set itself the universal aim of inspecting everything and everybody, but which can concentrate all its attention on the work of control, on the work of checking up on the fulfilment of the decisions of the central bodies of the Soviet power. Such an organization can be only a Soviet Control Commission under the Council of People's Commissars of the U.S.S.R., working on the assignments of the Council of People's Commissars, and having local representatives who are independent of the local authorities. And in order that this organization may wield sufficient authority and be able, when nec-

essary, to take proceedings against any responsible executive, candidates for the Soviet Control Commission must be nominated by the Party Congress and endorsed by the Council of People's Commissars and the Central Executive Committee of the U.S.S.R. I think that only such an organization can strengthen Soviet control and Soviet discipline.

As for the Central Control Commission, it is well known that it was set up primarily and mainly for the purpose of averting a split in the Party. You know that at one time there really was a danger of a split. You know that the Central Control Commission and its organizations succeeded in averting the danger of a split. Now there is no longer any danger of a split. But, on the other hand, there is an imperative need for an organization that could concentrate its attention mainly on checking up on the fulfilment of the decisions of the Party and of its Central Committee. Such an organization can be only a Party Control Commission under the Central Committee of the C.P.S.U.(B.), working on the assignments of the Party and of its Central Committee and having local representatives who are independent of the local organizations. It goes without saying that such a responsible organization must have great authority. In order that it may have sufficient authority, and in order that it may be able to take proceedings against any delinquent comrade

holding a responsible post, including members of the Central Committee, the right to elect or dismiss the members of this Commission must be vested only in the supreme organ of the Party, viz., the Party Congress. There can be no doubt that such an organization will be quite capable of ensuring control over the fulfilment of the decisions of the central organs of the Party and of strengthening Party discipline.

Such is the position in regard to the questions of organizational leadership.

Our tasks in the sphere of organizational work are as follows:

1) Our organizational work in the future, must, like in the past, be adapted to the requirements of the political line of the Party.

2) Organizational leadership must be raised to the level of political leadership.

3) Organizational leadership must be made fully equal to the task of ensuring the realization of the political slogans and decisions of the Party.

I have now come to the end of my report, comrades.

What conclusions must be drawn from it?

Everybody now admits that our successes are great and extraordinary. In a relatively short space of time our country has been switched to the basis of industrialization and collectivization. The First Five-Year Plan has been successfully

carried out. This rouses a sense of pride in our workers and increases their confidence in their own powers. That is all very good, of course. But successes sometimes have their seamy side. They sometimes give rise to certain dangers, which, if allowed to develop, may wreck the whole cause. There is, for example, the danger that some of our comrades may become dizzy with successes. There have been cases like that, as you know. There is the danger that certain of our comrades, having become intoxicated with success, will get swelled heads and begin to lull themselves with boastful songs, such as: "It's a walkover," "We can knock anybody into a cocked hat," etc. This is not precluded by any means, comrades. There is nothing more dangerous than sentiments of this kind, for they disarm the Party and demobilize its ranks. If such sentiments were to gain sway in our Party we would be faced with the danger of all our successes being wrecked. Of course, the First Five-Year Plan has been successfully carried out. That is true. But the matter does not, nor can it, end there, comrades. Before us is the Second Five-Year Plan, which we must also carry out, and also successfully. You know that plans are carried out in the course of a struggle against difficulties, in the process of overcoming difficulties. That means that there will be difficulties and there will be a struggle against them. Comrades Molotov and Kuibyshev

will tell you about the Second Five-Year Plan. From their reports you will see what great difficulties we will have to overcome in order to carry out this great plan. This means that we must not lull the Party, but sharpen its vigilance; we must not lull it to sleep, but keep it ready for action; not disarm it, but arm it; not demobilize it, but hold it in a state of mobilization for the fulfilment of the Second Five-Year Plan.

Hence, the first conclusion: *We must not allow ourselves to be carried away by the successes achieved, and must not get swelled heads.*

We have achieved successes because we have had the correct guiding line of the Party, and because we have been able to organize the masses for the purpose of applying this line. Needless to say, without these conditions we would not have achieved the successes we have achieved, and of which we are justly proud. But it is a very rare thing for ruling parties to have a correct line and to be able to apply it.

Look at the countries which surround us: can you find many ruling parties there that have a correct line and are applying it? In point of fact, there are no longer any such parties in the world; for they are all living without prospects; they are floundering in the chaos of the crisis, and see no road to lead them out of the swamp. Our Party alone knows where to direct the cause; and it is leading it forward successfully. To what

does our Party owe its superiority? To the fact that it is a Marxian Party, a Leninist Party. It owes it to the fact that it is guided in its work by the tenets of Marx, Engels, Lenin. There cannot by any doubt that as long as we remain true to these tenets, as long as we have this compass, we will achieve successes in our work.

It is said that in some countries in the West Marxism has already been destroyed. It is said that it has been destroyed by the bourgeois-nationalist trend known as fascism. That is nonsense, of course. Only people who are ignorant of history can say such things. Marxism is the scientific expression of the fundamental interests of the working class. If Marxism is to be destroyed, the working class must be destroyed. And it is impossible to destroy the working class. More than eighty years have passed since Marxism came into the arena. During this time scores and hundreds of bourgeois governments have tried to destroy Marxism. But what has been the upshot? Bourgeois governments have come and gone, but Marxism remained. (*Stormy applause.*) Moreover, Marxism has achieved complete victory on one-sixth of the globe—has achieved it in the very country in which Marxism was considered to have been utterly destroyed. (*Stormy applause.*) It cannot be regarded as an accident that the country in which Marxism has fully triumphed is now the only country in the world which

knows no crises and unemployment, whereas in all other countries, including the fascist countries, crisis and unemployment have been reigning for four years now. No, comrades, this is not an accident. (*Prolonged applause.*)

Yes, comrades, our successes are due to the fact that we have worked and fought under the banner of Marx, Engels, Lenin.

Hence, the second conclusion: *We must remain true to the end to the great banner of Marx, Engels, Lenin.* (*Applause.*)

The working class of the U.S.S.R. is strong not only because it has a Leninist Party that has been tried in battles; and, further, it is strong not only because it enjoys the support of the millions of the labouring peasants; it is strong also because it is supported and assisted by the world proletariat. The working class of the U.S.S.R. is part of the world proletariat, its vanguard; and our republic is the cherished child of the world proletariat. There can be no doubt that had our working class not been supported by the working class in the capitalist countries it would not have been able to retain power; it would not have secured the conditions for socialist construction, and, hence, would not have achieved the successes that it has achieved. International ties between the working class of the U.S.S.R. and the workers of the capitalist countries; the fraternal alliance between the workers of the U.S.S.R. and the workers

of all countries—this is one of the cornerstones of the strength and might of the Republic of Soviets. The workers in the West say that the working class of the U.S.S.R. is the shock brigade of the world proletariat. This is very good. It shows that the world proletariat is prepared to continue rendering all the support it can to the working class of the U.S.S.R. But this imposes a very serious duty upon us. This means that we must prove by our work that we deserve the honourable title of shock brigade of the proletarians of all countries. It imposes upon us the duty of working better and fighting better for the final victory of Socialism in our country, for the victory of Socialism in all countries.

Hence, the third conclusion: *We must remain true to the end to the cause of proletarian internationalism, to the cause of the fraternal alliance of the proletarians of all countries.* (Applause.)

Such are the conclusions.

Long live the great and invincible banner of Marx, Engels, Lenin! (Stormy and prolonged applause. The Congress gives Comrade Stalin an ovation. The "Internationale" is sung, after which the ovation is resumed with renewed vigour. Shouts of "Hurrah for Stalin!" "Long live Stalin!" "Long live the C.C. of the Party!")

## IN LIEU OF CONCLUDING REMARKS

Comrades, the debate at this Congress has revealed complete unity of opinion among our Party leaders on all questions of Party policy, one can say. As you know, no objections whatever have been raised against the report. Hence, it has been revealed that there is extraordinary ideological-political and organizational solidarity in the ranks of our Party. (Applause.) The question arises: Is there any need, after this, for any concluding remarks? I think there is no need for it. Permit me therefore to refrain from making any concluding remarks. (Ovation. All the delegates rise to their feet. Loud cheers. A chorus of cheers: "Long live Stalin!" The delegates, all standing, sing the "Internationale," after which the ovation is resumed. Shouts of "Hurrah for Stalin!" "Long live Stalin!" "Long live the C.C.!")

